

Agency Purpose

The mission of the Pollution Control Agency (PCA) is to help Minnesotans protect and improve the air, land, and waters to sustain healthy ecosystems. Established in 1967, the agency's purpose is to protect Minnesota's environment through monitoring environmental quality, providing Minnesotan citizens and businesses with the information they need to protect and improve the environment, and developing and enforcing environmental regulations.

The vision for the PCA is based on its enabling legislation, and is comprised of five parts:

- ◆ clean, fishable, and swimmable waters;
- ◆ clean and clear air;
- ◆ land supports desired uses;
- ◆ clean, sustainable ground water systems; and
- ◆ a well managed organization.

The results of PCA's efforts are demonstrable: the air, land, and water are cleaner now than they were 30 years ago.

At A Glance

- ◆ Performing permitting, inspection, compliance determination, and enforcement activities for nearly 7,400 facilities that impact air, water, and land.
- ◆ Protecting and cleaning up water from urban and rural runoff, Individual Sewer Treatment System (ISTS), and feedlot upgrades in 130 active watershed projects.
- ◆ Monitoring at more than 500 sites across the state to determine environmental conditions of air, surface waters, and groundwater.
- ◆ Coordinating volunteer monitoring at 800 lakes for water clarity.
- ◆ Certifying facility operators and providing training to over 4,200 regulated parties.
- ◆ Overseeing state financed clean-up at 265 contaminated sites and oversight of an additional 3,000 sites.

Core Functions

The PCA's mission is implemented through the following service strategies or core functions:

- ⇒ Issuing permits that require the prevention, control, or cleanup of pollution; limiting releases of pollutants; directing the construction or operation of a facility; and controlling the storage, collection, transporting and processing of waste.
- ⇒ Inspecting permitted facilities to ensure they comply with the terms of their permits, and if they do not, taking actions to return them to compliance.
- ⇒ Forming alliances with local governments, businesses, environmental partners, and the public to collectively focus on building knowledge and changing behaviors.
- ⇒ Evaluating environmental conditions in a local, state, regional, and global context; integrating data and trend analysis into PCA planning and decisions; measuring and reporting on environmental progress; and identifying new environmental problems.
- ⇒ Ensuring that all citizens have access to the best scientific information to effectively participate in managing their own human health and environmental risks.
- ⇒ Partnering with other agencies and local government to implement key regulatory programs.

Operations

The PCA Citizens' Board sets agency policy and takes action on certain other significant or controversial issues. The commissioner directs the work of the agency's staff.

The PCA has 759 FTE (includes 17 FTE student workers and interns) who work at eight regional offices throughout Minnesota. Programs and services are managed and delivered through these regional offices: Duluth, Brainerd, Rochester, Mankato, Detroit Lakes, Willmar, Marshall, and Saint Paul.

The Remediation Services Division provides emergency response and remediation (clean up) services for contaminated sites, redevelopment proposals, and closed landfills. Superfund and leaking storage tank cleanup are also based in this division.

The Regional Environmental Management Division provides for environmental problem solving at the local level. Focus is on building local capacity to restore and improve the environment. Water quality and air quality local

planning and implementation programs are based in this division as well as the clean water partnership, feedlots, total maximum daily load (TMDL) implementation, and basin planning.

The Industrial Environmental Services Division provides regulatory services to current and historical industrial sources of air, water, and land pollution. Permitting, compliance, and enforcement for water quality, air quality, industrial solid waste, hazardous waste, and industrial stormwater are based in this division as well as associated rule making tanks (regulatory).

The Municipal Environmental Services Division provides regulatory services to operators of publicly and privately owned wastewater treatment and stormwater facilities. Services are also provided to mixed municipal landfills and transfer stations. The regulatory services include permitting, compliance, and enforcement.

The Environmental Outcomes and Analysis Division monitors and evaluates the physical, chemical, and biological conditions of Minnesota's environment. With this information, they identify potential impacts to human health and the environment, help set environmental goals, establish environmental standards, help develop permit limits, and report results to staff, stakeholders, and citizens.

The Operational Support Services Division oversees the PCA's finances and its business operations (vehicle fleet, leases, mail and shipping, etc.), human resources processes and issues, and communication services. These staff are mainly located in St. Paul.

The Technology Assistance and Education Division provides information, economic, technical, and educational assistance that results in implementation and increased use of environmentally and economically beneficial behaviors, technologies, and products. The Customer Assistance Center responds to requests for information and assistance from citizens. Small business assistance and pollution prevention are also based in this division.

Budget

In the 1970s, the PCA was primarily funded through the General Fund and federal grants. Since then, the PCA has successfully used rules and permits to limit pollution from big facilities. In the 1980s, environmental fees and taxes were established to fund these types of programs.

Today, the major sources of air and water pollution are non-point sources, which are largely not associated with existing fee structures. In 2002, the Legislative Auditor recommended revisiting how the PCA is funded to better address today's environmental priorities. The governor's recommendation for PCA Fund Consolidation was adopted by the legislature in 2003. The fund consolidation has enhanced the PCA's ability to direct resources to priority programs.

The agency is funded by a mix of general (12%), other state (i.e. environmental, remediation, special revenue, public facilities authority) (69%) and federal (19%) funds.

Contact

For more information, contact: Ralph Heussner, Communications Director at (651) 296-6977.

The PCA web site at www.pca.state.mn.us gives visitors easy access to useful information about Minnesota's environment. Types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality, and current "hot topics."

For information on how this agency measures whether it is meeting its statewide goals, please refer to www.departmentresults.state.mn.us

POLLUTION CONTROL AGENCY

Agency Overview

Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	762	518	518	518	1,036
Forecast Base	762	518	0	0	0
Change		0	(518)	(518)	(1,036)
% Biennial Change from 2004-05					-100%
General					
Current Appropriation	14,715	14,715	14,715	14,715	29,430
Forecast Base	14,715	14,715	14,715	14,715	29,430
Change		0	0	0	0
% Biennial Change from 2004-05					0%
State Government Spec Revenue					
Current Appropriation	48	48	48	48	96
Forecast Base	48	48	48	48	96
Change		0	0	0	0
% Biennial Change from 2004-05					0%
Environmental					
Current Appropriation	26,812	26,812	26,812	26,812	53,624
Forecast Base	26,812	26,812	26,812	26,812	53,624
Change		0	0	0	0
% Biennial Change from 2004-05					0%
Remediation					
Current Appropriation	11,404	11,404	11,404	11,404	22,808
Forecast Base	11,404	11,404	11,404	11,404	22,808
Change		0	0	0	0
% Biennial Change from 2004-05					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	599	681	0	0	0
General	13,358	16,285	14,715	14,715	29,430
State Government Spec Revenue	44	52	48	48	96
Special Revenue	87	0	0	0	0
Environmental	24,321	29,042	26,812	26,812	53,624
Remediation	10,705	11,703	11,404	11,404	22,808
Statutory Appropriations					
Public Facilities Authority	5,189	5,707	2,263	2,263	4,526
State Government Spec Revenue	0	1	1	1	2
Special Revenue	11,922	14,158	12,214	12,214	24,428
Federal	25,065	28,351	20,643	18,367	39,010
Environmental	104	329	329	329	658
Remediation	25,034	33,935	25,507	24,370	49,877
Total	116,428	140,244	113,936	110,523	224,459

Dollars in Thousands

	Current		Forecast Base		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Category</u>					
Total Compensation	53,258	54,862	56,030	57,045	113,075
Other Operating Expenses	47,785	67,473	45,080	41,798	86,878
Capital Outlay & Real Property	501	485	484	284	768
Local Assistance	10,762	12,607	10,295	9,353	19,648
Other Financial Transactions	4,122	4,817	1,396	1,396	2,792
Transfers	0	0	651	647	1,298
Total	116,428	140,244	113,936	110,523	224,459
<u>Expenditures by Program</u>					
Water	35,428	43,743	31,841	29,925	61,766
Air	9,011	10,421	9,515	9,515	19,030
Land	46,047	57,015	46,867	45,642	92,509
Multimedia	14,226	15,194	12,855	12,583	25,438
Administrative Support	11,716	13,871	12,858	12,858	25,716
Total	116,428	140,244	113,936	110,523	224,459
Full-Time Equivalent (FTE)	758.0	759.4	739.3	720.7	

Program Description

This program protects and improves Minnesota’s rivers, lakes, wetlands, and ground water so they support healthy aquatic life and public uses. This program receives its authority through delegation of the federal Clean Water Act (CWA) from the U.S. Environmental Protection Agency and state statutes.

The Pollution Control Agency (PCA) establishes designated uses for each water body, such as swimming, drinking, and fishing. In order to meet each use, the PCA must set a standard for the pollutants that impact the designated use. The PCA then monitors these waters to determine whether or not they meet the standards.

Monitoring indicates the water bodies that are not meeting their designated uses. About 60% of Minnesota’s assessed water bodies meet water quality standards for their designated uses. The remaining 40% have been placed on an impaired waters list for which a clean-up plan must be developed and implemented.

The PCA’s mission is to restore these impaired waters while preventing degradation of those not yet impaired. This is accomplished by regulating municipal and industrial discharges, controlling urban and rural sources of pollution such as runoff and failing individual sewage treatment systems, and monitoring and assessing water quality to provide information upon which to make social, financial, technical, and environmental management decisions.

The PCA’s strategic goals for this program are:

- ◆ assess Minnesota surface waters to determine if they meet their intended uses, and make this information widely available;
- ◆ maintain and improve the quality of Minnesota’s water resources that currently meet designated use; and
- ◆ restore water bodies that do not currently support designated uses.

The PCA’s Strategic Plan can be accessed at www.pca.state.mn.us/publications/reports/strategicplan.html.

Population Served

This program serves all citizens of the state by protecting Minnesota’s lakes, streams, and wetlands from many kinds of pollution. The goal is to maintain the ability of Minnesotans to drink, fish, and swim in Minnesota’s abundant water resources.

- ⇒ The program regulates a large and diverse array of business and municipal activities in Minnesota.
- ⇒ The program provides grants and loans to local units of government to address pollution problems such as urban and rural runoff and failing septic systems.
- ⇒ The program supports river basin management groups who receive financial and technical assistance from the PCA.

Services Provided

The water programs use a basin approach to deliver the following services:

Assess:

- ◆ monitoring rivers and lakes to determine whether they meet standards (See Multi-media Program description for more complete details).

<u>Program at a Glance</u>
<ul style="list-style-type: none"> ◆ Impaired waters, clean up, and preservation of high quality waters via a basin/watershed approach ◆ Water quality point source permitting, compliance determination and enforcement ◆ Water quality monitoring ◆ Animal Feedlots permitting, compliance determination and enforcement ◆ Clean Water Partnership (grants to local units of government to improve water quality) ◆ Individual Sewage Treatment Systems (ISTS) ◆ Stormwater Program development, permitting, compliance determination, and enforcement

Restore/Improve:

- ◆ developing river basin plans to address water quality problems;
- ◆ providing grant and loan funds to clean up pollution from urban and rural runoff, individual sewage treatment upgrades, and feedlot upgrades at over 350 project sites in the past five years; and
- ◆ initiating over 105 impaired water studies (TMDLs) to determine sources of impairment.

Prevent/Protect:

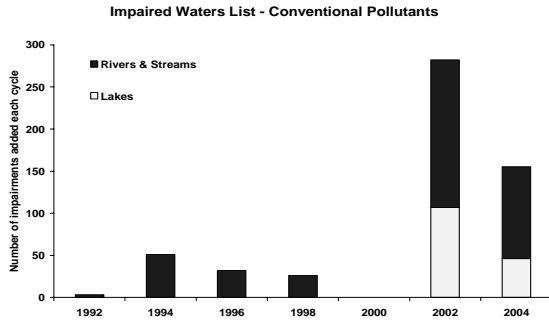
- ◆ issuing permits under the federal Clean Water Act (CWA), including inspections and enforcement follow-up as necessary (1,400 municipal and industrial wastewater permits);
- ◆ issuing stormwater permits under the federal CWA, including inspections and enforcement follow-up as necessary (over 2,900 municipalities, industries, and construction sites). Under federal law, phase II of this program added another 9,200 of these activities in 2003; and
- ◆ issuing permits under the federal CWA or state law for over 500 animal feedlots, including inspections and enforcement follow-up as necessary, with 30,000 feedlots registered under state law, administered by the PCA and county governments.

Historical Perspective

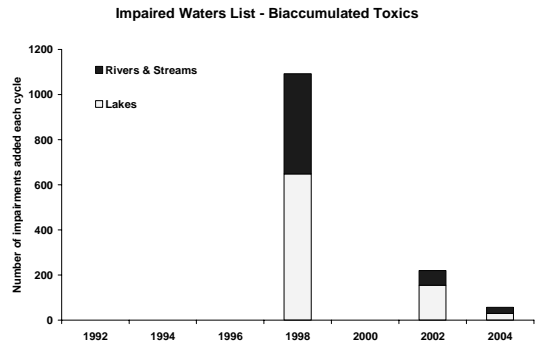
In the past, efforts were focused on regulating industrial and municipal discharges, with a special emphasis on municipal wastewater treatment facilities. At the time, this focus was appropriate because these sources were the largest controllable source of water pollution. Since 2002, emphasis has been placed on increasing the percentage of up-to-date permits that currently exists in Minnesota. The PCA is addressing this problem through a “Water Quality Point-Source Permitting and Compliance/Enforcement Plan” that can be found on the PCA web site at: <http://www.pca.state.mn.us/publications/reports/water-pointsourceplan.pdf>. One issue for municipal sources that remains to be addressed is the small un-sewered or under-sewered community.

The PCA continues to address more dispersed sources of pollutants, such as urban and agricultural stormwater runoff, individual sewage systems, feedlots, and forestry as examples. More emphasis and funding have been directed to these sources of pollutants reaching our waters. Although individual sources within these land uses are often small, their cumulative impacts are significant. The emphasis placed on these new sources during the past years does not replace the work that must continue to be directed at municipal and industrial sources. During the past year, emphasis has been placed on increasing the percentage of up-to-date permits that currently exists in Minnesota. The PCA is addressing this problem through a recently developed “Water Quality Point-Source Permitting and Compliance/Enforcement Plan” that can be found on the PCA web site at: <http://www.pca.state.mn.us/publications/reports/water-pointsourceplan.pdf>.

During the last biennium, the PCA and its partners evaluated the importance of and approaches to addressing Minnesota’s impaired waters and preserving its high quality waters. The Clean Water Act requires states to not only list the impaired waters, but to develop clean-up plans and eventually implement those plans. Existing federal and state resources are not adequate to meet these requirements. More information can be found in the two reports at: <http://www.pca.state.mn.us/publications/reports/lrwq-iw-1sy04.pdf> and <http://www.pca.state.mn.us/publications/reports/lrwq-s-lsy03.pdf>. Currently the state lists more than 1,890 impairments affecting 1,115 water bodies (lakes and streams). Two-thirds of the impairments are attributed to mercury.



Target PCA expects that only one of these bodies of water will be Cleaned up by 2010.



Target, PCA expects that 63 rivers & streams will be cleaned up by 2005. By 2010, PCA expects that 134 rivers and streams and 46 lakes will be cleaned up.

Key Measures

The PCA assesses waters and lists the impaired waters every two years in accordance with the CWA. Once listed, the PCA is required to identify all of the sources for the pollutant causing the poor water quality and allocate responsibility for addressing the impairment. Once the allocation study is complete, the PCA works with stakeholders to remediate the impairment, leading to the water returning to its designated use. The PCA has completed studies on 20 rivers and streams and is now implementing clean-up efforts on these. In addition, the PCA currently has 85 studies underway to determine the sources of impairment.

The PCA has set a goal of 95% compliance with effluent limits for all water quality major facilities. Since January 2002, the PCA has achieved the goal and is striving to stay above the goal.

Program Funding

This program is funded by a mix of general (33%), other state (i.e., environmental, special revenue, and public facilities authority) (32%) and federal funds (35%).

During the past decade, the water program has experienced a variety of funding challenges. The water fee revenues have not kept pace with inflation, and legislators have transferred money into the fee account on many occasions to address potential deficits. Several PCA proposals for fee increases have not been enacted by the legislature. In addition, the water program has been impacted by mandated General Fund reductions over the last three fiscal years. In 2003, the legislature authorized Environmental Fund Consolidation which allowed the PCA to consolidate all of the accounts, including the water quality fee account, into the Environmental Fund. This consolidation simplified the PCA’s funding structure and provided flexibility needed to assign dollars to environmental priorities. This flexibility, along with the Performance Partnership Grant (where dollars from six federal media grants are consolidated) has allowed PCA to maintain water quality point source permitting programs, and provide a little additional support for priority non-point source water programs in the face of stagnant or declining state and federal resources.

Contact

For more information, contact Ralph Heussner, Communications Director at (651) 296-6977 or toll-free at 1 (800) 657-3864.

The PCA web site at: <http://www.pca.state.mn.us> provides useful information about Minnesota’s environment. The types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, and details about environmental quality and current “hot topics.”

For information on how this agency measures some of its efforts to meet statewide goals, please visit: <http://www.departmentresults.state.mn.us>

POLLUTION CONTROL AGENCY

Program: WATER

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	10,467	10,467	10,467	10,467	20,934
Forecast Base	10,467	10,467	10,467	10,467	20,934
State Government Spec Revenue					
Current Appropriation	48	48	48	48	96
Forecast Base	48	48	48	48	96
Environmental					
Current Appropriation	8,941	8,941	8,941	8,941	17,882
Forecast Base	8,941	8,941	8,941	8,941	17,882
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	9,416	11,799	10,467	10,467	20,934
State Government Spec Revenue	44	52	48	48	96
Special Revenue	87	0	0	0	0
Environmental	7,468	10,661	8,941	8,941	17,882
Statutory Appropriations					
Public Facilities Authority	5,189	5,707	2,263	2,263	4,526
Special Revenue	448	452	0	0	0
Federal	12,776	15,072	10,122	8,206	18,328
Total	35,428	43,743	31,841	29,925	61,766
<u>Expenditures by Category</u>					
Total Compensation	14,944	15,656	15,657	15,805	31,462
Other Operating Expenses	6,505	11,337	4,606	3,484	8,090
Local Assistance	9,882	12,174	10,253	9,311	19,564
Other Financial Transactions	4,097	4,576	1,155	1,155	2,310
Transfers	0	0	170	170	340
Total	35,428	43,743	31,841	29,925	61,766
<u>Expenditures by Activity</u>					
Water	35,428	43,743	31,841	29,925	61,766
Total	35,428	43,743	31,841	29,925	61,766
Full-Time Equivalents (FTE)	217.3	222.9	212.7	206.9	

Program Description

The state's air quality is affected by pollution from transportation, energy production, manufacturing, and other activities. Clean and clear air, however, is essential for Minnesota's environmental, social, and economic well-being and is also required by state and federal law. The federal Clean Air Act (CAA) is the national environmental framework for these requirements, and it is the foundation of Minnesota's air quality program.

In 1990, the CAA was amended to dramatically expand the air program in Minnesota and nationwide through the assessment of air emission fees, new permit and compliance requirements, and activities to control emissions of hazardous air pollutants. In addition, the CAA amendments created programs to focus on small sources and vehicles that contribute significantly to air problems. In 1997, the U.S. Environmental Protection Agency (EPA) developed new, more restrictive standards for ozone and particulate matter. In 1998, the EPA finalized a new program to reduce regional haze and also began considering global climate change, an issue of developing environmental concern.

The agencies strategic goals for this program are:

- ◆ Minnesota's outdoor air quality will meet or improve upon all environmental and human health-related federal and state ambient air quality standards;
- ◆ Minnesota's outdoor air quality will meet environmental and human health benchmarks for toxic and other air pollutants; and
- ◆ Minnesota will take responsibility for reducing its share of air pollutants generated in the state that have regional, national and global impacts.

The Pollution Control Agency's (PCA) Strategic Plan can be accessed at <http://www.pca.state.mn.us/publications/reports/strategicplan.html>.

Population Served

This program serves all citizens of the state. Further, certain groups of citizens (e.g., the very young and very old, people who suffer from asthma, heart disease, and even athletes who participate in outdoor activities) are more vulnerable than others to the harmful effects of air pollution.

As a result of their daily activities, citizens are responsible for emitting large amounts of air pollution. Approximately 46% of air pollutants in Minnesota are emitted from mobile sources, which include automobiles, trucks, buses, and recreational equipment. More information about air quality in Minnesota is available on the PCA Web site at <http://www.pca.state.mn.us/air/index.html>.

This program also regulates industrial sources of air pollution. At present, there are more than 4,000 facilities that need some type of air permit. Of those, 350 are large enough to need a federal air quality permit (320 of these had been issued as of 7-1-04).

Services Provided

Assess:

- ◆ monitor compliance with ambient air quality standards around the state;
- ◆ maintain daily air quality index for the Twin Cities, Duluth, Rochester and St. Cloud. Issue alerts when air quality is expected to exceed health benchmarks;
- ◆ monitor for toxic air pollutants;
- ◆ develop annual emission inventories; and
- ◆ conduct air toxic evaluations for point sources.

Program at a Glance

- ◆ Implementing Air quality point source permitting, compliance determination, and enforcement
- ◆ Developing and implementing strategies to reduce air pollution from small sources of air pollution – including mobile sources
- ◆ Monitoring air quality
- ◆ Develop and implementing ozone and particulate matter reduction efforts
- ◆ Developing and implementing air toxic (e.g., mercury, benzene) reduction efforts

Restore/Improve:

- ◆ develop State Implementation Plans for maintaining and improving air quality;
- ◆ participate in multi-state regional air planning efforts to reduce regional haze, ozone, and fine particulate matter; and
- ◆ reduce emissions of pollutants that contribute to regional haze, ozone, fine particulate matter, and toxic air pollutants.

Prevent/Protect:

- ◆ issue and maintain federal and state air quality permits;
- ◆ issue construction permits for new and expanding facilities;
- ◆ monitor compliance with air quality rules, regulations, and permits; and
- ◆ take enforcement action when warranted.

Historical Perspective

One of the major changes in the 1990s CAA was the creation of a national operating permit program (Title V) for large sources that emit air pollutants. Now that air pollution is managed by this system, permits are issued by states, or when a state fails to carry out the CAA satisfactorily, by EPA. All Title V air quality operating permits required by the 1990 CAA were to have been issued in Minnesota by 2000.

In Minnesota, some of the operating permits for major facilities still need to be issued. In addition, these permits are issued for five years, so that some of the first to be issued now need to be renewed. A similar situation exists in many states. When the EPA developed the rules for this program, they underestimated the amount of work involved. The effort required to respond to public concern about controversial facilities was also underestimated. The PCA intends to finish issuing the initial round of permits by the end of 2004. The need to issue construction permits in a timely manner for new and expanding facilities has affected the PCA's ability to provide core permit program services.

The PCA continues to analyze data to identify and target sources that are out of compliance. For facilities with federal air quality permits, the compliance rates are currently at approximately 95%.

In 2001, for the first time since the 1970s, the PCA had to issue air quality alerts in the Twin Cities due to levels of ozone (smog) pollution exceeding health advisory thresholds. In addition, there have also been numerous alerts in subsequent years for both ozone and particulate matter. Daily air quality readings are available on the PCA Web site at <http://aqi.pca.state.mn.us/hourly/>.

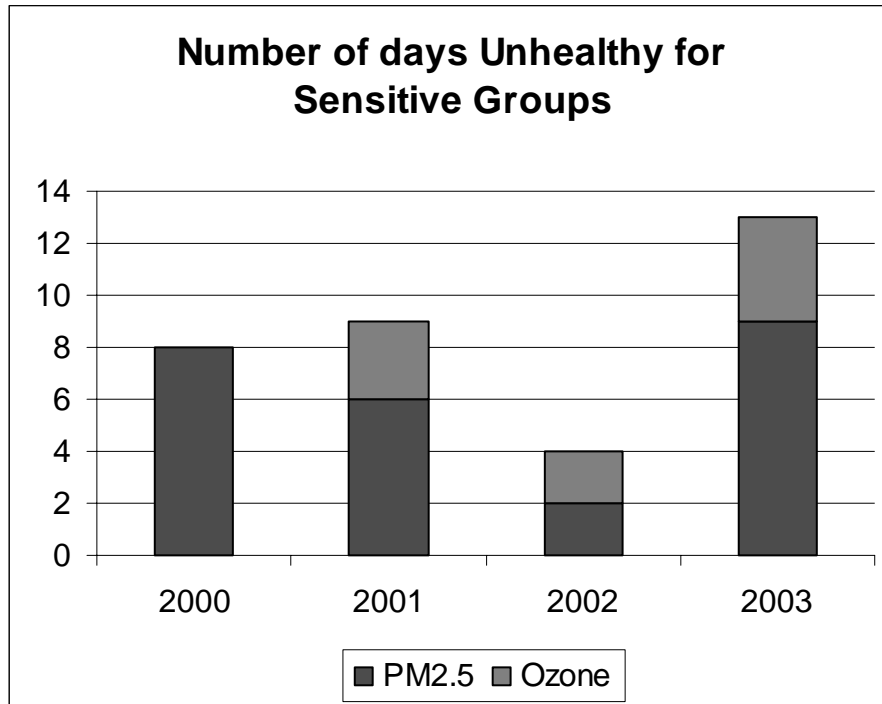
The air quality alerts have raised concerns that the Twin Cities area may fall out of compliance with federal air quality standards. If this were to happen, it would result in extra regulations for industry and citizens (i.e., implementation of a new inspection/maintenance program for autos, and imposition of Reasonably Available Control Technology requirements on industry for control of Volatile Organic Compounds (VOCs) and Nitrogen Oxides (NOx) emissions) and extra work for the PCA in developing new rules to control emissions. A Minnesota Chamber study estimated that the additional effort might cost from \$189 - \$266 million dollars annually in 1999 dollars.

Also of increasing concern is fine particle pollution. The EPA recently issued stricter standards for particles less than 2.5 microns in diameter. Minnesota is expected to meet the new standard. However, a substantial and growing body of scientific literature shows that fine particles in the air cause premature death and increased hospital admissions from heart and respiratory disease, even at levels below the new federal standard. For both ozone and particulate matter, Minnesotans will need to decide on what policy approaches to take to address the potential human health impacts of these emerging pollution problems. Because diesel emissions are considered to be particularly harmful, new efforts at the national level are beginning to focus on reducing the emissions from diesel engines.

The PCA is actively working with a new organization, Clean Air Minnesota, a public private partnership, to implement voluntary actions to reduce the pollutants that form ozone and fine particulate matter. The PCA is also actively seeking federal action, either through Congress, or new EPA rulemaking, to address these daunting air pollution problems.

Key Measures

The following graph shows the number of days that air quality in Minnesota was unhealthy for sensitive groups. Sensitive groups are defined as active children and adults, and people with lung disease.



Program Funding

This program is funded by a mix of non-general fund state appropriations from the Environmental Fund and special revenue (96%) and federal (4%) funds.

Contact

For more information, contact Communications Director Ralph Heussner at (651) 296-6977 or toll-free at 1 (800) 657-3864.

The PCA Web site at <http://www.pca.state.mn.us> provides useful information about Minnesota’s environment. The types of information available through the site include regulatory news and updates, rules, public notices, PCA initiatives, details about environmental quality and current “hot topics.”

For information on how the PCA measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY

Program: AIR

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Environmental					
Current Appropriation	8,770	8,765	8,765	8,765	17,530
Forecast Base	8,770	8,765	8,765	8,765	17,530
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environmental	8,262	9,273	8,765	8,765	17,530
Statutory Appropriations					
Special Revenue	264	300	141	141	282
Federal	460	605	366	366	732
Environmental	25	243	243	243	486
Total	9,011	10,421	9,515	9,515	19,030
<u>Expenditures by Category</u>					
Total Compensation	6,007	6,637	6,836	7,134	13,970
Other Operating Expenses	2,979	3,543	2,438	2,140	4,578
Other Financial Transactions	25	241	241	241	482
Total	9,011	10,421	9,515	9,515	19,030
<u>Expenditures by Activity</u>					
Air	9,011	10,421	9,515	9,515	19,030
Total	9,011	10,421	9,515	9,515	19,030
Full-Time Equivalents (FTE)	84.2	88.5	88.7	88.7	

Program Description

Clean and useable land is important to the environmental, social, and economic welfare of Minnesota. The purpose of the Pollution Control Agency’s (PCA) land programs are to protect the environment, public health, and quality of life of all citizens by cleaning up contaminated land sites, preventing future contamination, and protecting ground water.

Through the PCA’s strategic plan, a vision for the land programs was established. The vision set out three goals:

- ◆ reduce or eliminate the use of environmentally harmful substances in manufacturing products or delivering services;
- ◆ minimize or reduce the release of contaminants to or from the land; and
- ◆ restore contaminated land to productive use.

The strategic plan set out two goals for protecting ground water:

- ◆ assess the status or condition of Minnesota’s ground water systems; and
- ◆ prevent or reduce degradation and depletion of ground water.

The details of the PCA’s Strategic Plan may be found at http://www.pca.state.mn.us/publications/reports/strategic_plan.html.

The land program’s integrated system of activities is designed to ensure that hazardous materials, petroleum products, and solid wastes are managed properly throughout the life-cycle of their use, transport, and disposal. Through this system, the PCA seeks to:

- ◆ develop and maintain state and local capabilities to clean up spills of hazardous materials and petroleum products, due to accidents or natural disasters;
- ◆ develop capabilities to respond to spread of hazardous materials due to epidemics or terrorist actions;
- ◆ ensure proper shipping, handling, and storage of hazardous materials and bulk petroleum products;
- ◆ ensure proper disposal of wastes;
- ◆ clean up, or provide incentives for voluntary clean up of hazardous waste, petroleum, and solid waste releases that occurred before preventative land programs were established; and
- ◆ prevent and reduce degradation of ground water.

Population Served

Because this program serves to protect Minnesotans from harmful effects of contaminated land and ground water, it serves all citizens of the state. Furthermore, it specifically serves those people that live in the vicinity of a contaminated site, a spill incident or a facility that stores petroleum products, or hazardous materials, or manages solid waste.

The program also regulates a large and diverse array of businesses and industries in Minnesota. The list below provides a snapshot of those being served by PCA land programs:

- ◆ hazardous waste-related businesses and industries; including 9,000 hazardous waste handlers, about 30 treatment, storage and disposal facilities, 80 large quantity generators, 450 small quantity generators, and 8,500 very small quantity generators;

Program at a Glance

- ◆ Solid waste and hazardous waste permitting, compliance determination, and enforcement
- ◆ Storage tank leak prevention through training and regulation
- ◆ Emergency response to pollutant spills
- ◆ Limited ambient ground water quality monitoring
- ◆ Cleanup programs to address hazardous waste and petroleum product releases:
 - ⇒ Superfund
 - ⇒ Voluntary Investigation and Cleanup (VIC)
 - ⇒ Voluntary Petroleum Investigation and Cleanup (VPIC)
 - ⇒ Petroleum Remediation Program (PRP)
- ◆ Closed Landfill Remediation and Maintenance (CLP)

- ◆ solid waste land disposal facilities, with 38 permitted facilities owned by business or municipalities for mixed municipal/industrial waste; 102 demolition debris land disposal facilities; 107 transfer stations and about 38 miscellaneous facilities that treat, store, or dispose of solid waste;
- ◆ business, industry, or citizen-owned leaking underground tank sites, with 2,400 - 2,500 investigations or cleanups addressed annually and 12,000 total sites cleaned up by end of FY 2004;
- ◆ citizens and businesses, with 2,300 emergency spills reported annually;
- ◆ parties responsible for 97 active Superfund sites, with 132 sites already cleaned up; and
- ◆ industry, with about 200 voluntary investigation and cleanup applications that are reviewed and processed annually.

Services Provided

Assess:

- ⇒ The PCA licenses hazardous waste handlers and monitors hazardous wastes “cradle to grave” via a computerized system and in cooperation with metropolitan counties.
- ⇒ The PCA monitors ambient ground water quality at a limited number of sites around the state, working closely with the Minnesota Departments of Agriculture and Health.

Prevent/Protect:

- ⇒ The PCA conducts regulatory and training programs to prevent the release of petroleum, solid waste, and hazardous waste into Minnesota’s soil, ground water and surface water, protecting public health and the environment.
- ⇒ The PCA issues permits to and inspects solid waste, hazardous waste, and large aboveground storage tank facilities, and completes follow-up to ensure compliance as necessary.
- ⇒ The PCA oversees disposal of debris when natural disasters strike, and is currently preparing for debris management resulting from potential terrorist activities.

Restore/Improve:

- ⇒ The PCA oversees investigations and corrective actions by responsible parties at release sites and provides expedited assistance when requested.
- ⇒ The PCA hires contractors to conduct site investigations and complete risk-based corrective actions at release sites where a responsible person is not found or the responsible person is uncooperative.
- ⇒ The PCA assists developers in returning contaminated sites to productive use through its VIC Programs.
- ⇒ The PCA hires contractors to conduct cleanups at 112 closed landfills; and when possible, the PCA recovers the cost of CLP cleanups from insurance policies held by the landfill owners.
- ⇒ The PCA works with the state’s Petroleum Board to provide financial reimbursements to responsible parties conducting approved cleanups at petroleum leak sites.

Historical Perspective

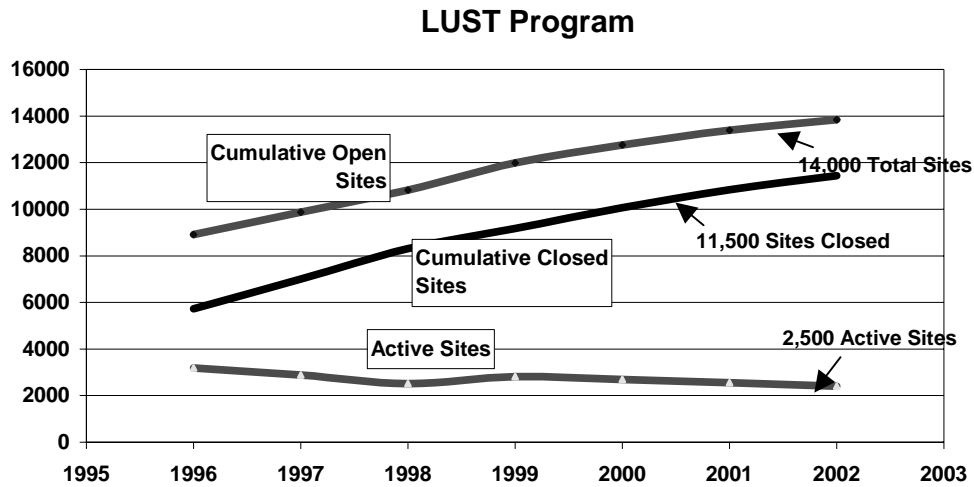
In the past, thousands of locations across the state posed acute or potential risks to land and ground water due to spilling, dumping, or poor management of wastes and petroleum products. From the mid-1970s through the mid-1990s, Congress and the Minnesota Legislature provided a range of legal authorities to the PCA to ensure that these risks to the environment and citizens were eliminated or controlled. Now, due to the network of land program activities within the PCA, risks from contaminant releases to the land have been largely eliminated or controlled, and an infrastructure exists to ensure that they remain so.

Reductions in federal and state funding have left the PCA with many challenges related to the operation and management of the Hazardous Waste (HW) Program. The HW Program has fulfilled its original purpose of keeping waste from large handlers out of the environment. However, mismanagement by smaller generators continues to be a problem. The challenge now is to maintain past gains with large facilities while improving hazardous waste management by small generators.

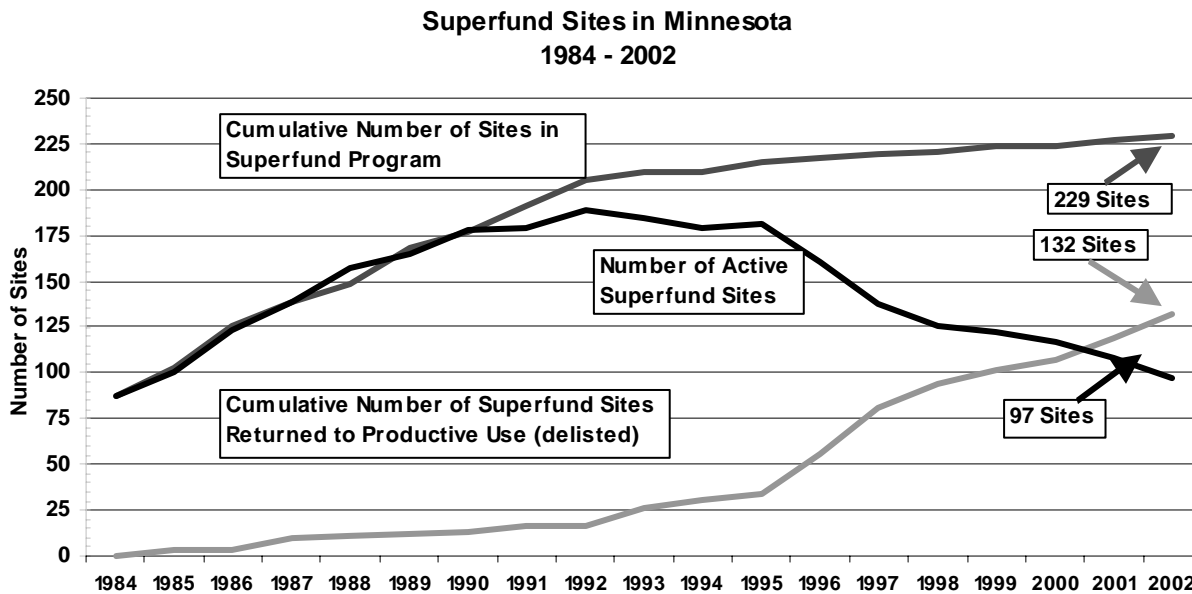
The PCA continues to make significant progress cleaning up contaminated sites through five remediation programs: Superfund Program, VIC Program, Resource Recovery and Conservation Act Corrective Action Program, CLP, and PRP Program. More details about these programs are available on the PCA website at <http://www.pca.state.mn.us/cleanup/index.html>.

Key Measures

The following graph shows the PCA and regulated community progress over the last 15 years in addressing PRP release sites.



The graph below shows the progress of the Superfund Program, over the last 19 years, in cleaning up hazardous waste contaminated sites in the state.



The compliance rate for hazardous waste storage and treatment and large quantity generators was 100% for those inspected by the PCA during FY 2004. The PCA continues to inspect these priority sites to ensure compliance is maintained.

Program Funding

This program is funded by a mix of non-general fund state appropriations from the environmental fund, the remediation fund and special revenues (90%) and federal (10%) funds.

Contact

For more information, contact Communications Director Ralph Heussner at (651) 296-6977 or toll-free at 1 (800) 657-3864.

The PCA web site at <http://www.pca.state.mn.us> provides useful information about Minnesota's environment. The types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality, and current "hot topics."

For information on how this agency measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY

Program: LAND

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Environmental					
Current Appropriation	7,065	7,065	7,065	7,065	14,130
Forecast Base	7,065	7,065	7,065	7,065	14,130
Remediation					
Current Appropriation	11,404	11,404	11,404	11,404	22,808
Forecast Base	11,404	11,404	11,404	11,404	22,808
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environmental	6,611	7,011	7,065	7,065	14,130
Remediation	10,705	11,703	11,404	11,404	22,808
Statutory Appropriations					
Special Revenue	479	657	540	540	1,080
Federal	3,310	3,826	2,468	2,380	4,848
Remediation	24,942	33,818	25,390	24,253	49,643
Total	46,047	57,015	46,867	45,642	92,509
<u>Expenditures by Category</u>					
Total Compensation	15,630	15,228	15,467	15,579	31,046
Other Operating Expenses	29,770	41,142	30,583	29,450	60,033
Capital Outlay & Real Property	501	485	484	284	768
Local Assistance	146	160	0	0	0
Transfers	0	0	333	329	662
Total	46,047	57,015	46,867	45,642	92,509
<u>Expenditures by Activity</u>					
Land	46,047	57,015	46,867	45,642	92,509
Total	46,047	57,015	46,867	45,642	92,509
Full-Time Equivalent (FTE)	221.3	213.6	202.8	196.0	

Program Description

Multimedia activities provide scientific and technical support to staff throughout the Pollution Control Agency's (PCA's) air, land, and water programs to assist them in meeting the goals outlined in the PCA Strategic Plan found at www.pca.state.mn.us/publications/reports/strategicplan.htm. Such support allows PCA to provide assistance to protect natural resources, regulate pollution sources when necessary and effectively clean up contaminated sites to restore beneficial uses. This staff assesses the impacts of pollutants on all media — air, water, land — rather than each in isolation. The program collects data on environmental conditions and presents the data in a form that is useful to PCA, policy makers, and the public.

Multimedia program staff evaluates the environmental risk of proposed projects and identifies pollution trends and emerging environmental issues. Multimedia activities include maintaining authorization to run federal programs, and enacting new rules, and seeking statutory changes as needed. Training in all state and federal requirements provided to regulated parties enables them to do their part in protecting and improving the environment.

Population Served

- ⇒ Area residents benefit from environmental assessments impact (discharge standards, effluent limits, air quality modeling review, risk assessment, ecological risk assessment, fish kill investigations, and others).
- ⇒ Local citizens and decision-makers at all levels of government use the data collected at monitoring sites operated by the PCA. Currently, 156 air quality monitors at 69 statewide locations monitor a variety of parameters including ozone, particulates, 57 volatile organics compounds, 16 metals, mercury deposition, regional haze, and others. Approximately 500 water monitoring sites have aided in the assessment of 8% of the state's 92,000 miles of streams and 14% of the 13.1 million acres of surface waters (2,790 lakes).
- ⇒ Parties regulated by the PCA receive training. In 2004, 3,767 people received training.
- ⇒ Industry receives assistance on pollution prevention and innovation projects.
- ⇒ Stakeholder groups are given the opportunity to express their opinions through customer research on new programs, budget development, process improvement, specific projects, and others.

Services Provided

Multimedia environmental activities include the following services:

Assess:

- ◆ analyzing data on the condition of the environment, and the stressors that impact it, to describe trends. This activity processes the data in a way that is of value to PCA, policy makers and citizens. For example the recently completed phosphorus study describes the various sources of phosphorus in the state;
- ◆ conducting environmental assessments that help affected persons understand the potential impact of a proposed project;
- ◆ completing environmental reviews which allows permittees, including local government, to initiate requested projects (75 environmental reviews were completed over the past two years); and
- ◆ conducting public participation efforts aimed at learning the environmental values and views of citizens.

Restore/Improve:

- ◆ developing intervention strategies to correct undesirable environmental conditions; and
- ◆ implementing the Mercury Reduction Initiative and other mercury control programs.

Prevent/Protect:

- ◆ using critical data to set standards in water, air, and land to protect Minnesota's resources these standards are used to assess and identify pollution, help set priorities for treatment and cleanup actions, and establish discharge and emission limits. One approach in standards development is setting Total Maximum Daily Loads [TMDLs] that can go into an impaired water body, an approach which identifies sources of pollutants

Program at a Glance

- ◆ Policy evaluation and development
- ◆ Environmental review of proposed projects
- ◆ Training of the regulated community
- ◆ Assessments for impact on the environment to support regulatory and cleanup project decisions by PCA programs: monitoring oversight, discharge standards, effluent limits, air quality modeling review, risk assessment, ecological risk assessment, fish kill investigations, and others
- ◆ Mercury reduction strategies

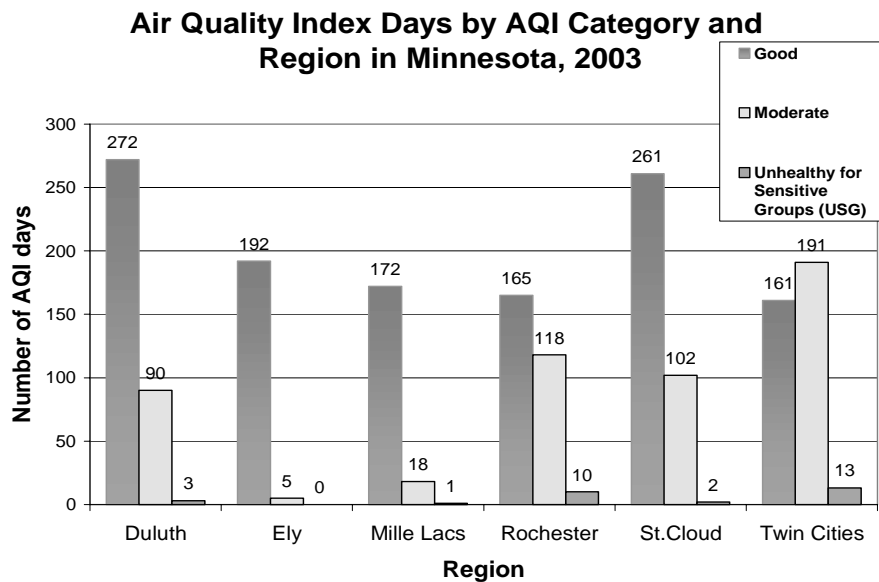
and how much each source must reduce its contribution to a water body in order to meet water quality standards. A list of impaired water bodies was prepared based on monitoring data;

- ◆ conducting risk evaluations and providing technical support to regulatory activities;
- ◆ providing data analysis, and developing reduction and prevention strategies that focus on preventing pollution; and
- ◆ developing administrative and technical rules to meet minimum federal program standards in order to maintain state authorization to run federal programs and to address environmental issues (five rules were completed over the past two years, and four obsolete rules were repealed).

Historical Perspective

The PCA has made good progress in environmental protection since the 1960s and continues to maintain ongoing regulatory activities. Minnesotans now need to address the next generation of environmental challenges—everyday human activities, the cumulative effects of which present significant environmental problems. Addressing these issues requires new approaches to solving and preventing problems. Staff is able to provide data and information to support environmental permitting and cleanup decisions as well as to develop intervention, reduction, and prevention strategies for that issues arise.

Key Measures



Program Funding

This program is funded by a mix of general (17%), other state (i.e. environmental, special revenue, Legislative Commission on Minnesota Resources) (29%) and federal (54%) funds.

Contact

For more information, contact Ralph Heussner, Communications Director at (651) 296-6977 or toll-free at 1 (800) 657-3864. The PCA web site at <http://www.pca.state.mn.us> provides useful information about Minnesota’s environment. The types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality, and current “hot topics.”

For information on how this agency measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY

Program: MULTIMEDIA

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	762	518	518	518	1,036
Technical Adjustments					
One-time Appropriations			(518)	(518)	(1,036)
Forecast Base	762	518	0	0	0
General					
Current Appropriation	2,265	2,265	2,265	2,265	4,530
Forecast Base	2,265	2,265	2,265	2,265	4,530
Environmental					
Current Appropriation	2,036	2,041	2,041	2,041	4,082
Forecast Base	2,036	2,041	2,041	2,041	4,082
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	599	681	0	0	0
General	2,428	2,585	2,265	2,265	4,530
Environmental	1,980	2,097	2,041	2,041	4,082
Statutory Appropriations					
Special Revenue	700	983	862	862	1,724
Federal	8,519	8,848	7,687	7,415	15,102
Total	14,226	15,194	12,855	12,583	25,438
<u>Expenditures by Category</u>					
Total Compensation	10,339	10,701	11,109	11,263	22,372
Other Operating Expenses	3,154	4,220	1,704	1,278	2,982
Local Assistance	733	273	42	42	84
Total	14,226	15,194	12,855	12,583	25,438
<u>Expenditures by Activity</u>					
Multimedia	14,226	15,194	12,855	12,583	25,438
Total	14,226	15,194	12,855	12,583	25,438
Full-Time Equivalent (FTE)	148.9	145.6	146.3	140.3	

Program Description

The Administrative Support program provides leadership and policy direction, through the Commissioner's Office, and agency-wide program coordination and support for the delivery of environmental programs in St. Paul and offices located throughout the state. This program includes the Commissioner's Office, the Citizens' Board, fiscal management, human resources management, information systems management, organizational development and training, communications services and business systems.

Population Served

This program serves the general public by developing environmental goals and priorities for the state. The Citizens' Board serves individuals and groups of citizens, representatives of local units of government, industries, and industrial organizations as they make environmental decisions. The general public and individual citizens are also served through Information Systems and Communication Services as people search the Pollution Control Agency (PCA) web site, read publications produced, or participate in public meetings. This program also provides management systems and services to support implementation of all PCA programs.

Services Provided

The PCA commissioner, along with the deputy and assistant commissioners, leads and directs the work of the PCA. The Commissioner's Office also provides leadership in implementing business and management practices in order to provide effective and efficient environmental programs. This approach relies on strategic planning, process design, and performance measurement which can be viewed in the PCA Strategic Plan at <http://www.pca.state.mn.us/publications/reports/strategicplan-2004.pdf>.

- ⇒ The Citizens' Board sets agency policy and makes decisions on varied and complex pollution problems. The Board provides a venue for the public to participate in key environmental decisions.
- ⇒ Process improvements are an ongoing activity facilitated through a focused agencywide use of SixSigma design and improvement principles.
- ⇒ Communications Services support agency programs by providing public information, media relations, community involvement, coordination of public hearing events, and publication management.
- ⇒ The Customer Assistance Center provides answers to the most commonly asked questions from regulated parties and the public in a timely manner.
- ⇒ Information Systems keeps the PCA tied to the world electronically. Large volumes of data are stored and made available to agency staff for environmental assessment, permit writing, compliance determination and enforcement. Information is also made available to the public in report form through web access. The web is also an important link for PCA clientele to conduct business with the agency. This requires effective, well-maintained systems.
- ⇒ Cost effective and environmentally sound business solutions meet the agency's business needs and model effective environmental business practices. This is seen in the purchase of alternative technology vehicles, purchase of office supplies that have been made with recycled materials (green procurement), and implementing recycling processes to reduce waste generation. In FY 2000, 74% of waste from the PCA was recycled.
- ⇒ Funds are expended as appropriated, managed according to general government accounting practices, and paid in a timely and accurate way to vendors.
- ⇒ Human Resources and Organizational Development and Training provide support to PCA leaders in human resource issues, in the assessment of individual and group development needs, and how to fill those needs for 751 FTE (includes nine FTE for student workers and interns).

Program at a Glance

- ◆ The PCA Citizens' Board sets policy and resolves certain controversial matters in the PCA's regulatory work.
- ◆ The Commissioner's Office leads the work of the PCA.
- ◆ Fiscal Services, Business Systems, Human Resources, Organizational Development and Training, Information Systems, and Communication Services support all program operations of the PCA.

Historical Perspective

During the past decade, PCA has experienced a variety of funding challenges. The agency's water and hazardous waste fee revenues have not kept pace with inflation, and legislators have transferred money into these fee accounts on many occasions to address potential deficits. Several PCA proposals for fee increases have not been enacted by the legislature.

In 2003, the legislature authorized Environmental Fund Consolidation which allowed the PCA to consolidate funding accounts into two new funds, the Environmental Fund and the Remediation Fund. This consolidation simplifies the PCA's funding structure and the two funds are designed with the flexibility needed to assign dollars to environmental priorities. This flexibility, along with the federal Performance Partnership Grant (where grant dollars from six federal media grants are consolidated) has allowed the PCA to maintain water quality point source permitting programs in the face of stagnant or declining state and federal resources, and to provide a little additional support for priority non-point water and air programs.

Key Measures

- ⇒ In 2003, fee revenues were collected from approximately 7,600 fee payers (5,900 Water Quality and Air Quality annual fees, 1,700 construction storm water application fee) at a collection rate of 99.5%.
- ⇒ The PCA provides information to Minnesota citizens:
 - ◆ The quarterly "Minnesota Environment" magazine is mailed to 26,000 subscribers.
 - ◆ In 2003, there were 3,781,644 pages viewed by users on the PCA web site.
 - ◆ The Customer Assistance Center responded to 9,275 inquiries in 2003 with 98.4% of the responses made within 24 hours; and
 - ◆ An estimated 300,000 citizens visited the PCA state fair booths which focused on water pollution and mobile sources of air pollution.
- ⇒ The PCA exceeded the federal standard that requires state agencies to acquire 75% of light duty vehicles annually as alternative fuel vehicles and the use of alternative fuels is increasing.

Program Funding

This program is funded by a mix of general (17%) and other state funds (i.e. special revenues, including federal indirect) – (83%).

Contact

For more information, contact Ralph Heussner, Communications Director at (651) 296-6977 or toll-free at 1 (800) 657-3864.

The PCA web site at <http://www.pca.state.mn.us> provides useful information about the Minnesota's environment. The types of information available through the site include regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality, and current "hot topics."

For information on how this agency measures some of its efforts to meet statewide goals, please visit <http://www.departmentresults.state.mn.us>.

POLLUTION CONTROL AGENCY
 Program: ADMINISTRATIVE SUPPORT

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,983	1,983	1,983	1,983	3,966
Forecast Base	1,983	1,983	1,983	1,983	3,966
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,514	1,901	1,983	1,983	3,966
Statutory Appropriations					
State Government Spec Revenue	0	1	1	1	2
Special Revenue	10,031	11,766	10,671	10,671	21,342
Environmental	79	86	86	86	172
Remediation	92	117	117	117	234
Total	11,716	13,871	12,858	12,858	25,716
<u>Expenditures by Category</u>					
Total Compensation	6,338	6,640	6,961	7,264	14,225
Other Operating Expenses	5,377	7,231	5,749	5,446	11,195
Local Assistance	1	0	0	0	0
Transfers	0	0	148	148	296
Total	11,716	13,871	12,858	12,858	25,716
<u>Expenditures by Activity</u>					
Administrative Support	11,716	13,871	12,858	12,858	25,716
Total	11,716	13,871	12,858	12,858	25,716
Full-Time Equivalents (FTE)	86.3	88.8	88.8	88.8	