



# Minnesota Pollution Control Agency

05 - 0305

Office of the Commissioner

November 16, 2004

The Honorable John Marty, Chair  
Senate Environment and Natural Resources Committee  
323 State Capitol

The Honorable Dallas Sams, Chair  
Senate Environment, Agriculture and Economic Development Budget Division  
328 State Capitol

The Honorable Tom Hackbarth, Chair  
House Environment and Natural Resources Policy Committee  
409 State Office Building

The Honorable Dennis Ozment, Chair  
House Environment and Natural Resources Finance Committee  
479 State Office Building

Dear Committee Chairs:

I am pleased to enclose a report to the Legislature titled *County Environmental Reporting Requirements*. This report was prepared by the Pollution Control Agency, Department of Natural Resources, Office of Environmental Assistance, and Board of Water and Soil Resources, in collaboration with the Association of Minnesota Counties, to fulfill the requirements of Minnesota Laws 2003, Chapter 128, Article 1, Section 163 (b).

Specifically, this report fulfills the requirement that the agencies report to the chairs of the Senate Environment and Natural Resources Committee, the Senate Environment, Agriculture, and Economic Development Budget Division, House Environment and Natural Resources Policy Committee, and House Environment and Natural Resources Finance Committee on recommendations on streamlining and coordinating county reporting requirements.

If you have any questions regarding this report, please contact Steve Woods of the Board of Water and Soil Resources at (651)297-7748, Bob Meier of the Department of Natural Resources at (651)296-0915, David Benke of the Office of Environmental Assistance at (651)215-0196 or me at (651)296-7002.

Sincerely,

Nelson French  
Director of Legislative Affairs  
Minnesota Pollution Control Agency

NF:cmbg

cc: Steve Woods, Board of Water and Soil Resources  
Bob Meier, Department of Natural Resources  
David Benke, Office of Environmental Assistance

# County Reporting Consolidation and Streamlining Report

## October 2004

### Introduction

Minnesota counties are responsible for administering numerous programs under state law that includes oversight by one or more state agencies. These programs include:

- Wetland Conservation Act-Board of Water and Soil Resources;
- Local water management-Board of Water and Soil Resources;
- Floodplain management-Department of Natural Resources;
- Shoreland management-Department of Natural Resources;
- Individual sewage treatment systems-Pollution Control Agency;
- Feedlots-Pollution Control Agency;
- Household hazardous waste-Office of Environmental Assistance; and
- SCORE-solid waste recycling and education-Office of Environmental Assistance.

A component of this oversight by state agencies is reporting. The purposes of reporting are to collect information to determine county compliance with program implementation requirements and allow an analysis of the program's impact on environmental and natural resource quality.

In recent years, concerns have been raised regarding reporting requirements with which counties are required to comply. These concerns were elevated due to the need for efficiencies created by the response to the state's budget shortfall in 2003. Specific issues include: the time and cost required to complete reports; the need for some information requests; and how the information collected is used.

In response to these concerns, the Legislature passed the following requirement to study the issue and make recommendations on county reporting requirements.

### **Session Laws 2003, Chapter 128, Article 1, Section. 163. [CONSOLIDATION AND STREAMLINING REPORT.]**

(a) By September 1, 2003, the Minnesota Pollution Control Agency (MPCA), Minnesota Department of Natural Resources (DNR), Office of Environmental Assistance (OEA), and Board of Water and Soil Resources (BWSR), shall report to the chairs of the senate environment and natural resources committee, the senate environment, agriculture, and economic budget division, house environment and natural resources policy committee, and house environment and natural resources finance committee on all of their reporting requirements that apply to counties.

(b) By January 15, 2004, the Minnesota Pollution Control Agency, Department of Natural Resources, Office of Environmental Assistance, and Board of Water and Soil Resources shall present a joint report to the chairs of the Senate Environment and Natural Resources committee, the Senate Environment, Agriculture, and Economic Budget Division, House Environment and Natural Resources Policy Committee, and House Environment and Natural Resources Finance Committee providing recommendations on streamlining and coordinating county reporting requirements.

## **Office of Environmental Assistance Reporting**

### **Report on Annual SCORE Programs**

The annual *Report on SCORE Programs* provides a summary of county and state waste generation and recycling data for the calendar year (The most recent report covers calendar year 2002 with the 2003 version to be published in December 2004). Counties complete an annual survey that is due to the Minnesota Office of Environmental Assistance (OEA) by March 31<sup>st</sup> of each year. The resulting summary report provides an overview of efforts around Minnesota such as waste reduction activities, household hazardous waste and problem materials management, the costs associated with managing waste and recycling in Minnesota, and related activities and legislation that have taken place during the calendar year.

Annual county SCORE data is used in variety of means including the development of the bi-annual Solid Waste Policy Report, county solid waste management plans, the Metropolitan Area Solid Waste Policy Plan, as well as in many research applications that evaluate solid waste trends. Copies of these various reports are available on-line at [www.moea.state.mn.us](http://www.moea.state.mn.us).

In 2003, the OEA piloted an on-line data submittal process that included 25 county participants. The pilot was a success and other than a few minor upgrades, on-line SCORE data submittal became the primary reporting method in 2004 with only 3 counties submitting hard copy surveys as in past years (All 3 of which plan to submit online in 2005). It should also be noted that the SCORE survey has been streamlined over the past 4 years and updated to eliminate out-dated questions and further streamline the overall survey.

The benefits to the counties from such a system include time and postage savings along with built-in data summaries and quality checks that will help eliminate math errors. The other major benefit will be the elimination of the data entry step which will save state staff time and resources and ultimately reduce the time required to produce the Annual Report on SCORE Programs.

Counties reported a positive experience using the new submittal process and as a result of the ease of use of the form and built-in quality checks, mistakes were minimized, overall quality improved and reporting was quicker than in past years. Overall, this resulted in time and resource savings, both of which are highly valued given the current budget crisis faced by the state, local units of government, and citizens of Minnesota. Questions about the Report on Annual SCORE Programs or the SCORE survey can be directed to Mark Rust at 651/215-0198.

### **Solid Waste Fee Report**

Minn. Stat. §115A.929 requires all local governments that collect fees for solid waste management activities to submit an annual report on the fees that were collected in the previous year and how they were used.

For the purpose of this reporting requirement, Minn. Stat. § 115A.929 defines "waste management fees" as follows:

*(1) all fees, charges, and surcharges collected under sections 115A.919 [County Fee Authority], 115A.921 [City or Town Fee Authority], and 115A.923 [Greater Minnesota Landfill Cleanup Fee];*

*(2) all tipping fees collected at waste management facilities owned or operated by the political subdivision;*

*(3) all charges imposed by the political subdivision for waste collection and management services; and*

*(4) any other fees, charges, or surcharges imposed on waste or for the purpose of waste management, whether collected directly from generators or indirectly through property taxes or as part of utility or other charges for services provided by the political subdivision.*

All counties, cities, and towns that collected any of these fees during calendar year 2003 are required to submit a report to the Minnesota Office of Environmental Assistance. In the past, this report was filed with the State Auditor. The deadline for completing the report is June 30, 2004.

The purpose of the Fee report is to determine how much money is being collected by local governments as a result of the authority given in Minnesota statutes identified above, and how those funds are being used. Local units of government do not report revenues from other units of government (federal, state, county, or city) such as SCORE pass-through funds or grants from counties to cities for the purpose of eliminating double-counting.

In 2004, an on-line reporting form was modeled after the on-line SCORE reporting form, as a way of reducing errors, time, and costs associated with submitting and evaluating the survey. Since the data is still being submitted and evaluated, no concrete information has been developed about the efficiency of the new structure however; early word is similar to positive benefits of the SCORE on-line survey.

The Solid Waste Fee Report was also evaluated over the last year plus to see whether or not parts of it could be streamlined and/or combined with the SCORE survey. After careful examination, it was determined that, while there were certain data points that were similar between the two surveys, there was no way to combine portions of the report (or the report in its entirety) because they simply did not match up. The OEA is currently evaluating the report as it currently exists and plans on making recommendations on whether or not to continue the Solid Waste Fee Report in 2005.

## **Department of Natural Resources Reporting**

For the purposes of this report, the DNR evaluated the Shoreland Grant, Timber Sales/ Tax Forfeited Lands and Tax-Forfeited Lands Certification Report. The following is a brief discussion of these reporting requirements.

### **Shoreland Grant Reporting**

The Shoreland Grant report is a one-page form that is sent in a package with other items included in BWSR's Natural Resource Block Grant application. BWSR then collects all applications and will not release funds to Counties until all items are submitted. When DNR receives the Shoreland Grant reports from BWSR, DNR staff enters the information into a database. This information is collected as verification that the County is administering the Shoreland Grant money appropriately. The submitted form shows trends and number of permits and variances issued.

Counties may more easily access the Shoreland Grant report (and other paper reports included in the NRBG application) if the reports are placed on BWSR's eLINK program in the future.

### **Timber Sales/ Tax Forfeited Lands**

The report allows the Department of Natural Resources' to fulfill the statutory requirement to review and approve timber sales on tax-forfeited land and ensure the payment is made for the timber.

The county, through electronic or paper communication sends the report to the regional Lands and Minerals supervisor. This supervisor then forwards the documents to the area Forester for their review and approval. Some counties are not required to submit these through an exemption allowed in the statute.

### **Tax-Forfeited Lands Certification Report**

The DNR is required to provide the acreage of Tax-Forfeited lands to the Department of Revenue for its yearly PILT payments.

Due to the incompatibility of the Department's and the Counties computer software systems, electronic reporting is not possible at this time. Currently the reports by the counties are sent via mail to the DNR. The DNR will be examining how to solve these software related issues in the future.

After the calculations are made and the information is reviewed by the DNR and the Department of Revenue, the PILT payments are posted on the web by the Department of Revenue for each county.

## **Pollution Control Agency Reporting**

### **Feedlot Program**

The MPCA, BWSR and counties have been evaluating the use of eLINK as a method for counties to complete grant applications, develop work plans, complete annual reports, update feedlot registrations, and track compliance and corrective actions.

Because 55 counties are delegated to administer the program for feedlots with fewer than 1,000 animal units, the information required to be reported is used to evaluate program effectiveness, work accomplished and environmental outcomes. The work plan and annual report requirements are developed in collaboration with counties.

### **Timeline**

- July 2003: First draft of grant application on eLINK and used for FY04 distribution of grant funds. Connected to existing BWSR Natural Resource Block Grants.
- May 2004: Interagency agreement signed between BWSR and MPCA to modify eLINK for on-line registration updating by county staff. Expectation to have this electronic system fully functional by July 1, 2005.
- July 1, 2005: Online registration fully functional. The second version of grant application and first version of annual report will be completed after the online registration system is established. The change in timing will allow for automatic links to registration and more efficient and ease of tracking work results.

### **Long-term goals for the use of e-Link/common database**

- Track inspections using registration numbers.
- Track cost-share by SWCDs, NRCS, 319 grants, etc. using registration numbers to understand the interactions and environmental results and to avoid double counting of results. Intended to improve reportability of environmental results and use of funds.
- Track compliance/non-compliance/permit issuance and correction information using registration numbers.
- Registration done on-line with number provided either immediately or within 24/48 hours.
- Routine reports for counties obtained by pushing a button.
- Data downloaded out of e-Link for use by county.

Consolidating compliance reporting and all other reporting requirements results in the best accounting of nutrient management, runoff controls (solids reduction) and bacteria reduction for purposes of documenting environmental outcomes. Consolidated reporting also allows for the comparison of theoretical calculations to actual monitoring data for the purpose of evaluating program effectiveness. The MPCA also believes need can be tracked more effectively through consolidated reporting.

### **ISTS Program**

The goal of the ISTS Program is to protect public health and the environment through the adequate treatment and disposal of sewage from dwellings or other establishments not serviced by a publicly-owned treatment facility. The MPCA is charged to do this by Minn. Stat. § 115.55 and §115.56 and through Minn. R. ch. 7080. Local governmental units (LGUs) administer and enforce local septic system ordinances, which include a permitting and inspection program. In addition, LGUs with ordinances submit an annual report to the MPCA. The reports are submitted by March 1 of each year and contain information from the previous calendar year and are used to track statewide trends. A recent addition to the Annual Report Form is counties, as a condition of eligibility for receiving their state ISTS grant of \$1500 per county, provide the MPCA with a listing of tanks installed during the calendar year by installers. MPCA will use this information to audit the tank fee that was established by the Legislature in 2003.

The MPCA distributes hard copies of the Annual Report and this year, will be distributing the Report in electronic format to accommodate LGUs that prefer that option.

### **Web-based/electronic reporting**

The Agency is exploring options for web based or electronic reporting through BWSR's eLINK or through the Agency's own web system, possibly for the 2005 or 2006 annual reports. The ISTS Program is tracking the work of the Feedlot and Stormwater Programs as they establish or modify reporting systems and will be evaluating which electronic reporting system may be the best approach for the ISTS Program and that is not administratively burdensome for LGUs. This timeline will also allow time to obtain feedback from the LGUs regarding which reporting method is preferred.

Currently, the MPCA compiles the annual report data into a spreadsheet, which is posted under the ISTS link on the Agency's web page. In addition, the Agency accommodates requests for hard copies of the spreadsheet, although that is not a common request. The Agency also summarizes the submitted information and includes that summary in the ISTS Report.

### **Board of Water and Soil Resources Reporting**

The BWSR began electronically tracking accomplishments of local governments utilizing state conservation and water management funds in 1998. The Local Government Annual Reporting System (LARS) compiled this information from paper forms and electronic data through 2003. The data tended to be compiled by most local governments as separate tasks concurrent with year-end activities. The data was received and utilized by the State, but difficult for the local government to access.

An Internet-based system named eLINK was created for utilization beginning in late 2003 to address inadequacies of LARS and make the data available to both state and local staff. A development committee utilizing local staff expanded the scope to allow the system to report "real-time" results. This eliminated the year-end compilation tasks and

integrated the tool as a project design, fiscal accounting, and project status system. All elements are compatible with Geographic Information System (GIS) and therefore allow users to locate benefits within the state. The system can also generate aerial photos showing the location and design of conservation measures. This assists local staff with developing projects and showing landowners what things could look like.

In short, it is a reporting system that logs intentions, helps make them real, and reports outcomes as a day-to-day function.

Some of the concerns voiced in the development process were that too much information may be made available to too large of an audience. This is a real concern as much of the data requires context to understand the complex interplay of state law, state rule, and federal funding on why projects get designed the way they do. For example, funding from the EPA (Sect 319) may be passed on to the PCA, then to a SWCD that spends the money on a practice like a grassed waterway. PCA's books would reflect the grant to local government, but the SWCD would record the same expenditure as an expense on a project—thus appearing to be double-counted to those unfamiliar with the routing of the funds. Additionally, many landowners are sensitive to other parties being able to easily access financial information regarding grants or incentives received.

The rollout of eLINK had temporary difficulties with some locally installed firewalls designed to protect local government systems from security threats. These problems were individually addressed. The lack of Internet capability seems to be disappearing though some LGUs still lament the absence of high-speed connections. The overwhelming benefit to the majority of the local governments makes the progress worthwhile and we continue to work with lagging units to function until such time as they modernize their systems.

## **Conclusions and Recommendations**

The State agencies that participated in the development of this report are all making progress in streamlining and increasing the efficiency of reporting that is conducted as part of state programs. This report did not extensively examine reporting and data requirements, however, agencies are sensitive to their impact on counties.

The following are recommendations that would further improve county reporting requirements:

- Increasing use of electronic reporting is improving the efficiency of the reporting process among counties and state agencies. This trend of moving towards electronic and/or web-based reporting should continue.
- Agencies should consider consolidating reporting requirements for programs that are funded through the Natural Resources Block Grant.

Cost to prepare this report: \$4600 (staff time)