

Project Title	2006 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations 2006	Governor's Planning Estimate	
		2006	2008	2010	Total		2008	2010
Closed Landfill Bonding	1	\$23,000	\$0	\$0	\$23,000	\$0	\$0	\$0
Total Project Requests		\$23,000	\$0	\$0	\$23,000	\$0	\$0	\$0

Closed Landfill Bonding

2006 STATE APPROPRIATION REQUEST: \$23,000,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: 9 closed landfills statewide

Project At A Glance

Design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems) and acquire land at publicly owned, closed, mixed municipal solid waste landfills throughout Minnesota.

Project Description

This request for \$23 million in state general obligation bonds is to design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems) at publicly owned, state-permitted, closed, mixed municipal solid waste landfills throughout Minnesota in FY 2007 and 2008. The Minnesota Pollution Control Agency (MPCA) is authorized under the Landfill Cleanup Act (M.S. 115B.39) to initiate cleanups, complete closures, and assume, in perpetuity, responsibility for long-term operation and maintenance of up to 112 landfills currently qualified for the Closed Landfill Program (CLP). One of the funding sources for the CLP has been the selling of state general obligation bonds, which were first appropriated by the legislature in 1994. (1994 Minnesota Session Laws, Ch. 639, Art. 3, Sec. 5).

This bonding authority was intended to be one of the three major funding sources for the closed landfill cleanup program. The other two are the solid waste tax and insurance recovery. The legislature authorized up to \$90 million in general-obligation bond funds to be used for design and construction work at publicly owned landfills over a 10-year period. Rather than issuing all \$90 million at one time, the legislature capped the selling and issuance of bonds so that the total amount issued could not exceed: 1) \$10 million by 6-30-96; 2) \$35 million by 6-30-98; 3) \$55 million by 6-30-2000; and 4) \$75 million by 6-30-02.

In 2000, the legislature passed a law requiring the Commissioner of Finance to report the amount of unused bonding proceeds to the legislature and to cancel unspent or otherwise unobligated bond funds (M.S. 16A.642). This statute resulted in the cancellation of unused bonds earmarked for construction.

The 1994 law was unique, not only because the legislature intended for bonds to be sold incrementally over 10 years, but also because the selling of these bonds was intended to provide a long-term funding source that enabled the MPCA to address the state's perpetual obligation to protect public health, public safety, and the environment at nearly half of the sites in the CLP. These unused bonds – bonds the MPCA anticipated spending on construction at closed landfills – were cancelled on July 1, 2001.

In 2001, 2002, and 2005 the legislature authorized \$20.5 million, \$10 million, and an additional \$10 million in state bond funds respectively, to meet the MPCA's construction needs through FY 2006. However, the MPCA estimates that an additional \$23 million is needed to complete remedial construction at 9 sites in FY 2007 and 2008. The authorization of bonds will allow MPCA to carry out the original intention of the 1994 Act and to use the bond proceeds to pay for planned remedial construction at publicly owned landfills. The MPCA is requesting bonding authority for the \$23 million to address outstanding needs for remediation at closed landfills.

Impact on Agency Operating Budgets (Facilities Notes)

The legislature directly appropriates funds from the Remediation Fund to administer the CLP. Therefore, there is no additional impact on operating budgets to fund this initiative.

Previous Appropriations for this Project

Laws of 1994, Chapter 639; Laws of Special Session 2001, Chapter 12; Laws of 2002, Chapter 393; Laws of 2005, Chapter 20.

Closed Landfill Bonding

Other Considerations

In September 2004, the MPCA notified the Department of Finance of future state obligations relating to eligible closed landfills of \$185 million. These financial obligations are based on needed remedial construction and operation and maintenance of these systems.

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Governor's Recommendations (To be completed by the Department of Finance at a later date)