

Ensure public awareness of sewage discharges

Wastewater operators must notify residents and downstream communities when untreated or partially treated wastewater is released.

Challenge

Aging infrastructure leads to hundreds of releases of untreated or partially treated wastewater to Minnesota lakes, streams, public spaces and private properties each year. More frequent and severe rainstorms are making the situation worse.

When heavy rains infiltrate cracked sewer lines, wastewater treatment systems can easily become overwhelmed with the high volume of water. Facilities then face a difficult decision: release wastewater that is not fully treated or risk the backup of sewage into homes. Such releases can also occur when sewer mains and pumps malfunction, releasing untreated or partially treated wastewater to community streets and public areas.

Current statute requires wastewater system owners to report releases to the Minnesota State Duty Officer but does not require notification to downstream drinking water sources or the public. While the MPCA can currently recommend that municipalities provide public notification of unauthorized wastewater releases, it cannot require them to do so.

Proposal

This proposal requires wastewater plant operators to notify the public and downstream drinking water facilities if an unauthorized wastewater discharge occurs. It also requires posting of signs at any public-use areas, such as parks or public right-of-way areas, that are directly impacted by a release of untreated or partially treated wastewater.

The MPCA is also directed in this proposal to provide guidance that wastewater operators can use to establish protocols for complying with this provision.



Wastewater releases



200 releases of untreated or partially treated wastewater on average per year in Minnesota



150 of those releases are related to wet weather



446 facilities have reported unauthorized releases

Why it's important

Downstream residents and communities need to be aware of releases of untreated or partially treated sewage for several reasons:

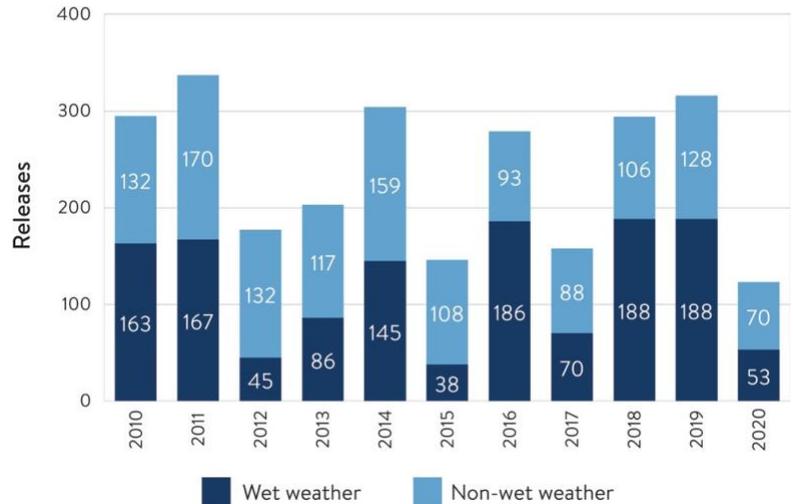
- **Bacteria and other harmful substances** in the water can pose acute or long-term human health risks.
- **People can make informed decisions** about the timing of activities such as fishing, swimming and boating if they know of such releases.
- **At least 13 communities serving millions of Minnesotans**, including Minneapolis and St. Paul, draw their drinking water from surface waters.

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Municipal wastewater releases by year 2010–2020



Municipal wastewater releases in Minnesota by year 2010-2020: Wet weather releases occur when precipitation enters sewer lines and other wastewater infrastructure. Non-wet weather releases include broken or clogged pipes, equipment failures and emergency repairs.

Streamline the permitting process for wastewater treatment facilities

Greater flexibility will help communities meet funding and construction deadlines.

Challenge

Minnesota law requires the permitting process for publicly-owned wastewater treatment facilities to include both 1) a 30-day period for the permittee to review their permit prior to public notice and 2) a 60-day public notice period prior to permit issuance. Construction projects at wastewater treatment facilities are often constrained by time sensitive construction and funding schedules. In some cases, permittees would prefer to eliminate the 30-day pre-public notice review period so that they can accelerate permitting and project completion.



Proposal

This proposal allows a municipality the opportunity to request to waive the 30-day pre-public notice review period and to shorten the public notice period to 30 days for wastewater discharge facility construction permits, subject to commissioner approval. All permits of this type would continue to be subject to at least a 30-day public notice period.

Why it's important

Greater flexibility will help municipalities meet construction timelines and maintain eligibility for state funding for their wastewater treatment plant construction projects. Upgrading and enhancing wastewater infrastructure is a key priority for Minnesota communities and the Minnesota Pollution Control Agency.

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Governor's FY 2022 - 23 Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

			FY 2022	FY 2023	Biennium FY 22-23	FY 2024	FY 2025	Biennium FY 24-25
Pollution Control								
Technical Assistance and Grant Funding for Wastewater Treatment Systems								
General	EXP		\$0	\$2,175	\$2,175	\$0	\$0	\$0
CI Cost (Savings)			\$0	\$2,175	\$2,175	\$0	\$0	\$0
Waste Prevention Recycling Grants and Loans								
General	EXP		\$0	\$18,923	\$18,923	\$0	\$0	\$0
CI Cost (Savings)			\$0	\$18,923	\$18,923	\$0	\$0	\$0
PFAS Community Grants								
General	EXP		\$0	\$2,000	\$2,000	\$0	\$0	\$0
CI Cost (Savings)			\$0	\$2,000	\$2,000	\$0	\$0	\$0
Agency Operating Increase								
General	EXP		\$0	\$38	\$38	\$38	\$38	\$76
Petroleum Tank Release Cleanup	EXP		\$0	\$854	\$854	\$854	\$854	\$1,708
Environmental	EXP		\$0	\$4,167	\$4,167	\$4,167	\$4,167	\$8,334
Remediation	EXP		\$0	\$543	\$543	\$543	\$543	\$1,086
CI Cost (Savings)			\$0	\$5,602	\$5,602	\$5,602	\$5,602	\$11,204
Railroad Safety								
Remediation	EXP		\$0	\$133	\$133	\$133	\$133	\$266
CI Cost (Savings)			\$0	\$133	\$133	\$133	\$133	\$266
Accelerate Pollution Prevention at Small Businesses								
General	EXP		\$0	\$2,000	\$2,000	\$0	\$0	\$0
CI Cost (Savings)			\$0	\$2,000	\$2,000	\$0	\$0	\$0
Solar Panel Recycling								
Environmental	REV		\$0	\$100	\$100	\$100	\$100	\$200
Environmental	EXP		\$0	\$100	\$100	\$100	\$100	\$200
CI Cost (Savings)			\$0	\$0	\$0	\$0	\$0	\$0
Ban Cadmium and Lead in Children's Toys and Jewelry								
Environmental	EXP		\$0	\$74	\$74	\$74	\$74	\$148
CI Cost (Savings)			\$0	\$74	\$74	\$74	\$74	\$148

			FY 2022	FY 2023	Biennium FY 22-23	FY 2024	FY 2025	Biennium FY 24-25
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Pollution Control

PFAS Baseline Conditions Study

General	EXP	\$0	\$500	\$500	\$0	\$0	\$0
CI Cost (Savings)		\$0	\$500	\$500	\$0	\$0	\$0

Creating a Community-based Brownfield Grant Program

General	EXP	\$0	\$1,000	\$1,000	\$0	\$0	\$0
CI Cost (Savings)		\$0	\$1,000	\$1,000	\$0	\$0	\$0

St. Louis River Mercury TMDL Availability Extension

Environmental	EXP	\$0	\$350	\$350	\$0	\$0	\$0
CI Cost (Savings)		\$0	\$350	\$350	\$0	\$0	\$0

Increasing Capital Assistance Program Grants for Local Governments

Environmental	EXP	\$0	\$17	\$17	\$0	\$0	\$0
CI Cost (Savings)		\$0	\$17	\$17	\$0	\$0	\$0

Expand Smart Salting Training

Restrict Misc Special Revenue	REV	\$0	\$0	\$0	\$594	\$594	\$1,188
Restrict Misc Special Revenue	EXP	\$0	\$0	\$0	\$594	\$594	\$1,188
CI Cost (Savings)		\$0	\$0	\$0	\$0	\$0	\$0

Uniform Tools for Brownfields Program

Restrict Misc Special Revenue	REV	\$0	\$90	\$90	\$90	\$90	\$180
Remediation	REV	\$0	(\$90)	(\$90)	(\$90)	(\$90)	(\$180)
CI Cost (Savings)		\$0	\$0	\$0	\$0	\$0	\$0

3M Reporting Changes

Remediation	EXP	(\$1)	(\$1)	(\$2)	(\$1)	(\$1)	(\$2)
CI Cost (Savings)		(\$1)	(\$1)	(\$2)	(\$1)	(\$1)	(\$2)

Technical Assistance for Environmental Review

General	EXP	\$0	\$600	\$600	\$0	\$0	\$0
CI Cost (Savings)		\$0	\$600	\$600	\$0	\$0	\$0

Adaptation Action Grants and Water Storage

General	EXP	\$0	\$54,000	\$54,000	\$333	\$333	\$666
CI Cost (Savings)		\$0	\$54,000	\$54,000	\$333	\$333	\$666

Legalizing Adult-Use Cannabis

	FY 2022	FY 2023	Biennium		Biennium	
			FY 22-23	FY 2024	FY 2025	FY 24-25
General	\$0	\$81,774	\$81,774	\$884	\$438	\$1,322
Restrict Misc Special Revenue	\$0	(\$90)	(\$90)	(\$90)	(\$90)	(\$180)
Petroleum Tank Release Cleanup	\$0	\$854	\$854	\$854	\$854	\$1,708
Environmental	\$0	\$4,608	\$4,608	\$4,241	\$4,241	\$8,482
Remediation	(\$1)	\$765	\$764	\$765	\$765	\$1,530
Total Cost (Savings)	(\$1)	\$87,911	\$87,910	\$6,654	\$6,208	\$12,862

				Biennium		Biennium		
			FY 2022	FY 2023	FY 22-23	FY 2024	FY 2025	FY 24-25

Pollution Control

Legalizing Adult-Use Cannabis

	General	EXP	\$0	\$538	\$538	\$513	\$67	\$580
	CI Cost (Savings)		\$0	\$538	\$538	\$513	\$67	\$580

General			\$0	\$81,774	\$81,774	\$884	\$438	\$1,322
Restrict Misc Special Revenue			\$0	(\$90)	(\$90)	(\$90)	(\$90)	(\$180)
Petroleum Tank Release Cleanup			\$0	\$854	\$854	\$854	\$854	\$1,708
Environmental			\$0	\$4,608	\$4,608	\$4,241	\$4,241	\$8,482
Remediation			(\$1)	\$765	\$764	\$765	\$765	\$1,530
Pollution Control Cost (Savings)			(\$1)	\$87,911	\$87,910	\$6,654	\$6,208	\$12,862

Help communities reduce PFAS and other contaminants in wastewater

Communities face costly upgrades to protect water quality, impacting their ability to invest in accelerating economic growth

Challenge

Managing and properly treating wastewater is expensive and resource-intensive. Reductions in pollutants like phosphorus, nitrogen, chloride, sulfate, mercury, and PFAS are necessary to ensure we protect Minnesota's waters. These reductions put a particular strain on communities in Greater Minnesota that are working to accelerate their economic growth while also facing costly upgrades to their wastewater treatment systems. Small communities around the state also rely heavily on sub-surface sewage treatment systems that are often not functioning properly. Inadequate sewage treatment can result in drinking water contamination and pollution in lakes, rivers, and streams used for recreation.



Proposal

Governor Walz requests \$2.175 million in a General Fund appropriation to support a grant program that provides technical assistance and grants to Greater Minnesota communities in their efforts to meet wastewater treatment pollutant limits and reduction requirements. These funds will provide critical support to communities that are trying to expand wastewater treatment capacity to allow economic growth, address underperforming sewage treatment systems, and address new limits or reduction requirements for difficult to treat pollutants.

Why it's important

Reducing pollutants from wastewater systems is essential to protecting and improving Minnesota's water quality. Currently, the cost of making these reductions falls on the community and their ratepayers. There are minimal resources and financial incentives available to provide technical assistance, evaluate treatment system alternatives, identify the most cost-effective solutions, explore innovative permitting approaches, and develop engineering plans when construction is needed. As a

result, it is cost-prohibitive for Greater Minnesota communities to do this work while also working to accelerate their economic growth. This proposal would provide technical support and funding these communities need.

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Reduce waste through investments in waste reduction, reuse, recycling, and composting

Grants will support multi-sector approach to reduce waste and create jobs

Challenge

Despite ongoing efforts to prevent waste, expand reuse, recycling, and composting capacity and participation, nearly half of our waste is disposed of in a landfill or at a waste-to-energy facility. A substantial amount of what we throw away could be prevented, eaten, reused, recycled, or composted. Expanding food rescue and recovery efforts can help food-insecure Minnesotans, reduce climate impacts, and prevent additional landfilled waste.



Proposal

Governor Walz requests over \$18.9 million in General Fund grant funding to support existing, successful waste prevention, reuse, recycling, and composting initiatives and supplement them with new programs. Specifically, the funds would be utilized for:

- **Prevention of wasted food and food rescue grants (\$5 million)**
- **Recycling market facility development grants (\$5.5 million)**
- **Compost and anaerobic digestion facility development and expansion grants (\$5.5 million)**
- **Sustainable building and materials management (\$1.7million)**

The existing grant programs to promote the prevention of wasted food and food rescue and recycling market development, are incredibly successful, and annual funding requests far exceed available funding. In addition, current funding only allows for the ability to support smaller projects. Two new grant programs would be created for compost and anaerobic digestion facility development and expansion and sustainable building and materials management. Additional funding would allow for more environmentally beneficial and larger scale projects to be funded.

In addition to funding the grants, this request funds three temporary full-time employees to support this work for three years.

Why it's important

Reducing our wasted food yields several measurable benefits:

- Almost 20% of what we send to landfills could be eaten, supporting Minnesota households currently experiencing food insecurity (1 in 12 households)
- The life cycle of materials, from material extraction through the end of a product's useful life, can account for up to 42% of greenhouse gas (GHG) emissions
- Estimates suggest a family of four could save \$1,200 annually by reducing their wasted food
- The recycling, reuse, repair, and rental sector represents a sizable portion of Minnesota's economy
- 55,000 Minnesota jobs support the reuse, repair, and rental sector generating \$5.8 billion annually
- 60,000 Minnesota jobs support the recycling sector generating \$15.7 billion annually

The first two rounds of the prevention of wasted food and food rescue grant have funded eight projects with the \$1 million allocated. However, each round there has more than over \$3 million in project requests.

The first two rounds of the recycling market development grant funded eight projects with the \$800,000 allotted. During this time, the agency received 18 proposals requesting more than \$2 million.

The success and demand for these two small programs demonstrate a significant interest in these resources.

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Help communities and businesses prevent PFAS contamination

Challenge

PFAS have been used in a wide array of consumer and industrial products since the 1940s. These chemicals do not easily break down, resulting in a relatively permanent reservoir that has lasting impacts on human health and the environment. The most extensively studied PFAS chemicals are perfluorooctonate sulfonate (PFOS) and perfluorooctanoic acid (PFOA). They are known to negatively impact human health and increase risks of developing cancer. These two chemicals have been phased out by major manufacturers in the United States but remain present in industrial and commercial products as well as our waste.



Proposal

Governor Walz requests a \$2 million General Fund appropriation to establish a PFAS community grant program. Grants would provide funding for public or private entities to engage in projects designed to prevent PFAS pollution. These funds could target efforts that remove and replace PFAS-containing firefighting foams; offset costs for PFAS monitoring at “conduits” into the environment; and support PFAS pollution prevention.

Why it's important

Reducing PFAS exposure in our communities is a state and federal priority. In February 2021, the state published the Minnesota PFAS Blueprint that lays out several strategies and possible initiatives to address the proliferation of PFAS in the environment. However, actions to identify PFAS contamination, install PFAS treatment systems, replace PFAS products with safer alternatives, and properly dispose of PFAS-containing materials are all expensive. Many private and public entities are motivated to do their part to reduce exposures to these harmful chemicals but have limited financial resources to do so.

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- Increased backlog in developing and reissuing land permits
- Delayed project reviews and site assessments for construction or redevelopment
- Reduced capacity for processing contracts and RFPs
- Slowdown in problem investigation monitoring and standards
- Reduced ability to respond to citizen complaints and address violations
- Reduction in the number of records requests can that be fulfilled

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Address backlog in permitting, contamination clean-up and other critical services

Challenge

Just like a private company, the cost of doing business for a state agency gets more expensive every year. Operating costs like salaries, rent, fuel and utilities, IT and legal services continue to grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases. Agencies face challenging decisions to manage these costs within existing budgets and funds, while maintaining the services Minnesotans expect.

Technology efficiencies implemented to produce savings in FY 2021 will continue into FY 2022 and FY 2023. Cost savings from developing program efficiencies and moving to nearly paperless work during the pandemic is anticipated to be maintained indefinitely. Vacancies held during the pandemic will also help fill some gaps in areas of cost growth. However, these efficiencies will not meet the need to maintain current level of service provided by the agency.



Proposal

The Governor recommends additional funding of \$5.602 million in FY 2023 and \$5.602 million in each subsequent year to support the Minnesota Pollution Control Agency's agency operations. This proposal will increase agency operating budgets to maintain delivery of current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by the MPCA.

For the MPCA, this funding will cover expected and anticipated employee compensation growth. Employee compensation in draft labor agreements is proposed to be 2.5% in FY22 and another 2.5% in FY23. This results in an overall increase to agency budgets

Why it's important

The Minnesota Pollution Control Agency's work is vital to ensuring that every Minnesotan has healthy air, sustainable lands and clean water. The agency also plays a vital role in business permitting and other failing to properly fund the MPCA risks current levels of service provided by the agency in the following ways:

Help communities prepare and respond to possible railroad spills

Challenge

Spills from train derailments can present serious risks to human health and the environment. MPCA's rail preparedness work with the five railroads operating unit trains carrying petroleum includes assessing and improving their prevention and response plans and conducting drills to practice oil containment, recovery, and the protection of sensitive areas. Additional rail duties to contribute to improved state preparedness includes assisting local emergency managers, fire officials, pipelines, and railroads through participation in exercises and training opportunities.

Proposal

This proposal ensures \$133,000 is available from the remediation fund for the MPCA's rail preparedness work. This funding is split between two positions to fulfill MPCA's statutory obligations. The previous funding source expired in 2017 and the Railroad and Pipeline Safety Account balance is no longer sufficient to maintain these positions.

Why it's important

Approximately 700 miles of railroad in Minnesota are used to transport nearly two-thirds of North Dakota-produced oil to refineries in the Midwest and East Coast. On any given day, there are approximately five to seven fully loaded oil trains traveling through the state. Additionally, future oil shipments through Minnesota are expected to increase due to Canadian Pacific Railway's purchase of Kansas City Southern. Fortunately, a catastrophic oil spill or derailment has not occurred in recent years. However, incidents continue to occur for a variety of reasons annually and ongoing preparedness and monitoring are essential to protect human health and the environment.

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Help more small businesses reduce pollution

Investments will spur economic development and reduce environmental impacts.

Challenge

Minnesota is proud of the work small businesses in our state are doing to mitigate pollution and protect the health of our residents and our environment.

Our state's successful Small Business Environmental Improvement Loan program has provided resources for Minnesota businesses to undertake projects that improve their environmental impact and support local economies across the state. Under this program, small businesses can receive zero-interest loans of up to \$75,000 for projects that help them meet or exceed environmental regulations and, in some cases, help them save money or qualify for a simpler permit. Additional funding, as well as updated eligibility requirements, will help this program to serve a wider share of Minnesota's business community.



Proposal

Governor Walz requests \$2 million from the General Fund to make the Small Business Environmental Improvement Loan program available to more Minnesota businesses. With increased funding, the state will be able to continue awarding funding for existing project types, while also expanding the program to new focus areas like refrigerant emission reduction projects within the grocery and convenience store sector.

This proposal also updates the eligibility requirements of the Small Business Environmental Loan Program so that more small businesses are qualified to apply. These updates include raising the cap on the number of employees from 100 to 250 and increasing the after-tax profit limit from \$500,000 to \$1 million per year.

Why it's important

For Schwegman's Cleaners in Willmar, the Small Business Environmental Loan Program allowed their business to make upgrades that reduce their energy bill and hazardous waste expenses. They used a loan to purchase a new, \$58,000 cleaning machine that will save their business an estimated \$6,000 a

year. The new machine is more energy-efficient and eliminates the need for 78 gallons of perchloroethylene, a harmful chemical used for dry cleaning, each year.

Projects funded under this program have enabled Minnesota businesses to create a healthier workplace for their employees, reduce waste disposal bills and energy costs, and streamline or simplify their regulatory obligations. Expanding eligibility for this successful program and providing additional funding to support more grants will spur economic development across the state while encouraging businesses to explore new project types that are tailored to today's business and environmental challenges.

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Establish a solar panel stewardship program for Minnesota

Keep discarded solar panels out of landfills and recycle valuable materials

Challenge

As Minnesota's clean energy economy grows to meet the demand for carbon-free power, we must be ready with an end-of-life disposal plan for energy-generating technologies such as solar panels. Minnesota currently has around 4 million solar panels in operation and is expected to install millions more in the coming decades.

While solar panels are expected to last 25 to 30 years, damaged and defective panels are already coming out of service. In addition,

owners sometimes choose to upgrade their panels before the end of their expected life. Retired panels become waste that needs to be managed. Managing other waste streams in Minnesota, such as electronic waste, has demonstrated that it is important to develop a comprehensive recycling program that keeps recoverable materials out of landfills.

For local governments that must make decisions today to approve solar installations, it is critical to have confidence that the decommissioning of solar installations will be fully funded by the owner or through another program to ensure decommissioning costs do not fall on taxpayers.

Proposal

Governor Walz proposes establishing a manufacturer-led product stewardship program to implement a reuse and recycle process for retired solar panels. As part of this proposal, a new manufacturer-led stewardship organization would plan, finance, and implement the solar panel stewardship program.

The stewardship organization would:

- Develop and implement a plan to collect, transport, reuse and recycle discarded solar panels.
- Provide a structure to fund program costs through the stewardship assessment with no end-of-life fees to solar panel owners and other participants.
- Report annually on program results.

Costs associated with materials management and recycling would be addressed by a stewardship



assessment added to the price of each solar panel when purchased for installation in Minnesota. The intended result is a free, convenient end-of-life collection and recycling program that will recover each solar panel for reuse or recycling and keep solar panels out of Minnesota landfills.

Why it's important

Solar power is one of the most environmentally friendly methods of generating power. But the full benefits of solar power cannot be realized if panels are landfilled and the valuable, recoverable materials are lost. Furthermore, to meet its landfill diversion goals, Minnesota must find alternative end-of-life disposal options for the millions of panels currently installed and tens of millions projected for future installation.

According to the International Renewable Energy Agency, by 2030, the cumulative value of recoverable raw materials from end-of-life panels will be about \$450 million globally, which is equivalent to the cost of raw materials currently needed to produce about 60 million new panels. By weight, more than 80 percent of a typical photovoltaic (PV) panel is glass and aluminum – both common and easy-to-recycle materials. Recycling solar equipment is increasingly possible as more recyclers accept modules.

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Protect children from lead and cadmium in toys and household goods

Nearly one in 20 children in Minnesota have elevated levels of lead in their blood.

Challenge

Lead and cadmium are neurotoxins that can cause serious long-term health impacts. These impacts can include neurological, reproductive, and developmental effects. As public awareness of these health effects increases, some manufacturers have shifted to cadmium as a replacement for lead in inexpensive jewelry. If ingested, large amounts of cadmium may cause acute cadmium poisoning. In addition, breathing high levels of cadmium can severely damage the lungs and cause death.

Proposal

The proposal restricts the use of lead and cadmium in toys and jewelry and expands the list of regulated goods to include other items used by children and pregnant women, such as dishes, cosmetics, personal care products, school supplies, and other products. The proposal also clarifies enforcement responsibilities for this section of law. The policy proposal accompanies a request of \$74,000 annually from the Environmental Fund to cover the costs of staff, supplies, and equipment required to monitor compliance, conduct enforcement activities, and educate retailers, manufacturers, and consumers about the issue.

Why it's important

Exposure to harmful neurotoxins can have irreversible, lifelong consequences, and families may be unaware of the risk posed by household products until exposure has already occurred. Despite efforts to curb the use of these metals in consumer goods, data shows that children continue to be at risk of exposure to lead and cadmium at unacceptable levels.

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Better understand PFAS in our water and soils

Better data are needed to protect human health and the environment from harmful PFAS

Challenge

PFAS have been used in a wide array of consumer and industrial products since the 1940s. These chemicals do not easily break down, resulting in a relatively permanent reservoir that has lasting impacts on human health and the environment. The most extensively studied PFAS chemicals are perfluorooctonate sulfonate (PFOS) and perfluorooctanoic acid (PFOA). They are known to negatively impact human health and increase risks of developing cancer. These two chemicals have been phased out by major manufacturers in the United States but remain present in industrial and commercial products as well as our waste.



Proposal

Governor Walz requests a \$500,000 appropriation from the General Fund to the MPCA to understand baseline PFAS conditions in water and soils. The one-time funds will be used for analysis of PFAS in water at key water monitoring stations and to hire an outside vendor for a soil study that will require specialized lab resources. The data will also evaluate trends in PFAS in Minnesota's waters and support the development of Clean Water Act compliance tools for PFAS.

Why it's important

Studies show PFAS are ubiquitous in the environment with low levels showing up in our surface waters, groundwater, fish, sediment, precipitation, and soils. An understanding of "baseline" PFAS conditions will help MPCA determine what levels of PFAS found in a sample are "normal" given current levels of global contamination and what levels are cause for greater concern and require special treatment or disposal. As PFAS monitoring becomes a requirement of routine regulatory activities, these baseline data will be essential to developing guidance and policies for disposal of PFAS containing materials.

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Accelerate local redevelopment of legacy contamination sites

Assessment and cleanup of brownfield sites would foster new economic development

Challenge

Contaminated brownfield sites, once home to gas stations, dry cleaners, and manufacturing facilities, dot the Minnesota landscape. Many of these sites reside in low-income communities of color. If not properly addressed, these properties can present risks to human health and the environment. When properly managed and cleaned up, these sites can yield exciting and innovative community and economic development opportunities.



Proposal

Governor Walz proposes \$1 million from the General Fund to create a state-funded brownfield assessment grant program to support community-based redevelopments located in low-income and traditionally underserved communities throughout Minnesota. Since 1995, successful brownfield development projects have created or retained more than 50,000 jobs and created more than 20,000 housing units in Minnesota.

Why it's important

Without the critical dollars to assess contaminated sites in underserved communities, they remain blighted, vacant, and underdeveloped. The costs associated with assessing a brownfield site and defining a cleanup plan prevent many community-based redevelopment projects from moving forward and realizing their full potential. Consequently, redevelopment of brownfield sites frequently do not consider the types of redevelopment that would best serve the community.

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Extend cleanup work in the St. Louis River Watershed

Public engagement and future planning will be critical to an effective cleanup strategy.

Challenge

The St. Louis River Watershed covers 2,926 square miles of northeast Minnesota, draining to Lake Superior. A study is currently underway to determine how mercury contamination should be addressed in the watershed's lakes and rivers to meet the water quality standard for mercury and support healthy consumption of fish.

The MPCA is focused on studying and addressing mercury contamination in the St. Louis River Watershed. Conversations with partners in the spring and summer of 2021 indicated a need to design a full public engagement process to support public engagement with the mercury contamination study. This includes engagement with a technical advisory team of federal, state, and tribal government partners, academics and the public, and integration of the result of that engagement into the technical study. This additional engagement requires additional time.



Proposal

This proposal extends for one fiscal year the availability of a \$350,000 appropriation from the 2021 Environmental Fund to the MPCA for a Total Maximum Daily Load (TMDL) mercury study for the St. Louis River. The project began in FY 2022 and is expected to continue development work through September 2024, with public notice and submittal to EPA in FY 2025.

The funds from this proposal will be used to purchase resources for developing the technical path forward for mercury contamination cleanup and facilitation of a public forum. After this initial work is completed, the remaining work will be completed with existing resources. The MPCA will partner with tribal governments, other governments, and state government entities to engage with citizens and stakeholders to complete this work.

Why it's important

Mercury is toxic to humans and people can be exposed when eating fish pulled from waters with mercury contamination. The MPCA is prioritizing the St. Louis River mercury contamination study for

many reasons, including the cultural and economic importance of fishing in the watershed and the exercise of tribal treaty rights.

The MPCA will leverage the knowledge gained through this study to improve water quality in the St. Louis River watershed. The information gained from this process will help local planners effectively integrate actions and projects to reduce mercury pollution in the region to support the health of humans and wildlife living in Northeast Minnesota.

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Expand local waste reduction, reuse, recycling, and composting opportunities

Program updates will add opportunities for local governments to invest in waste prevention and reuse

Challenge

The Capital Assistance Program (CAP) and Greater Minnesota Recycling and Composting Grants Program (GRMNRCG) help local governments expand their recycling initiatives and finance the cost of building recycling infrastructure. Without this state assistance, some local governments have difficulty financing updates to recycling and composting services. Current state statute limits the amount of a CAP grant to \$2 million per county per project – an amount that has not increased since 1985.



Demand for these programs is exceeding our current level of funding. In 2020, 10 projects sought \$49 million in CAP funding, however, only five projects were awarded grants with a total of \$25.8 million in funding. During the same period, the agency received 18 applications for GRMNRCG assistance, but only 10 projects were funded.

Proposal

This proposal raises the limit for Capital Assistance Program grants from \$2 million per project to \$5 million per project. The higher cap helps to account for increased construction costs since 1985. The proposal also expands eligibility for both types of grants to include projects that address waste prevention and reuse.

Finally, the proposal modifies application requirements for the program so that applicants must assess community input on their projects, review how the project might impact people who live in areas with a disproportionate impact from pollution and evaluate the environmental impact on greenhouse gas emissions that may result from their project.

Why it's important

Both programs already support community-led efforts to divert waste from landfills, which can reduce solid waste management costs and pollution, now and in the future. Waste prevention and reuse of

items have the greatest environmental and large economic benefits (e.g. reduced water usage, greenhouse gas reductions, cost savings) of all the methods to manage solid waste. The Capital Assistance Program and Greater Minnesota Recycling and Composting Grants must evolve to support these types of projects to help communities realize increased environmental benefits.

By expanding local infrastructure for waste reduction, reuse, recycling, and composting, communities can make meaningful progress toward extending the life of products, recapturing materials, and reducing various environmental impacts, such as greenhouse gas emissions and landfill growth.

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Help communities prevent chloride contamination

Ensure a sustainable funding source for the popular Smart Salting training program.

Challenge

Road salt saves lives on winter roads and keeps sidewalks and pavements safer for pedestrians. But more salt is not better, and excess salt permanently pollutes Minnesota's lakes, streams and groundwater. Once in the environment, chloride does not break down and is not removed naturally or by any treatment methods that are practical at scale. Chloride is toxic to fish and other aquatic species.

The MPCA's effective and popular training program that helps maintenance professionals learn effective salt application techniques does not have a long-term funding source.



Proposal

This proposal gives the MPCA authority to charge participants a fee that covers the cost of Smart Salting certification training. Currently, certification classes are offered at no charge due to recent Clean Water Legacy and Environment and Natural Resources Trust Fund appropriations and local partner match funds, but this is not a sustainable model for a long-term and productive training program.

Why it's important

The ability to charge participants for class attendance and certification will sustain a long-term, high-quality training program that has shown to reduce chloride pollution through proactive training.

Data collected from past participants has shown the effectiveness of the training, both in reducing excess chloride pollution and in saving money by using smaller amounts of deicing products. The MPCA will continue to collect data from program participants to document and demonstrate the impact of the program.

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Expedite brownfield redevelopment

Establishing a revolving fund will provide more nimble support and technical assistance to brownfield redevelopment statewide.

Challenge

More than 10,000 properties in Minnesota are considered brownfields due to contamination. Soil and vapor contamination can pose risks at these sites to human health and the environment. Cleanup of this contamination can often be costly, complicated, and time consuming. The MPCA's Voluntary Investigation and Cleanup (VIC) program provides technical assistance for the investigation, cleanup, and redevelopment of contaminated sites. The VIC program has grown substantially in the last 30 years. The increased demand for program services and the growing list of environmental considerations have strained the agency's ability to meet timeliness expectations. Property transactions and redevelopment activities operate on strict schedules, and delay in VIC services can directly impact clean-up and redevelopment projects.

Proposal

The proposal is to create a revolving fund for the agency's Voluntary Investigation and Cleanup (VIC) program, similar to the existing petroleum remediation fund. This change would bring uniformity and consistency to the MPCA's Brownfields program. The VIC program charges a flat rate of \$150 per hour to provide services to enrolled cleanup sites. A portion of these receipts would be used to create the revolving fund rather than add a burden to taxpayers. The revolving fund would allow the agency to react and adjust staffing resources to respond quicker to customer demand. Interest in brownfield redevelopment correlates strongly with the health of the economy.

Why it's important

When brownfields are successfully redeveloped, existing local businesses thrive and new businesses open, creating new jobs and housing opportunities. Since 1995, successful brownfield development projects have created or retained more than 50,000 jobs and created more than 20,000 housing units in Minnesota. Access to a revolving fund would help ensure that program users shoulder the financial responsibility rather than creating an additional burden to the taxpayer.

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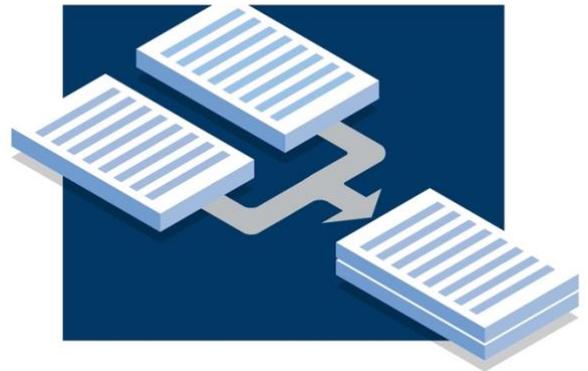
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Streamline 3M Settlement reporting requirements

Adjusting report frequency and deadlines allows for better reporting and efficient use of staff time.

Challenge

In February 2018, the State of Minnesota reached an \$850 million settlement with 3M to address PFAS pollution in the East Metro area of the Twin Cities. The MPCA and DNR are required to report twice per year on how these dollars are spent. At the current stage of this work, an annual reporting structure is a better fit and a more efficient use of agency resources.



Proposal

This proposal would change the biannual reporting requirements to one annual report due October 1 of each year. The new annual report will cover the previous fiscal year's expenditures, the status of projects and settlement fund expenditures, and the anticipated future expenditures for the remainder of the fiscal year.

Why it's important

By consolidating into one report, MPCA and DNR will be able to provide the public and policymakers with one comprehensive annual report. This consolidation better aligns reporting timelines to spending timelines and fiscal year closeout, while making efficient use of staff and stakeholder time. Now that the Conceptual Drinking Water Supply Plan has been finalized, the timing is right to shift to a single, comprehensive report each year.

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Prepare our communities for mega-rain events

Challenge

Minnesota continues to see more extreme rain events. There were more than twice as many mega-rain events in the past 20 years compared to the previous 27 years. In 2012, the Duluth area saw 7.24 inches of rain within 48 hours causing the St. Louis River to rise 10 feet in 24 hours resulting in \$100 million in damage to the city's public infrastructure. In 2016, the Willmar area recorded 9.74 inches of rain



within 48 hours and flooded the Kandiyohi County Fairgrounds. Southeastern Minnesota has experienced several mega rain events since 2010, including a mega rain event in 2019 that forced Highway 52 to close. Minnesota is expected to receive more precipitation and more mega rain events as the atmosphere responds to warming temperatures and additional moisture in storms.

Currently, there are significant gaps in funding available for local governments and tribes to protect community spaces and public infrastructure from these mega rain events and climate impacts. Upgrading community infrastructure with climate-smart design while making improvements to our natural landscape and water storage practices that reduce flood risk will protect these vital shared spaces from destruction.

Proposal

MPCA

The Governor recommends \$55 million in FY23 and \$1 million in FY24 and FY25 for grants to plan, design, and implement community preparedness projects with local and Tribal governments. These projects will have four primary focus areas:

- Engineering and construction projects to upgrade shared spaces like community buildings, parks, libraries, and other publicly owned facilities to withstand more frequent and intense localized flooding and erosion.
- Streambank and shoreline restoration to reduce flooding risk through enhancements that will provide erosion.
- Construction and landscape updates to reduce excessive heat including tree planting for

shading and design improvements to keep buildings cooler.

- Technical assistance for resiliency planning including planning and design support, and development of resiliency metrics.

Benchmarking from other states with similar community preparedness action grants shows that individual awards for projects have ranged from \$175,000 to \$2 million.

BWSR

This proposal also includes a request from the Board of Water and Soil Resources (BWSR) for \$15 million in FY23 and \$167,000 in FY24 and FY25 for the Accelerated Water Storage initiative. The 2021 legislative session created a water storage program and policy. Through this new request, BWSR will accelerate the implementation of water storage projects. Acceleration of funding will expand the geographic area of the program to demonstrate the benefits and effectiveness of this work.

Why it's important

Today, there are 155,269 residential properties, 29,473 miles of roads, 13,680 commercial buildings, and 515 critical infrastructure facilities in Minnesota at risk of severe flooding.

According to the EPA, the average 100-year floodplain is projected to increase 45 percent by the year 2100, while the annual damages from flooding are predicted to increase by \$750 million. Making community infrastructure more resilient has a benefit-cost ratio of at least 6 to 1. By reducing the damage from stormwater flooding and other climate driven extremes, Minnesota communities can save millions of dollars.

Water storage projects are engineered to slow down or temporarily hold back water from reentering a stream or river. For example, during a storm, water is directed into a wetland, holding basin, or soil in a farm field and then is slowly released downstream. Implementing water storage projects in priority locations will protect public and private property and provide a wide range of environmental benefits by adapting to our changing climate.

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