



## Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, MN 55155-4194 | 651-296-6300 | 800-675-3843 | 651-282-5332 TTY | [www.pca.state.mn.us](http://www.pca.state.mn.us)

March 28, 2011

The Honorable Minnesota Senate  
Senate Chamber  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
Saint Paul, Minnesota 55155

Dear Senators:

I would like to express my thanks to Chair Ingebrigtsen for the chance to testify before the Senate Environment and Natural Resources Committee and share the MPCA's concerns with the committee's budget recommendations. I would like to take this opportunity to highlight the concerns I expressed with the bill.

The significant reductions to the MPCA's General Fund allocations (30%) and loss of revenues into the Environmental Fund will notably impact a number of our important activities. While the MPCA receives a large amount of funding from the Environmental Fund, the level of cuts being proposed cannot be absorbed by that fund. It is only through planning and preemptive, self-instituted reductions by the MPCA over the last couple of years that the Environmental Fund is not currently running a deficit. Even the much smaller funding cuts (11%) that Governor Dayton has proposed cannot entirely be covered by our other funds. To make matters worse, we anticipate significant reductions to the federal funding we currently receive.

There are a number of core functions that the proposed funding reductions hit especially hard. The first is clean water activities, which Minnesotans clearly believed we needed to increase, not reduce, when they voted for the constitutionally dedicated legacy funding. The reductions in General Fund support for state and local SSTS programs, Clean Water Partnership grants, water operations and environmental analysis, monitoring, review and permitting efforts will greatly hamper our efforts to protect, enhance and restore our waters. In addition, the cuts reduce our ability to help businesses, local governments and citizens, at a time when their requests for our assistance is increasing.

Secondly, the recommendations hurt the quality and timeliness of our environmental review and permitting efforts and risk undoing any gains made from earlier legislation (HF 1). The reduction in funding for our multimedia programs means a loss of analysis and monitoring capabilities that our environmental review and permitting staff depend on to do their work. The decrease in funding directly impacts environmental review and permitting work that crosses our air, land, and water programs. We estimate it could result in a 30-45 day delay in wastewater facility permits for industries and municipalities (NPDES permits) and 20 to 30 percent of these permits will no longer meet the 150 day goal set in HF1. In addition, counties that have taken on feedlot permitting will see a reduction in their base funding. The loss will make their jobs harder or require increased local funds and/or increased property taxes.

The reductions diminish successful local and state collaborations that have added value at a time when we are looking for ways to create partnerships to make our funding go farther. Reductions to funding and assistance in the areas of SSTS, wastewater treatment, Clean Water Partnership grants, and feedlots could result in many of these activities no longer being done on the local level as locals also deal with cuts in state assistance (or require increased property taxes). Again, this is occurring when we are receiving increased requests for assistance by counties and others.

In addition, the elimination of funding for the environmental health tracking and bio-monitoring program stops a cross-agency effort to bring environmental and health data together; information that citizens already expect agencies are considering in decision making. It has funded critical studies such as PFC levels in adults in the East

Metro area and mercury exposure to newborns living near Lake Superior. These dollars are needed to continue this important work and respond to future issues.

The bill's policy proposals are equally troubling. It takes the wrong direction in addressing the complex and important issue of the state's sulfate standard. The EPA has not indicated any willingness to accept a legislated change and even if they did, a formal standards change would have to follow. Pushing a change through is likely to make it harder to continue a productive working relationship with the Tribes and other stakeholders. What we need is knowledge and time to solve the problem. The MPCA's progress on the study planning has been productive and cooperative thus far; we will be able to do early sampling to get a jumpstart on the fieldwork. Also, Governor Dayton is willing to go to Washington to find ways to create time; during which we will make sure the resource is not degraded nor money is spent on treatment options that may not be needed. The approach taken in this bill will not help this work.

Instituting a two year moratorium on new water related rulemaking prevents the MPCA and other state agencies from protecting our waters, providing regulatory relief and reacting to emerging issues. Many MPCA rules are adopted through non-controversial rulemaking, where all parties work together to develop a rule that works. In addition, state law already provides for legislative involvement in rulemaking up front with the Legislative Coordinating Committee.

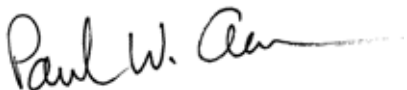
The feedlot permitting modifications do not streamline the permitting process and reduce reasonable oversight on facilities. If the modifications are enacted, the producers will have to decide which of six permits to apply for; the current system has two permits. Each of these new permits will have different requirements and will cause confusion for the producers. The state will have to spend time and money instituting the new systems. In addition, the modifications create a change in the animal unit calculation which could allow facilities to sidestep the necessary environmental review processes.

We are also keeping a close eye on the removal of mandatory EAWs for certain ethanol facilities and changes in solid waste disposal regulations. New ethanol facilities have been much more controversial and complex than expansions and many warrant the extra scrutiny of an environmental review. The provision could be improved by removing the automatic EAW only on expanding facilities and taking the OLA's advice to remove EAWs for some categories on a trial basis by adding a sunset.

We also have some concerns on the proposed changes in disposal of concrete and animal carcasses. In an effort to meet the goals of all parties, we are continuing to work with interested parties and look at ways to accomplish these activities in a more acceptable manner.

Thank you again for the continued opportunity to express the MPCA position on the Senate Environment and Natural Resources Finance Bill. My staff and I are always willing to discuss ways to meet our shared goals of protecting our natural resources and public health, and ensuring timely permitting and fair-minded regulatory practices, while solving the state's budget deficit in a balanced manner.

Sincerely,



Paul W. Aasen  
Commissioner