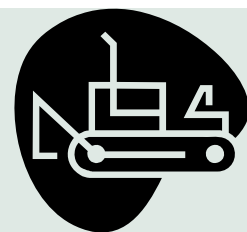




Minnesota Pollution Control Agency

MINNESOTA

SUPERFUND REPORT



March 2006

A Report on the Use of the Remediation Fund for Emergency Response, Superfund, and Voluntary Cleanup Activities

The Minnesota Environmental Response and Liability Act (MERLA, the state “Superfund” law) of 1983 established the Environmental Response, Compensation, and Compliance Account (Account) and authorized the Minnesota Pollution Control Agency (MPCA) to spend funds from the Account to investigate and clean up releases of hazardous substances or contaminants.

The Minnesota Comprehensive Ground Water Protection Act of 1989 amended MERLA to authorize the Minnesota Department of Agriculture (MDA) access to the Account and the authority to investigate and clean up contamination from agricultural chemicals. The Account was established in the environmental fund in the state treasury. The Minnesota Department of Finance administered the Account.

During the 2003 Minnesota Legislative session, the Legislature altered the Environmental Fund in the state Treasury, eliminating the Environmental Response, Compensation, and Compliance Account. The Legislature created a new Remediation Fund (Fund), in the state Treasury, to provide a more reliable source of funding for investigation and cleanup of hazardous waste sites, and for management of closed landfills.

The Legislature transferred all amounts remaining in the Environmental Response, Compensation, and Compliance Account to the Remediation Fund. The MPCA and MDA commissioners access money appropriated from the Fund to accomplish the same types of investigation and cleanup work that were completed using the Environmental Response, Compensation, and Compliance Account. The Remediation Fund also contains two special accounts: the Drycleaner Environmental Response and Reimbursement Account and the Metropolitan

Landfill Contingency Action Trust. This report does not apply to expenditures from those special accounts.

The MPCA and MDA use the authorities granted under state and federal Superfund laws to identify, evaluate and clean up (or direct the cleanup of) sites which pose hazards to public health, welfare and the environment. As required by M.S. 115B.20, Subd. 6, this report details activities for which Remediation Fund dollars have been spent during Fiscal Year 2005 (FY05) (July 1, 2004 – June 30, 2005) by the MPCA and the MDA for emergency response, Superfund, and voluntary cleanup activities. The table on Page 3 details obligations and expenditures for FY05.

The MPCA’s and MDA’s administrative costs represented salaries for 32 full-time equivalent positions (28 MPCA and 4 MDA), as well as for travel, equipment, non-site-specific legal costs and supply expenditures associated with responding to emergencies and implementing site cleanups. All cumulative income and expenditure figures are approximations.

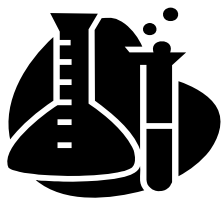
MERLA Responsibilities

The MPCA and MDA Superfund programs fulfill functions specified in MERLA for the 74 sites currently on the state’s Permanent List of Priorities (PLP - the state Superfund list) as well as for more than 662 MPCA projects and 73 MDA projects addressed under voluntary investigation and cleanup programs governed by the Land Recycling Act of 1992. Eight sites have been removed from the PLP so far during FY06

Staff costs to research, write, and review this report totaled approximately \$2,000.

For more information on Superfund, visit the MPCA Web site, www.pca.state.mn.us

(July 1, 2005 - June 30, 2006). MPCA and MDA Superfund responsibilities fall into three main categories: emergency response, investigation and cleanup, and working with voluntary parties.



Responding to Emergencies and Spills

Emergency response teams at the MPCA and MDA are on call 24 hours a day throughout the year. The MPCA received 2,232 reports of emergencies and spills in FY05. The MDA received an additional 122 incident reports.

In most cases, the state's role in spill situations is to provide advice and oversight to responsible parties as they clean up the spills. In some cases, however, Superfund Account dollars are used to respond to high-priority emergency situations for which no responsible persons are able or willing to respond. Examples include contaminated drinking-water supplies, abandoned chemical wastes, landfill fires, abandoned fuel spills, natural disasters, or other situations which the commissioners of either the MPCA or the MDA have declared emergencies or which have been determined by the Minnesota Department of Health to be imminent health hazards.

In FY05, 29 (28 by MPCA and 1 by MDA) emergencies were declared under MERLA authorities. The MPCA obligated \$1,359,851 from the Fund to respond to these emergencies. The MDA spent an additional \$3,011 from the Fund in responding to pesticide- or fertilizer-related emergencies.

Abandonment of waste oil and chemicals continues to be a problem. About one-fifth of the incidents for which the MPCA takes direct emergency action using MERLA authorities involve the classic abandoned barrels or "orphan spills" for which no responsible parties are immediately identifiable. Oil and paint-related liquid wastes contained in 55-gallon drums and gallon jugs are the most commonly abandoned materials.

The MPCA investigates reports of such abandonments in partnership with local officials. Some of these wastes are cleaned up by MPCA contractors using the Fund, some are handled by

county hazardous waste programs, and others are tested and recycled by municipalities. The MPCA's Emergency Response Team also works with state and local law-enforcement personnel to apprehend and prosecute perpetrators who abandon wastes. The MPCA and its local partners continue to work to streamline and coordinate local and state responses to abandonments and to improve the rate of apprehension and prosecution of those abandoning the wastes.



Voluntary Investigation and Cleanup

Minnesota has long been at the forefront of the national movement to return property with known or suspected environmental problems to productive use. The voluntary cleanup programs of the MPCA and the MDA are involved to varying degrees in most of Minnesota's redevelopment projects on "brownfield" properties. Under the Land Recycling Act, these programs offer a menu of assurances regarding potential liability under MERLA, which responsible and/or voluntary parties may obtain after investigating and, if necessary, cleaning up sites.

Since 1988, the MPCA's Voluntary Investigation and Cleanup (VIC) Program has overseen 2,741 projects. Of those, 2,079 have been either cleaned up, found acceptable for purchase, refinance or redevelopment, or have been transferred to other regulatory programs for appropriate action. Some have become inactive. The experience of recent years (200 to 300 new projects per year, including 231 in FY05) leads the MPCA to expect continued strong demand for VIC assistance in the coming year, assuming economic growth remains strong and interest rates remain low.

During FY05, 21 new sites entered the MDA's Agriculture Voluntary Investigation and Cleanup (AgVIC) Program, begun in 1996. Currently, 73 sites remain "open" cases. The AgVIC Program has closed a total of 180 sites to date, of which 23 were closed in FY05. The combination of liability assurances available under MERLA and eligibility for partial reimbursement of corrective-action costs from the Agricultural Chemical Response and Reimbursement Account (ACRRA) combine to form

an incentive-driven program, which has been positively received by MDA clientele.



Superfund Investigation and Cleanup

Potential Superfund sites identified by or reported to the MPCA or the MDA, and which property owners do not volunteer to investigate or clean up, enter a formal assessment process for possible addition to the MPCA's PLP and/or the U.S. Environmental Protection Agency's (EPA's) National Priorities List (NPL - the federal Superfund list). Generally, sites listed on the NPL are larger and more complex and pose greater potential risks to human health and the environment than sites listed only on the PLP. Usually, potential NPL sites first appear on the PLP. The State must share 10 percent of the costs of a federally funded remedial action at an NPL site.

At sites contaminated with agricultural chemicals, responsible parties who choose not to voluntarily conduct response actions may be requested by the MDA to conduct cleanups with MDA oversight. Responsible parties usually qualify for partial reimbursement of cleanup costs from the ACRRA. If responsible parties are unwilling or unable to conduct the cleanup, the MDA may also assess the site for listing on the PLP and/or NPL.

At the close of FY05, 24 Minnesota sites were listed on the NPL, with no sites added to or removed from the list during the fiscal year. There were 82 sites on the PLP. Two sites were removed from the PLP during FY05, and no sites were added. (Listing a site on the PLP does not automatically qualify it for listing on the federal Superfund list.) A detailed summary of delisted sites is available from the MPCA.

After listing a site on the PLP and if a responsible party either cannot be identified or is unable or unwilling to take appropriate action, the MPCA or MDA may use the Fund to conduct an investigation and/or cleanup. A remedial investigation/feasibility study is conducted to determine the extent of contamination and evaluate cleanup alternatives. After a decision about the needed activities is made, a remedial design/remedial action plan is developed and implemented. If financially viable responsible parties

are identified during investigation or cleanup, the state or EPA must attempt to secure their cooperation and recover costs from them.

Site-specific And Administrative Costs in FY05

Arrowhead Refining	\$ 165,411
Baytown Township Ground Water Contamination	\$ 380,785
Blaine Municipal Wellfield	\$ 74,092
Castle Rock (MDA site)	\$ 2,798
Chemart	\$ 2,075,998
Dufours Cleaners	\$ 134,772
Duluth Dump #1	\$ 42,111
Faribault Wellfield	\$ 160,000
Farmington	\$ 52,075
Gopher Oil	\$ 82,490
Interlake	\$ 175,357
Kettle River Company (MDA site)	\$ 1,376,640
Littlefork	\$ 99,998
MacGillis and Gibbs (State Match)	\$ 100,000
PCI	\$ 22,930
Perham	\$ 300,472
Peter Pan Cleaners	\$ 591,079
Pilgrim Cleaners	\$ 59,875
Reserve Mining	\$ 1,061,878
Ritari	\$ 60,000
Rochester Ground Water Contamination	\$ 98,800
Schloff Chemical and Supply	\$ 39,684
Valentine Clark	\$ 187,913
Warden Oil	\$ 439,760
Warden Oil Responsible Party Reimbursement	\$ 217,230
West Broadway	\$ 9,356
Whiteway Cleaners	\$ 21,161
Winona Ground Water Contamination	\$ 72,419
Preliminary Assess./Site Investigation (MPCA)	\$ 231,623
Preliminary Assess./Site Investigation (MDA)	\$ 0.0
Hazardous Waste Spills, Emergencies (MPCA)	\$ 1,359,851
Emergencies (MDA)	\$ 3,011
Monitoring Well Abandonment	\$ 6,548
Technical Assistance	\$ 68,583
Harmful Substance Compensation	\$ 0
Subtotal (Site-Specific)	\$ 9,774,700
Site-Specific Legal Expenses (MPCA)	\$ 120,577
Site-Specific Lab Analytical Services (MPCA)	\$ 126,128
Site-Specific Legal Expenses (MDA)	\$ 7,800
Site-Specific Lab Analytical Services (MDA)	\$ 12,243
Subtotal (Site-Specific Support)	\$ 266,748
Total FY05 Site-Specific Expenditures	\$10,041,448
Total FY05 Administrative Costs (MDA=\$424,340)	\$ 3,561,266
TOTAL FY05 EXPENDITURES	\$13,602,714

After cleanup is complete, or when a site no longer poses risks to public health or the environment, the site may be delisted from the PLP or the NPL. Conditions at some sites may require continued monitoring or maintenance following delisting, to ensure that risks have been eliminated or controlled.

Minnesota's 24 NPL sites are eligible for federal funding for cleanup activities based on national priority. But, in return for access to these funds, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or the federal Superfund law) requires states to match either 10 percent of the cost of site-specific remedial actions (when no state or local government has been identified as a responsible party), or 50 percent (if the site was owned or operated by a state or local governmental entity). During FY05, \$100,000 was spent on state-match requirements for site cleanup.

The Superfund Program remains responsible for identifying and addressing contamination that poses health and environmental threats to Minnesotans. The MPCA and the MDA continue to manage site cleanups and move them to a monitoring or maintenance level where appropriate.

Due to the success of the Superfund Program's site assessment activities, most potential Superfund sites in Minnesota have been discovered. Most of the worst Superfund sites in Minnesota have already been listed

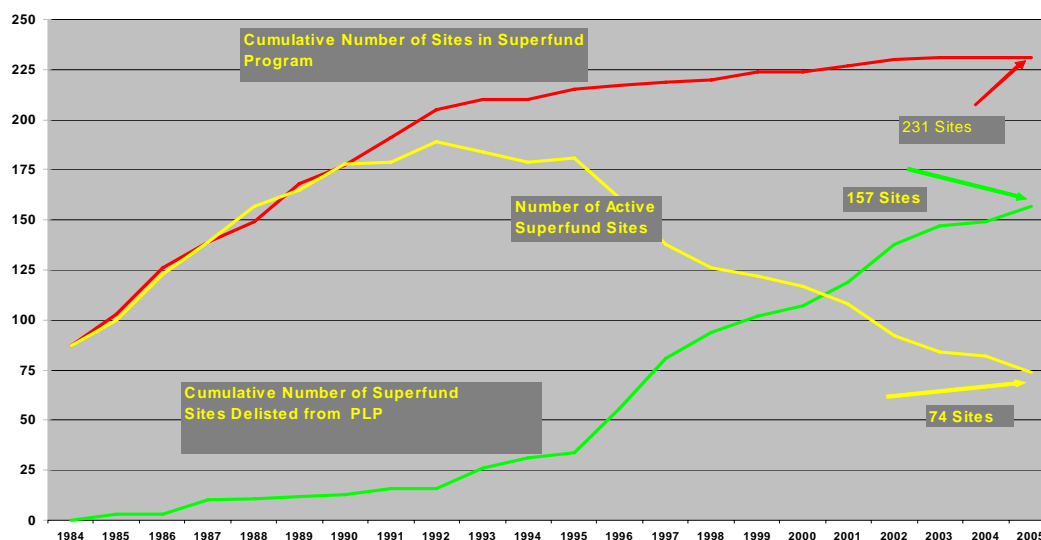
on the PLP, and many have been cleaned up or are currently undergoing response actions. The chart below shows the number of sites delisted from the PLP each year since the beginning of the Superfund program, the total number of delisted sites, and the number of active sites.

As the rapid pace of development in Minnesota continues, new sites with contamination will be discovered and old ones redeveloped. Also, lower detection limits, changing health-based standards, and emerging contaminants may trigger investigation or cleanup at sites where action was not previously required. Investigation of perfluorochemicals (PFCs) generated at the 3M Chemolite site in Cottage Grove is one such example.

Institutional controls will help ensure that exposure to residual contaminants does not occur because of inappropriate land use at former Superfund and VIC sites. In addition, the MPCA is developing institutional-control tracking mechanisms for former sites to ensure that citizens and local units of government honor controls already in place.

Discovery of properties where clandestine methamphetamine production labs have operated continues to require coordination of emergency response services among the MPCA, MDA and local units of government.

**Superfund Sites in Minnesota
1983 - 2005**



**Trend
Lines:
Superfund
Sites,
1983-2005**

Printed on recycled paper with at least 30 percent fibers from paper recycled by consumers.

Contact

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