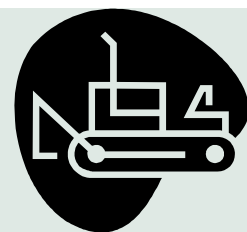




Minnesota Pollution Control Agency

MINNESOTA

SUPERFUND REPORT



March 2005

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 and administered by the Minnesota Department of Finance.

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 the 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 Remediation 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 2004 (FY04) (July 1, 2003 – June 30, 2004) by the MPCA and the MDA for emergency response, Superfund, and voluntary cleanup activities. The table on Page 3 details expenditures for FY04.

The MPCA’s and MDA’s administrative costs represented salaries for 35 full-time equivalent positions (31 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. FY04 Fund figures are current as of FY04 financial closing on August 27, 2004. These numbers may change slightly as financial statements are computed at year end. All cumulative income and expenditure figures are approximations.

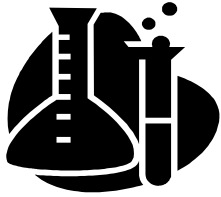
MERLA Responsibilities

The MPCA and MDA Superfund programs fulfill functions specified in MERLA for the 82 sites currently on the state’s Permanent List of Priorities (PLP or the state Superfund list), as well as for more than 625 MPCA projects and 99

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

MDA projects addressed under voluntary investigation and cleanup programs governed by the Land Recycling Act of 1992. 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 1,911 reports of emergencies and spills in FY04. The MDA received an additional 118 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 FY04, 26 emergencies were declared under MERLA authorities, 25 by MPCA and 1 by MDA. The MPCA spent \$710,137 from the Fund to respond to these emergencies. The MDA spent an additional \$4,699 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 2,510 projects. Of those, 1,885 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 250 new projects per year, including 231 in FY04) 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 FY04, 25 new sites entered the MDA's Agriculture Voluntary Investigation and Cleanup (AgVIC) Program, begun in 1996. Currently, 99 sites remain "open" cases. The AgVIC Program has closed a total of 140 sites to date, of which 16 were closed in FY04. 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 for 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 National Priorities List (NPL or the federal Superfund list). Land owners or operators are given the opportunity to enter voluntary cleanup programs of the MPCA or MDA.

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 FY04, 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 at the end of FY04. Two sites were removed from the PLP during the fiscal year, 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 or the NPL, 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, a remedial design/remedial action plan is developed and implemented. If financially viable responsible parties are identified during investigation or cleanup, the state may get their cooperation and recover costs from them.

Site-specific And Administrative Costs in FY04

Arrowhead Refining	\$ 186,884
Baytown Township Ground Water Contamination	\$ 229,644
Blaine Municipal Wellfield	\$ 125,938
Castle Rock (MDA site)	\$ 446,349
Chemart	\$ 172,593
CMC Heartland (MDA site)	\$ 30,002
Dufours Cleaners	\$ 39,269
Duluth Dump #1	\$ 28,758
Farmington	\$ 32,172
Fridley	\$ 8,450
Gopher Oil	\$ 142,249
Interlake	\$ 278,935
Jerry's Tank Service	\$ 33,690
Joslyn	\$ 81,606
Kettle River Company (MDA site)	\$ 38,419
Littlefork	\$ 53,738
Long Prairie	\$ 2,417
MacGillis and Gibbs State Match	\$ 100,000
Mankato Plating	\$ 1,575
Perham	\$ 342,092
Peter Pan Cleaners	\$ 37,264
Pilgrim Cleaners	\$ 257,160
Reserve Mining	\$ 55,056
Reserve Mining (State Match)	\$ 33,697
Ritari	\$ 77,193
Rochester Ground Water Contamination	\$ 61,083
Schloff Chemical and Supply	\$ 230
Valentine Clark	\$ 34,125
Warden Oil	\$ 147,454
Warden Oil Responsible Party Reimbursement	\$ 281,867
Whiteway Cleaners	\$ 7,376
Winona Ground Water Contamination	\$ 81,913
Preliminary Assess./Site Investigation (MPCA)	\$ 326,786
Preliminary Assess./Site Investigation (MDA)	\$ 6,000
Hazardous Waste Spills, Emergencies (MPCA)	\$ 710,137
Emergencies (MDA)	\$ 4,699
Monitoring Well Abandonment	\$ 20,761
Technical Assistance	\$ 23,366
Harmful Substance Compensation	\$ 8,845
Subtotal (Site-Specific)	\$ 4,549,792
Site-Specific Legal Expenses (MPCA)	\$ 110,075
Site-Specific Lab Analytical Services (MPCA)	\$ 132,946
Site-Specific Legal Expenses (MDA)	\$ 1,200
Site-Specific Lab Analytical Services (MDA)	\$ 23,235
Subtotal (Site-Specific Support)	\$ 267,456
Total FY04 Site-Specific Expenditures	\$ 4,817,248
Total FY04 Administrative Costs (MDA=\$350,729)	\$ 3,465,493
TOTAL FY04 EXPENDITURES	\$ 8,282,741

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.

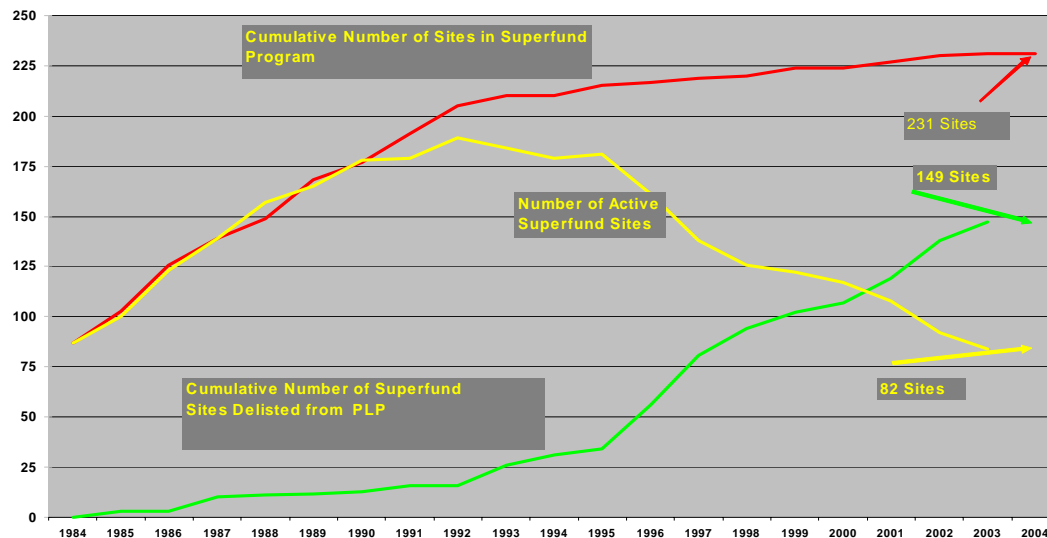
Minnesota's 24 NPL sites are eligible for federal funding for cleanup activities based on national priority. But, in return for access to these funds, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or the federal Superfund law) requires states to match either 10 percent 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 FY04, \$133,697 was spent on state-match requirements for site cleanup.

Due to the accomplishment 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 Superfund Program remains responsible for identifying and addressing contamination which continues to pose health and environmental threats to

Minnesotans. The figure 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.

The MPCA and the MDA continue to manage site cleanups and move them to a monitoring or maintenance level where appropriate. As the rapid pace of development in Minnesota continues, new sites with contamination will be discovered and old ones redeveloped. Lower detection limits and health-based standards may trigger investigation or cleanup at sites where action was not previously required. Institutional controls will help ensure 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. Finally, the scourge of methamphetamine production sweeping the Midwest and the nation will increasingly demand the attention of emergency response services that will include coordination between the MPCA, MDA and local units of government.

**Superfund Sites in Minnesota
1983 - 2004**



**Trend
Lines:
Superfund
Sites,
1983-2004**

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

Contact

Michael Kanner, Superfund and Emergency Response Section Manager, (651) 297-8564