

Governor Dayton's 2012 Capital Budget recommendations included funding for three Minnesota Pollution Control Agency (MPCA) programs: Closed Landfill Program, Capital Assistance Program for solid waste processing facilities and the Stormwater Pond Restoration Grant Program.

Closed Landfill Program: \$10 million

The MPCA initiates cleanups, completes closures and takes over long-term site operation and maintenance of landfills under the Closed Landfill Program (CLP). These activities protect the public's health and the environment from landfill contaminants and landfill gas. Currently, 112 facilities are qualified under the CLP.

The CLP was created in 1994 as an alternative to Superfund. At the time, approximately 50 sites were on the state or federal superfund lists. Old landfills had minimal or no financial assurance and most were operated by counties or cities as a public service for waste disposal. The CLP initially had three funding sources, including capital bonding, the Remediation Fund and insurance recovery funds. To date, approximately \$104 million in general obligation bonds have been authorized and \$90 million has been spent from insurance recovery dollars and Remediation Fund dollars. Insurance recovery funds have been exhausted.

The 2012 bonding proposal would allow the MPCA to complete construction for the 111 sites currently in the program. MPCA will have ongoing maintenance and operational expenses, which will be covered through non-bonding sources. The lone site that qualifies for CLP, but is not enrolled is the Freeway site in Burnsville. To enter the program, the site must come under public ownership. If/when it does, the MPCA will submit a bond request to cover the estimated \$54 million construction project costs.

Capital Assistance Program for solid waste processing facilities: \$5.6 million

The Capital Assistance Program (CAP) is available to cities, counties, solid waste management districts and sanitary districts to help finance the capital costs of building solid waste processing facilities. Solid waste processing facilities recover materials that can be reused for new products and supply recyclable materials to Minnesota's secondary materials manufacturing sector accounting for more than 20,000 jobs in the state. Energy recovered from CAP-funded facilities creates steam and electricity for industrial and residential needs. CAP grants have kept more than 31 million tons of waste out of landfills.

Eligible projects include solid waste processing facilities with resource recovery capabilities including waste-to-energy facilities, recycling/household hazardous waste facilities, composting facilities and transfer stations that serve waste processing facilities or reduce the amount or toxicity of waste processing residuals. Projects must be in a county with an MPCA-approved solid waste management plan and are encouraged to incorporate Sustainable Building Guidelines.

A number of counties and sanitary districts have expressed interest in 2012 CAP grants.

- Becker County: transfer station and recycling facilities in Becker and Clay counties
- Redwood County: recycling facility to serve Redwood and Renville counties
- Renville County: transfer station
- McLeod County: upgrade and expand existing recycling facility
- Western Lake Superior Sanitary District: compost site equipment and develop reuse center

The projects above are listed in a rank order based on the state waste hierarchy system, project readiness and reduced liability to counties (given the information provided through MPCA staff communication with external partners).

Single counties may receive up to 50 percent of the eligible capital cost for recycling, household hazardous waste or composting facilities and up to 25 percent of the eligible costs for other types of processing facilities. CAP grants may not exceed \$2 million for a single county. Multi-county projects may receive the same 25 to 50 percent of eligible costs and

the \$2 million maximum is multiplied by the number of counties. Since 1985 more than 94 grants (a total of \$61 million) have been awarded. Local governments have matched these funds with \$207 million from other sources.

Stormwater Pond Restoration Grant Program: \$2.788 million

A stormwater pond is a treatment pond constructed and operated for water quality treatment, stormwater retention and flood control (including localized basement floodings). A pond's typical design life is 20-30 years. Many ponds in Minnesota are reaching the end of their operational lives or have done so already. Stormwater ponds not optimally maintained lose their ability to filter sediments, hold excess stormwater runoff and protect homes and community infrastructure from flood events.

Managing the sediment held within the ponds can be difficult and expensive. Recent studies have shown that some stormwater pond sediments are accumulating high concentrations of contaminants. These contaminated materials require special handling and disposal which can create a significant financial burden on municipalities maintaining the ponds.

The Stormwater Restoration Grant Program would provide funding to municipalities to remove contaminated sediments and enable stormwater ponds to again function as designed and built. The state grants will fund up to \$250,000 per pond and require a 50 percent match from non-state funding sources. Preference will be given to projects that alleviate a threat of flooding to residential properties and businesses, provide direct water quality benefits to an impaired water, and/or where the municipality has implemented measure(s) to reduce the future accumulation of contaminants that resulted in increased costs for the removal of the sediments.