

Environmental Performance Partnership Agreement

Minnesota Pollution Control Agency
U.S. Environmental Protection Agency Region 5

October 1, 2016 – September 30, 2020
FFY 2017 - 2020



**Minnesota Pollution
Control Agency**

October 2016

Table of Contents

Authorizing Signatures	3
Purpose and Scope of the PPA	5
PPA / PPG Separation	5
Elements of the PPA.....	5
Unexpected Requests	7
Reporting.....	7
Joint Planning and Timeline	7
Mutual Accountability	8
Dispute Resolution Process.....	8
Enforcement and Compliance Assurance	9
NPDES Permitting	10
Quality Assurance and Quality Management Plans	10
Public Involvement	11
Environmental Justice	15
Environmental Conditions in Minnesota	17
Outlook.....	22
Joint Priorities for FFY 2017 – 2020	23
Air Quality Permits	
Mining Permits	
Watershed Approach and US EPA CWA Section 319 Grants	

Authorizing Signatures

This PPA is approved on the date of the last signature received.

For the State of Minnesota:



John Linc Stine, Commissioner
Minnesota Pollution Control Agency

10/26/16
Date

For the U.S. Environmental Protection Agency, Region 5:



Robert Kaplan, Acting Regional Administrator
U.S. Environmental Protection Agency, Region 5

11/18/15
Date

This page intentionally left blank.

Purpose and Scope of the PPA

The Minnesota Pollution Control Agency (MPCA) and the United States Environmental Protection Agency (EPA) Region 5 are entering their tenth Environmental Performance Partnership Agreement (PPA) with the approval of this document. This agreement describes the environmental outcomes that both Agencies are striving to achieve and joint program priorities that the State and EPA think need additional management attention. Roles and responsibilities for carrying out the priorities and key strategies are described in detailed supporting information that can be found on MPCA's website <http://www.pca.state.mn.us>, or by contacting the persons listed at the end of each priority write-up. The agreement runs from October 1, 2016 to September 30, 2020.

This agreement is a product of the National Environmental Performance Partnership System (NEPPS), a joint initiative of the EPA and Environmental Council of States (ECOS). The objective of the NEPPS initiative is to strengthen protection of public health and the environment by directing limited resources toward a state's most pressing environmental issues. Performance Partnership Agreements (PPAs) formed under NEPPS is designed to provide states and EPA with flexibility in how they achieve environmental results and enhance accountability in achieving environmental progress. The Performance Partnership Grant (PPG) is the federal grant used to fund many of the PPA activities.

This agreement does not replace or supersede statutes, regulations, delegation agreements, or other agreements entered into previously between MPCA and EPA.

PPA / PPG Separation

The PPA is an extension of MPCA's Strategic Plan and EPA's Regional Plan. For this grant cycle, the MPCA joint effort with EPA's Maximizing Performance Partnership Initiative and separates out its Performance Partnership Agreement (PPA) from the Performance Partnership Grant (PPG). This allows focus on shared priorities and other high level regional discussion items separate from the detailed work plan measures and activities under the PPG.

Elements of the PPA

The PPA is a concise, strategic document focused on common goals, well-defined outcomes, and strategies with program tools and resources targeted at the most important environmental problems. It includes both MPCA and EPA work. In addition to Joint Priorities, the PPA includes a limited set of critical performance measures and commitments for the base environmental programs.

- The PPA is a summary of the work done under EPA grants as well as some work done under non EPA grants. Supporting documentation is available in separate documents and references. Much of this information can be found on the MPCA web site referenced in the opening paragraph.
- The PPA provides strategic direction to the workforce and influences program work plans by promoting environmental innovations that result in more efficient approaches.
- The PPA is viewed as a “living document” that is flexible and can be changed to reflect MPCA and EPA needs.
- The PPA directs planning at the MPCA and EPA Division and Program levels, by establishing joint priorities, desired outcomes, and a holistic approach to environmental protection. It will also promote environmental innovations that result in more efficient approaches. To the extent applicable, base programs will use the joint priorities as they develop program work plans to influence the targeting of work.
- The PPA identifies if a program has been performing in a successful manner, and is expected to continue performing in that manner. *Program performance will be identified as either “adequate” or “needs improvement.” “Adequate” program areas are meeting their stated commitments and performing to the mutual satisfaction of both agencies. “Needs improvement” means a program area is, or is at risk of, inadequately functioning, and the deficiency represents a significant vulnerability to the integrity of the environmental protection program in the State. Adequate programs would receive significantly less review and oversight than programs needing improvement.* The level of detail will need to meet the minimum reporting requirements for EPA Headquarters and Congress. It will be Region 5’s responsibility to identify and inform MPCA of the minimum level of detail needed. The evaluation to determine “adequate” and “needs improvement” programs will occur during the joint assessment process held at the end of each year.
- The PPA and supporting documentation establishes a framework for mutual accountability by clearly defining joint priorities, desired outcomes, and clear roles for EPA and MPCA.
- The PPA includes a summary of the environmental conditions in Minnesota to be used as a baseline for measuring future success.
- The PPA establishes joint assessment for the priority work. By “joint assessment” we mean the following:

An annual discussion between the EPA and MPCA leadership including program Division Directors to highlight and celebrate successful program achievements; to identify areas that need improvement and/or additional resources; to make adjustments in program direction or approaches; and to reflect on lessons learned for the coming year.

Unexpected Requests

When EPA forwards requests from headquarters, it will be accompanied by a short explanation of what is expected from MPCA, and the deadline for response. MPCA will respond to requests in a timely manner. Both agencies will provide ample lead time for review, collection and feedback on data and information. In some cases, this may require the two agencies to determine if there are PPG/PPA activities that need to be altered to provide available funding and staff for the new request.

Reporting

The MPCA will report to EPA the necessary information required by Congress and EPA Headquarters to continue state delegated programs. The MPCA will reference its web site and other existing reports as supporting documentation of the PPA and PPG. Both EPA and MPCA will report through the Joint Assessment process.

Joint Planning and Timeline

MPCA and EPA agree that it is important to clearly articulate how all the components of the PPA are evaluated. In order to evaluate this agreement, both agencies will participate in a joint planning and evaluation process. The process timeline is as follows:

Actions	Deadlines
2017-2020 PPA begins	Oct 1, 2016
2017 Self-Assessment Report	Dec 31, 2017
2017 Joint Evaluation & 2018 PPA & PPG Work plan revisions	Jan/Feb 2018
EPA Evaluation of State's 2017 Self-Assessment Report	Mar 2018
2018 Self-Assessment Report	Dec 31, 2018
2018 Joint Evaluation & 2019 PPA & PPG Work plan revisions	Jan/Feb 2019
EPA Evaluation of State's 2018 Self-Assessment Report	Mar 2019
2019 Self-Assessment Report	Dec 31, 2019
2019 Joint Evaluation & 2020 PPA & PPG Work plan revisions	Jan/Feb 2020
EPA Evaluation of State's 2019 Self-Assessment Report	Mar 2020
Senior Management Planning Meeting (2021-2024 PPA)	Feb/Mar 2020
MPCA/EPA Program-to-Program Meeting (2021-2024 PPA)	Apr - Jun 2020
Work plan Negotiation (2021-2024 PPA)	July - Sept 2020
Work plan Finalized (2021-2024 PPA)	Sept 2020
2021-2024 PPA Begins	Oct 1, 2020
2017-2020 PPA Final Self-Assessment Report	Dec 31, 2020
EPA Evaluation of State's Final Self-Assessment Report	Mar 2021

The joint assessment process for this agreement will:

- Provide general discussion, measurements of outcomes, and analyze the environmental and programmatic results of each element;
- Identify emerging issues, environmental trends, and strategies for improvement;
- Provide flexibility in both form and substance, as warranted by program performance;
- Seek to eliminate duplicative or unnecessary efforts and reporting;

- Respond with appropriate solutions, including redirecting goals and resources; and
- Encourage MPCA to find innovative program implementation alternatives, as long as the desired result is able to be measured and achieved.

The success of each outcome of this agreement relies on clear, constructive communication and the commitment of MPCA and EPA to work together to implement MPCA's **Plan-Do-Check-Adapt** model, to solve problems and improve the programs. If any differences exist on specific issues or problems, MPCA and EPA should move quickly to resolve them at the staff level or elevate the issue through the dispute resolution process in order to gain resolution.

Mutual Accountability

The approach to mutual accountability affects the way that EPA and MPCA interact and is a change from EPA's traditional approach to oversight. EPA and MPCA will agree on the appropriate level of EPA oversight of State program implementation. One primary consideration will be those program areas that are deemed to "need improvement." However, EPA will continue to review and act on new regulations in program areas that impact State authorization or where federal statute or regulation requires EPA review and approval of State actions (e.g., water quality standards).

Dispute Resolution Process

MPCA and EPA will use the following agreed-upon dispute resolution process to handle the conflicts that may arise as this agreement is executed. The resolution process will be treated as an opportunity to improve our joint efforts and not as an indication of failure. For the purpose of this agreement, the following definitions will apply:

Dispute: Any disagreement over an issue that prevents a matter from going forward.

Resolution Process: A process whereby the parties move from disagreement to agreement over an issue.

Dispute Resolution Guiding Principles:

- Recognize disagreement as a normal part of the state/federal relationship;
- Approach disagreement as a mutual problem requiring efforts from both agencies to resolve;
- Approach the conflict as an opportunity to improve joint efforts;
- Aim for resolution at the staff level, while keeping management informed;
- The MPCA and EPA will agree if, when and how to include others in the resolution process (because our conflicts sometimes intersect with external parties such as tribal governments, etc.);
- Disclose underlying assumptions, frames of reference, and other driving forces;
- Clearly differentiate positions and check understanding of content and process with all appropriate or affected parties;
- Document discussions to minimize future misunderstandings;

- Pay attention to timeframes and/or deadlines and escalate quickly when necessary. For matters involving this agreement, the following procedures will be utilized:
- Principle: Disputes should be resolved at the front line or staff level, when feasible.
- Timeframe: Disputes should be resolved as quickly as possible but within two weeks of the issue arising at the staff level. If unresolved at the end of two weeks, the issue should be raised to the next level of each agency.
- Escalation: When there is no resolution of the issue and the two weeks have passed, there should be comparable escalation in each agency, a conference call between the parties should be held as soon as possible. Disputes that need to be raised to a higher level should again be raised in comparable fashion in each agency, until resolution is obtained.

Enforcement and Compliance Assurance

Compliance and enforcement activities to be accomplished during the term of this PPA are included in the detailed State program plans, however, a summary of the federal and MPCA roles in compliance and enforcement is helpful.

The following tenets serve as the foundation for the EPA-MPCA relationships with respect to Enforcement and Compliance Assistance activities:

- Explore the most effective application of the full spectrum of compliance tools - from compliance assistance through compliance assurance, administrative/civil enforcement to criminal prosecution - to encourage/maintain the compliance of sources of all sizes.
- Use joint up-front planning to coordinate priorities, maximize agency resources, avoid duplication of efforts, eliminate surprises and institutionalize communication.
- Manage for environmental results which support the respective agencies' environmental goals and objectives.
- MPCA will ensure that compliance and enforcement information is complete, accurate and timely, consistent with EPA policies and the ICR.

There is a continuing role for EPA in environmental protection in the State of Minnesota. EPA carries out its responsibilities in the enforcement arena in a variety of ways. EPA acts as an environmental steward, ensuring that national standards for the protection of human health and environment are implemented, monitored and enforced consistently in all States. EPA can assist MPCA in conducting inspections and can conduct joint enforcement actions with the State and its local government partners. EPA can also conduct enforcement actions as discussed below and provide compliance and technical assistance to the State and its regulated entities. Under this PPA, EPA and MPCA retain their authorities and responsibilities to conduct enforcement and compliance assistance, and such enforcement will be accomplished in the spirit of cooperation and trust. Specific compliance and enforcement data needs will be discussed and shared per each agency's applicable policies and regulations within the applicable data practices and public information limits. Specific federal enforcement and compliance assistance responsibilities include but are not limited to the following:

- Work on National Priorities (e.g. multi-media inspections, companies with significant company-wide non-compliance in several states, and OECA Priorities) and Regional Priorities.
- Ensuring a level playing field and National consistency across State boundaries.
- Addressing interstate and international pollution (watersheds, air sheds, or other geographic units).

- Addressing criminal violations.
- Conducting enforcement to assure compliance with federal consent decrees, consent agreements, federal interagency agreements, judgments and orders.
- Conducting State Reviews in accordance with the OECA's National State Review Framework.

EPA performed a review of the MPCA's RCRA, NPDES and CAA compliance and enforcement program in 2007 under the State Review Framework, and performed the second and third round of the state review framework in 2010 and 2015. EPA also performed an on-site file review of MPCA's RCRA enforcement files in 2008 through 2012. All file reviews, as well as the review under the State Review Framework; include a subset of files from any metro county which has entered into a Joint Powers Agreement (JPA) with MPCA. Currently only Hennepin County has entered into a Joint Powers Agreement with the MPCA.

MPCA has requested and received inspection flexibility from the RCRA, TSCA (PCB) and the Air Quality program. Under the RCRA program, the MPCA executed a JPA with Hennepin County in 2008, and both parties intend to maintain this agreement through the PPA time frame (FFY2017 – 2020). MPCA continues to attempt to initiate JPAs with additional metro counties. The MPCA executed its Hospital Initiative flexibility plan in 2008, and continued this initiative to its conclusion in 2009. EPA and MPCA will continue efforts to be flexible when coordinating priorities and maximizing individual agency resources.

EPA will take enforcement actions in Minnesota as necessary and appropriate to ensure implementation of federal programs and as a deterrent to non-compliance, in accordance with the communication and coordination activities outlined above. There may be emergency situations or criminal matters that require EPA to take immediate action (e.g., seeking a temporary restraining order). In those circumstances, EPA will consult with the State as quickly as possible following initiation of the action.

NPDES Permitting

Accurate and enforceable NPDES permits are an essential part of our environmental protection efforts. MPCA and EPA recognize that there are general areas within the NPDES program that will receive our attention within the course of this PPA. These include the issuance of priority permits, maintenance of permit backlog goals, and the accomplishments identified in the Performance for Environmental Results action items.

EPA Region 5 and MPCA will explore opportunities to continue to expand the use of water quality trading, watershed permitting, and implementation of nutrient controls in NPDES permits. EPA Region 5 and MPCA will re-start the quarterly meetings to assure permitting issues like the reissuance of the pond general permit, the continued implementation of the RES into NPDES permits, and implementation of mercury standards for the minor facility within the Lake Superior basin; are discussed and issues/concerns are resolved in a timely manner.

Quality Assurance and Quality Management Plans

The MPCA has a quality system in place as described in the Quality Management Plan (QMP) found on the internet at: <https://www.pca.state.mn.us/about-mpca/mpca-quality-system>. The system consists of various levels of management oversight on projects and programs, staff training on quality assurance principles, and use of the quality assurance coordinators at the

agency for document review and technical assistance. Additional parts of the program policies can be found on the QA website noted above. The policies direct staff and individuals working with the MPCA on minimal requirements for field and laboratory quality assurance, documents required on sites, and links to other agencies and federal programs where additional information may be found.

The MPCA QMP, approved by Region 5 on March 12, 2013, is a five-year plan which documents how MPCA will comply with those provisions. The revised working draft five year QMP should be submitted for Region 5's review and comment at least 6 months (i.e. by September 12, 2017) prior to the current QMP's expiration (March 11, 2018). This should allow adequate time for reconciliation of any comments prior to final approvals by MPCA and Region 5.

MPCA and Region 5 have agreed that MPCA will continue to approve project-level Quality Assurance Project Plans (QAPPs) under this performance partnership agreement except for Superfund pre-remedial and remedial programs and the Superfund removal program. MPCA will submit program-level QAPPs to Region 5's Land and Chemical Division for the Leaking Underground Storage Tank (LUST) and Resource Conservation and Recovery Act (RCRA) Subtitle C inspection programs. U.S. EPA competitive assistance agreements may require the submission of project-level quality documentation for U.S. EPA review and approval as specified in the assistance agreement terms and conditions.

Region 5 is required to assess the implementation of the approved quality systems as well as extramural agreements which U.S. EPA provides financial assistance. MPCA will submit an annual letter (by January 31 of each year) to Region 5 which:

- identifies any minor revisions needed and/or incorporated into the QMP during the preceding year;
- confirms that the QMP approved by Region 5 is still in effect; and
- includes complete signed electronic (i.e. pdf) copies of all QAPPs, by environmental program, which were self-approved by MPCA during the preceding year under this performance partnership agreement. In lieu of this annual submittal, and in an effort to systematize this process, MPCA could also use EPA's QA Track system to submit the QAPPs.

Public Involvement

In addition to the public participation opportunities required by regulation, such as during rulemaking, environmental review, and permit consideration, the MPCA will continue to use citizen and stakeholder surveys, focus groups, interviews and other methods of gathering input to influence environmental decision and direction. The MPCA has a long history of public involvement in decision making and developing environmental programs, using various tools and methods, and evolving with modern electronic communication and social media. This gives us information on the public's environmental priorities so that they may be incorporated into the selection of our environmental goals. Citizen input is used to draft guiding documents such as basin plans, Total Maximum Daily Loads (TMDL's), and Watershed Restoration and Protection Strategies (WRAPS). Citizen input is part of the new MPCA Advisory Committee process recently launched by Governor Mark Dayton and Commissioner John Linc Stine after legislation ended the MPCA Citizens Board.

The MPCA will continue to work closely with EPA Region 5 to identify stakeholders for Minnesota's environment, develop general public support for state and federal environmental programs, raise awareness about important environmental issues, and share information about these issues.

On-going Public Involvement Projects

The MPCA's strategic plan includes the following goal:

Goal M3) Minnesotans better understand the connections between individual decisions and environmental effects

To that end, the following objective was adopted as part of the strategic plan:

Objective M3a: Engage in outreach activities to increase environmental understanding and support Minnesotans' efforts to increase environmentally responsible actions

This objective has four main areas that are measured: 1) the number of visitors and actions taken at the Eco-Experience; 2) proactive\non-regulatory communication messages; 3) the number of visitors and learning at the Smithsonian Water/Ways Exhibit; and 4) the number of community members engaged\educated and environmental outcomes through our MN GreenCorps Program. This section does include some other notable outreach activities as well.

1. **The Eco Experience**, the MPCA's Eco Experience is a major public outreach effort that takes place at the Minnesota State Fair each year. This exhibit experience reaches an estimated 260,000 visitors annually. The exhibit is designed to inspire people to lead more sustainable lives while improving quality of life and the environment. This exhibit also receives extensive media coverage during the 12-day event. Specifically, the MPCA has measured the percentage of visitors that say they used what they learned at the Eco Experience to make environmental choices in the past year and the year to come. From 2013 through 2015, MPCA's data shows that over 96% of visitors surveyed reported that they learned something by going through the exhibit. When visitors were asked how the Eco Experience would inform their environmental decisions in the year ahead, 84 % percent of 2013 visitors said Eco Experience would help them make environmental decisions, that number was 92.8 % in 2014, and 83.6 % in 2015.
2. **Proactive\Non-Regulatory Communication Messages** - Over the past two years, the Agency has made an effort to communicate more about its non-regulatory work, thus providing a better-rounded picture of what we and our partners do, and how people can help protect and improve the environment. Examples include news releases such as one promoting a new approach to issuing air advisories/alerts; and 150 homepage stories with feature stories on MPCA work, positive stories and notable news. Five of our 10 newsletters sent out are non-regulatory in nature. Other notable projects included Governor Dayton's water summit, the water/wastewater infrastructure Bonding Bill tour, and the Smithsonian WaterWays exhibit, described below.
3. **Smithsonian Water/Ways Exhibit** - *Water/Ways* is a traveling exhibition and community engagement initiative of the Smithsonian Institution's Museum on Main Street project. *Water/Ways* is led by the Minnesota Humanities Center in partnership with Minnesota Pollution Control Agency, Minnesota Department of Health, Minnesota DNR, Minnesota

Historical Society, and six greater Minnesota communities. Communities will create companion exhibitions, and develop events and education programs to connect their community's value of water to thoughtful action and stewardship. Minnesota Public Radio committed to being a media sponsor. The exhibit will run through April, 2017, at which time the exhibit will be modified to be used as a showcase at our 2017 Eco-Experience at the State Fair. All strategic outcomes will be defined in greater detail as the evaluation plan is finalized, in FY16. It will include aspects of visitors understanding of water, commitment to protecting water resources, and positive interactions within the community. The partnership is currently developing ideas and plans for a potential phase 2 Water/Ways initiative, earmarked for 2018 if approved and funded.

4. **Minnesota GreenCorps** – Launched in 2009, Minnesota GreenCorps is a statewide program, administered by the MPCA to help preserve and protect Minnesota's environment while training a new generation of environmental professionals. This program places AmeriCorps members with local governments, educational institutions, and non-profit organizations around Minnesota, where they serve for 11 months on focused environmental projects that help build community resilience. MN GreenCorps did a significant overhaul of our data collection methods for the 2014-15 service year, providing members with an improved report that collects a wider range of accurate data. Our improved reporting prevents any double-counting and has improved the accuracy of reporting over the past two program years and moving forward. In our 2014-15 Program Year, just over 38,000 people (community members) were directly engaged and/or educated as a result of the program. In the 2015-16 Program Year, there were over 55,000 community members engaged and/or educated. The program has been very well received by our members and host-site organizations.

The MPCA holds public meetings related to permits, environmental review, cleanup efforts, and watershed efforts. The agency also conducts traditional media relations with television, print, radio, and online news media outlets to deliver key agency messages about the environment. Media relations take place throughout the year with active story pitches and distribution of news releases by agency communications staff.

The MPCA has focused on improving the external web site for its more than 600,000 annual visitors. The MPCA sees the web site as a critical communication pathway with a wealth of environmental information and a number of online tools to enhance communication efforts. These online tools include an agency Facebook page, a Twitter feed, a MPCA YouTube (video) page, a webcast system, and messaging services via GovDelivery. These tools allow individuals to receive information on a wide variety of topics and to experience the important MPCA messages in multiple ways.

The agency developed an interactive watershed map of the state that provides information on specific watersheds at www.pca.state.mn.us/jsrie74. The MPCA has an interactive map and text-based search tool with environmental information about individual sites or facilities titled "What's in My Neighborhood?" This tool includes specific information about businesses or activities regulated by the MPCA according to location or address. The MPCA updated the Air Quality Index page and created a mobile application to provide hourly air quality information for the public in an interactive and user-friendly format. The MPCA also built a web site with the Minnesota Department of Health called "Be Air Aware" to help educate businesses, their employees, and citizens about air quality issues.

The MPCA supported citizen forum and stakeholder discussions as a lead agency coordinating the Governor's Water Summit held in February 2016. This summit brought nearly 1,000 people together to have a dialogue about the key water challenges for Minnesota.

Finally, the MPCA's environmental justice framework sets forth the agency's commitment to act using our expertise, relationships, and resources to focus our work where it will have the greatest effect in reducing the impact of environmental pollution on people. With regard to public involvement the MPCA is committed to taking extra steps to ensure that all Minnesotans have opportunities to be involved in and influence our work. This includes understanding the barriers that low-income residents, people of color and recent immigrants may face to participating in our work and doing what we can to take down and overcome those barriers and assist community members in influencing decisions and actions. We also strive to build meaningful relationships with a variety of stakeholders and organizations to establish the foundations for long-term collaborative work.

Civic Engagement in Watershed Planning

As stated in the last PPA, public participation is seen as an integral part of the Total Maximum Daily Load (TMDL) and Watershed Restoration and Protection Strategies (WRAPS) process. The goal of the Watershed Program is to ensure that all Minnesota waters meet water quality standards. For each water body not meeting standards, a WRAPS must be developed. A WRAPS examines all sources of pollution causing a water body to be impaired and suggests specific ways to reduce pollution sources. While point source reductions can typically be accomplished using regulatory mechanisms (permit requirements, etc.) geared toward industrial or publicly-owned wastewater treatment plans, nonpoint sources (runoff from cities and farmland, and other land uses) must still be addressed through voluntary actions by individual citizens and stakeholders.

For many years, government efforts to address water pollution through regulation have focused on the use of technological tools for reducing pollutant loads. The use of technology and natural resource management expertise has, in fact, resulted in impressive achievements in reducing municipal and industrial pollution. However, nonpoint sources of pollution now pose the greatest remaining challenge to ensure that waters meet water quality standards. Because nonpoint sources must be addressed through the voluntary citizen actions, applying best practices to those problems will require establishing trust and building relationships with the public. The water goals also need to be achievable and measurable.

The pollution problems that remain require new strategies – strategies that encourage and support creative partnerships, effective networks, increased citizenship, government transparency, and local leadership. While recognizing individual interests, this work will seek to instill and draw upon a common sense of purpose and obligation to protect important water resources. This acknowledges that citizens are key collaborators in achieving water quality goals. A significant goal in civic engagement is to build civic capacity at the local level for problem-solving around the issue of water quality and to do it in a way that achieves sustainable results.

MPCA staff will support local government partners and nonprofit organizations as they engage, dialogue and partner with stakeholders and citizens in the 80 watersheds across Minnesota. To achieve the goal of developing local civic capacity for solving water problems, communities will

need to create intentional and strategic plans around the concept and philosophy of civic engagement. MPCA is encouraging development of these strategies as part of every watershed plan.

Over the past two years, MPCA watershed projects have incorporated civic engagement activities at the level of effort local staff are able to commit to, given available resources and staff time. The MPCA has and will continue to provide planning frameworks, resources, networks for peer-to-peer learning, and consultation for local projects trying to engage citizens with greater intention than they have in the past.

Environmental Justice

EPA and MPCA agree that fair treatment and meaningful involvement are core environmental justice principles that should be integrated into environmental programs and reflected in our work. Environmental justice is a priority for both EPA and MPCA. EPA is advancing this priority through the EJ 2020 Action Agenda, our environmental justice strategic plan for 2016-2020. An important part of EJ 2020 is working with state co-regulators to advance environmental justice, as discussed in Chapter 6 of that document. MPCA is a critical partner in this effort, and we will work together to build our joint capacity to address environmental justice concerns in our day-to-day work. This includes continuing to reflect environmental justice principles in our ongoing work together.

The MPCA's Environmental Justice Framework 2015-2018 outlines a vision and set of strategies for integrating environmental justice principles into MPCA's work over the next 3 years. MPCA shares many environmental justice goals and strategies with EPA and looks forward to engaging around opportunities for joint learning, sharing of knowledge and coordinated work.

Areas for further building joint capacity and collaboration include:

- Continued coordination of permitting, compliance and enforcement and identification of opportunities to prioritize regulatory services and remediation work in areas of concern for environmental justice.
- Joint work to expand our knowledge and tools for identifying areas of concern for environmental justice and assessing cumulative impacts.
- Improving communication, engagement and involvement of previously under-represented communities in our regulatory decisions and outreach.
- Incorporating environmental justice considerations into rulemaking.
- Considering ways to target prevention and assistance work to benefit overburdened areas.

E-Enterprise Action Plan

E-Enterprise for the Environment (E-Enterprise) is a transformative approach to reshape how government agencies deliver environmental protection. The states, U.S. Environmental Protection Agency (EPA) and tribes are collaboratively modernizing business processes across agencies and programs. The core purpose of E-Enterprise is to improve environmental protection by streamlining, reforming, and better integrating our programs. Higher performing programs will operate more efficiently and effectively to deliver positive environmental results.

EPA's commitment to advancing E-Enterprise with State, Local and Tribal partners is evidenced by the recognition in the FY 2016 Partnerships Action Plan of the need to embed E-Enterprise principles in work processes and aligned projects of EPA and state/tribal partners.

Three Elements of E-Enterprise

In order for EPA, States and Tribes to ensure that their workplans, management processes, projects and/or program activities align with E-Enterprise goals, a clear understanding of what E-Enterprise encompasses is required. E-Enterprise is not just databases or information technology solutions; rather, it operates as a joint governance partnership to: 1) improve environmental protection through better program performance by streamlining and modernizing business processes enabled by advanced information and monitoring technologies, and 2) enhance services to stakeholders and partners while reducing transaction costs and burdens for the regulated community and governmental agencies.

The following discussion provides more information on the key principles of E-Enterprise and gives some examples of the types of activities that reflect those key principles that could be included in a state grant workplan and highlighted as aligned with E-Enterprise.

1. Operate E-Enterprise as a Joint Governance Partnership

Joint governance encompasses a broad principle of early engagement and collaboration among EPA, state, and tribal partners: working collaboratively to streamline, modernize and integrate our shared business processes and management approaches. Joint governance is essential to drive integrated process and management improvement. Without it, process improvements and technology changes undertaken by individual agencies may further entrench fragmentation between EPA, states and tribes.

2. Improve environmental protection through better program performance

E-Enterprise will improve the performance of current programs by developing new practices to implement them. This is the ultimate marker by which success of E-Enterprise will be assessed: does it improve environmental protection?

3. Enhance services to stakeholders and partners

E-Enterprise will reduce transaction costs and burdens for the regulated community and governmental agencies by modernizing programs and developing innovative management approaches. This will include using shared services, converting from paper to more advanced electronic forms, streamlining program requirements, and applying advanced monitoring to streamline information collection. Enhanced services to the public focus on improving transparency.

MPCA and EPA agree to investigate opportunities for collaborating on projects that align with the three principles of E-Enterprise.

Environmental Conditions in Minnesota

To put the elements of the 2017-2020 PPA in context, it is useful to take a brief look at the past four decades of progress and the current state of our waters, our air and our land. A summary of Minnesota's current environmental conditions follows:

Groundwater

Groundwater is a vital, valuable component of Minnesota's abundant and interconnected hydrologic system that also includes lakes, streams and wetlands. It is important to protect and monitor both groundwater quality and quantity, as groundwater provides nearly 75 percent of Minnesotans with their drinking water and nearly 90 percent of the water used for agricultural irrigation. It also recharges surface waters, supporting their habitat and aquatic life.

Groundwater monitoring in Minnesota is an interagency effort, based on directives in state and federal law. The MPCA and the Minnesota Department of Agriculture (MDA) monitor ambient groundwater quality, focusing on vulnerable aquifers and recharge zones. The Minnesota Department of Health (MDH) monitors contaminants in public drinking water supplies and provides health-based standards and guidance for human consumption. The Department of Natural Resources (DNR) monitors the quantity of water in the State's aquifers, and regulates withdrawals.

Groundwater withdrawal demands in Minnesota continue to grow along with the state's population and economic activity, with consequences that concern both groundwater and surface water users. Recent investigations of groundwater pumping in both rural and urban watersheds have found that large amounts of groundwater have been diverted which normally recharge creeks and lakes. Fish numbers and diversity have been severely affected by reduced groundwater inflow into Little Rock Creek due to increased irrigation. In the northeast Twin Cities metro area, increased groundwater pumping for residential and irrigation use has contributed to recent declines in the levels of White Bear and other lakes. With funding from the Legislature, the DNR is increasing its regulation of water withdrawals to assure long-term sustainability of the aquifers and the surface waters they support.

Most of Minnesota's groundwater generally has good quality and complies with drinking water standards. However, human-caused impacts to this resource are apparent in several regions.

- Nitrate continues to be one of the most common contaminants in the state's groundwater. It is a persistent problem especially near areas of land uses where there are human-induced sources in combination with geology that permits this chemical to seep into the groundwater. Most nitrates enter the groundwater from fertilizers, animal manure, and failing surface sewage treatment systems. Nitrate concentrations are frequently elevated or exceed standards in the shallow aquifers in rural and agricultural areas, especially in central and southeastern Minnesota. Private and public drinking water wells are affected, with several communities having to blend, treat or even replace municipal wells, at substantial expense.
- Chloride from road-deicing salts is a growing threat to groundwater quality in urban areas, with shallow groundwater showing the highest concentrations and most exceedances of the federal secondary drinking water standard. Chloride-laden groundwater also contributes to surface water impairments as it recharges urban streams.

- Pesticides are frequently detected in agricultural areas, in shallow, more vulnerable groundwater; however, none exceeded any human-health based drinking water standards. The most frequently detected pesticides in 2014 were degradates of metolachlor, alachlor, acetochlor, and atrazine. In addition, neonicotinoid insecticides have been detected in agricultural areas in a small percentage of samples, all well below applicable benchmarks.
- Emerging contaminants of concern are frequently detected at low concentrations in shallow groundwater. These include chemicals from pharmaceuticals, personal care products, and detergents that can be endocrine-active. The MDH is establishing health-based guidance for these substances as toxicological information becomes available.

Recent expansion and modifications to the MPCA's monitoring network will enhance future groundwater quality assessments and our ability to understand Minnesota's groundwater quality and water quality trends over time. With the help of Clean Water Legacy funds, the MPCA now has a network of over 250 monitoring wells that serve as an early-warning network in aquifers that are naturally vulnerable to contamination.

Additional information on groundwater near remediation sites is included in the Land section of this summary. A January 2016 MPCA report to the Minnesota Legislature, "Groundwater Protection Recommendations", covers these issues in greater detail, at this link: <https://www.pca.state.mn.us/sites/default/files/lrwq-gw-1sy16.pdf>.

Surface Waters

Minnesota waters are decidedly cleaner today than they were 40 or 50 years ago, thanks to ongoing efforts to address industrial and municipal discharges, separate combined storm and sanitary sewers, and improve Minnesota's wastewater treatment facilities. Fish, wildlife and boaters have returned to waters once heavily polluted by human and industrial waste, yet there is still a long way to go to restore Minnesota's water resources to full health.

Passage of Minnesota's Clean Water Legacy Act in 2006 and the Clean Water, Land and Legacy Amendment in 2008 has provided the MPCA with public support and on-going resources to continue implementing and developing the watershed approach. The watershed approach is the key strategy and organizing principle that guides the agency's surface water monitoring activities and many other aspects of the agency's water programs. The MPCA piloted the strategy for two years before adopting it in 2008. Using the watershed approach, the MPCA and its partner agencies and organizations conduct numerous surface water monitoring activities to provide information about the status of the state's water resources and to identify potential or actual threats to the quality of surface water, choose options for protecting and restoring waters that are impaired, and evaluate the effectiveness of implemented management plans. The goal of the MPCA and its partners is to provide information to assess – and ultimately to restore or protect – the integrity of Minnesota's waters.

A key element of the watershed approach is the goal to assess the condition of Minnesota's waters (all 81 watersheds) via a 10-year cycle that starts over again after the first 10-year cycle is complete. During the second 10-year cycle, the same progression of intensive monitoring to assess current condition and detect any changes, followed by updating of protection and restoration strategies, and then additional implementation efforts, is pursued in each watershed. As of the end of the 2015 field season, monitoring has been completed in 58 (70%) of the state's major watersheds and the MPCA is on track to complete monitoring in all 83 watersheds by the target date of 2018. Results to date indicate that about 60 percent of Minnesota lakes and streams meet water quality standards; about 40% are impaired by pollution.

Lake and stream monitoring also has identified the source of contamination in many Minnesota watersheds to be attributable to non-point sources, including agricultural fertilizers and pesticides, urban runoff, manure applications, septic systems, and road salt, as well as industrial and municipal wastewater. Some of the most common impacts to surface water come from sediment, phosphorus (agricultural, industrial and residential), coliform bacteria, nitrate, mercury and pesticides. An emerging concern to surface water quality is the potential effect of endocrine disrupting compounds on aquatic life and reproduction. Water quality varies greatly by region, with waters in northern forested areas of the state generally showing higher quality than the southern and western regions where agriculture and urbanization are more prevalent.

Wetland quality in Minnesota has been less well understood than lake and stream quality. However, as recognition of the many ecological and societal benefits provided by wetlands has grown, the MPCA and DNR initiated a statewide wetland monitoring program to assess status and trends of both wetland quantity and quality. The MPCA recently completed a second round of the Depressional Wetland Condition Assessment. The results of which indicate that wetland condition hasn't changed much in the intervening five years between the two surveys; wetlands outside of the northern forested areas of the state remain in relatively poor condition. The 2012 survey found that 56% of plant and 29% of macroinvertebrate depressional wetland communities in the central forested and southern/western plains regions are in poor condition. In 2011, a different wetland quality survey was initiated, the Minnesota Wetland Condition Assessment (MWCA). The MWCA, with a focus on wetland plant community condition, includes the majority of wetland types found in Minnesota. The results from the initial round of this survey show that the majority (67%) of wetlands in the state are in good health. However, wetland quality varies widely across the state with high quality in the northern forested region and poor quality in the central, southern, and western regions of the state.

Impaired waters identified through monitoring are studied further to identify corrective actions needed to restore water to quality that meets standards set to protect public health, recreation, and aquatic life. Local governments and others partnering with state and federal agencies (i.e. cities, watershed management organizations counties, soil and water conservation districts landowners, citizens and other stakeholders) are leading efforts to upgrade wastewater treatment plants and septic systems; reduce polluted runoff from city streets, agricultural fields and feedlots; and undertake other on-the-ground actions called best management practices or BMPs to help clean up the state's waters. Still, it can take decades to clean up impaired water. Although full restoration of Minnesota's waters will take time, the Clean Water Fund investments will help accelerate the pace of these activities.

More water quality information can be found at the "How's The Water?" webpage:
<https://www.pca.state.mn.us/water/hows-water>.

Air

By many measures, Minnesota has good air quality. Even in the Twin Cities Metropolitan area, which includes over three million people, the state has historically attained national ambient air quality standards. This is due in part to favorable geography and weather patterns, but also to pollution prevention and control efforts by government and industry.

However, Minnesota still has air quality challenges and current levels of air pollution still contribute to health impacts. In addition, as knowledge of health impacts grows, air standards continue to be tightened. While Minnesota currently meets new standards for ozone and fine particles, air concentrations are much closer to the new standards resulting in the need for careful tracking and efforts to ensure continued attainment.

While most areas in Minnesota meet standards, air quality can still be a concern on certain days and in localized areas. In 2015, daily concentrations of ozone or fine particles were high enough to result in air quality alerts for sensitive groups on eleven days in the Twin Cities area and 167 days were considered to have moderate air quality. Additionally, the majority of air pollutants, such as the air toxics, do not have standards, but may still cause health concerns. In 2010, MPCA began developing strategies to reduce the levels of these pollutants by identifying those of greatest concern. Besides the criteria pollutants, MPCA also identified air toxics including diesel particulate, formaldehyde, acrolein, polycyclic aromatic hydrocarbons, and dioxins and furans.

In addition to criteria pollutants and air toxics, emissions of carbon dioxide in Minnesota, primarily from the burning of fossil fuels, continue to contribute to rising atmospheric concentrations. The increased levels of carbon dioxide and other global warming gases result in climate change. In Minnesota, observed changes include higher temperatures, shorter winter lake ice cover, higher summer dew points, northward species migration, and more frequent heavy rain falls and floods.

The combined effect of lower standards, regional air masses drifting into Minnesota from other states, more large-scale wild fire events, and increasing temperatures may trigger future air quality violations of the standards and compel more air quality alerts and result in increased health impacts. Current regulations have significantly decreased emissions from point sources leaving smaller, non-permitted sources of pollution, particularly from combustion, as the largest contributors to Minnesota's overall air pollution.

Point Source Emissions Decreasing. For decades, the MPCA has worked with large stationary facilities using traditional methods of permitting, compliance, and enforcement to greatly reduce pollution from these sources. Federal regulatory programs such as New Source Performance Standards, National Emissions Standards for Hazardous Air Pollutants and rules addressing transport of emissions such as the Cross State Air Pollution Rule have been highly successful and will continue to drive emissions from these sources downward.

Focus On Reducing Nonpoint Source Emissions. Small, diffuse sources of pollution such as small businesses, vehicles, lawn equipment, and recreational fires pose a growing challenge for the MPCA because the state has little regulatory authority to control them.

As part of the MPCA's long standing focus to develop new means of tackling these smaller sources, in 2003 the MPCA formed a public-private partnership to further reduce air pollution to protect public health and meet federal air quality standards. This partnership, called Clean Air Minnesota (CAM), was founded through the joint effort of the Minnesota Pollution Control

Agency, the Minnesota Center for Environmental Advocacy, and the Minnesota Chamber of Commerce to address these shared goals. This partnership gathers stakeholder input, prioritizes strategies, connects projects with funding, communicates about initiatives, and tracks emissions reductions. Clean Air Minnesota serves as the stakeholder group for the MPCA's 2012 enrollment in EPA's Advance Program which serves as an umbrella for all of the voluntary initiatives that the MPCA and its partners have undertaken to reduce fine particle and ozone emissions.

Since refocusing efforts in November 2013, the MPCA and other CAM members have been working to identify and implement air pollution reduction strategies and education opportunities to reduce health risks related to air pollution and improve environmental justice in Minnesota. Clean Air Minnesota partners have a goal to reduce man-made fine particulate matter (PM2.5) and ozone precursor emissions by 10% from 2008 levels.

Land

During the 1980s and 90s, Minnesota took decisive and effective steps to clean up industrial and municipal waste dumps and leak sites that contaminated land and ground water. A series of laws and programs were enacted in Minnesota and nationally to appropriate funds, compel cleanup of the most serious sites, and to create incentives and funding sources to encourage voluntary cleanups.

The state Superfund, enacted in 1983, handles contaminated sites that are large and complicated and that may take several years to fully address. The MPCA's Remediation Division has completed or overseen the full investigation and final cleanup or control of 173 out of 256 State listed industrial waste sites, and 21 of 46 Minnesota sites on the federal Superfund list. The remainder of the listed sites is in the cleanup process. Most sites need ongoing monitoring and maintenance for many years or decades.

There is also a clear need to prepare the Superfund Program to adequately address growing risks to public health from a number of emerging issues, at both active and closed sites, such as vapor intrusion. The following emerging contaminants and issues, which include the lowering of human health standards for several chemicals, will result in a significant increase in MPCA Superfund activities over the next several years:

- Trichloroethylene (TCE)
- 1,1,2,2-Tetrachloroethylene (PERC)
- Perfluorochemicals (PFCs)
- Lead
- Carcinogenic Polycyclic Aromatic Hydrocarbons (cPAHs)
- 1, 4, Dioxane
- Vapor Intrusion
- Groundwater/Drinking Water Protection

These issues will necessitate:

- Additional assessments and work at currently active sites;
- More complex investigations and cleanups at a larger number of future sites than had been anticipated, and;
- Re-assessment of closed sites to ensure that they do not pose a continued threat to public health and the environment.

Since 1990, the MPCA's Resource Conservation and Recovery Act (RCRA) remediation program has completed the investigation and remediation of 345 hazardous waste release sites. The sites consist of hazardous waste generators, permitted RCRA facilities, and former facilities that operated under interim status.

The Petrofund and Petroleum Remediation Program (PRP) were created in 1987 to clean up contamination from leaking petroleum tanks. The program has investigated and closed more than 18,500 of the 19,400 petroleum leak sites as of 2016. About 300 new sites are expected to enter this program each year for the foreseeable future. PRP is currently in the process of reviewing 750 sites closed prior to the release of vapor intrusion guidance in 2005. These sites were identified as those having the highest potential for vapor intrusion.

The MPCA's Brownfield Program has cleaned up and returned to productive use over 80,000 acres of contaminated land since its inception in the late 1980's. The Voluntary Investigation and Cleanup Program (VIC) and the Petroleum Brownfield Program (PBP) comprise the MPCA Brownfield Program. Over 370 projects are screened and processed each year in this program. This program is voluntary and can issue liability assurance letters as well as development plan approvals aiding in redevelopment of contaminated properties.

The Closed Landfill Program (CLP) was created by the legislature in 1994 as an alternative to Superfund. The CLP is responsible for managing the risks 112 closed state-permitted municipal waste landfills pose to the public and the environment. Cleanup actions have included the relocation of wastes, enhancement of site covers to current standards and installation of ground water pump/treat and active gas collection systems. Other response actions have included sampling and monitoring, operation of active remediation systems, general site care, and land & property management. The CLP now operates 20 active gas collection systems which have destroyed more than 220 million pounds of methane over the past 10 years.

The CLP was redesigned several years ago to enhance implementation of program requirements, including development of Land Use Plans (LUPs) for landfills. LUPs are recognized as institutional controls to help the CLP, land owners and local governmental units responsibly manage land use at and around these landfills. The CLP completed LUPs on all eligible sites in calendar year 2012; however, the adoption of appropriate land-use controls by LGUs is still needed at some sites.

More information on environmental conditions in Minnesota is available on the MPCA website: www.pca.state.mn.us.

Outlook

Minnesota, in partnership with EPA and other stakeholders, can be proud of its environmental record, but must be ready for continuing challenges, as noted above. Cross-boundary problems such as persistent toxins, climate change, invasive species and hypoxia in the Gulf of Mexico, along with multi-media issues like mercury and unregulated contaminants with toxic or endocrine effects, will require good science, increased partnerships, and innovation to assure a healthy environment for current and future generations.

Joint Priorities for FFY 2017 – 2020

Joint priorities represent a subset of environmental program responsibilities that MPCA and EPA jointly agree to carry out. They represent investment priorities for the PPA period for one or more reasons below:

- the program is an important, newly developing program that requires the attention of the Commissioner and Regional Administrator and senior managers to adequately grow;
- the program area is, or is at risk of, inadequately functioning, and the deficiency represents a significant vulnerability to the integrity of the environmental protection program in the State;
- the program represents a long-term strategic investment opportunity in the State;
- the program offers the opportunity to demonstrate innovations to promote environmental improvement or enable efficiency enhancements.

In the PPA, and supporting documentation, MPCA and EPA will describe the basis for the priority and the expected outcome of the effort; the roles each agency will undertake and level of effort; and significant milestones.

The results of our work on each joint priority will be reported during the joint assessment, including, to the extent applicable the impact of any disinvestments made to support the joint priority work.

The priority write-ups in the PPA are only of summary of the actual priorities. Complete write-ups and detailed information about the priorities is available by contacting the staff persons listed at the end of each priority summary.

MPCA and EPA have agreed to the following three priority areas:

1. Air Quality Permits
2. Mining Permits
3. Watershed Approach and CWA Section 319 Grants

Air Quality Permits Joint Priority

October 1, 2016 – September 30, 2019 (FFY 2017-2019)

Objective:

Reduce the MPCA's renewal backlog

Statement of Environmental Problem/Issue:

The MPCA implements the requirements of Title V of the Clean Air Act through its combined construction and operating permits program, which was approved by EPA on December 4, 2001 (66 FR 62967). Through regular program interactions, our annual planning process, and periodic program reviews, EPA and MPCA discuss program progress and implementation issues. MPCA and EPA agree that there is a large backlog of Title V renewal applications. EPA and MPCA seek to work jointly to significantly increase issuance of Title V operating permit renewals, thereby reducing MPCA's renewal backlog. EPA and MPCA agree that the Title V Program provides significant environmental benefit and as such the MPCA agrees to continue to look for ways to increase resources assigned to Title V permitting.

Actions to be accomplished or Progress Update:

- By 12/31/16 reduce backlog to 124 permits
- By 12 /31/17 reduce backlog to 112 permits
- By 12 /31/18 reduce backlog to 90 permits
- By 12 /31/19 reduce backlog to 60 permits
- By December 31 of each year, discuss with EPA which permits will be targeted for issuance in the following calendar year, based on evaluation of environmental impact, age of application, EPA assistance, and other factors.
- Update EPA monthly during scheduled conference calls, in addition to continued quarterly and TOPS reports

Proposed EPA Commitments:

Assist with the oldest backlogged applications:

- By 12/31/16, complete a pilot project on 2 backlog applications jointly selected by EPA and MPCA, to determine how EPA can deliver the most effective assistance.
- Provide that assistance in following years, for additional backlog applications jointly selected by EPA and MPCA by December 31 of each year.

Additional Information:

Contact Information:

MPCA: Don Smith at 651-757-2736 or Don.A.Smith@state.mn.us

EPA Region 5: Genevieve Damico at 312-353-4761 or Damico.Genevieve@EPA.gov

Mining Permits Joint Priority

October 1, 2016 – September 30, 2020

(FFY 2017 – 2020)

Objective:

To address regulatory and communication issues and facilitate timely completion of NPDES permit actions for metallic mining projects in Minnesota that will address outstanding environmental issues, eliminate permit backlog, and issue permit decisions for existing and new mining operations.

Statement of Problem/Issue:

Water quality permits for the metallic mining sector are critical to the protection of surface waters. These permits are often associated with economic development, are under increased public scrutiny, and involve complex permitting and water quality situations. As a result, NPDES permits for the metallic mining sector have a higher than average reissuance backlog and permit decisions for new or expanding facilities are often delayed. EPA and MPCA had previously established a joint priority on metallic mining which was focused on reducing the permit backlog in the mining sector. MPCA reports that the current regulatory environment makes it difficult to propose new or renewed permit actions that will survive administrative procedures and become successful final actions. NPDES permit actions for metallic mining operations are affected by water quality standards and the need to address impacts to downstream waters regulated by other state/tribal governments.

Scope:

Minnesota's Class 3 and Class 4 water quality standard revisions (including wild rice), numeric interpretation of aquatic life standard, and NPDES permits for new, expanding and existing metallic mining operations in Minnesota.

Strategy:

The metallic mining joint priority will include a focused effort on development and review of Minnesota revised Class 3 and Class 4 water standards and an implementation strategy for a chloride water quality standard (including a discussion on use of a numeric interpretation of the narrative aquatic life standard). It will also include identification and prioritization of metallic mining permit issuance, and improvements to the permitting process to assure timely NPDES permit decisions consistent with CWA requirements and elimination of the permit backlog. EPA and MPCA agree to approach interactions constructively and well prepared, minimize surprises and focus on joint problem solving.

Actions to be accomplished or Progress Update:

1. Update Minnesota's Class 3 and Class 4 water quality standards.
 - a. MPCA provides information to USEPA throughout the rulemaking process;
 - b. MPCA completes state rulemaking process by January 1, 2018; and
 - c. USEPA completes timely review and has a goal of providing a decision within 90 days of receiving the complete rule package, including the Attorney General certification, from the state.

Responsible Staff: Catherine Neuschler, MPCA and Linda Holst, USEPA

2. Evaluate the need for a numeric interpretation of the narrative aquatic life standard (including a discussion on use of conductivity)
 - a. MPCA and USEPA agree on an approach for developing the evaluation.

- b. MPCA prepares a draft evaluation and submits to USEPA for comment.
 - c. USEPA provides timely comments.
 - d. MPCA finalizes action plan, if needed, and begins implementing.

Responsible Staff: Catherine Neuschler, MPCA; and Linda Holst and Kevin Pierard, USEPA
- 3. Conduct tribal community consultations.
 - a. USEPA will follow its existing Tribal Consultation SOP for work conducted under this joint priority.
- 4. Provide resources, as available, to complete permitting and certification analyses to assure timely decisions for the metallic mining sector, including copper/nickel mining proposals (e.g. Polymet).

Responsible Staff: Ann Foss, Jeff Stollenwerk, MPCA and Kevin Pierard, Peter Swenson
USEPA

 - a. Use the MOA as a guiding document
- 5. Identify annual permit issuance/reissuance priorities and timelines by October 1 of each year.

Responsible Staff: Jeff Stollenwerk, MPCA and Kevin Pierard, USEPA
- 6. In the event of adoption of new water quality standards MPCA will make necessary adjustments to permitting procedures and permit review checklists used in the State's permit issuance process.

Joint Priority Responsibilities:

- 1. MPCA and USEPA R5 participate in quarterly calls for updates, information exchanges and problem solving on all joint priority actions. EPA R5 will invite EPA HQ staff to participate in quarterly calls for updates.

Staff Responsible to Schedule: Jeff Stollenwerk, MPCA; and Kevin Pierard and Linda Holst, USEPA

Staff Responsible to Participate: All involved in Actions above.
- 2. As process impediments are identified EPA and MPCA agree to evaluate and resolve the impediment within a fixed period of time, which will be identified and agreed upon. If an impediment is not resolved in the established period, it will be elevated to the Assistant Commissioner (MPCA) and Water Division Director (EPA) level for resolution.
- 3. Annually review metallic mining permit issuance/reissuance priorities and timelines to track progress in addressing the permit backlog.

Responsible Staff: Jeff Stollenwerk, MPCA and Kevin Pierard, USEPA

Joint Priority Guiding Principles:

- 1. Approach each interaction focused on problem-solving
- 2. Constructive Communications - Advance discussions followed up by formal letters or emails outlining planned actions, including steps for issue resolution.
- 3. Come prepared for interactions

Additional information:

Contacts Information:

MPCA: Jeff Stollenwerk at 218-302-6612 or Jeff.Stollenwerk@state.mn.us

USEPA: Kevin Pierard at 312-886-4448 or Pierard.Kevin@epa.gov

Minnesota Watershed Approach and U.S. EPA CWA Section 319 Grants Joint Priority October 1, 2016 – September 30, 2020 (FFY 2017 – 2020)

Objective:

Both agencies seek a well-coordinated effort to distribute U.S. EPA CWA Section 319 grants according to the current federal guidance, while supporting the Minnesota Watershed Approach.

Statement of Environmental Problem/Issue:

U.S. EPA Section 319 guidelines currently require a fairly detailed 9-element watershed based plan for each watershed project receiving Section 319 funding, in which detailed project activities are described down to a smaller, sub-watershed scale. However, the Minnesota Watershed Approach focuses on a larger, major watershed level, and this larger scale is not compatible with the level of detail needed in a 9-element plan. But the Minnesota Watershed Approach has already been successful at identifying major sources of water pollution, making the correct strategies more apparent across the state. To reconcile this situation, U.S. EPA and Minnesota are working together to ensure the Project Work Plans for Section 319 funded projects meet the 9 elements.

In Minnesota there are 80 HUC8 watersheds. In a ten-year period, all 80 HUC8 watersheds will be intensively monitored or sampled, assessed for impaired waters and waters in need of protection, modeled with U.S. Geological Service HSPF (Hydrological Simulation Program-FORTRAN) model, and investigated for biological stressors. Using this data, TMDLs are developed. This information is gathered in a WRAPS report that uses the collected data to create a table of strategies (generally BMPs) needed to achieve clean surface water in that major watershed. Input from not only local governmental units, but also citizens, is integral to the process of creating the WRAPS reports. Ownership by the local stakeholders of the WRAPS report is the central tenet of the process: with that ownership, the right conservation practices are more likely to be implemented in the areas where they're most effective.

Both agencies agree that Section 319 funding should be focused on Best Management Practices (BMPs) that address a particular water body with an approved TMDL. Furthermore, Section 319 funding should be targeted toward critical areas in any given watershed. MPCA also requires that an approved Watershed Restoration and Protection Strategy (WRAPS) report or TMDL Implementation Plan (former plans recently replaced by WRAPS in most cases) be completed for the project area.

The timeline between the grant application acceptance and submittal of the needed Project Work Plan is short, and is a cumbersome process at this time. An additional goal is that as a Joint Priority, the process can be streamlined and made more efficient.

Progress Update:

One round of Section 319 applications was scored but the resulting Project Work Plans were largely unfocused and oftentimes vague. Specific problems involved plans not being targeted towards BMPs for water bodies with TMDLs without extensive editing. Many applicants asked for funding to be spent across a watershed or county without regard for critical areas. Some wanted to further study an area for which sufficient data had been collected but hadn't been used. This "pre-test" of Project Work Plans highlighted challenges that can focus future efforts.

MPCA plans to hire a new staff (0.5 FTE) to develop guidance documents, conduct training, and revise the request for grant applications to improve this situation. This staff person will be overseen by the Statewide Administration Supervisor and the Metro Watershed Section Manager.

Joint Priority Responsibilities:

1. MPCA will continue to refine the Request for Grant Application, and train both MPCA project managers and local applicants on the objectives and requirements for project funding for Section 319 grants.
2. MPCA, in coordination with U.S. EPA, will develop state guidance for Section 319 applications, including a template for a 9-element Project Work Plan.
3. U.S. EPA will continue to review Project Work Plans for adherence to the 9-element plan requirements.
4. U.S. EPA and MPCA will continue discussions on the directions and outcomes of the programs, and additional paths to streamline the Section 319 grant program for both agencies.
5. Process improvement will be measured by the following:
 - a. To measure the success in ensuring the Project Work Plans focus on the appropriate components, we will track the number of Section 319 work plans that fully meet the requirements of the 9-element plan without extensive editing, thus improving efficiencies for both agencies.
 - b. To measure the efficiency and streamlining of the grant submittal and acceptance process, we will track the timeliness of the process. Process timelines will be established prior to the FY2017 application period start (January 2017).

Additional information:

Contact information:

MPCA: Juline Holleran at 651-757-2442 or Juline.Holleran@state.mn.us

Teresa McDill at 651-757-2303 or Teresa.McDill@state.mn.us

U.S. EPA Region 5: Sue Elston at 312-886-6115 or Elston.Sue@EPA.Gov

Matt Gluckman at 312-886-6089 or Gluckman.Matt@EPA.Gov