

Pollution Control Agency	Project Funding Summary
	(\$ in Thousands)

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2014	2016	2018	2014	2016	2018
Capital Assistance Program	1	GO	\$22,411	\$10,000	\$10,000	\$5,774	\$5,700	\$5,700
Municipal Stormwater Pond Cleanout	2	GO	5,000	5,000	5,000	2,000	2,000	2,000
Electric Vehicle Charging Stations	3	GO	4,300	5,000	5,000	0	0	0
Solar Power at Closed Landfills	4	GO	5,650	3,800	3,800	0	0	0
		OTH	350	200	200	0	0	0

Project Total	\$37,711	\$24,000	\$24,000	\$7,774	\$7,700	\$7,700
General Obligation Bonding (GO)	\$37,361	\$23,800	\$23,800	\$7,774	\$7,700	\$7,700
General (OTH)	\$350	\$200	\$200	\$0	\$0	\$0

Funding Sources:	GF = General Fund GO = General Obligation Bonds	THF = Trunk Highway Fund THB = Trunk Highway Fund Bonding	OTH = Other Funding Sources UF = User Financed Bonding
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Mission

Working to protect and improve our environment and enhance human health.

Statewide Outcomes

Pollution Control supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context

The Minnesota Pollution Control Agency (MPCA) is an environmental agency. To understand the condition of Minnesota's environment and determine what prevention and control measures are needed, the MPCA regularly samples air, water and soil at hundreds of sites across the state. The MPCA works to prevent, limit and remediate pollution caused by businesses, organizations and individuals to protect human health and the environment. The MPCA upholds environmental standards, develops environmental regulations, and provides outreach, education and technical assistance and regulations when necessary to help entities and individuals protect the environment. The Agency also takes enforcement action, when necessary, to ensure compliance with state and federal environmental regulations.

The MPCA works with many partners – citizens, communities, businesses, governments and environmental groups – to prevent pollution and conserve resources. These partnerships allow the agency to:

- Foster greater commitment and personal responsibility for our environment;
- Protect, restore, and preserve the quality of Minnesota's waters;
- Measure emissions and Minnesota's air quality against increasingly strict federal air quality standards;
- Manage petroleum products, solid and hazardous waste, and clean up contaminated sites;
- Develop solutions to Minnesota's environmental and economic challenges; and
- Support sustainable economic growth and jobs through efficient regulatory services

Read more at About the Minnesota Pollution Control Agency (<http://www.pca.state.mn.us/wfhy3d1>) and How the MPCA Controls Pollution

(<http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/how-the-mpca-controls-pollution.html>).

The MPCA Citizens' Board makes decisions on varied and complex pollution problems that affect the state. The MPCA commissioner, under delegated authority by the Board, directs the day-to-day work of the agency.

The MPCA monitors environmental conditions of the air, land, surface and ground water at more than 1,000 sites across the state to systematically collect indicators on the health of the environment. The MPCA issues air, water and land permits to over 15,000 Minnesota businesses, citizens and governmental units. Agency staff inspects and issues licenses for more than 40,000 sites for hazardous waste generators, feedlots and storage tanks. Each year the Agency handles about 600 compliance and enforcement actions; directs clean-up work at 250 contaminated sites and oversees work at more than 1,000 additional sites; trains and certifies 2,500 wastewater operators, landfill inspectors, tank operators and household hazardous waste facility staff.

The MPCA's Strategic Plan (<http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/index.html>) charts the agency's direction for the next several years. It contains a balance of goals and objectives reflecting the agency's core work – monitoring, prevention, permitting, inspections, compliance, enforcement, assistance – as well as aligning results with the agency mission.

The MPCA is updating its business plan to fill the gap between the agency's 2013 Strategic Plan and individual work plans. In the 2014-2016 business plan the MPCA has identified five short term agency focus areas. These areas cross programs and are issues the agency believes need immediate attention to facilitate progress toward our strategic goals. Three focus areas are directed at environmental issues, and two address operational issues. They include:

1. To identify nonpoint air pollution sources and focus on the most efficient and effective ways to reduce them;
2. To address nonpoint sources of pollution to Minnesota lakes, streams, wetlands and groundwater;
3. To practice environmental justice in day-to-day work and strive for the fair treatment and meaningful involvement of all Minnesotans;

4. To increase the efficiency of business programs through standardized processes, improved data quality, online services and updated information technology systems; and,
5. To update the agency Workforce Plan to enable accomplishment of the agency's future goals through a capable, responsive and flexible workforce.

The MPCA's authorized budget for fiscal years 2014 and 2015 is funded from the sources listed below.

- General Fund (2% of total)
- Environmental Fund (38% of total)
- Remediation Fund (18% of total)
- Federal Funds (12% of total)
- Clean Water Fund (15% of total)
- Other / Special Revenue Fund (15% of total)

A significant portion of the MPCA's authorized budget is spent as grants and contracts with the entities previously noted as Agency partners. Examples include the SCORE grants to county governments to support local recycling programs; feedlot grants and household hazardous waste grants to help county governments fund and implement these programs; contracts to businesses, universities and local governments to conduct water quality studies and develop protection strategies; surface-water monitoring grants to local governments to collect key information about the health of Minnesota's water resources; and federal grant funding passed to local governments for water quality improvement projects.

See more about the Agency's fiscal resources at Financial Transparency at the MPCA. (<http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/financial-transparency/financial-transparency-at-the-mpca.html>)

Strategies

To accomplish its mission the MPCA uses the following strategies:

- Focus on priorities and manage for environmental results;
- Actively partner to leverage knowledge, ideas and resources;
- Rely on data for decision-making;
- Integrate environmental, economic and social sciences when developing environmental policy; and
- Strive for excellence and innovation in service delivery.

The MPCA's business plan provides the framework for agency management to align the work, budget, workforce and outcomes, and to adapt to change along the way. The business plan identifies the agency's critical focus areas for the next 2 to 3 years, and builds a budget plan that supports not only the focus areas but other important program work. An agency workforce plan, a component of the business plan, helps managers recruit and develop the human resources needed to accomplish its work.

The business plan also directs each program manager to develop an annual program plan. The program plan, appended to the business plan, describes the total body of work to be accomplished, which in many cases is not specifically related to one of the three focus areas. The plan also describes the strategies, goals and measures to address focus area work as well as all other approved work and assignments. Each plan must discuss the expected outcomes, where a program will continue implementing successful strategies, and where a program will reduce or eliminate certain work efforts.

The MPCA's work – in its entirety – directly supports the statewide outcome of a healthy environment and sustainable uses of our natural resources.

Measuring Success

The MPCA has identified numerous environmental and operational measures that gauge the success of meeting the goals and objectives outlined in its strategic plan. The following set of dashboards (<http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/dashboard-environment-and-performance-measures.html>) illustrates the range of data the MPCA has gathered to measure progress of its efforts over the longer time horizons associated with environmental monitoring, protection and restoration. These dashboards will show measures from permit timeliness to the quality of our lakes and air. Environmental results may take years to be reflected in monitoring systems, so it is important that the agency also monitor indicators such as waste generated, permits issued, and impacts from prevention and technical assistance. Because land, air and water quality have been impacted by societal activities, understanding efforts made to clean up these resources is essential and thus, measures about land being converted from contaminated, unusable property to clean and developed parcels are important in reflecting on program successes.

At A Glance: Agency Long-Range Strategic Goals

The mission of the Minnesota Pollution Control Agency (MPCA) is to protect and improve the environment and enhance human health.

The MPCA’s vision for Minnesota’s environment:

- Minnesota’s clean water supports aquatic ecosystems, healthy communities and a strong economy
- Minnesota’s clean and clear air supports healthy communities and a strong economy
- Minnesota’s land supports healthy ecosystems and sustainable land uses
- Minnesotans and the MPCA take actions to protect our land, water and air
- The MPCA demonstrates excellence in operations

The MPCA refreshed its strategic plan in 2013. The plan includes the following strategic goals associated with each of the five vision statements.

Vision: Minnesota’s clean water supports aquatic ecosystems, healthy communities and a strong economy

- Goal: Lake, stream, wetland and groundwater conditions are evaluated and communicated.
- Goal: Pollution from all Minnesota sources is reduced or prevented.
- Goal: Minnesota’s surface and groundwater management system is streamlined and effective.

Vision: Minnesota’s clean and clear air supports healthy communities and a strong economy

- Goal: Minnesota’s outdoor air is healthy for all to breathe.
- Goal: Minnesota reduces its contribution to regional, national and global air pollution.

Vision: Minnesota’s land supports healthy ecosystems and sustainable land uses

- Goal: Solid waste is managed to conserve materials, resources and energy.
- Goal: Land is managed to prevent, minimize, or reduce the release of contaminants.
- Goal: Contaminated sites are managed to reduce risks to human health and the environment and allow continued use or reuse.

Vision: Minnesotans and the MPCA take actions to protect our land, water and air

- Goal: Businesses, public entities, formal and informal community groups and residents conserve resources and prevent pollution to protect the environment and support a strong economy.
- Goal: MPCA regulatory programs are efficient and effective.
- Goal: Minnesotans better understand the connections between individual decisions and environmental effects.
- Goal: Pollution does not have a disproportionate negative impact on any group of people.

Vision: The MPCA demonstrates excellence in operations

- Goal: The MPCA continuously strives for improvement and regularly evaluates performance.
- Goal: The MPCA recruits and retains an engaged, motivated, and creative workforce.
- Goal: Delivery of MPCA data and services is timely, transparent and reliable.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

Capital Assistance Program

The Capital Assistance Program (CAP), under M.S. 115A.49 – 115A.541, is the MPCA’s main program to assist local governments in financing the

infrastructure necessary for an effective integrated solid waste system. CAP is a competitive grant application process that provides financial assistance for local governments to develop various recovery facilities, which become part of the integrated waste management system.

The municipal solid waste stream grew from 4.0 million tons per year in 1991 to 5.70 million tons per year in 2011, an increase of 48 percent. Waste generation during the 2000s (2000-2009) grew at a rate of less than 1 percent, in contrast to the 33 percent increase observed in the previous ten years (1990-1999). Since 1991, recycling has increased from 39 percent to 47 percent of total managed municipal solid waste (MSW), resource recovery has fallen from 37 percent to 21 percent, and waste disposal in landfills increased from 22 percent to 33 percent. Overall, recycling and resource recovery have fallen from 76 percent to 68 percent in 2011 while landfilling waste is on the rise. Insufficient processing capacity is an important factor. Minnesota is losing ground developing its statewide-integrated solid waste management system.

CAP has played an important role in Minnesota's shift from a total reliance on landfills to resource recovery and waste processing. In 1969 136 MSW landfills were permitted to accept MSW; forty years later in 2009, only 21 landfills continue to accept MSW.

Stormwater Infrastructure

Stormwater runoff is a leading source of water pollution. Stormwater runoff moves sediment, chemicals and other material to surface waters such as rivers, lakes, and streams and causes or contributes to degraded water quality. Municipalities have made significant investments in infrastructure to manage stormwater runoff. Prior to 2007, the cities of Minneapolis and St. Paul were the only municipalities required to manage stormwater under the Federal Clean Water Act. Currently 235 Minnesota municipalities are required to obtain permits and manage their stormwater system to meet specific standards. Municipalities that have invested resources to build the infrastructure to manage stormwater are looking for assistance to protect this investment.

Electric Vehicle Charging Stations

Electric vehicle ownership continues to grow in Minnesota. A barrier to ownership and use of an electric vehicle as the primary transportation vehicle

is the lack of charging stations. This request addresses that need by taking steps to build a statewide infrastructure of charging stations that will enable the use of electric vehicles as a mode of transportation for work and recreation. The initial focus will provide for a suite of strategically located Level III charging stations (fast charging; 15-20 minutes) as well as an array of Level II stations along the high traffic transportation corridors and key routes to population and recreational centers.

Solar Energy Installations

The State, through the MPCA, is the owner and custodian of over a hundred closed landfill sites. These sites are maintained free of trees and brush to protect the cover system. The use of the land is limited. If a closed landfill site is located close to an existing power distribution grid, the land may be suitable for a solar energy installation. In the Laws of 2013, Chapter 85, Article 10 requires public utilities to generate or procure a specific percentage of its total retail electric sales from solar energy. Solar energy installations at these landfill sites will contribute to meeting these targets.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

CAP Assessment

Since 1980, the state has provided approximately \$62 million to the CAP program. The 94 funded projects include the construction and expansion of facilities throughout Minnesota; recycling facilities, transfer stations, waste-to-energy facilities, compost facilities, and special waste stream facilities. A full listing of all grant recipients is available upon request. Public willingness, local government commitment, CAP funding and MPCA assistance have all contributed to a successful local/state partnership to protect the environment and public health and to facilitate the recovery of resources and energy.

Thirty-three percent of Minnesota's solid waste is neither recovered nor processed. Solid waste continues to be dumped into landfills. As a result, new facilities and expansion of existing facilities is needed to ensure the capacity to process solid waste into the future. This request to fund the CAP grant program will expand Minnesota's capacity to recover resources and energy. Minnesota counties need financial assistance to maintain and continue the development of an integrated solid waste management system that gives all residents access to a waste processing facility.

Stormwater Infrastructure

In March 2010, the MPCA completed a study on the condition of existing stormwater ponds and their ability to manage stormwater. This information and the pilot grants provide the foundation for this new bonding request to provide matching grants to municipalities that are addressing the water holding capacity of stormwater ponds.

Electric Vehicle Charging Stations

The state has not yet invested in the infrastructure required to enable the wider range operation of electric vehicles along its major transportation corridors.

Solar Energy Installations

To date the state has not invested in larger scale solar energy installations.

Agency Process Used to Arrive at These Capital Requests**CAP Request**

In preparing the current CAP request, the MPCA relied on interest expressed by past and future applicants and reviewed the existing Integrated Solid Waste Management (ISWM) System. The MPCA bases the need for CAP grant funding on the planning work done by counties, the MPCA's Preliminary Assessment of Regional Waste Management Capacity Report and MPCA's 2011 Solid Waste Policy Report, and the 2011 Metropolitan Policy Plan.

The CAP project narrative includes a preliminary listing of expressed interest by location and project type. This list is the basis for MPCA's funding request for 2014. Rather than request funds for specific projects, the Agency recommends to use funds received under CAP to set a target RFP that optimizes integrated projects, including those converting to solar energy as a power source for the facility.

Stormwater Infrastructure

The MPCA's estimates for the grant program were based on responses to date from municipalities on the number of installed stormwater ponds and other water management structures. In FY2010, the MPCA, began a stormwater inventory process with municipalities, a model ordinance, and grants to understand the cost of managing stormwater sediments. Many

municipalities have recently updated city ordinances and adopted best management practices related to stormwater management.

Electric Vehicle Charging Stations

Agency staff considered the level of resources needed to plan and take initial steps to establish the infrastructure framework for this request. The request was sized to reflect a serious level of commitment to the effort on the part of state government.

Solar Energy Installations

Agency staff considered the level of resources needed to plan and the capacity to manage the installation projects. The request establishes the solar energy infrastructure at a level that reflects a serious level of commitment to this effort on the part of state government.

Major Capital Projects Authorized since 2000**CAP Funding**

Bond appropriations for this program have totaled \$16.975 million from the Laws of 2000 through the Laws of 2011. Authorized appropriations are listed in the program narrative.

Stormwater Infrastructure

This is a new bond request to fund stormwater improvement grants. Clean Water Funds in the amount of about \$300,000 were used as pilot funding to determine best management practices and costs associated with managing stormwater sediment contaminated with poly-aromatic hydrocarbons (PAHs).

Capital Assistance Program

2014 STATE APPROPRIATION REQUEST: \$22,411,000

AGENCY PROJECT PRIORITY: 1 of 4

Project At A Glance

The Solid Waste Capital Assistance Program (CAP) provides financial incentives to local governments to develop and implement an integrated solid waste management system. Integrated solid waste management systems include infrastructure that are essential public assets. The value of the system is how it enables preferred waste management practices consistent with the Minnesota Waste Management Act (M.S. 115A). Additionally, whenever feasible these systems will include solar energy in their development plans in response to the provisions of M.S. 16B.323, which was passed in the 2012 capital investment bill.

Project Description

This request is for \$22.411 million for capital assistance grants to local governments. The majority of the grants would be used for the construction of five solid waste resource recovery facilities. The remaining grant funds would be directed to retrofit existing facilities with solar energy sources for facility operation. The CAP program promotes the recovery of materials and energy from waste. Solid waste resource recovery facilities preserve land, recover valuable resources and energy, and create jobs. These facilities also reduce the environmental risks and potential liabilities associated with waste disposal. The retrofitting of existing facilities with solar power will further increase the environmental benefit as well as reduce operating costs.

The Minnesota Waste Management Act (M.S. 115A) promotes an integrated solid waste management system in a manner appropriate to the characteristics of the waste stream. Such a system protects the state's land, air, water, and other natural resources and enhances human health. Since 1985, CAP grants have funded a portion of the total solid waste project costs. Local governments have financed the balance of development, construction, and operating costs. In addition to CAP financial assistance, MPCA staffs

provide technical assistance to local governments in project development and the institutional and operational challenges that are a part of implementing an integrated solid waste management system.

Eligible recipients under the CAP grant program are limited by statute to Minnesota cities, counties, solid waste management districts, and sanitary districts. Eligible projects are solid waste processing facilities that include resource recovery.

The following are examples of eligible projects:

- recycling facilities;
- composting facilities;
- waste-to-energy facilities;
- transfer stations that will serve waste processing facilities;
- projects to increase recovery of materials or energy, to substantially reduce the amount or toxicity of waste processing residuals, or to expand the capacity of an existing resource recovery facility to meet the needs of expanded regions; and
- special waste streams, including household hazardous waste.

The CAP program provides an incentive to develop key solid waste infrastructure and cultivates a partnership between the state of Minnesota and local governments to develop integrated solid waste management systems. The MPCA's administration and oversight of the CAP grants help develop projects that are technically, institutionally, and financially sound.

The CAP funding formula provides an incentive for local governments to work together on regional projects. Depending on project type, a single-county project may receive funding of 25% or 50% of the eligible capital costs, up to a maximum of \$2 million. Multi-county projects may receive 25% or 50% of the eligible capital costs, or up to \$2 million times the number of participating counties, whichever is less. A new transfer station to serve an existing processing facility may receive up to 75% funding of the eligible capital costs.

The following are examples of eligible costs:

- final design, engineering, and architectural plans;
- land and structures;

Capital Assistance Program

- waste processing equipment; and
- on-site roads, parking areas and landscaping.

CAP Project Needs

		(Amounts in 000s)		
<u>FY 2014-15</u>	<u>Project Type</u>	<u>Total Capital Cost</u>	<u>Applicant's Capital Cost</u>	<u>CAP Grant</u>
Becker 13 new FTEs	Transfer Station/ Recycling Facility	* \$4,200	\$1,575	\$2,625
Dodge .5 new FTEs	Transfer Station (TS)	\$65	\$17	\$48
McLeod 5 new FTEs	Recycling/House hold Hazardous Waste	*\$6,200	\$3,100	\$3,100
Polk ≈14 new FTEs	Recycling Facility Expansion/TS	*\$22,050	\$9,450	\$12,600
WLSSD 1 new FTEs	Recycling/Reuse Facility	\$75	\$38	\$38
**Current/Past Bonded Projects	Solar Energy	<u>\$5,000</u>	<u>\$1,000</u>	<u>\$4,000</u>
	Subtotal	\$37,590	\$15,179	\$22,411

*5% has been added to the total project costs to reflect solar energy opportunities during design, engineering, equipment purchase, and construction. (2012 M.S. 16B.323)

**This money would support an open grant process for past and current bond recipients to pursue solar energy opportunities.

Impact on Agency Operating Budgets

Existing MPCA staff administers the CAP grant program and are funded through the Environmental Fund. This bonding request does not affect MPCA's annual operating budget.

Previous Appropriations for this Project

2011, SS Ch. 12	\$0.55 million
2010, Chapter 189	\$5.08 million
2006, Chapter 258	4.00 million
2005, Chapter 20	4.00 million
2002, Chapter 393	1.15 million
2000, Chapter 492	2.20 million
1999, Chapter 220	3.00 million
1998, Chapter 404	3.50 million
1996, Chapter 463	3.00 million
1994, Chapter 643	3.00 million
1992, Chapter 558	2.00 million
1990, Chapter 610	7.00 million
1987, Chapter 400	4.00 million
1985, Chapter 15	11.40 million
1980, Chapter 564	<u>8.80 million</u>
	\$62.68 million

Other Considerations

The CAP program is administered to encourage local communities to develop feasible and prudent alternatives to waste disposal. The development of an integrated solid waste management system is a complex, controversial and expensive endeavor. Without the CAP program's technical and financial assistance, many local governments will not move forward in developing an integrated solid waste management infrastructure.

Incorporating solar energy into solid waste management facilities will reduce environmental impacts from power supplied by traditional energy sources, save operational dollars for local governments, and provide jobs through the

Capital Assistance Program

business supply chain needed to support the development of solar design and construction.

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Governor's Recommendation

The Governor recommends general obligation bonding of \$5.774 million for this request. Also included are budget estimates of \$5.7 million for each of the planning periods in 2016 and 2018.

Pollution Control Agency

Project Detail

Capital Assistance Program

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	218,064	37,590	16,800	16,800	289,254
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	218,064	37,590	16,800	16,800	289,254

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	62,680	22,411	10,000	10,000	105,091
State Funds Subtotal	62,680	22,411	10,000	10,000	105,091
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	155,384	15,179	6,800	6,800	184,163
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	218,064	37,590	16,800	16,800	289,254

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	22,411	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

Municipal Stormwater Pond Cleanout

2014 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 2 of 4

Project At A Glance

A grant program for municipal stormwater pond improvements.

Project Description

The MPCA is requesting \$5.0 million for financial assistance to cities to fund removal of sediment from constructed stormwater ponds. Eligible municipalities will apply for grant assistance (up to \$250,000 per pond) to fund sediment removal that will enable the stormwater ponds to again function as designed for stormwater management and flood control.

State grants will require a 50 percent match from non-state funding sources and preference will be given to:

- projects that restore capacity to ponds installed prior to stormwater regulations;
- projects that rehabilitate stormwater infrastructure so that systems function according to present standards and best practices; and
- projects that alleviate a threat of flooding to private or public properties including residential and business properties.

Stormwater runoff is a leading source of water pollution. Stormwater runoff can harm surface waters such as rivers, lakes, and streams, which in turn cause or contribute to water quality exceeding its corresponding standards. Municipalities required by permit to operate and maintain stormwater infrastructure are experiencing high costs to remove and manage accumulated sediment.

The intent is to relieve some of the financial burden required to restore system functionality in municipalities that were early adopters of stormwater pond infrastructure. This grant program will help to reduce some of the costs to manage existing ponds so the municipalities' efforts to comply with new

permit requirements are not compromised by having to expend additional resources on existing infrastructure.

Background

Legislative action in 2009, Chapter 172, Article 2, Section 4, Item G, provided the MPCA with funding for grants to municipalities to clean out contaminated stormwater sediments. Grant funds were awarded to 6 municipalities (3 grants in 2010 and 3 in 2012).

Sediment accumulating in stormwater ponds, especially sediment which may require special handling and disposal, has proven to be a significant financial burden for some municipalities. Stormwater ponds that are not optimally maintained lose their ability to:

1. hold excess stormwater runoff;
2. protect homes and community infrastructure from flood events; and
3. settle out pollutants and buffer the risk to water quality.

Impact on Agency Operating Budgets

The MPCA will use staff resources funded through its operating budget to provide technical assistance to municipalities. Technical assistance includes providing guidance for best management practices and oversight of grants for stormwater pond sediment management.

Previous Appropriations for this Project

During the 2012 legislative session, the MPCA proposed to continue financial assistance for cities to clean out stormwater conveyance and collection systems. The bonding proposal did not advance during the 2012 legislative session.

Other Considerations

The high cost to remove and properly manage stormwater sediment is a strong disincentive for cities to restore full functionality to this infrastructure by eliminating accumulated sediment.

Municipal Stormwater Pond Cleanout**Project Contact Person**

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Governor's Recommendation

The Governor recommends general obligation bonding of \$2 million for this request. Also included are budget estimates of \$2 million for each planning period in 2016 and 2018. Grant recipients will match awarded amounts from non-state funding sources.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	10,000	10,000	10,000	30,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	10,000	10,000	10,000	30,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
State Funds Subtotal	0	5,000	5,000	5,000	15,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	5,000	5,000	5,000	15,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	10,000	10,000	10,000	30,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

Electric Vehicle Charging Stations

2014 STATE APPROPRIATION REQUEST: \$4,300,000

AGENCY PROJECT PRIORITY: 3 of 4

Project At A Glance

The Electric Vehicle Infrastructure (EVI) project will improve air quality, create jobs, and increase solar electricity generation in Minnesota. Public electric vehicle charging stations installed at strategic locations will build infrastructure to support and encourage use of electric vehicles. Over one-third of Minnesota's hazardous air pollution is generated by mobile sources, including cars and trucks. Innovative solutions are needed to address this formidable, non-point source of air pollution. The methods used to reduce air pollution from fixed pollution emitters do not lend themselves to mobile (meaning on the move) polluters.

Electric vehicles do not emit pollutants from the tailpipe and provide a solution for improving our air quality. Pairing the EV charging stations with 2 kW solar arrays will result in zero emissions from the generation of electricity used to power the electric vehicles. Electric vehicles have the unique capacity to directly use renewable solar energy.

Project Description

This request is for \$4.3 million for the installation of public electric vehicle (EV) charging stations powered by solar electricity at strategic locations in our state. A network of charging stations will give EV drivers the opportunity to charge their vehicles along travel corridors leading to Minnesota state parks, at state highway rest stops, in park and ride lots, and near retail/restaurant/entertainment destinations. Installations in cities and counties will provide public charging service to local communities.

Access to adequate public charging opportunities provides confidence to prospective and existing EV owners by ensuring they will have adequate opportunities to charge their vehicle batteries while on the road. The U.S. Department of Energy announced that sales of EVs have doubled in the first

six months of 2013.¹ All major automakers are now producing EVs. As new models are introduced and purchased, Minnesota EV drivers will look for expanded opportunities to charge their vehicles including during travel to destinations in greater Minnesota.

Partners. Project partners include MN Department of Natural Resources, MN Department of Transportation, Metro Transit, MN Historical Society, MN Valley Transit Authority, St. Cloud Metro Transit, and Rochester Public Transit.

EV Charging Station Installations. Two standard types of charging stations, Level 2 and Level 3, will be installed at public locations. Level 2 charging stations, powered by 240-Volt electricity, charge an EV in 3 to 4 hours. These stations are ideal at park & ride locations where commuters park their EVs while at work. This type of charging will also provide state park visitors charging for their EVs while they spend a few hours fishing, hiking, or swimming. This service is anticipated to attract additional visitors to Minnesota's parks.

Level 3, or fast charging, stations will be installed at locations where EV drivers that need a full charge are likely to park for the 20 to 30 minutes. These locations include state highway rest stops, and destinations adjacent to retail shops, restaurants, and entertainment venues.

In addition to the designated charging station sites, a competitive grant program through the MPCA will provide competitive grants for local government units to install charging stations. The city, county, and township installations are anticipated to be a mixture of Level 2 or Level 3 charging. The type of charging will be compatible with the charging needs associated with each respective location.

Electric Vehicle Charging Stations

Site Description	No. of Stations	Level 2 Charging 240 V 3 to 4 hrs. for full charge	Level 3 Charging 480 V DC Fast Charge 20 to 30 min. for full charge
Minnesota State Parks	16	16	
State Highway Rest Areas	7		7
State Park/Rest Area Partnerships	2	2	
Park and Ride Lots	16	18	10
Twin Cities Metro Area	2		2
Totals		36	19

Economic Impacts. The request to fund EVI charging stations will have the following positive economic impacts:

- Creation of 4.6 FTE from the procurement and installation of EV charging stations paired with 'Minnesota made' solar PV panels in 2 kilo-watt arrays which will provide power for the stations.
- Electric vehicles are four times more efficient than vehicles powered by gasoline and cost less to fuel. For example, the Nissan Leaf EV has an EPA rating 115 MPGe (miles per gallon equivalent). EVs typically cost 2 to 3 cents per mile to power.
- Maintenance for all-electric vehicles costs much less than for gasoline vehicles. They require no oil changes and have 10 times fewer moving parts than a gasoline-powered car. There is no engine, transmission, spark plugs, valves, fuel tank, tailpipe, distributor, starter, clutch, muffler, or catalytic converter.²

EVI Project Needs

FY 2014-16	Charging Station Type	Total Capital Cost
Minnesota State Parks		
Cascade River State Park Lutsen	Level 2	\$52,000
Temperance River State Park Schroeder	Level 2	\$52,000
Tettegouche Visitor Center and Rest Area Tettegouche State Park Silver Bay	Level 2	\$52,000
Split Rock Lighthouse State Park Two Harbors	Level 2	\$52,000
Gooseberry Falls Visitor Center and Rest Area Gooseberry Falls State Park Two Harbors	Level 2	\$52,000
Jay Cooke State Park Carlton	Level 2	\$52,000
Moose Lake State Park Moose Lake	Level 2	\$52,000
St. Croix State Park Hinckley	Level 2	\$52,000
Great River Bluffs State Park Winona	Level 2	\$52,000
Beaver Creek Valley State Park Caledonia	Level 2	\$52,000
Wild River State Park Center City	Level 2	\$52,000
Interstate State Park Taylors Falls	Level 2	\$52,000
William O'Brien State Park Marine on St Croix	Level 2	\$52,000
Afton State Park Hastings	Level 2	\$52,000
Frontenac State Park Frontenac	Level 2	\$52,000

Pollution Control Agency	Project Narrative
Electric Vehicle Charging Stations	

FY 2014-16	Charging Station Type	Total Capital Cost
Nerstrand Big Woods State Park Nerstrand	Level 2	\$52,000
Sakatah Lake State Park Waterville	Level 2	\$52,000
Lake Shetek State Park Currie	Level 2	\$52,000
State Highway Rest Areas		
Brainerd Lakes Area Welcome Center Hwy 371 South of Brainerd/Baxter	Level 3	\$96,000
Thompson Hill Travel Information Center Duluth	Level 3	\$96,000
West Central Minnesota Travel Information Center US 10 Milepost: 181 St. Cloud	Level 3	\$96,000
DaytonPort Rest Area U.S. Hwys 169 and 10 Dayton	Level 3	\$96,000
MN Valley Rest Area Hwy 169 1.0 mi N of Le Sueur	Level 3	\$96,000
Watonwan River Rest Area Hwy 60 Milepost: 74 St. James	Level 3	\$96,000
North West Company Fur Post Pine City	Level 3	\$96,000
Park & Ride Lots		
Hwy 610 & Noble Pky Park & Ride Brooklyn Park	Level 2	\$52,000
Louisiana Transit Center St. Louis Park	Level 2	\$52,000
1-94 & Manning Park & Ride Woodbury	Level 2	\$52,000
I-35 & Kenrick Ave Park & Ride Lakeville	Level 2	\$52,000
Eagan/Cedar Grove Transit Station Eagan	Level 2, Level 3	\$148,000
Apple Valley Transit Station Apple Valley	Level 2, Level 3	\$148,000

FY 2014-16	Charging Station Type	Total Capital Cost
Burnsville Transit Station Burnsville	Level 2	\$52,000
Southwest Station Eden Prairie	Level 2, Level 3	\$148,000
Northtown Transit Center Blaine	Level 2, Level 3	\$148,000
Coon Rapids Riverdale Transit Coon Rapids	Level 2	\$52,000
Bloomington LRT Station and Park & Ride Bloomington	Level 2, Level 3	\$148,000
Fridley Commuter Rail Station Fridley, MN	Level 2	\$52,000
Northstar Park & Ride St. Cloud	Level 2	\$52,000
Stearns County Park & Ride St. Joseph	Level 2, Level 3	\$148,000
Northstar Big Lake Commuter Rail Station Big Lake	Level 2	\$52,000
Rochester Public Transportation 3rd Street Ramp Rochester	Level 2, Level 3	\$148,000
Anoka Commuter Rail Anoka	Level 2, Level 3	\$148,000
46th Street Station Minneapolis	Level 3	\$96,000
Maple Grove Transit Center Maple Grove	Level 2, Level 3	\$148,000
Twin Cities Metro Area		
Twin Cities Metro Area	Level 3	\$96,000
Twin Cities Metro Area	Level 3	\$96,000

Subtotal Designated Installations	\$3,696,000
Subtotal Competitive Grant	\$608,000
EVI Project Total	<u>\$4,304,000</u>

Electric Vehicle Charging Stations

Impact on Agency Operating Budgets

Existing MPCA staff will administer the funding and grants for the installation of the charging stations. This bonding request does not affect MPCA's annual operating budget.

Previous Appropriations for this Project

There are no previous appropriations for this project.

Other Considerations

According to the U.S. Department of Energy locally generated and purchased electricity for EVs keeps dollars in our local economy.³ This is in contrast to the purchase of gasoline, in which over 80 percent of the cost of a gallon of gas immediately leaves the local economy, according to the U.S. Energy Information Administration.⁴ Use of EVs powered by locally generated solar electricity advances renewable energy and energy independence in our state.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	4,300	5,000	5,000	14,300
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	4,300	5,000	5,000	14,300

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,300	5,000	5,000	14,300
State Funds Subtotal	0	4,300	5,000	5,000	14,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,300	5,000	5,000	14,300

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

Solar Power at Closed Landfills

2014 STATE APPROPRIATION REQUEST: \$6,000,000

AGENCY PROJECT PRIORITY: 4 of 4

Project At A Glance

Placing solar installations at a selected closed landfill sites to help meet goals for solar energy production.

Project Description

This request is for \$6.0 million for the design, purchase and installation of solar arrays and various appurtenances necessary to generate 1.5 - 2 megawatts of electricity. The MPCA is proposing to install solar power arrays at closed landfill sites because of their large, sloping and shade-free areas. Additionally, installation of solar arrays on closed landfills enhances the land's productive use. The MPCA's Closed Landfill Program (CLP) has long-term care responsibility for 112 closed landfills in Minnesota. Siting solar arrays on publicly owned closed landfill sites, where this use is feasible, could reduce operating costs and directly offset the carbon footprint of government operations through solar energy production as well as make these properties more productive.

Background

Closed landfill sites may be good candidates for new solar installations. New solar energy legislation requires electric public utilities to provide 1.5 percent of their power from solar by 2020. Implementing solar production at CLP sites will position the MPCA to take advantage of opportunities for solar development, reduce operating costs and increase job growth within Minnesota.

The proposal would:

1. Estimate solar production and rank sites according to production potential.
2. Evaluate various cost and renewable energy production scenarios for best return to the State.
3. Survey local utility interest/willingness to purchase power production and issues related to transmission capacity.

4. Assess the impact of solar arrays on closed landfill operation and maintenance costs.
5. Design, purchase and install sufficient solar panels for complete array installation and power production on at least three (3) representative landfills.
6. Installation of solar arrays at 3 closed landfills in the North, Central and Southern areas of Minnesota (< 1 megawatt/landfill) will provide regional demonstration projects for productive use of contaminated land.

Impact on Agency Operating Budgets (Facilities Notes)

The \$6.0 million appropriation request will cover items 1 – 6 above. The MPCA does not have staff expertise to complete these tasks. This proposal has the potential to offset current landfill power costs (currently \$195,000/year) through the sale of power.

Previous Appropriations for this Project

There have been no previous appropriations for this capital request.

Other Considerations

Installation of solar arrays using bond dollars at closed landfills will be off-set through the creation of local "green" jobs, providing a productive use for closed landfills and increased production of renewable energy to meet the NextGen goals as well as potentially serving as a distributed source of energy for local communities, businesses or industry.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	6,000	4,000	4,000	14,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	6,000	4,000	4,000	14,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,650	3,800	3,800	13,250
General	0	350	200	200	750
State Funds Subtotal	0	6,000	4,000	4,000	14,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,000	4,000	4,000	14,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,650	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019