Environmental Update

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July 28, 2023

Agenda

- Water Infrastructure Funding
- Lead line inventory & replacement
- PFAS
- Other contaminants
- MPCA water programs
- Environmental justice
- Legal and regulatory issues

Water Infrastructure Funding

We partnered with LiUna, the 49ers, and Conservation Minnesota

GOALS:

$299 million for Public Facilities Authority

$75 million ongoing funds for Point Source Implementation Grants (PSIG)

Increase PSIG and WIF caps

Water Infrastructure Funding: Long struggle, big results

- No bonding bill since October 2020
- House DFL wants a bonding bill but plays around with PFA programs
- Senate GOP maybe wants bonding bill but pushes unrelated demands
- Large bonding bill passes at the very end of session with Water Infrastructure Funding package

Water Infrastructure Funding: Long struggle, big results

- $501.5 million total to the Public Facilities Authority
  - $208 million for PFA grant and loan programs:
    - $41 million for Federal Grants to Revolving Loan Programs
    - $35.2 million for Water Infrastructure Fund Drinking Water Grants
    - $52 million for WIF Clean Water Grants
    - $80 million for Point Source Implementation Grants (PSIG)
  - Remainder to local projects
- Legacy Clean Water Fund also includes $16.7 million for PSIG

Lead pipes

- EPA requiring lead pipe inventory by October 2024
- No safe level of lead exposure for children

The Ask:
- Goal to map and replace all residential lead service lines by 2033
- $800 million over 10 years

The Challenge:
- Limited budget target for ongoing funds
- Push to prioritize metropolitan area

The Answer:
- $240 million to begin work
- Groundwork laid for future funding

PFAS

- Many proposals, most successful ones focused on source control
- Final results:
  - Intentional addition of PFAS to many consumer products now banned
  - Further restrictions on PFAS in firefighting foam
  - Rulemaking to establish water quality standards for 6 types of PFAS by July 1, 2026
  - Health risk limit established for PFOS
  - Funding to continue work on PFAS Blueprint, source reduction grants, and drinking water contamination resources

Other contaminants

- Chloride
  - Legacy bill funds $1.3 million for chloride reduction programs
- Microplastics
  - $500,000 to develop protocols for sampling and testing groundwater, surface water, public drinking water and private wells
  - Includes “implementation”
  - Foreshadowing future legislation

Sewer overflow language

Extreme weather events have led to increase in sewer overflow releases

CGMC & LMC (with MESERB assistance) negotiated language that will still require notification but much less burdensome – MPCA promises to develop guidance to assist cities

Finally passed! Department working on guidance to be distributed soon.

Funding for MPCA water programs

- MPCA sought permanent general funding for its water quality programs
  - Pledged to not seek fee increases if awarded
  - CGMC and other city groups advocated alongside agency for this funding
- Funded for this biennium at $2.1 million, but nothing in tails
- Push for increased water fees could reemerge in future without permanent funding

Environmental Justice & Policy Challenges

- Historical problem exists in which minorities & low-income persons have lived in heavily polluted areas
- Due to racially restrictive covenants, minorities had limited choice in where they could live in metropolitan areas:
  - Zoning typically placed heavy industry, highways, & other pollution sources in those areas
  - Significant health issues developed, especially in pockets of Minneapolis & other neighborhoods in urban areas through the state
- Emerging area - both law & remedies are uncertain

Environmental Justice

- Addressing proposals on this issue has been challenging
  - Proposals negotiated largely between MPCA, environmental groups, legislature without involving cities, labor, other stakeholders
  - Issues being addressed primarily from metro perspective
- A variety of remedies have been proposed
- Analysis & data are lacking to determine whether proposals will achieve goal of protecting disadvantaged communities
- CGMC worked (and continues to work) with others to ensure that proposals do not undermine environmental goals & economic growth

EJ initiatives and policy challenges

Cumulative Impacts

- Initial goal to address environmental justice concerns in North Minneapolis
- First hearings unveiled version that applied statewide and included wastewater permits
- Wastewater eliminated from consideration as bill moved forward
- Final bill narrowed to metro and cities of the first class
- Language improved but will still be challenging

MPCA Citizen's Board Resurrection

- House DFL pushed hard for bringing back Citizen's Board
- New board would have had more power, but narrower representation
- Removed before House omnibus environment and energy bill moved to floor

EJ initiatives and other policy challenges

PFA Funding

- PFA makes it possible for cities to construct and upgrade facilities
- Certain grants are based on affordability
- House bonding chair challenged metrics as not up to date and not focused on EJ
- Proposal would have shifted funds to larger cities who did not need money
- Popped up without warning in Jobs bill
- CGMC worked with governor's office to pull it out

Transportation Safety Setback

- DFL proposal: Greenhouse gas reduction and vehicle miles traveled analysis required on major projects
  - Projects that don't reduce both must mitigate or project can't move forward
  - Life-saving aspects of projects would not factor into analysis
  - Mitigation techniques not applicable/feasible for Greater MN
- CGMC partnered with engineering groups, AMC and other corridor coalitions to push back
  - MNDOT and Governor's office stepped forward as well
- Language softened slightly and effective date delayed to 2025

Other legislation of note:

Lottery dedication reauthorization

- Efforts have been made to reauthorize last several sessions. Some proposals would have dedicated funding to water infrastructure
- Clean reauthorization passed this year for vote in 2024
- Loans for wastewater or other purposes not allowed
- 50% still going to general fund

Wastewater Drinking Water Operator Council

- Reauthorized in health bill

Legal and regulatory updates

- Class 3 & 4 Waters Litigation
  - MPCA updated outdated rules to stop crippling impacts
  - Several groups sued EPA to block new rules
  - CGMC steps up and intervenes
- Wild Rice Sulfate Standard Implementation
  - Attempts at updating rule rebuffed and EPA insisting on enforcement
  - MPCA has created a site specific standard framework and implementing guidance
  - CGMC collaborating with others on comment
- Nitrogen – MPCA working on nitrogen strategy that may impact municipalities, despite negligible contribution to problem

More questions?

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Thank you!

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