



# Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, Minnesota 55155-4194 | 651-296-6300

800-657-3864 | Use your preferred relay service | [info.pca@state.mn.us](mailto:info.pca@state.mn.us) | Equal Opportunity Employer

April 26, 2017

Re: Municipal Permits, Standards and Costs

Dear Mayors, Managers, Clerks, Administrators:

First, I want to sincerely thank you for your partnership and support in efforts to keep our state's waters safe and clean for future generations. The work that your cities have done and continue to do is fundamental in protecting and improving our state's water quality and providing safe and clean water to citizens no matter where they live in our state. Maintenance and investment in infrastructure by your cities, the state, and the federal government have produced measurable improvements in the water quality.

I want to be sure you are aware that a report on the potential costs of water quality standards and rules was recently completed in response to a 2015 legislative directive to Minnesota Management and Budget. That report is available here: <https://mn.gov/mmb-stat/documents/budget/barr-engineering-cost-of-water-quality-standards-report.pdf>. I know that the costs of complying with current and future water quality standards, magnified by the costs of addressing aging water infrastructure, is of significant concern to municipalities. This report has understandably underscored that concern.

I fully understand and appreciate the potential costs faced by communities to upgrade wastewater treatment facilities due to new water quality standards and maintenance needs. Indeed, this understanding has led to the Governor's bonding proposal for \$167 million in funding to the Public Facilities Authority for water and wastewater infrastructure grants and loans. As I am sure you know, funding alone is not enough. We also need to explore every opportunity to minimize costs and ensure that the steps we are collectively taking to address water quality problems are an effective use of public and private funds.

I would like to highlight two examples of how we are doing just that at the Minnesota Pollution Control Agency (MPCA). The first involves chloride impacts to lakes and streams. If you look at the cost report referenced above, a significant portion – in many cases up to two-thirds – of the costs associated with meeting water quality standards are due to chloride treatment. The chloride standard is not a new standard; it was adopted into Minnesota Rules in 1990 to protect aquatic insects from chloride toxicity. However, the currently available treatment technology to remove chloride is cost-prohibitive for most Minnesota wastewater treatment facilities. To address this economic and technological reality, we have convened a work group of municipal representatives, consultants and agency staff to develop an approach in response to this conclusion. That group presented their recommendations to the Agency Advisory Committee on April 18, 2017. I welcome those recommendations, and am committed to implementing a cost-effective approach.

The second example is the implementation of the river eutrophication standard (RES). Much has been said and assumed about the costs to municipalities to meet these requirements. Let us look at the reality of what has happened to date: since the adoption of the standards in 2014, MPCA has issued 27 permits with RES-based limits.

This amounts to nearly 25% of the municipal wastewater permits we estimate will need RES-based limits to protect rivers and streams from the impacts of excess nutrients. Of those 27 permits, only five have required facility upgrades to meet the RES; in no cases have we established an RES-based limit that equates to a phosphorus concentration of less than 0.5 mg/L. While we expect that a few wastewater facilities may need more stringent limits, our experience thus far indicates that this situation will not be common.

We also know from your responses to the Wastewater Infrastructure Needs Survey and the Project Priority List that the costs to meet new water quality standards are only 7 to 10 percent of the overall wastewater infrastructure needs facing Minnesota. The vast majority of projected capital costs are being driven by the need to replace aging infrastructure.

With that said, we recognize that facility upgrades are a big deal for Minnesota communities, regardless of what is driving the costs. I am committed to finding creative and flexible approaches to meet our mutual water quality goals at the least cost. We continue to explore all the tools at our disposal including water quality trading; compliance schedules, variances and innovation, and we welcome your input and partnership in that effort.

I appreciate this opportunity to discuss the reality of the wastewater and water infrastructure costs facing Minnesota municipalities, and to share just a couple examples of steps MPCA is taking to help address cost concerns. I want to stress that MPCA remains committed to working with each and every city to craft a permitting approach that is cost effective, tailored to the city's needs, and reaches our shared clean water goals. For my part, and at the MPCA, we value your partnership in this important endeavor, and we stand ready to work with you individually and collectively to find the right solutions. Please do not hesitate to contact Wendy Turri, MPCA Municipal Wastewater Section Manager (507-206-2651 or [wendy.turri@state.mn.us](mailto:wendy.turri@state.mn.us)) at any time to share your input or ideas, or arrange a meeting to further discuss your individual situation. I want to assure you that Wendy will keep me informed and that our response to you will be timely.

Sincerely,



John Linc Stine  
Commissioner

JLS:cbg