



UNWIND PAST ACCOUNTING SHIFTS

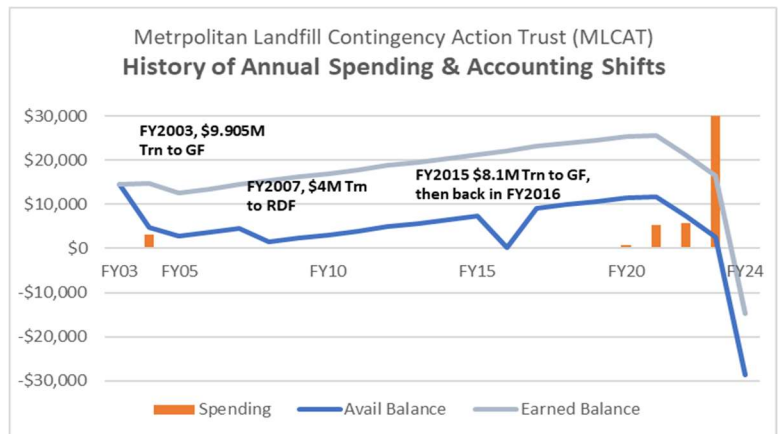
Metropolitan Landfill Contingency Action Trust

Minnesota Inter County Association

RETURN \$13.905M TRANSFERRED IN FY03 & FY07 TO SOLVE GENERAL FUND DEFICITS

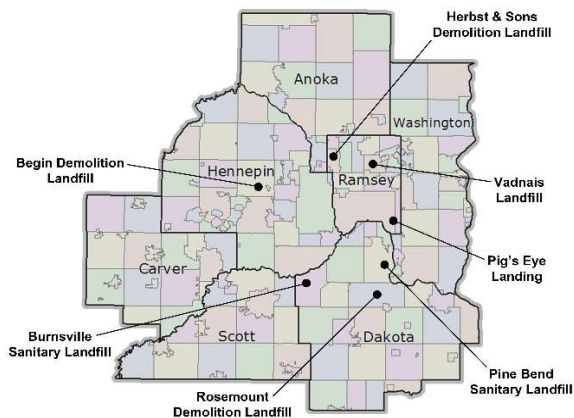
Minnesotans paid higher solid waste fees to protect future generations from potential contamination from closed landfills; instead, the funds were used for the General Fund

- MLCAT created to ensure funding for proper care of certain closed Mixed Municipal Solid Waste (MMSW) landfills in the metro area
- Funded primarily from 25% share of a \$0.50 per cubic yard fee (about \$6.66 per ton) on landfilled MMSW in metro area
- As most metro area landfills have closed, the fee now applies only on waste landfilled at Pine Bend and Burnsville Landfills, collecting about \$800,000 per year
- MLCAT covers five metro-area landfills — closed for 30 years. Since 1994, most closed landfills in the Metro and Greater MN became eligible for the Closed Landfill Investment Fund (CLIF)—which also has not been fully repaid from the state General Fund (see next page)



Projected Expenses Far Exceed Balance plus Revenues
Urgent Repayment of Funds Used to Balance General Fund

- In FY2003, MLCAT had a fund balance of \$14.5 million, and has since generated about \$16M in revenue with only \$5M in expenses – current annual revenues generate about \$1M annually
- In 2003, \$13.905 was transferred to the state General Fund, now MLCAT has only about \$11.4M available for long-term care expenses
- MPCA estimates over \$44M will be needed in the next five years and \$69M through 2040 for short- and long-term care of the five closed sites, not yet including future are costs for Burnsville and Pine Bend
- Pig's Eye, added to MLCAT in 2001, accounts for most of the spending needs



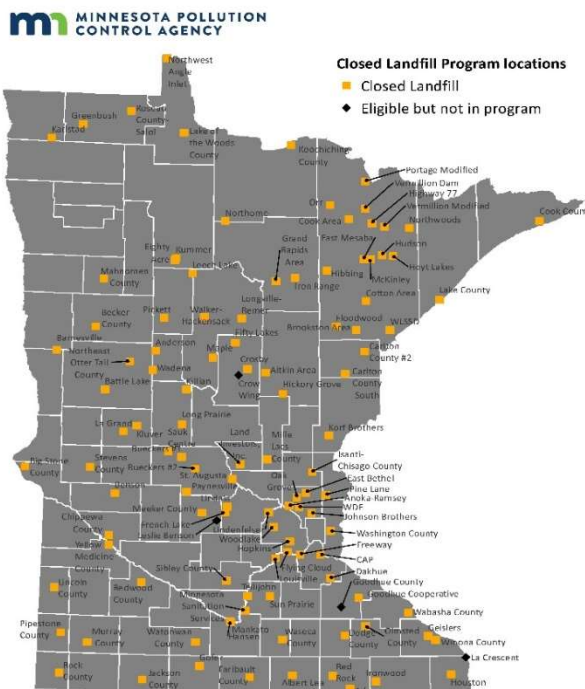
Why does all this matter?

Clean-up costs can be massive. For example, cleanup costs associated with a Washington County landfill closed in 1975 amounted to \$23 million. That landfill is 1/10th the size of either the Burnsville or Pine Bend Landfills, both of which are currently seeking a Certificate of Need from the MPCA to expand. Consequences for human health and physical structures can be significant, irreversible and life threatening; with costs too large to quickly access in an emergency.

RETURN \$43.6 MILLION TO CLOSED LANDFILL INVESTMENT FUND (CLIF)

CLIF has also been used to balance past General Fund budgets, resulting in significant lost principal and investment returns needed for long-term care of closed landfills

- CLIF was originally established (1999) and credited with over \$20 million from the Solid Waste Fund and insurance recovery settlements in later years
- 114 closed landfills located across Minnesota rely on CLIF for their long-term care expenses
- A 2010 law used \$48 million from CLIF to balance the state General Fund with an explicit expectation the funds would be restored with interest
- The fundamental purpose of CLIF was to allow modest original investments to grow over 20 years to match future demand for landfill care expense
- In 2015, remaining restoration payments were repealed
- As such, \$43.6 million – including lost interest—has never been restored to the fund



CLIF expenses projected to be \$305 million; current fund value is only \$104 million

- MPCA estimates that the 114 landfills located in nearly all counties, will require \$305 million in short- and long-term care over the next 30 years
- Annual landfill care needs and costs are now rising—Governor Walz [has proposed granting MPCA statutory spending authority from the Fund](#), with projected expenses of \$3.6 million annually
- The rising annual spending needs will soon begin to eat into the corpus of the Fund; making it even more critical that the \$43.6 million be restored now to help ensure future investment earnings will be adequate to protect future generations from potential environmental risks posed by these landfiling

WHY IS RESTORING CLIF FUNDS CRITICAL?

Funding to provide long-term care for closed landfills is essential to prevent human exposure to landfill waste, contaminated ground and surface water, harmful vapors, combustible methane gas, and greenhouse gas. CLIF was created precisely for this purpose. Lack of a readily available funds intended by CLIF’s creation may delay response actions that are required to address emerging public health threats posed by these aging landfills.