Agriculture and Rural Development Finance & Policy Committee
ACRRA Cap Increase: SF1225 - March 1, 2020 (3:00PM)

In 2000, the ACRRA Cap (Cap) was raised to $350,000 from its initial maximum of $200,000. The Cap was raised through the legislative process following complaints from Ag-Chem businesses that the Cap was not initially set high enough. At that time, the ACCRA cap was rarely exceeded with most exceedances being associated with wood treatment sites. More recently, the number of sites exceeding the CAP is increasing and most exceedances are from standard agronomy (Ag-Chem) facilities. There are various reasons the Cap is more commonly being exceeded, and below are the (3) notable ones since 2000 when the Cap was last raised:

- **Beneath Dry Fertilizer Building Identified as High Risk Area(2005)**
  Prior to 2005, dry fertilizer building floors were not viewed as a High Risk Area (HRA) for contamination. We now know the area beneath the dry fertilizer building floors is one of the largest sources of contamination at an Ag-Chem site which has resulted in more expensive investigations and cleanups. This new HRA was unknown in 2000 and has contributed to Ag-Chem facilities more commonly exceeding the Cap.

- **Phase I Agricultural Environmental Site Assessment (2005)**
  The Phase I Agricultural Environmental Site Assessment (AgESA) was originally requested in 2005, with formal guidance coming in 2017. The AgESA mandates a thorough agricultural-focused review of the historic use of an Ag-Chem site before investigating it. The AgESA does an excellent job identifying all the different types and potential release locations at an agricultural contamination at site. Many of these releases would have been missed prior to 2017, either because we didn't look in the correct areas, or because we didn't look for the correct contaminants. Although the AgESA has improved the cleanups at Ag-Chem sites, the direct and indirect costs from AgESA were not required in 2000 and have contributed to Ag-Chem facilities more commonly exceeding the Cap.

- **Specialty Pesticide Analysis (2018)**
  Largely because of the above referenced AgESA, we started getting a better understanding of the special types of pesticides uniquely handled at each Ag-Chem site. Most of these pesticides were not included in the standard analysis lists (MDA List I & II) and are described as Specialty Pesticides. Depending on the pesticide, the analysis of some of these pesticides costs up to $1,200/sample and labs are difficult to locate. This additional analysis has improved investigations and cleanups, but these costs they were not required in 2000 and have contributed to Ag-Chem facilities more commonly exceeding the Cap.

In addition to the above, in **February 2021** the MDA Incident Response Unit identified that they will place additional emphasis on groundwater investigations at Ag-Chem facilities. It's unknown how much this additional emphasis will cost, but those costs were not required in 2000 and will surely contribute to Ag-Chem facilities more commonly exceeding the Cap. Ultimately, based on all of the above, the number of Ag-Chem facilities exceeding the Cap will continue to increase unless the current Cap is raised.

Jason Kirwin – President and Ag-Chem Consultant (1991-present)
Environmental Scientific LLC
Donnelly, MN
(320) 589-9893