

Corrective Action Fund Facts

About the Corrective Action Fund

1. The CAF is critical to protecting human health
2. The Corrective Action Fund (CAF or Fund) is managed by the New Mexico Environment Department's (NMED or Department) Petroleum Storage Tank Bureau (PSTB).
3. The Corrective Action Fund is most often the only way leaks from petroleum storage tanks can be cleaned up and prevented from contaminating drinking water or the environment and threatening human health as many tank owners and operators are no longer with us or financially unable to fund the clean-ups.
 - a. Tank owners include both public and private entities.
 - b. 46% of tank owners are individual businesses that own four or less facilities and own close to 50% of the petroleum storage tanks in the state. (See Appendix A)
 - c. State, local government, and other political subdivisions of the state (including state agencies, counties, cities, municipal airports, and school districts) are tank owners who benefit from the CAF, both as a financial assurance mechanism as well as to cover the cost of corrective action where releases from tanks have occurred.
4. Corrective action costs include: initial abatement; minimum site assessment; soil and water investigation; ongoing monitoring; remediation (including operation and maintenance costs); and post remediation monitoring.
5. The CAF also pays the state's share of federal leaking underground storage tank trust fund cleanup costs as required by the federal Resource Conservation and Recovery Act.
6. On an annual basis, up to \$12 million is expended on corrective action annually and an additional \$10 million is obligated to ongoing investigations and cleanups.
7. Funds for the CAF are generated by a per load fee collected at the loading dock from wholesale distributors of petroleum products (called the Petroleum Products Loading Fee).
 - a. The fee is \$150 per load of 8,000 gallons.
8. Benefits of the CAF, in addition to environmental cleanup and financial assurance, include creating economic development opportunities through jobs, economic revitalization, and community services. (See Appendix B for Notable Successes)
9. In FY17, the Corrective Action Fund has been used as the state match for \$4.7 million in federal funds that support groundwater and surface water protection, ensure delivery of safe drinking water to citizens in New Mexico, and implement the state's Occupational Health and Safety Program
10. CAF funds can also be used for emergency response.

Consequences of Diverting Funds from the Corrective Action Fund

1. The CAF is critical to protecting human health
2. If the Petroleum Products Loading Fee is diverted from CAF:
 - a. Cleanups stop
 - b. Waterwells become vulnerable to contamination
 - c. Human health is threatened
 - d. Public and private sector jobs will be lost
3. 159 jobs at the New Mexico Environment Department and countless jobs of contractors throughout the state who perform investigations and cleanups of petroleum tank leaks and other water protection projects would be threatened or eliminated

History

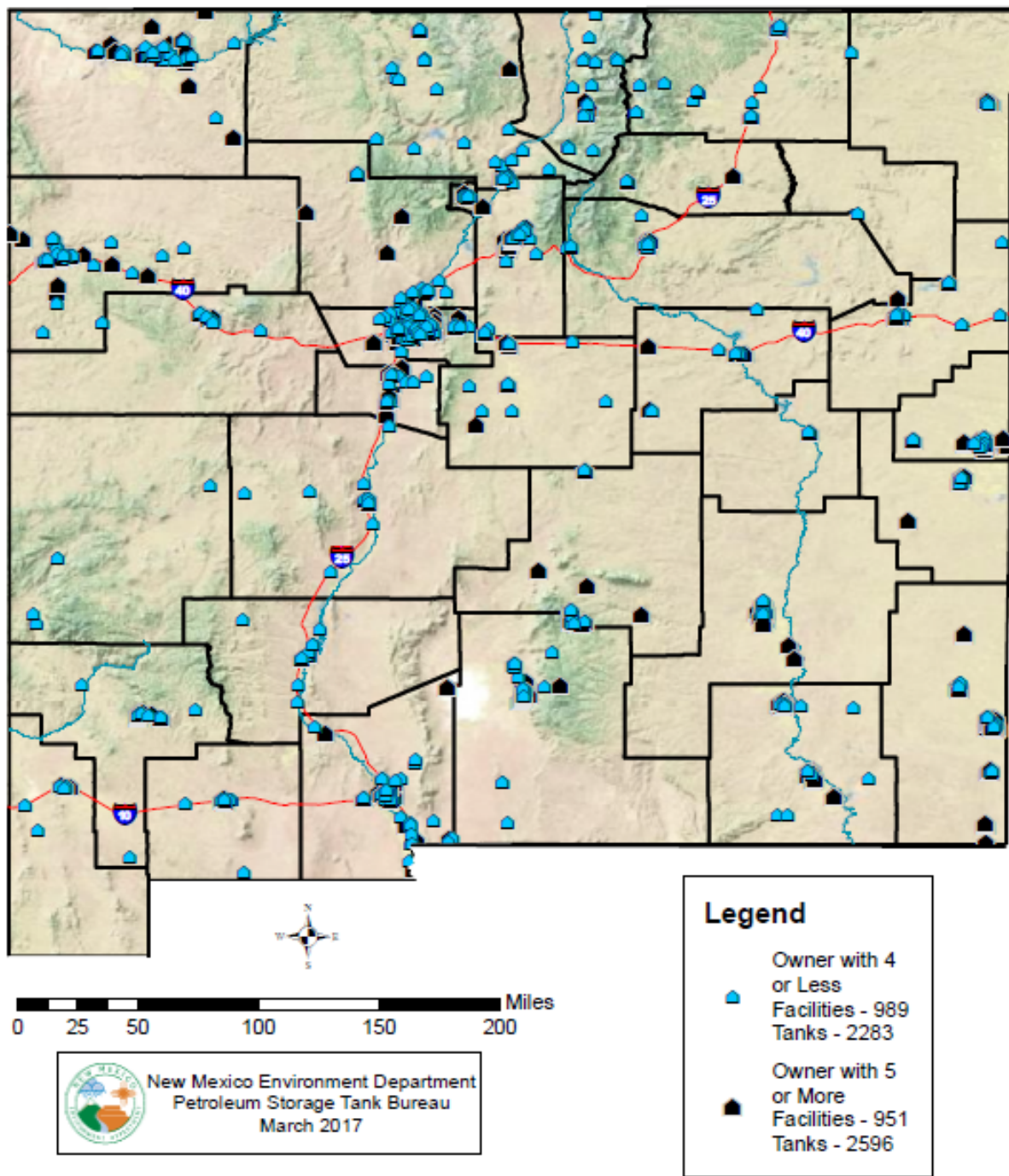
1. Since the inception of the registration of underground storage tanks:
 - a. Over 19,000 regulated tanks have been registered (both underground and above ground storage tanks)
2. Over 80% of the tanks were installed more than 20 years ago and are no longer under warranty (See Appendix C). Consequently:
 - a. Tank owners would be unlikely to be able to secure required private insurance if the CAF was no longer available to serve as an approved financial assurance mechanism.
 - b. Tanks do not meet the secondary containment requirements for underground storage tanks as they were installed before April 4, 2008 when the requirement went into effect.
3. 2,787 releases from petroleum storage tanks have been reported to the Department that have required investigation and corrective action.
 - a. 1856 have achieved "No Further Action" Status most of which were funded by the CAF.
 - b. 889 require investigation or on going corrective action including monitoring and remediation.

Current Projects Funded by the Corrective Action Fund

1. There are 21 priority 1 sites where an actual or potential imminent threat to human health have been identified throughout the state in both rural and urban areas.
2. 64 communities have petroleum storage tank release sites near known, municipal, and private wells. See Appendix D and Table 1, below.

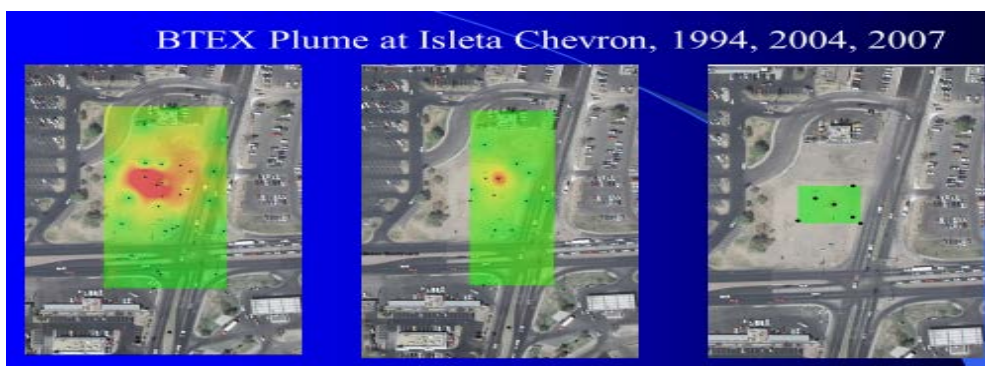
For more information on the Corrective Action Fund please visit the PSTB website at <https://www.env.nm.gov/ust/caf.html> or call NMED at (505) 827-2855

Appendix A - Petroleum Storage Tank Facilities Categorized by Number of Facilities per Owner



Appendix B - Corrective Action Fund Sites Notable Successes

1. Hobbs Municipal Wells, Hobbs, New Mexico: Hobbs City Well #9 water was treated and contamination removed such that the site received No Further Action status in 2011. This was over a 17-year effort at the cost of over \$4,699,985 to clean-up the site, protect the Ogallala Aquifer, the sole drinking water source for Hobbs and return 4 city wells back into production.
2. Isleta Blvd, Albuquerque, New Mexico: Approximately 25 gas stations with releases from underground storage tanks were identified along Isleta Boulevard in Albuquerque. During road and utility construction activities, petroleum contaminated soils associated with many of the release sites was encountered. Using the Corrective Action Fund, PSTB could address many of the issues encountered during the construction activities. Bernalillo County assumed responsibility for some of the releases so to be able to continue corrective action activities. Without the use of the corrective action fund Bernalillo County and the small business facility owners would have been responsible for the costs associated with the work conducted. To date, five (5) sites have been issued no further action status indicating cleanup standards have been met. There has been a significant reduction in the size of the area of contamination at the remaining sites. The costs for work along the corridor were in excess of \$8,400,000. Many new businesses including upgraded gas stations have located where the former gas stations were.



3. Santa Fe County Judicial Complex, Santa Fe: During construction of the Santa Fe County Judicial Complex, petroleum contamination was encountered which was part of a series of historical gasoline stations in the downtown area of Santa Fe. Santa Fe County and the NMED/Petroleum Storage Tank Bureau utilizing the corrective action fund have been working to investigate and ultimately clean up the gasoline contamination and ensure the safety of the occupants of the Judicial Complex building. Without the use of the Corrective Action Fund it is unclear how the cleanup and subsequent construction of the Judicial complex would have been completed. The costs of the cleanup and on-going monitoring exceed \$4 million dollars.

Appendix B - Corrective Action Fund Sites Notable Successes Continued

Additional Examples of Redevelopment Successes

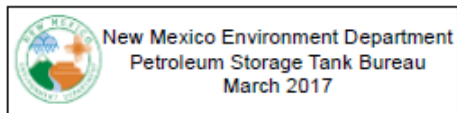
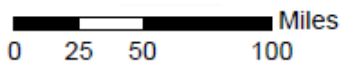
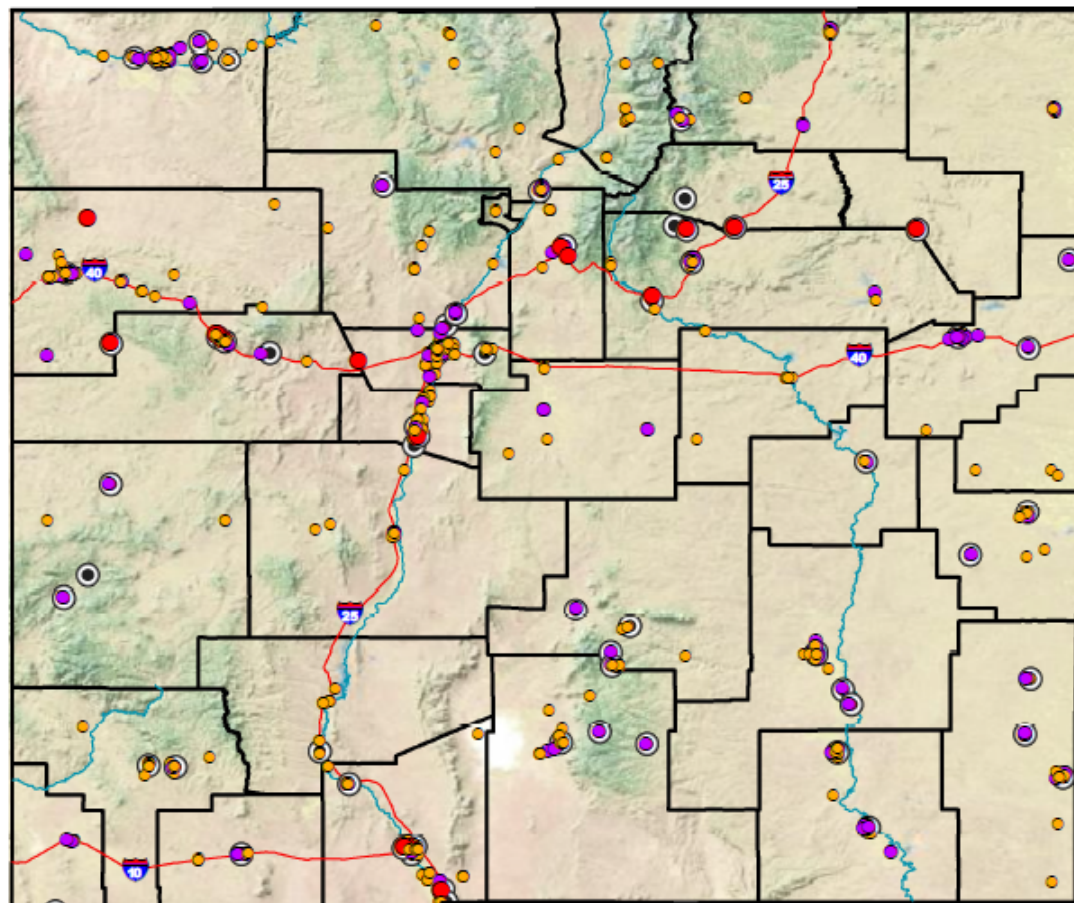


Appendix D – Examples of Corrective Action Fund Sites Near Known Municipal and Private Wells

1. Ramah Chevron, Ramah: The primary water supply well for the village of Ramah is located downgradient from a leaking gasoline station which could potentially impact the village water supply and private wells located near the contamination. The responsible party for the release is deceased. The CAF is in place to cover costs for the investigation and subsequent cleanup of the release, thereby, protect the water supply for the village and other private wells.
2. Canoncito Grocery, Canoncito: Canoncito Grocery is in a rural area and is the only grocery, convenience store, and gas station within 15 miles. The water supply well for the convenience store and gas station has been contaminated with petroleum contamination. The CAF has been used to install and maintain a filter system on the water supply well so that the well is usable for the store. This is the only water supply well for the building. Without the CAF, associated costs for maintaining the filter system for the supply well and cleanup of the contamination would have been borne by the tank owner.
3. Watrous release sites: Moberg's Garage and Texaco Station: The Village of Watrous' Mutual Domestic Community Water Association supply wells, the primary water supply for the village were impacted by an additive to gasoline. The CAF has been used to investigate, monitor, and currently remediate any impact to the supply wells. The CAF is in place to cover costs for the investigation and subsequent cleanup of the release and, thereby, protect the water supply for the village and other private wells which to date has been up to \$1.6 million dollars.
4. Tucumcari Airport, Tucumcari: In 1992 An estimated 33,000 gallons of AV-Gas and Jet-A fuel were discovered at the Tucumcari Municipal Airport. Due to the City's limited resources a settlement agreement was made the site cleanup to be led by PSTB. The CAF has been used to investigate, monitor, and remediate the site. Historically more than three feet of product was measured and to date, less than 1 inch is measured. Without the use of the fund the City of Tucumcari would have been responsible for the cleanup and removal of the remaining contamination.
5. School Maintenance Yard (Laguna Bus Barn), Paraje, Pueblo of Laguna: Tjr Grants/Cibola County School Board (GCCS) owned and operated petroleum storage tanks on the Pueblo of Laguna where a release associated with tanks was confirmed. The U.S. Environmental Protection Agency (EPA) approached the GCCS to initiate corrective action at the site. NMED and the EPA entered an agreement with GCCS and the Pueblo of Laguna, in which the GCCS would be eligible for reimbursement from the CAF for cleanup of the release. Without the use of the CAF, GCCS would be responsible for paying for the cleanup of the site. In addition, the Pueblo of Laguna's economic development plans for the area may be stalled.

Petroleum Storage Tank Release Sites

Priority 1,2,3 and Communities with Sites Near Water Supply Wells or Source Areas



Legend

- Priority 1 - 21 sites with actual or imminent threat
- Priority 2 - 175 sites with free product or contaminant saturated soils
- Priority 3 - 693 sites that require corrective action (e.g., contaminants above ground water quality standards)
- Cities & Towns, 64, with PST release sites near Municipal Wells, Private Wells, Irrigation Wells, Source Water Protection Areas and Surface Water (e.g., Rivers, Streams, and Lakes)

Table 1**Cities and Towns Potentially Affected by PST Sites**

| CITY | SWPA | Irr | SW | Private Well | Mun Well |
|--------------|------|-----|----|--------------|----------|
| Alamogordo | | Y | Y | Y | |
| Albuquerque | Y | | Y | Y | Y |
| Alto | | | | Y | Y |
| Angel Fire | Y | | | | Y |
| Animas | | Y | | Y | |
| Anthony | | Y | | Y | Y |
| Apache Creek | | Y | Y | Y | |
| Arrey | | Y | Y | Y | |
| Artesia | | | | Y | Y |
| Aztec | | Y | Y | Y | |
| Bayard | | Y | | | Y |
| Belen | Y | Y | Y | Y | Y |
| Berino | | Y | | Y | Y |
| Bernalillo | | | | Y | Y |
| Blanco | | Y | Y | Y | |
| Bloomfield | | | | | Y |
| Bosque | Y | | | Y | Y |
| Bosque Farms | | | Y | Y | |
| Canon | | | | Y | |
| Canoncito | | | | Y | |
| Capitan | | | | Y | |
| Carlsbad | | | | Y | Y |
| Carrizozo | | | | | Y |
| Cloudcroft | | Y | | Y | Y |
| Conchas Dam | Y | | Y | | |
| Corrales | | Y | | Y | |
| Cuba | | | Y | | |
| Deming | | | | | Y |
| Dexter | | | | Y | Y |
| Elida | | | | Y | Y |
| Espanola | | Y | Y | | |
| Fairacres | Y | Y | Y | Y | Y |
| Farmington | Y | | Y | | |
| Fort Sumner | | | | Y | |
| Gallup | | | | | Y |
| Grants | | | Y | Y | Y |
| Grants | | | | | Y |
| Hagerman | | Y | | Y | Y |
| Hatch | | Y | | Y | |
| Hobbs | | | | | Y |
| Jamestown | Y | | | | |
| Jarales | | | | Y | |

Table 1 – Continued
Cities and Towns Potentially Affected by PST Sites

| CITY | SWPA | Irr | SW | Private Well | Mun Well |
|---------------|-----------|-----------|-----------|--------------|-----------|
| Kirtland | | | | Y | |
| Las Cruces | | Y | | Y | Y |
| Las Vegas | | Y | | Y | |
| Lovington | Y | Y | | | Y |
| Mayhill | | | | | Y |
| Mesilla | | Y | | | Y |
| Milan | | Y | | Y | Y |
| Mosquero | | | | Y | Y |
| Nara Visa | | Y | | Y | |
| Portales | | | | | Y |
| Quemado | | Y | | Y | Y |
| Ramah | Y | Y | | Y | Y |
| Reserve | | | Y | Y | Y |
| Ribera | | | | Y | |
| Roswell | | Y | Y | Y | Y |
| Ruidoso | | Y | | Y | |
| San Fidel | | | | Y | |
| San Jon | | | | Y | |
| Santa Fe | Y | Y | Y | Y | Y |
| Sapello | | | Y | Y | |
| Silver City | Y | | Y | Y | Y |
| Tatum | Y | Y | | Y | Y |
| Tijeras | | Y | Y | Y | Y |
| Tucumcari | Y | | Y | Y | Y |
| Watrous | | Y | Y | | Y |
| Totals | 14 | 30 | 22 | 49 | 40 |

SWPA - Source Water Protection Area

Irr - Irrigation District

SW - Surface Water

Mun - Municipal