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## FISCAL IMPACT REPORT

SPONSOR Sanchez, M. DATE TYPED 2/24/05 HB \_\_\_\_\_

SHORT TITLE Valencia County Landfill Closure Study SB 964

ANALYST Hanika-Ortiz

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$20.0			Recurring	General Fund

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Environment Department (NMED)  
Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

SB 964 appropriates \$20 thousand from the general fund to the NMED in FY06 to contract for an engineering study for a landfill closure in Valencia County.

#### Significant Issues

DFA reports in FY03 Valencia County paid an engineering company for a closure plan that covered a county-operated landfill. The plan was filed with NMED and called for filling in the two cell holes with clean dirt. In the interim, the county has experienced significant financial problems and has not been able to perform the prescribed work. NMED, in turn, fined the county a sum of \$980,000 for failure to close the site properly and timely. NMED has indicated that they would be willing to rescind the fine if closure work is performed by September 2005.

The county has since identified a modified closure plan that meets state regulation and provides a significant cost savings of \$850 thousand. The original closure cost was estimated at \$1.1 million and the modified closure plan is estimated at \$250 thousand. Rather than using clean dirt to fill the cells, the modified plan would re-grade the surface to drain excess water to a lined-retention pond for solar evaporation.

## **PERFORMANCE IMPLICATIONS**

The NMED reports that Valencia County has a history of solid waste compliance issues. The more serious violations at the County's closed landfill include: multiple incidents of illegal disposal of solid waste; failure to monitor methane gas; failure to fence the property; failure to control water run-on and run-off; failure to maintain the roadway; failure to submit an approvable closure and post-closure care plan; failure to maintain intermediate cover; illegal disposal of special waste (asbestos); and failure to monitor ground water. Violations at the county-owned and operated Conejo Transfer Station include: multiple incidents of open burning of solid waste; illegal disposal of solid waste; failure to remove recyclable materials; failure to obtain a solid waste facility permit; failure to provide fire extinguishing equipment; failure to control litter; failure to remove yard waste in a timely manner; and failure to provide a separate storage area for bulky waste (tires and yard waste). Ground water contamination has been detected at the landfill site. Contaminants include nitrogen, toluene, methylene chloride, iron, manganese, sulfate, boron, and tetrachloroethene (PCE).

## **FISCAL IMPLICATIONS**

The appropriation of \$20 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The County is in need of \$20 thousand immediately to contract with an engineering company to modify the original closure plan filed with NMED. The county could then proceed to properly close the landfill at a lower cost than was originally anticipated. Valencia County officials indicate they would have sufficient funds to perform the modified closure work later in the year.

## **TECHNICAL ISSUES**

NMED currently has an administrative compliance order (ACO) pending with Valencia County. The ACO requires that Valencia County submit a revised Closure / Post-Closure Care Plan. An engineering study is not specific enough to meet the regulatory requirements by the County. Therefore, a Closure / Post-Closure Care Plan in accordance with the New Mexico Solid Waste Management Regulations (20.9.1 NMAC) should be substituted for an engineering study in the proposed Act.

Time is of the essence, so an emergency clause is recommended.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Valencia County could be fined \$980 thousand for the untimely closure of a county-operated landfill.

## **AMENDMENTS**

The NMED recommends that "a Closure / Post-Closure Care Plan in accordance with the New Mexico Solid Waste Management Regulations (20.9.1 NMAC)" be substituted for an "an engineering study", on page 1, line 18.

**AHO/lg**