

New Mexico Office of Natural Resources Trustee



FY23 Budget Request Legislative Finance Committee September 22, 2021

Maggie Hart Stebbins, Trustee
Executive Director, Michelle Gallagher Hunter
William H. Fetner, Water Resources Professional III
Elysia C. Bunten, Budget Analyst - Advanced
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Natural Resources Trustee Role

Following release of hazardous substances into New Mexico's environment, responsibility for the response is shared:

NM Environment Department

Responsible for remediation:

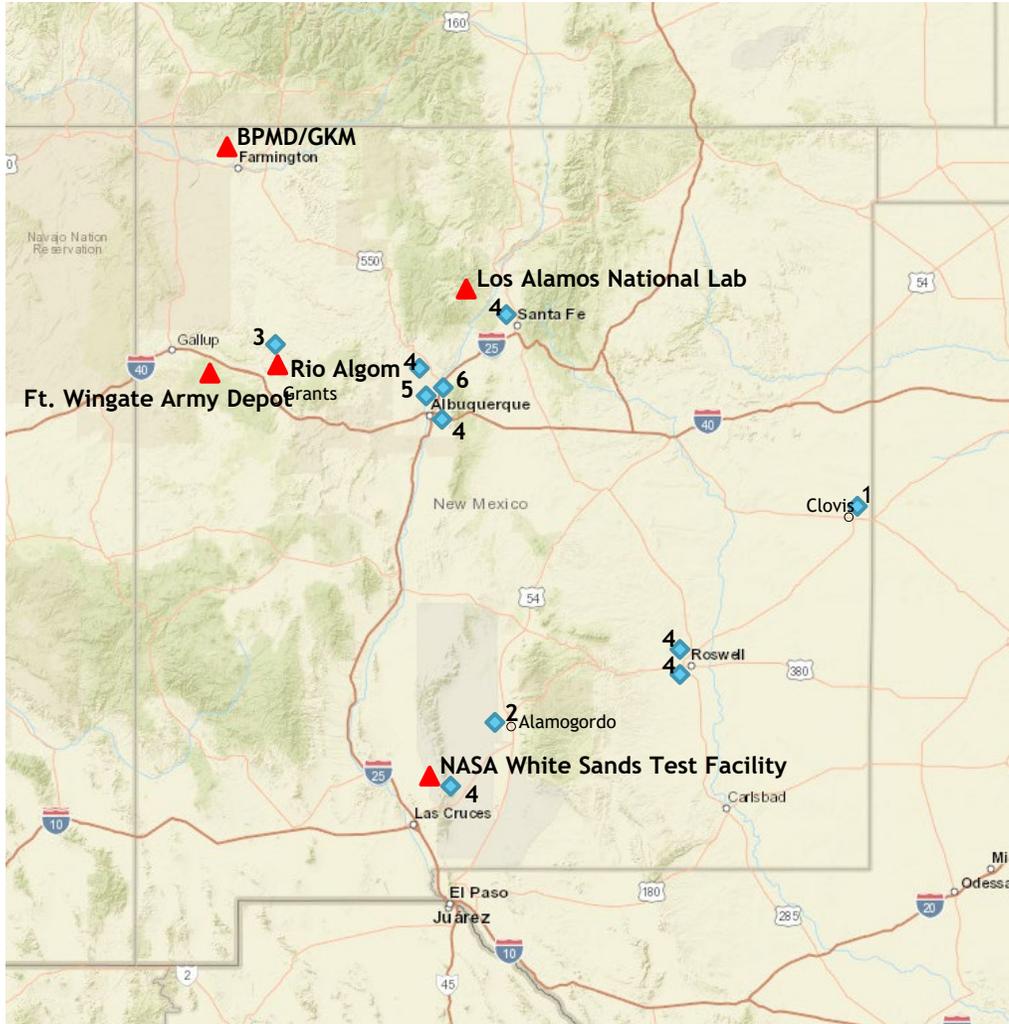
- clean up to protect public health

NM Natural Resources Trustee

Responsible for restoration:

- returning affected natural resources to pre-contamination condition
- If that's not possible, replacing or acquiring equivalent resources
- ensuring that communities are compensated for the loss of natural resources AND loss of use of those resources and the services they provide.

Current and Potential Natural Resource Damage Assessments



▲ Current Cases

- Los Alamos National Laboratory
- NASA White Sands Test Facility
- Bonita Peak Mining District (BPMD)/Gold King Mine Spill
- Rio Algom Quivira Mill and Mine Sites
- Ft Wingate Army Depot

◆ Potential New Cases

1. Cannon Air Force Base - PFAS (Clovis)
2. Holloman Air Force Base PFAS (Alamogordo)
3. Grants Mineral District - Researching ONRT Jurisdiction and Responsible parties across basin as US EPA moves forward addressing contamination at San Mateo Creek Basin Legacy Uranium Mines Site. Over 85 Legacy mines in the area.
4. Researching potential PFAS releases at other military installations/facilities (Army National Guard Armory in Rio Rancho, Army National Guard Armory in Roswell, Army Aviation Support Facility in Santa Fe, NASA WSTF, KAFB, Roswell AFB (closed).
5. 1,4, Dioxane at former industrial facility 1 (Albuquerque)
6. 1,4, Dioxane at former industrial facility 2 (Albuquerque)

Settlements Since 2000 - \$31,890,157



- ▶ Gold King Mine Spill/Kinross Gold: \$1,000,000 (Jan 2021)
- ▶ Fronk Oil/Cimarron River: \$150,000 (Dec 2020)
- ▶ Freeport-McMoRan Groundwater: Chino, Cobre, and Tyrone Mines, (\$12,794,308)
- ▶ Freeport-McMoRan Wildlife and Wildlife Habitat: Chino, Cobre, and Tyrone Mines, (\$5,500,000)
- ▶ AT&SF: Albuquerque's South Valley Tie Treater Facility (\$989,417)
- ▶ South Valley Superfund Site: Various Parties in Albuquerque's South Valley (\$4,857,548)
- ▶ Sparton Technology: Albuquerque Facility (\$1,000,000)
- ▶ SOHIO Western Mining L-Bar: Tailings Facility near Moquino, (\$29,830)
- ▶ AT&SF: Clovis Rail Yard (\$404,456)
- ▶ Van Waters & Rogers: Albuquerque's South Valley Facility (\$135,000)
- ▶ ASARCO (Five Facilities): Blackhawk Mine near Hanover, (\$1,029,598)
- ▶ Chevron Mining: Chevron Mine in Questa, (\$4,000,000)

ONRT Partners and Projects

Current Partners Include:

Navajo Nation, Pueblo of Zuni, Pueblo of San Ildefonso, Santa Clara Pueblo, Jemez Pueblo, Cochiti Pueblo, State of Utah, State of Colorado, US Dept of Energy, US Dept of Interior, Bureau of Indian Affairs, US Fish and Wildlife Service, US Dept. of Agriculture, US Forest Service, Cimarron Watershed Alliance, Amigos Bravos, Trout Unlimited, Village of Questa, Town of Silver City, Albuquerque/Bernalillo County Water Utility Authority, NM Environment Department, NM Dept of Game and Fish, NM Soil and Water Conservation Districts, private landowners, Cimarron Watershed Alliance

Current/Past Project Locations:

Questa, Cimarron, Silver City, Santa Clara, Bayard, Hurley, Isleta Pueblo, central Rio Grande corridor, Rio Rancho, Cebolleta, Bibo, Bosque Farms, Los Lunas, Belen, Socorro, Albuquerque, Alamogordo, Aztec, Clovis, Grants, Milan, Gallup, Farmington, Los Alamos, White Rock, Hanover, Faywood, White Signal, Gila, Pinos Altos, Cliff, and the Town of Red River.



2020/2021 Highlights

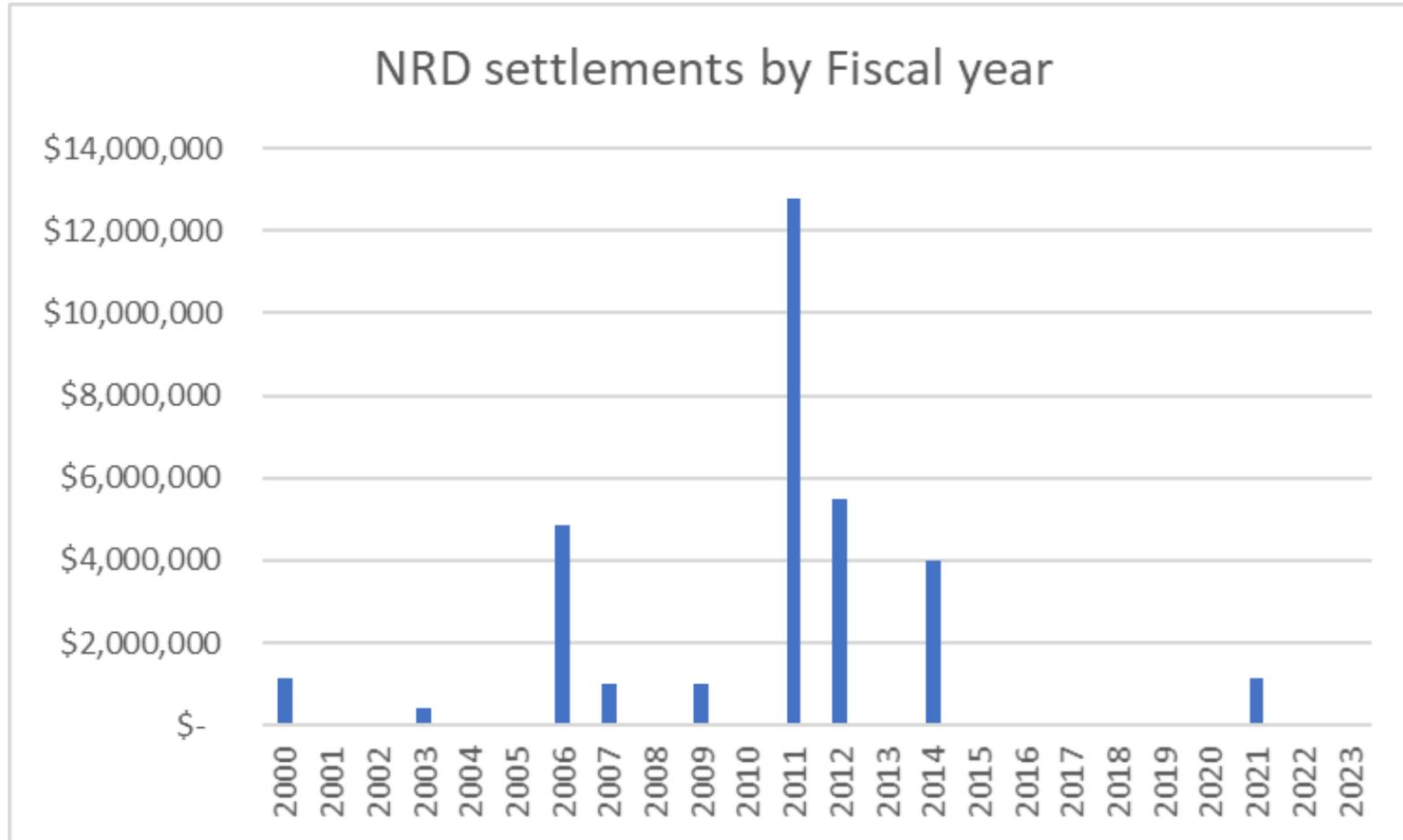
- Settled 2 cases - \$1.15 million in FY21
 - Gold King Mine/Kinross Gold
 - Fronk Oil/Cimarron River
- Initiated 7 new restoration projects - \$5,914,000
- Resumed assessment on 4 significant contamination sites

Impact

- Restoration projects create/restore opportunities for tourism, recreation, & agriculture
- ONRT settlements = dollars into New Mexico
 - \$31.89 million since 2000



Natural Resource Damage Settlements/Workload - FY00-FY22



ONRT currently implementing restoration projects from

- New FY21 NRD settlements
 - Fronk Oil \$150,000
 - Gold King Mine \$1,000,000
- Past NRD settlements
 - Freeport McMoran
 - Chevron Molycorp
 - South Valley Superfund
- Potential FY22/23 Settlements
 - Ft. Wingate Depot
 - White Sands Test Facility



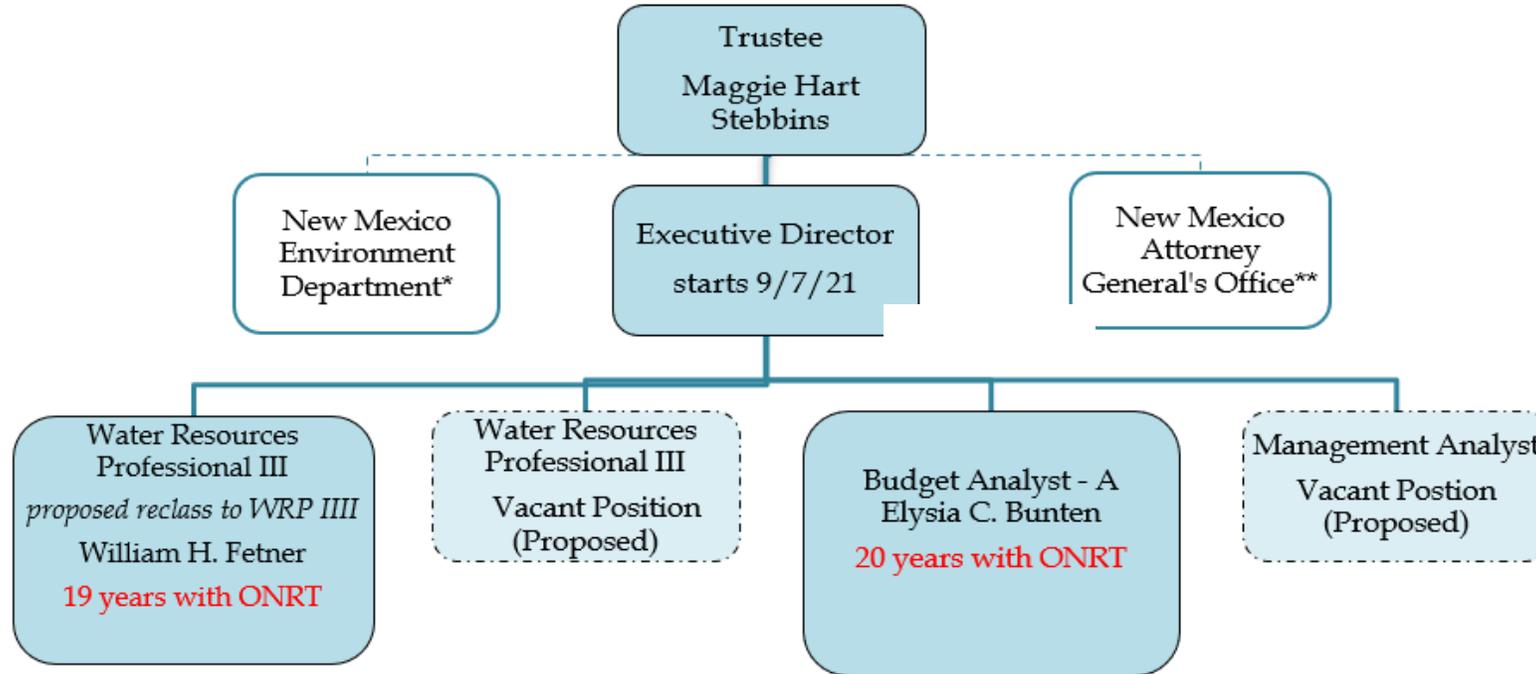
Total Appropriation Request \$5,287.9K

General Fund: \$787.9

- Salaries and Benefits \$680.5
 - \$192.0 Increase for 2 new FTEs
 - 0% Vacancy savings
- Contracts \$10.8
 - Security and Annual Financial Audit
- Other \$96.6
 - Includes \$33.5 increase for new FTE expenses
 - Increase of \$31.5 for base operating costs

APPROPRIATION REQUEST
ORGANIZATION CHART
FORM S-2

Office of Natural Resources Trustee



**Administratively attached to the New Mexico Environment Department.
**Legal services provided by the New Mexico Attorney General's Office per statute.*

Total Appropriation Request, Continued

Fund Balance, Trustee Fund: \$4,500.0

➤ **Contracts \$4,500.0**

- \$3,500.0 - Restricted - Plan and implement Restoration Projects
 - Federal law and court ordered settlements restrict the use of these funds to restoration projects. Received from responsible parties through settlements.
- \$1,000.0 - Committed - Conduct Damage Assessments

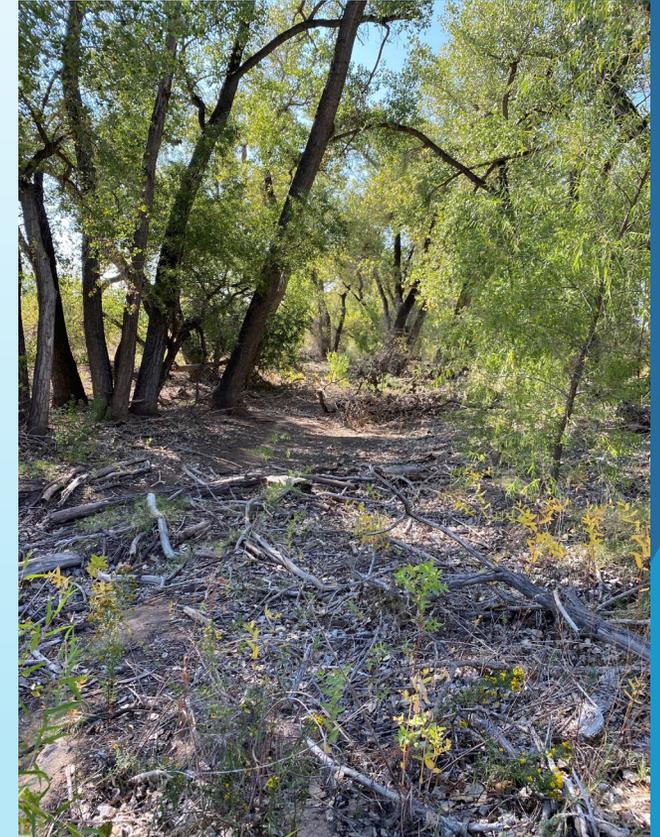


ONRT Budget FY20-FY23

	FY20	FY21	FY22	FY23	Change: FY23 Over FY22	
SOURCES:	Actual	Actual	Operating	Request	\$	%
General Fund	275.2	444.9	427.9	787.9	\$360.0	84.1%
Other Transfers	-	1.4	-	-		
Federal Revenue	-	-	-	-		
Other Revenue	-	-	-	-		
Fund Balance	144.6	162.5	4,927.6	4,500.0	(\$427.6)	-8.7%
TOTAL	419.8	608.8	5,355.5	5,287.9		
USES:						
200 - PSEB	303.4	415.6	477.8	680.5	\$202.7	42.4%
300 - Contracts	94.6	127.5	4,846.1	4,510.8	(\$335.3)	-6.9%
400 - Other	21.8	27.4	31.6	96.6	\$65.0	205.7%
500 - Other Financing Uses	-	-	-	-		
TOTAL	419.8	570.5	5,355.5	5,287.9	(\$67.6)	-1.3%

General Fund Base Budget Increase - Detail

FY23 GF increases - detail		
new FTE - Water Resources Specialist III (incl benefits)	\$110.8	
new FTE - Management Analyst (incl benefits)	\$81.2	
increase in Exec Dir salary & associated benefit increases	\$10.7	
TOTAL PS&EB INCREASE		\$202.7
security costs for additional staff	\$0.9	
security costs for current staff	\$1.8	
increase in audit costs	\$0.2	
TOTAL CONTRACTS INCREASE		\$2.9
Expenses for new FTEs (rent, travel, IT, training, etc.)	\$18.0	
Expenses for new FTEs (rent, travel, IT, training, etc.)	\$15.5	
Cost increases for current staff (rent, travel, IT, training, etc.)	\$31.5	
TOTAL OTHER INCREASE		\$65.0
Eliminate subsidy from assessment fund		\$89.4
Total Increase of General Fund Request		\$360.0



ONRT operating expenses have been subsidized by Assessment Fund

- ▶ Use of Assessment Fund for operating expenses led to fund insolvency in 2020
- ▶ Assessment Fund: revolving fund that allows ONRT to pursue NRD cases. In most cases, ONRT must pay up front the damage assessment costs that allow the state to bring a claim against a Responsible Party.
- ▶ Significant damage assessments can cost more than \$750,000
- ▶ Anticipated Damage Assessments
 - ▶ Uranium mines & mills
 - ▶ PFAS
 - ▶ others

	General Fund Appropriation	Trustee Fund Subsidy	Total ONRT Budget
FY03	\$199,200.00	\$26,000.00	\$225,200.00
FY04	\$240,100.00	\$127,600.00	\$367,700.00
FY05	\$145,600.00	\$205,500.00	\$351,100.00
FY06	\$234,200.00	\$144,800.00	\$379,000.00
FY07	\$246,300.00	\$159,800.00	\$406,100.00
FY08	\$417,500.00	\$0.00	\$417,500.00
FY09	\$428,600.00	\$0.00	\$428,600.00
FY10	\$422,700.00	\$0.00	\$422,700.00
FY11	\$303,400.00	\$0.00	\$303,400.00
FY12	\$86,400.00	\$200,000.00	\$286,400.00
FY13	\$87,000.00	\$213,900.00	\$300,900.00
FY14	\$87,300.00	\$220,600.00	\$307,900.00
FY15	\$272,000.00	\$40,000.00	\$312,000.00
FY16	\$275,600.00	\$41,000.00	\$316,600.00
FY17	\$247,500.00	\$39,500.00	\$287,000.00
FY18	\$247,500.00	\$64,300.00	\$311,800.00
FY19	\$251,800.00	\$56,200.00	\$308,000.00
FY20	\$275,200.00	\$57,300.00	\$332,500.00
FY21	\$476,900.00	\$58,400.00	\$535,300.00
FY22	\$427,900.00	\$89,400.00	\$517,300.00



Questions?

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Supplemental Information

**Legislative Finance Committee
FY23 Budget Presentation
September 22, 2021**

ONRT Process

Conduct Damage Assessment

Pursue Settlement or Litigation

Develop Restoration Plan

Implement Restoration Projects

ONRT Restoration Projects

New Projects in FY21-22

- \$2.3m - to Village of Questa for two projects
 - drinking water well
 - extension of wastewater infrastructure
- \$1.2m Questa Red River Aquatic Habitat Restoration project
- \$267,000 for Midnight Meadows Wetland project
- \$1.4m to Town of Silver City for wastewater system extension
- \$597,000 for proposed South Valley habitat and water quality improvement project
- \$150,000 for Cimarron River trout habitat restoration project

FY23 Anticipated

- Gold King Mine Restoration Project(s)
- Ft. Wingate
- White Sands Test Facility
- Gold King Mine (EPA)



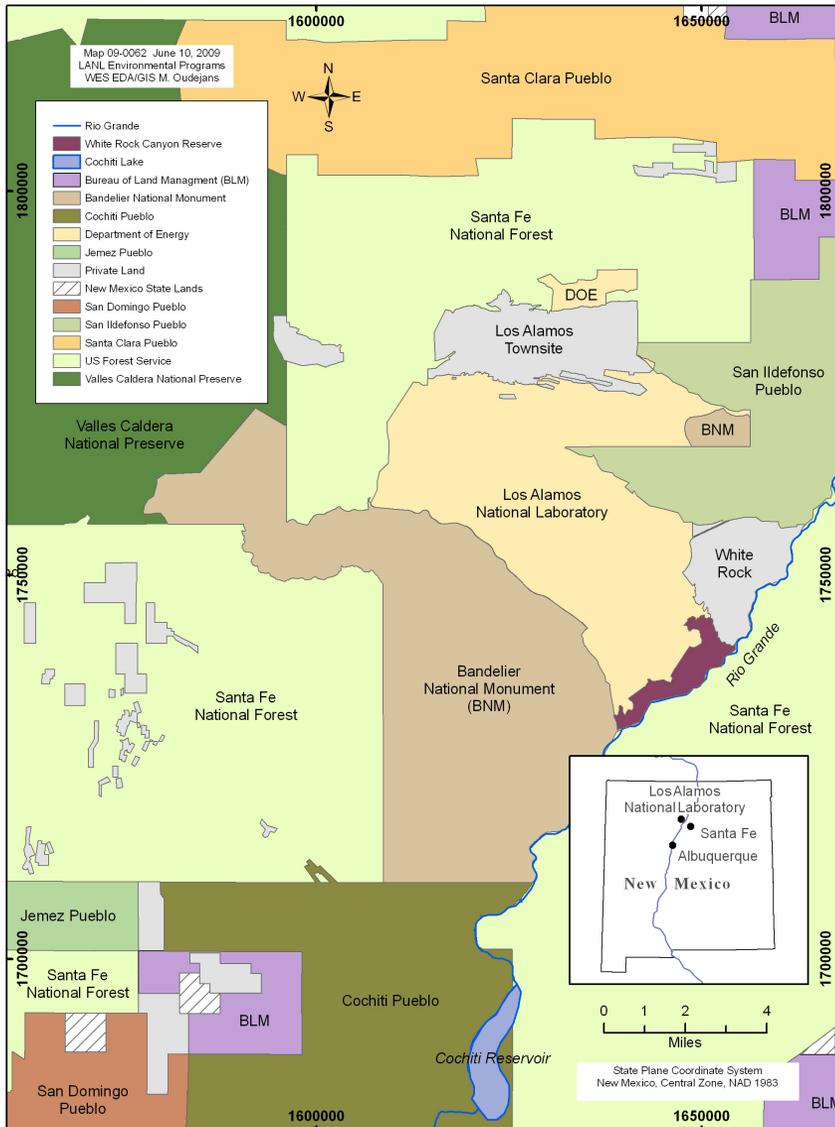
ONRT Status Since Year 2000 - as of January 2021

		Cumulative Dollar Amounts
NRD settlements achieved by ONRT/co-trustees:	12 Frank Oil (\$150,000), Kinross/Gold King Mine (\$1,000,000), Van Waters (\$135,000) ¹ , Sparton (\$1,000,000) ² , SOHIO L-Bar (\$29,830) ³ , So. Valley Superfund (\$4,857,548) ⁴ , AT&SF/Tie Treater (\$989,417) ⁵ , AT&SF/Clovis (\$404,456) ⁶ , ASARCO (\$1,029,598) ⁷ , FMI Mines Groundwater (\$12,794,308) ⁸ , FMI Mines Wildlife Habitat (\$5,500,000) ⁹ , Chevron Questa Mine (\$4,000,000) ¹⁰ .	\$31,890,157
Non-NRD grant won by ONRT:	1 Grant from the Water Trust Board (\$284,000) ¹¹ . (project: the RGVSP Re-Vegetation)	\$284,000
Restoration projects completed:	32 Middle Rio Grande Liquid Waste Groundwater Protection ^{1.62} , Municipal Water Conservation ² , Bosque Non-Native Plant Removal ² , L-Bar Sewer Projects ³ , Mt. View Nitrate Plume ⁴ , RGVSP Re-Vegetation ⁵ , Whitfield WA Re-Vegetation ⁵ , Isleta Pueblo Bosque Non-Native Plant Removal ⁵ , So. Valley Sewer & Water Connections ⁵ , Curry County Playa Conservation ⁶ , WTB RGVSP Re-Vegetation ¹¹ , Blackhawk Mine Repairs ⁷ , San Vicente Creek Mill Remediation ⁸ , St. Clara Sewer Improvements ⁸ , St. Clara Wellhead Protection ⁸ , Silver City Blackhawk Sewer Extension ⁸ , Bayard Wastewater Re-Use ⁸ , Hurley Sewer Line Improvements ⁸ , Silver City Ridge Rd. East Sewer Extensions ⁸ , Burro Cienega/Pitchfork Ranch Restoration ⁹ , Mimbres River Wildlife Restoration ⁹ , Burro Cienega Watershed Restoration ⁹ , Double E Ranch Acquisition ⁹ , River Ranch Acquisition ⁹ , Ancheta Springs Easement ⁹ , Ancheta Springs Restoration ⁹ , Prevost Ranch Easement ⁹ , Southwest Sufi-Bear Creek Easement ⁹ , Gila River Farm Wetland Restoration ⁹ , City of Rocks State Parks Habitat Restoration ⁹ , Upper Whiskey Creek Restoration ⁹ , Headwaters Burro Cienega Watershed Restoration-U.S. Forest Service ⁹ .	\$22,742,597
Restoration projects in progress (funds dedicated):	8 Headwaters Burro Cienega Watershed Restoration- Grant S&WCD ⁹ , Restoration of the Midnight Meadows Wetland ¹⁰ , Red River Aquatic Habitat Restoration within the Village of Questa ¹⁰ , Questa Municipal Sewer Improvements ¹⁰ , Questa Municipal Water Supply Well ¹⁰ , Silver City Indian Hills Sewer Extensions ⁸ , Water Authority Effluent Outlet ^{4.65} , Cimarron River Trout Habitat ¹¹ .	\$6,020,591
Land transfers as part of settlement with RPs:	2 City of Rocks Sate Parks Land Transfer ⁹ , Anderson Ranch Land Transfer ¹⁰ .	N/A
NRD assessments cases in progress:	5 Ft. Wingate, LANL, Rio Algom, WSTF/NASA, BPMD/GKM	N/A

Site	settlement	FY
Van Waters SV Restoration	\$ 135,000.00	2000
Sparton Technologies Restoration	\$ 1,000,000.00	2000
		2001
		2002
AT&SF Clovis Habitat Restoration	\$ 404,456.00	2003
		2004
SOHIO L-Bar Restoration	\$ 29,830.00	2005
Chevron South Valley Restoration*	\$ 4,857,548.12	2006
AT&SF Alb. Tie-Treat*	\$ 989,416.93	2007
		2008
ASARCO Restoration	\$ 1,029,597.79	2009
		2010
FMI Mines Groundwater*	\$12,794,308.00	2011
FMI Mines Wildlife Habitat	\$ 5,500,000.00	2012
		2013
Chevron Questa Mine*	\$ 4,000,000.00	2014
		2015
		2016
		2018
		2019
		2020
Fronk Oil & Kinross*	\$ 1,150,000.00	2021
	\$ -	2022
		2023

NRD settlements since 2000

LANL Natural Resource Damage Assessment



- ▶ **Co-Trustees:** ONRT, Pueblo of San Ildefonso, Cochiti Pueblo, Santa Clara Pueblo, Jemez Pueblo, DOE, USDA/Forest Service
- ▶ **Radionuclides:** americium, cesium, plutonium, strontium, tritium, and uranium; **Metals:** arsenic, beryllium, barium, chromium, lead, mercury, and selenium; **Organic Compounds:** PCBs, benzo(a)pyrene, TCE, TCA; **Inorganic Compounds:** perchlorate; **Explosives:** RDX, TNT, HMX (octahydro-1,3,5,7-tetranitro-1,3,5,7-tetrazocine); **Oil:** petroleum hydrocarbons

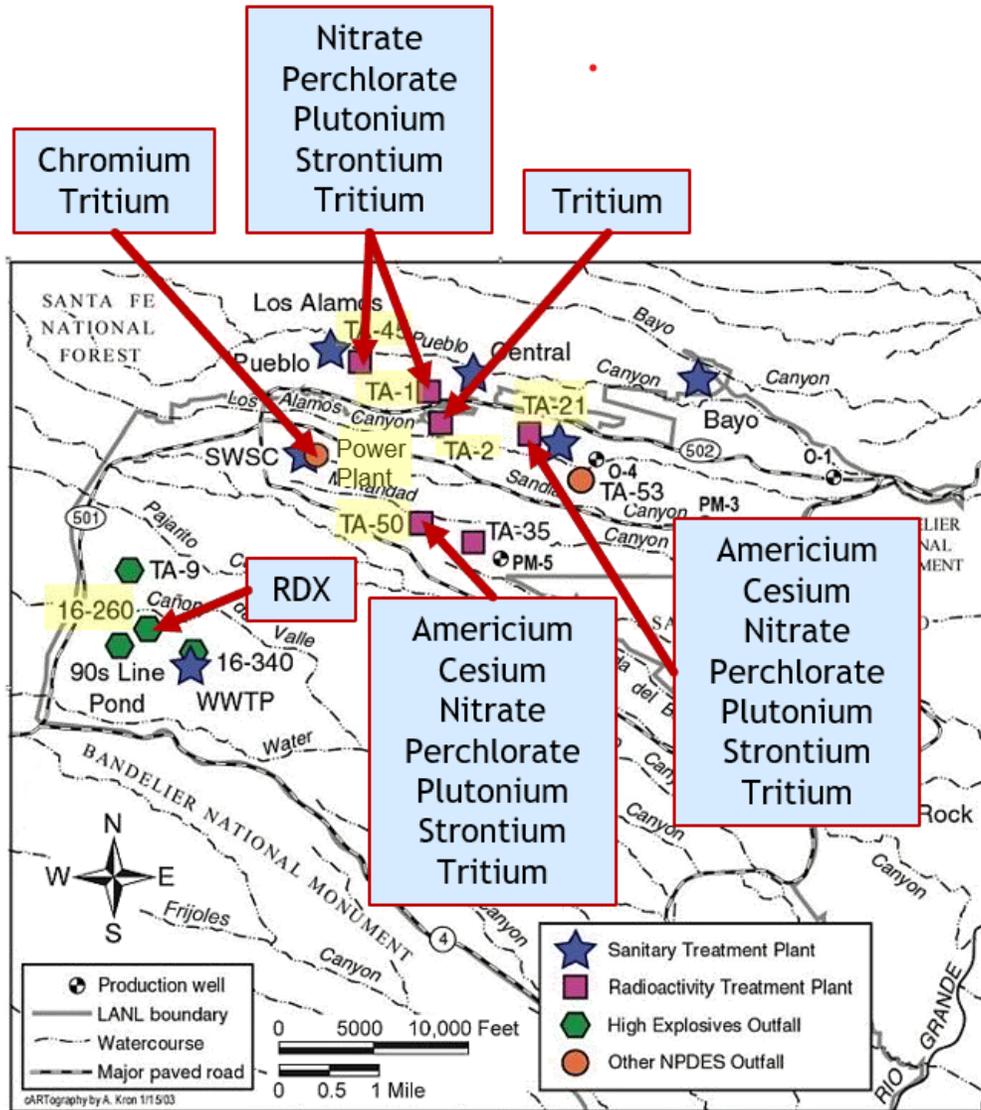
LANL Natural Resource Damage Assessment, continued

INJURED RESOURCES

- ▶ groundwater, surface water & drinking water
- ▶ soil, wildlife, fish, amphibians, insects, plants and organisms that live in/on soils and sediments
 - ▶ Impact on future generations

LOST USE OF RESOURCES

- ▶ use of water resources for drinking, irrigation, and other purposes
- ▶ harvest of fish, wildlife, and plants
- ▶ cultural uses of sacred places and areas of traditional practice
- ▶ gathering of soils for traditional and economic purposes
- ▶ recreation: hiking, swimming, education



Bridsell et al. 2006. Selected Key Contaminant Sources from Los Alamos National Laboratory Including Liquid Outfalls and Material Disposal Areas. LA-UR-06-8481.