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FISCAL IMPACT REPORT

SPONSOR: Romero DATE TYPED: 02/26/01 HB _____
 SHORT TITLE: Remediation of Ground Water in Albuquerque SB 587
 ANALYST: Belmares

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 1,000.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Department of Environment (DOE)

SUMMARY

Synopsis of Bill

Senate Bill 587 appropriates \$1,000.0 from the general fund to the Department of Environment for the purpose of paying for the state's share for installation and operation of a system for remediation of contaminated ground water in Albuquerque.

FISCAL IMPLICATIONS

The \$1,000.0 appropriation contained in the bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

It is estimated that 30 years will be required to clean up the entire contaminant plume. The estimated cost to clean up the plume is \$10,726.5. Under the Comprehensive Environmental Response Compensation, and Liability Act (CERCLA/Superfund), federal funds cover 90 percent of the total cost for purchase and installation of the treatment system and operation of the system for the first 10 years; the state is responsible for funding the remaining 10 percent of the clean up costs. After ten years, the state is responsible for funding 100 percent of the treatment system operational costs. The Department of Environment has indicated it expects the appropriation contained in Senate Bill 587 to cover the state's share of the treatment system purchase and installation costs.

ADMINISTRATIVE IMPLICATIONS

The Department of Environment currently receives federal funds to fund the plume investigation, remedy selection, remediation system design, and the department's project management of 1.5 term positions. The bill will not require additional administrative resources.

OTHER SUBSTANTIVE ISSUES

Contaminants

- Trichloroethylene (TCE) is a solvent used primarily to remove grease from metal parts. TCE is also used to a lesser extent in the dry cleaning industry. Perchloroethylene (PCE) is a solvent used in the dry cleaning industry and for other industrial purposes.
- The presence of TCE and PCE in ground water above the drinking water standard renders the ground water unusable for drinking and other purposes.
- Exposure to TCE may cause kidney and liver damage and may impair fetal development in pregnant women. PCE may reasonably be expected to cause cancer.
- The federal Environmental Protection Agency (EPA) drinking water standards for both TCE and PCE are 5 parts per billion.
- The state ground water standard for TCE is 100 parts per billion; the state ground water standard for PCE is 20 parts per billion (20.6.2.3103 NMAC).

Contamination

- A large TCE and PCE ground water contamination plume is located beneath the downtown area of Albuquerque, New Mexico. The plume extends from 6th Street east to Elm Street, and from Lomas Boulevard south to Tijeras Avenue.
- Currently the highest concentrations of TCE in the Fruit Avenue plume have been measured at 90 parts per billion, which is 18 times the federal drinking water standard. The highest concentrations of PCE in the Fruit Avenue plume have been measured at 15 parts per billion, three times the federal drinking water standard.
- The Fruit Avenue plume has contaminated one industrial water supply wells, two hospital water supply wells, and threatens a City of Albuquerque municipal well.

Clean Up

- The Department of Environment has indicated there is no responsible party to clean up the contamination addressed in the bill.
- The contaminant plume is expected to be cleaned up by pumping the contaminated water out of the aquifer, treating the water to remove the contaminants, and returning the treated water to the aquifer. It is estimated that 30 years will be required to clean up the entire contaminant plume.
- The Department of Environment asserts failure to pass this bill could delay implementation of the remedial action, which could result in the spread of the contaminant plume, impacts to

presently unaffected private and municipal supply wells, and increased concentrations of TCE and PCE in wells currently affected by the plume.

EB/ar