

**ACTION PLAN**

Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

The performance of the Environment Department (NMED) continues to be mixed, with most below-target performance results associated with low inspection rates. Because these low rates are primarily associated with vacancies and the Covid-19 pandemic, LFC expects to see improved performance in FY22 resulting from significant budget increases to fill positions, as well as a return to normal operations as the state transitions out of a public health emergency. LFC staff will pay particular attention to how FY22 budget increases are implemented and the associated performance measures to ensure the Legislature’s intent in providing the agency with additional funding is carried out.

**Water Protection**

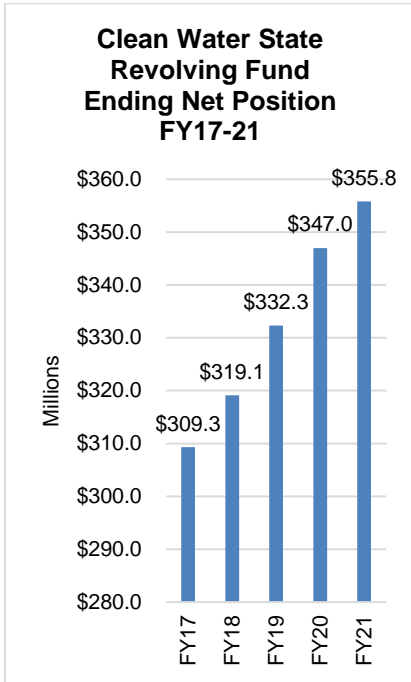
**Drinking Water.** Approximately 1.97 million New Mexicans receive their drinking water from community public water systems, and about 1.9 million, or 94 percent, received water that met all health-based standards in the first quarter of FY22. However, NMED expressed concern that this data point is misleading due to the reduced number of onsite sanitary surveys conducted by the Drinking Water Bureau due to ongoing Covid-19 concerns. Agency staff suspect they would have identified more health-based violations had they been conducting inspections as usual. While NMED has worked to develop virtual inspection capability, the agency reports it lacks the necessary technological equipment to successfully perform these virtual inspections. Additionally, many of the smaller mutual domestic systems and small municipalities lack technical expertise and equipment to participate in virtual inspections.

This quarter, NMED changed which data is used in the calculation of this measure to include all uncorrected violations rather than only new violations identified in the first quarter. This had the effect of reducing the reported performance on this measure from 98 percent to 94 percent.

In FY21, NMED was forced to reduce testing for drinking water contaminants due to the depletion of the water conservation fund, which derives revenue from fees on public water systems and supports the sampling and analysis of drinking water in small and rural communities. Legislation to increase this fee to keep up with program costs was vetoed by the governor, and as a result, additional services will be discontinued, potentially worsening water quality as communities struggle to afford the tests needed to identify contaminants.

**Surface and Ground Water Inspections.** Of the 20 surface water permitte inspections the Surface Water Quality Bureau planned to complete in FY22, three were performed in the first quarter. The bureau has curtailed inspections at the direction of the U.S. Environmental Protection Agency (EPA) out of concern for the health and safety of the regulated community and EPA contractor staff who perform the inspections. The Ground Water Quality Bureau conducted 25 inspections of the 589 existing groundwater permittees. Inspections typically occur at sites requiring immediate attention due to complaints, failures, or other causes outside normal operations. To optimize resources, staff make additional inspections of nearby systems to increase efficiency in travel planning and time in the field.

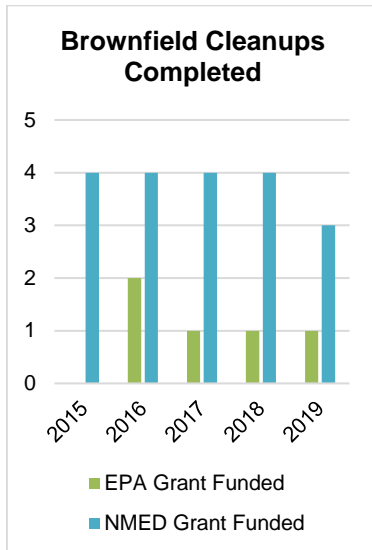
<b>Budget:</b> \$30,576.4	<b>FTE:</b> 184.3	<b>FY20 Actual</b>	<b>FY21 Actual</b>	<b>FY22 Target</b>	<b>FY22 Q1</b>	<b>FY22 Q2</b>	<b>FY22 Q3</b>	<b>Rating</b>
Percent of the population served safe and healthy drinking water		97%	97%	92%	94%			<b>G</b>



Source: Office of the State Auditor

Through the clean water state revolving fund (CWSRF), local communities secure affordable financing for a wide range of projects. Communities benefit from CWSRF loans to finance essential wastewater, storm water, and solid waste projects at interest rates between 0 percent and 1 percent. These construction projects add revenue to local economies and improve quality of life through effective environmental infrastructure. The El Valle de Los Ranchos Water and Sanitation District in Taos County recently received national recognition for their successful project that provides sewer service to multiple small communities in place of substandard and failing septic systems and leach fields. The CWSRF program supported the multi-phase project through three loans totaling more than \$4.5 million.

Surface water permittees inspected	NEW	NEW	10%	15%	<b>G</b>
Ground water permittees inspected	47%	19%	65%	4%	<b>R</b>
New water infrastructure projects	NEW	NEW	75	40	<b>G</b>
<b>Program Rating</b>	<b>Y</b>	<b>G</b>			<b>Y</b>



A brownfield is a property whose expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Source: Environmental Council of the States Results Project

### Resource Protection

As of July 1, 2021, there were 1,948 petroleum storage tank sites that required no further cleanup action, meaning the site's soil and ground water met all applicable state standards. By the end of the first quarter of FY22, that number had increased to 1,955.

Nine solid waste or medical facilities were inspected in the first quarter of FY22, or 20 percent of the 45 active, permitted facilities. The Solid Waste Bureau recently filled 2 FTE, which is expected to increase the number of inspections in FY22. Of the 2,280 facilities in the EPA database that tracks regulated hazardous waste handlers, NMED inspected 23 in the first quarter of FY22. The agency also inspected 14 hazardous waste facilities not included in the database and, therefore, not counted in the performance measure. The FY22 general fund appropriation to NMED includes an increase of \$200 thousand to fill inspector vacancies in this program. LFC will monitor whether this investment coincides with an increase in inspections in FY22.

	<b>FY20 Actual</b>	<b>FY21 Actual</b>	<b>FY22 Target</b>	<b>FY22 Q1</b>	<b>FY22 Q2</b>	<b>FY22 Q3</b>	<b>Rating</b>
<b>Budget:</b> \$16,651.1 <b>FTE:</b> 142.3							
Completed cleanups of petroleum storage tank release sites that require no further action	NEW	NEW	1,938	1,955			<b>G</b>
Solid and infectious waste management facilities inspected	NEW	NEW	85%	20%			<b>G</b>
Hazardous waste facilities inspected	NEW	NEW	2%	1%			<b>Y</b>
<b>Program Rating</b>	<b>Y</b>	<b>G</b>					<b>G</b>

### Environmental Protection

The Environmental Protection Division inspected 41 X-ray machine registrants and radioactive material licensees in the first quarter of FY22 out of 1,710 registrants and licensees total. The agency reports 51 inspections were scheduled for the first quarter, but at that rate, only 12 percent of radiation sources would be inspected by the end of the fiscal year, far short of the program's target. In the Air Quality Bureau, NMED reports a vacancy rate of more than 50 percent was the cause of only nine inspections being completed in the first quarter.

	<b>FY20 Actual</b>	<b>FY21 Actual</b>	<b>FY22 Target</b>	<b>FY22 Q1</b>	<b>FY22 Q2</b>	<b>FY22 Q3</b>	<b>Rating</b>
<b>Budget:</b> \$28,466.1 <b>FTE:</b> 281.5							
Ionizing/non-ionizing radiation sources inspected	NEW	NEW	85%	2.4%			<b>R</b>
Air emitting sources inspected	NEW	NEW	50%	1%			<b>R</b>
Percent of the population breathing air meeting federal health standards	NEW	NEW	95%	97%			<b>G</b>
<b>Program Rating</b>	<b>G</b>	<b>G</b>					<b>Y</b>