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FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 2/5/01 HB _____
 SHORT TITLE: Ground Water Contamination in Roswell SB 89
 ANALYST: Belmares

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$1,400.0 million			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Department of Environment

SUMMARY

Synopsis of Bill

Senate Bill 89 appropriates \$14.0 million from the general fund to the Department of the Environment for expenditure in fiscal year 2002 to identify and treat the source area for ground water contamination in south Roswell, New Mexico near the intersection of McGaffey and Main Streets.

Significant Issues

A large tetrachloroethylene (PCE) ground water contamination plume is located near South Main Street and McGaffey in the southern part of Roswell. PCE is a solvent used in the dry cleaning industry and in other industrial sectors. PCE is a suspected carcinogen, which degrades to other chemicals that are known carcinogens. The presence of PCE in ground water renders the ground water unusable for drinking and other purposes. The Department of Environment has indicated the south Roswell ground water plume contains the highest measured concentrations of PCE in ground water in New Mexico. The plume contaminant has measured at 1,200 times the federal drinking water standard. The Department of Environment indicates the plume has contaminated 17 private water supply wells and threatens five of Roswell's supply wells. There is no responsible party to clean up the ground water contamination in South Roswell.

The Department of Environment has indicated the appropriation contained within Senate Bill 89 would cover the estimated the cost of characterization and the cost of cleaning up the source area of the plume. The Department of Environment has begun working with the federal Environmental Protection Agency to obtain additional funds to contain and clean up ground water contamination that has spread beyond

the source area of the plume. These funds would be available through the federal Comprehensive Environmental Response, Compensation, and Liability Act - CERCLA (Superfund) program and would require a ten percent state cost share. Any funding provided by the legislature can be applied toward the State of New Mexico's ten percent cost share.

FISCAL IMPLICATIONS

The appropriation of \$1,400.0 contained in this 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.

ADMINISTRATIVE IMPLICATIONS

The Department of Environment asserts Senate Bill 89 will require the addition of one term full-time equivalent (FTE) until completion of the project. The remainder of the appropriation would be used to contract with a qualified environmental consulting firms to conduct plume characterization and cleanup.

TECHNICAL ISSUES

In drafting SB89, the street name "McGaffen" should be changed to "McGaffey."

EB/njw