



**STATE OF NEW MEXICO
BEFORE THE SECRETARY OF ENVIRONMENT**

**NEW MEXICO ENVIRONMENT DEPARTMENT
WATER PROTECTION DIVISION
DRINKING WATER BUREAU**

Complainant,

v.

No. DWB 24-60

TOWN OF SPRINGER,

Respondent.

SETTLEMENT AGREEMENT AND STIPULATED FINAL ORDER

This Settlement Agreement and Stipulated Final Order (“Final Order”) is entered into between the New Mexico Environment Department (“NMED”), acting through the Bureau Chief of the Drinking Water Bureau (“Bureau”) of NMED’s Water Protection Division, and through the Director of the Compliance and Enforcement Division, and Respondent, Town of Springer, New Mexico, (“Respondent”) (collectively, the “Parties”) to resolve statutory and regulatory violations detailed in the 2024 ACO (defined below). NMED specified violations of the Environmental Improvement Act, NMSA 1978, Sections 74-1-1 to -18, and 20.7.10.300 NMAC of the Drinking Water Regulations at 20.7.10 NMAC.

I. STIPULATED FACTS AND BACKGROUND

As part of the settlement terms agreed to herein, the Parties stipulate to the following facts:

A. PARTIES

1. NMED is an executive agency within the government of the State of New Mexico pursuant to the Department of Environment Act, NMSA 1978, §§ 9-7A-1 to -17, and is charged with regulatory oversight and enforcement of public drinking water systems through its Drinking Water Bureau (“Bureau”) and through its Compliance and Enforcement Division. NMED also has primacy

granted by the U.S. Environmental Protection Agency (EPA) to administer and enforce the federal Safe Drinking Water Act and correlated federal regulations in New Mexico.

2. Respondent owns and operates a public drinking water system, Springer Water System, PWS# NM3526604 (“System”), located in Colfax County, New Mexico with a mailing address of P.O. Box 488, Springer, New Mexico 87747.

3. The System is a Community water system as defined by 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.2 by reference, that regularly provides piped drinking water to approximately 1,170 users and has approximately 603 service connections to serve these users.

4. Respondent is a “supplier of water” as defined by 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.2 by reference, because it is a person who owns or operates a public water system.

5. Respondent is a “person” as defined by the Environmental Improvement Act, NMSA 1978, §74-1-3, and 20.7.10.100 NMAC, incorporating 40 C.F.R. §141.2.

B. HISTORY

6. NMED issued Administrative Compliance Order No. 2021-ACO-01 (“2021 ACO”) to Respondent on January 22, 2021, via electronic mail (email) for the following violations:

7. a) Exceeding the Total Trihalomethanes (TTHM) Maximum Contaminant (MCL) Locational Running Annual Average (LRAA) at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling sites during fourth (4th) quarter of 2019, first quarter (1st), second (2nd), and third (3rd) quarters of 2020 in violation of 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.64(b)(2)(i) and 141.620(d) by reference.

8. Respondent received the 2021 ACO on January 28, 2021.

9. Respondent did not file an answer, request a hearing or enter into a settlement conference with NMED for the 2021 ACO.

10. On February 28, 2021, the 2021 ACO became a final order of the Secretary of NMED, pursuant to NMSA 1978, Section 74-1-10(E).

11. NMED sent a letter on March 10, 2022, via email to the Respondent reminding Respondent that the water system is not in compliance with the requirements of the 2021 ACO and may be assessed civil penalties for each instance of noncompliance.

12. Respondent responded to the Administrative Compliance Order non-compliance letter on March 16, 2022. Respondent stated that they were working on addressing the TTHM MCL exceedances.

13. Respondent failed to take the corrective actions required in the ACO and to date, remains out of compliance.

14. NMED referred Respondent for Technical Assistance (TA) on August 11, 2020, to help Respondent return the System to compliance.

15. The TA provider communicated with Respondent to provide assistance between December 3, 2021, and January 5, 2022.

16. 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.64(b)(2)(i) and 141.620(d), defines the Total Trihalomethanes (TTHM) Maximum Contaminant Level (MCL) of 0.080 mg/L and establishes compliance with the MCL for TTHM is determined by calculating the Locational Running Annual Average (LRAA).

17. NMED issued a Notice of Violation (NOV) to Respondent on January 21, 2021, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the fourth (4th) quarter of 2020. The NOV notified Respondent of the requirement to provide public notice of the violation.

18. NMED issued a NOV to Respondent on April 29, 2021, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) sampling location during the first (1st) quarter of 2021. The NOV notified Respondent of the requirement to provide public notice of the violation.

19. NMED issued a NOV to Respondent on July 7, 2021, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) sampling location during the second (2nd) quarter of 2021. The NOV notified Respondent of the requirement to provide public notice of the violation.

20. NMED issued a NOV to Respondent on September 29, 2021, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) sampling location during the third (3rd) quarter of 2021. The NOV notified Respondent of the requirement to provide public notice of the violation.

21. NMED issued a NOV to Respondent on January 3, 2022, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) sampling location during the fourth (4th) quarter of 2021. The NOV notified Respondent of the requirement to provide public notice of the violation.

22. NMED issued a NOV to Respondent on March 25, 2022, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the first (1st) quarter of 2022. The NOV notified Respondent of the requirement to provide public notice of the violation.

23. NMED issued a NOV to Respondent on June 30, 2022, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the second (2nd) quarter of 2022. The NOV notified Respondent of the requirement to provide public notice of the violation.

24. NMED issued a NOV to Respondent on October 13, 2022, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the

third (3rd) quarter of 2022. The NOV notified Respondent of the requirement to provide public notice of the violation.

25. NMED issued a NOV to Respondent on April 12, 2023, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the fourth (4th) quarter of 2022 and first (1st) quarter of 2023. The NOV notified Respondent of the requirement to provide public notice of the violation.

26. NMED issued a NOV to Respondent on September 20, 2023, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the second (2nd) and third (3rd) quarters of 2023. The NOV notified Respondent of the requirement to provide public notice of the violation.

27. NMED issued a NOV to Respondent on February 14, 2024, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the fourth (4th) quarter of 2023. The NOV notified Respondent of the requirement to provide public notice of the violation.

28. NMED issued a NOV to Respondent on March 13, 2024, for exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations during the first (1st) quarter of 2024. The NOV notified Respondent of the requirement to provide public notice of the violation.

29. To date, Respondent is still exceeding the TTHM LRAA MCL at the TTHM-1 (High School) and HAA5-1 (New Shop) sampling locations.

30. 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.723, establishes requirements to undergo a sanitary survey and requires the water system to complete a corrective action plan and schedule approved by DWB.

31. NMED issued a NOV to Respondent on March 4, 2024, for failure to correct significant deficiencies identified during the October 28, 2023, sanitary survey. The NOV notified Respondent of the requirement to provide public notice of the violation.

32. To date Respondent has failed to correct all significant deficiencies identified during the October 28, 2023, sanitary survey.

33. On September 9, 2024, the Bureau issued Administrative Compliance Order No. 2024-ACOP-02 ("2024 ACO") to Respondent via electronic mail and via certified mail, return receipt requested, for the following violation(s):

a. **Violation 1:** Per 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.64(b)(2)(i) and 141.620(d), by exceeding the TTHM LRAA MCL at the TTHM-1 (High School) sample location during the fourth (4th) quarter of 2020 the first (1st), second (2nd), third (3rd), fourth (4th) quarters of 2021, the first (1st), second (2nd), third (3rd), fourth (4th) quarters of 2022, the first (1st), second (2nd), third (3rd), and fourth (4th) quarters of 2023, and first (1st) quarter of 2024 with results of 0.114 mg/L, 0.109 mg/L, 0.105 mg/L, 0.112 mg/L, 0.110 mg/L, 0.109 mg/L, 0.114 mg/L, 0.113 mg/L, 0.109 mg/L, 0.104 mg/L, 0.104 mg/L, 0.095 mg/L, 0.105 mg/L, 0.114 mg/L, respectively. And by exceeding the TTHM LRAA MCL at the HAA5-1 (New Shop) sampling location during the fourth (4th) quarter of 2020, the first (1st), second (2nd), third (3rd), fourth (4th) quarters of 2022, the first (1st), second (2nd), third (3rd), and fourth (4th) quarters of 2023 and first (1st) quarter of 2024 with results of 0.088 mg/L, 0.085 mg/L, 0.094 mg/L, 0.105 mg/L, 0.098 mg/L, 0.094 mg/L, 0.096 mg/L, 0.086 mg/L, 0.092 mg/L, 0.104 mg/L, respectively.

b. **Violation 2:** Per 20.7.10.100 NMAC, incorporating 40 C.F.R. § 141.723 and 141.723(d), by failing to correct significant deficiencies identified during the October 28,

2023, sanitary survey.

34. Per the 2024 ACO, Respondent was ordered to take the following corrective actions:

a. By July 31, 2025, Respondent must have a LRAA for TTHM below the MCL of 0.080 mg/L at the TTHM-1 (High School) and the HAA5-1 (New Shop) sample locations.

b. By October 31, 2024, Respondent must correct significant deficiencies identified during the October 28, 2023, sanitary survey.

35. Under the 2024 ACO, NMED assessed a total civil penalty of one hundred fifty-nine thousand six hundred dollars (\$159,600) for Respondent's violations, calculated in accordance with NMSA 1978, §§ 74-1-10(D)(1) and 74-1-10(C).

36. On September 27, 2024, NMED received Respondent's response wherein it provided an answer and requested a hearing and a settlement conference.

37. On October 11, 2024, the Secretary of NMED ordered a hearing be held and appointed a hearing officer in the matter, which was docketed as DWB 24-60.

38. A hearing for the matter was scheduled to occur on April 15, 2025.

39. On February 18, 2025, Respondent sent NMED a proposed settlement agreement, which the parties ultimately could not come to agreement on.

40. On March 28, 2025, the Parties filed a stipulated motion for the April 15, 2025, hearing to be vacated and reset as a status conference in June 2025, due to the parties needing more time to continue settlement discussions.

41. A status conference took place between the Parties on June 2, 2025, in which the Parties agreed to more time being necessary to continue good faith settlement discussions. A status conference was then scheduled for August 2025.

42. On July 25, 2025, the Parties filed a stipulated motion to continue the status conference set for August 6, 2025, and asked for the setting to be reset in October 2025.

43. After several settlement communications between the Parties, NMED sent a final settlement proposal to Respondent on August 13, 2025.

44. A status conference took place between the Parties on October 6, 2025, during which the Parties notified the Hearing Officer that a settlement agreement had been reached.

II. COMPROMISE AND SETTLEMENT

A. GENERAL

45. The Parties have engaged in settlement discussions to resolve the 2024 ACO without further proceedings.

46. The Parties stipulate to all facts set out in this Final Order and agree this Settlement Agreement shall be admissible in any hearing or court proceedings related to the violations.

47. To avoid further legal proceedings, NMED and Respondent agree to the terms and conditions in this Final Order to resolve the violations in the 2024 ACO.

48. Specifically, the Parties agree that the corrective action and civil penalty set forth below, with the mutual stipulation to all facts herein, altogether constitute the agreed upon compromise in this matter.

49. The Parties admit jurisdiction and consent to the relief specified herein.

50. NMED may pursue the enforcement of this Final Order and all available rights and remedies to the maximum extent afforded under New Mexico law.

B. CORRECTIVE ACTION

51. In compromise and settlement of the violations set forth in the 2024 ACO and upon consideration of the seriousness of the violations and the Town of Springer's good-faith effort to comply,

the Parties agree that Respondent shall undertake the following corrective actions according to the timelines set forth below. These actions are designed to build a stronger and more sustainable management foundation for the Town's public water system.

52. **Comprehensive Performance Evaluation (CPE).** The Town shall participate in good faith in a CPE within ninety (90) days of execution of this Final Order and shall implement all findings and address all Priority Level Findings (PLFs) within one (1) year of CPE completion. Successful completion and implementation within the timeframe specified shall qualify the Town for a ten percent (10%) penalty reduction, equivalent to fifteen thousand nine hundred sixty dollars (\$15,960). If additional time is needed, the Town may request an extension in writing with timely communication and documented justification, and NMED may grant the request.

53. **Comprehensive Rate Study.** The Town shall complete a comprehensive rate study within ninety (90) days of execution of this Final Order and shall adopt and implement a revised rate structure within one (1) year of completing the rate study. Successful completion and implementation within the timeframe specified of the rate study shall qualify the Town for a five percent (5%) penalty reduction, equivalent to seven thousand nine hundred eighty dollars (\$7,980). If additional time is needed, the Town may request an extension in writing with timely communication and documented justification, and NMED may grant the request.

54. **Technical, Managerial, and Financial (TMF) Capacity Assessment.** The Town shall complete a TMF capacity assessment within ninety (90) days of execution of this Final Order and shall, within one (1) year of completion, implement the specific findings or recommendations that NMED identifies as necessary or priority items from that assessment. Successful completion and implementation within the timeframe specified shall qualify the Town for a ten percent (10%) penalty reduction, equivalent to fifteen thousand nine hundred sixty dollars (\$15,960). If additional time is needed, the Town may request

an extension in writing with timely communication and documented justification, and NMED may grant the request.

55. **Progress Reporting and Meetings.** The Town shall submit monthly written progress reports to NMED summarizing progress toward each of the required milestones and shall meet with NMED monthly, or as otherwise mutually agreed, to review implementation status, discuss challenges, and plan next steps. If additional time is needed, the Town may request an extension in writing with timely communication and documented justification, and NMED may grant the request.

56. **Full and Timely Compliance.** Full and timely compliance means adhering to all terms of this Final Order without breach, making each annual penalty payment in full and on time, attending all scheduled meetings with NMED unless prior notice is provided and rescheduling occurs within a reasonable time, and meeting all agreed-upon deadlines for corrective actions, reporting, and implementation milestones within the ten-year timeframe, unless NMED grants an extension in writing based on timely communication and documented justification. Upon verification by NMED that the Town has satisfied all obligations under Section II(B) of this Final Order, and that all payments, reports, and meeting requirements are current as of the end of the ten-year compliance period, the Town shall be deemed to have achieved full and timely compliance and shall qualify for a twenty-five percent (25%) penalty reduction, equivalent to thirty-nine thousand nine hundred dollars (\$39,900).

57. **Maximum Penalty Reduction.** If all reductions described in this Section are earned, the Town shall receive a total penalty reduction of fifty percent (50%), equivalent to seventy-nine thousand eight hundred dollars (\$79,800).

58. NMED agrees to fund the cost of the CPE, rate study, and TMF assessment, provided that the Town implements the resulting priority recommendations within the timeframe required.

59. Upon Respondent's completion of the corrective actions identified herein, NMED will remove Respondent from NMED's Enforcement Watch and any other public notice platforms for the corresponding violations as soon as practicable.

60. If Respondent fails to meet any corrective actions outlined above and does not request or obtain an extension under Paragraphs 45 through 49, NMED may pursue enforcement of this Final Order and all available rights and remedies under New Mexico law.

C. CIVIL PENALTY

61. In compromise and settlement of the violations set forth in the 2024 ACO, and upon consideration of the seriousness of the violations and the Town's commitment to corrective action, the Parties agree that Respondent shall, pursuant to NMSA 1978, 74-1-10(D)(1), pay a total civil penalty of one hundred fifty-nine thousand six hundred dollars (\$159,600).

62. The total penalty may be reduced by up to fifty percent (50%), resulting in a minimum payment of seventy-nine thousand eight hundred dollars (\$79,800), if the Town fulfills the requirements and obligations described in Section II(B), the Town shall pay the minimum penalty amount in ten (10) equal annual installments of seven thousand nine hundred eighty dollars (\$7,980) each, with the first payment due on or before July 30, 2026, and each subsequent annual payment due on or before July 30 of each year through 2035.

63. If the Town does not fulfill all requirements and obligations set forth in Section II(B), thereby failing to earn the full possible fifty percent (50%) reduction, the remaining unreduced portion of the civil penalty shall become immediately due and payable on or before July 30, 2036. In such an event, the total penalty owed will equal one hundred fifty-nine thousand six hundred dollars (\$159,600), less any amounts previously paid under this Final Order and less any reductions granted in accordance with Section II(B) of this Agreement. Payment shall be made to the "State of New Mexico Water Conservation Fund" by wire transfer ("ACH deposit"). On the date that delivery of funds is

initiated, the Town of Springer shall notify the Drinking Water Bureau Financial Manager by email at:

Financial Manager
Drinking Water Bureau
New Mexico Environment Department
P.O. Box 5469 (87502)
1190 S. St. Francis Drive
Santa Fe, New Mexico 87505
wpceb.drinkingwater@env.nm.gov

ACH deposits shall be made to Wells Fargo Bank as follows:

Wells Fargo Bank, N.A.
200 Lomas Blvd. NW
Albuquerque, NM
New Mexico Environment Department
1190 S. St. Francis Drive
Santa Fe, New Mexico 87502

Routing Transit Number:
Deposit Account Number:
Descriptor: NMED-DWB 24-60

64. If Respondent fails to make timely and complete payment of the civil penalty, Respondent shall pay a stipulated penalty of two hundred dollars (\$200.00) per day for each day payment is not timely or complete, up to and including sixty (60) days. Beginning on day sixty-one (61) and for each day thereafter that payment of the civil penalty and any accrued stipulated penalties remains untimely or incomplete, Respondent shall pay a stipulated penalty of one thousand dollars (\$1,000.00) per day. If Respondent anticipates difficulty making a timely payment, Respondent may request an extension in writing from the Water Protection Compliance and Enforcement Bureau at wpceb.drinkingwater@env.nm.gov, supported by timely communication and documented justification, and the Department may grant such an extension in writing. Respondent shall not contest

or dispute the stipulated penalties in the event the Department brings an action to enforce this Final Order for failure to make timely or complete payment.

65. Administrative compliance costs have been waived by NMED.

III. OTHER TERMS AND CONDITIONS

66. **Reservation of Rights and Defenses.** This Final Order shall not be construed to prohibit or limit in any way NMED from requiring Respondent to comply with any applicable state or federal requirement not resolved herein. This Final Order shall not be construed to prohibit or limit in any way NMED from seeking any relief authorized by the Environmental Improvement Act or 20.7.10 NMAC for violation of any state or federal requirement applicable to Respondent not resolved herein. This Final Order shall not be construed to prohibit or limit in any way Respondent from raising any defense to a NMED action seeking such relief. This Final Order shall not be construed to apply to any enforcement matters that exist outside of DWB 24-60.

67. **Mutual Release.** The Parties mutually release each other from all claims that each party raised or could have raised against the other regarding the facts and violations in the 2024 ACO. Such release applies only to civil liability.

68. **Waiver of State Liability.** Respondent shall assume all costs and liabilities incurred in performing all obligations under this Final Order. NMED, on its own behalf and on behalf of the State of New Mexico, does not assume any liability for Respondent's performance of any obligation under this Final Order.

69. **Effective Date.** This Final Order shall become effective on the date it has been signed by the Department Secretary or their designee.

70. **Termination of Final Order; Survival.** Except as otherwise provided in this Paragraph, the terms of this Final Order shall terminate when Respondent has fulfilled the requirements

of this Final Order. The reservations of rights and defenses and the mutual release herein shall survive the execution and performance of this Final Order, and shall remain in full force and effect as an agreement between the Parties.

71. **Entire Agreement.** This Final Order merges all prior written and oral communications between the Parties concerning the subject matter of this Final Order, contains the entire agreement between the Parties, and shall not be modified without the express written agreement of the Parties.

72. **Binding Effect.** This Final Order shall be binding on the Parties and their officers, directors, employees, agents, subsidiaries, successors, assigns, trustees, or receivers.

73. **Signatory Authority.** The persons executing this Final Order on behalf of Respondent and NMED, respectively, represent that they have the requisite authority to execute this Final Order on behalf of Respondent and NMED.

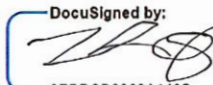
74. **Counterparts.** This Final Order may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

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**APPROVAL OF SETTLEMENT AGREEMENT AND
STIPULATED FINAL ORDER**

This Settlement Agreement and Stipulated Final Order, agreed to by NMED and Respondent
Town of Springer, is hereby APPROVED as a FINAL ORDER issued pursuant to NMSA 1978, §
74-1-10.

By:  Date: 2/4/2026
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Bruce Baizel, NMED,
Compliance and Enforcement Director

By:  Date: 2/4/2026
DocuSigned by:
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NMED Legal - Certifying Legal Sufficiency

By:  Date: 01-20-2026
Boe Lopez, Mayor,
Town of Springer

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of February 2026, a copy of the foregoing was sent to the following parties or counsel of record via electronic mail:

Joshua Gandarilla
Office of General Counsel
New Mexico Environment
Department
josh.gandarilla@env.nm.gov
Counsel for NMED

Lea Corinne Strife
Randall D. Van Vleck
Cortney Myers
Kathy Romero
New Mexico Local Government Law, LLS
cori@nmlgl.com
van.vleck@nmlgl.com
cortney@nmlgl.com
kathy@nmlgl.com
Counsel for Town of Springer

Felicia Orth
felicia.l.orth@gmail.com
Hearing Officer

By: /s/ Luis Lopez
Luis Lopez, Hearing Clerk
Office of Public Facilitation
New Mexico Environment Department
Direct: 505-490-0186
luis.lopez@env.nm.gov