



STATE OF NEW MEXICO
BEFORE THE ENVIRONMENTAL IMPROVEMENT BOARD

IN THE MATTER OF PROPOSED
REPEAL AND REPLACEMENT OF
20.7.11 NMAC
Liquid Waste Treatment and Disposal Fees

No. 19-42(R)

Environmental Health Bureau,
Environmental Protection Division of the
New Mexico Environment Department,

Petitioner.

**NEW MEXICO ENVIRONMENT DEPARTMENT'S NOTICE OF INTENT TO
PRESENT TECHNICAL TESTIMONY IN 20.7.11 NMAC, LIQUID WASTE
TREATMENT AND DISPOSAL FEES**

Pursuant to the Scheduling Order filed on December 4, 2019 and section 20.1.1.302 NMAC, the Environmental Health Bureau ("Bureau") within the Environmental Protection Division ("Division") of the New Mexico Environment Department ("Department") files this Notice of Intent to Present Technical Testimony for the hearing in this matter currently scheduled for February 28, 2020, and continuing if necessary for additional dates, and submits to the Board the following:

1. **Entity for whom the witnesses will testify:** The New Mexico Environment Department.

2. **Identity of witnesses:**

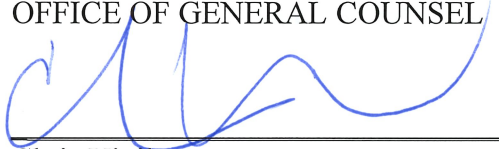
A. William Chavez, Bureau Chief. His resume is attached as NMED Exhibit 2. A copy of Mr. Chavez's written direct testimony is attached as NMED Exhibit 3.

B. Michael Broussard, Manager for the Bureau's Liquid Waste Program. His resume is attached as NMED Exhibit 4. A copy of Mr. Broussard's written direct testimony is attached as NMED Exhibit 5.

3. **List of Exhibits:** A complete list of exhibits the Department intends to offer into evidence in this matter is attached to this Notice. The Department reserves the right to introduce and move for admission of any other exhibit in support of rebuttal or additional direct testimony at the hearing.

Respectfully submitted,

NEW MEXICO ENVIRONMENT DEPARTMENT
OFFICE OF GENERAL COUNSEL

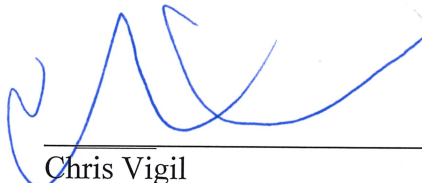


Chris Vigil
Assistant General Counsel
121 Tijeras Ave NE Ste. 1000
Albuquerque, NM 87102
Telephone: (505) 383-2060
Fax: (505) 383-2064
Email: christopherj.vigil@state.nm.us

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Notice of Intent to Present Technical Testimony* was served on the following party on this the 7th day of February 2020 by email and hand delivery:

Cody Barnes, Hearing Officer Administrator
Room S-2104, Runnels Building
1190 St. Francis Dr.
Santa Fe, New Mexico 87505



Chris Vigil
Assistant General Counsel

EIB 19-42 (R) EXHIBIT LIST

NMED EXHIBIT 1	Proposed Replacement Rule 20.7.11 NMAC
NMED EXHIBIT 2	Resume – William Chavez
NMED EXHIBIT 3	Written Direct Testimony – William Chavez
NMED EXHIBIT 4	Resume – Michael Broussard
NMED EXHIBIT 5	Written Direct Testimony – Michael Broussard
NMED EXHIBIT 6	Public Meeting Email from Liquid Waste Program Listserv Sent on November 8, 2019
NMED EXHIBIT 7	Public Notice of Proposed Rulemaking in both English and Spanish
NMED EXHIBIT 8	Public Notice of Proposed Rulemaking in both English and Spanish Published in the Albuquerque Journal, December 17, 2019
NMED EXHIBIT 9	Affidavit of Publication in the Albuquerque Journal
NMED EXHIBIT 10	Public Notice of Proposed Rulemaking in both English and Spanish Published in the Las Cruces Sun, December 17, 2019
NMED EXHIBIT 11	Affidavit of Publication in the Las Cruces Sun
NMED EXHIBIT 12	Public Notice of Proposed Rulemaking in both English and Spanish Published in the New Mexico Register, December 17, 2019
NMED EXHIBIT 13	Affidavit of Publication in the New Mexico Register
NMED EXHIBIT 14	Screenshot of Public Notice Posted on the Environmental Improvement Board Page of the Department’s Website, October 7, 2019
NMED EXHIBIT 15	Screenshot of Public Notice of Rulemaking, Notice of Hearing, and Public Meetings Notices and Schedules in English and Spanish on the Liquid Waste Program Page of the Department’s Website, October 28, 2019
NMED EXHIBIT 16	Screenshot of Public Notice in English and Spanish Posted on the New Mexico Sunshine Portal, December 17, 2019
NMED EXHIBIT 17	Public Notice sent in English and Spanish to the New Mexico Legislative Council Service, December 5, 2019

NMED EXHIBIT 18	NMED's Notice of Compliance with the Small Business Regulatory Relief Act and Related Correspondence
NMED EXHIBIT 19	United States Bureau of Labor Statistics Data Regarding Twenty-Years of Data on the CPI Increase and Decrease Levels Nationally and for the Mountain West Region
NMED EXHIBIT 20	Department's 2020 Periodic Review, Containing Fiscal Data for the Liquid Waste Program, and the Contiguous States Report
NMED EXHIBIT 21	Spreadsheet on Liquid Waste Fees Charges by Contiguous States
NMED EXHIBIT 22	Screenshot of the Department's Liquid Waste Compliance Map
NMED EXHIBIT 23	Proposed Statement of Reasons and Order

TITLE 20 ENVIRONMENTAL PROTECTION
CHAPTER 7 LIQUID WASTE
PART 11 LIQUID WASTE TREATMENT AND DISPOSAL FEES

20.7.11.1 ISSUING AGENCY: Environmental Improvement Board.
[20.7.11.1 NMAC - Rp, 20.7.11.1 NMAC, XX/XX/2020]

20.7.11.2 SCOPE: All persons required under 20.7.3 NMAC to obtain a:

- A.** Permit;
- B.** Modification to a permit;
- C.** Registration;
- D.** Septage pump truck registration;
- E.** Certificate of qualification for:
 - (1) Homeowner certification,
 - (2) Third-party evaluator certification,
 - (3) Maintenance service provider certification,
 - (4) Septage pumper certification, or
 - (5) Installer specialist certification
- F.** Septic Tank Certification; or
- G.** Re-inspection.

[20.7.11.2 NMAC - Rp, 20.7.11.2 NMAC, XX/XX/2020]

20.7.11.3 STATUTORY AUTHORITY: Environmental Improvement Act, Section 74-1-1 through 74 -1-10 NMSA 1978.

[20.7.11.3 NMAC - Rp, 20.7.11.3 NMAC, XX/XX/2020]

20.7.11.4 DURATION: Permanent.

[20.7.11.4 NMAC - Rp, 20.7.11.4 NMAC, XX/XX/2020]

20.7.11.5 EFFECTIVE DATE: ~~XXXXXXXXXX~~ XXJuly 1, 2020, unless a later date is cited at the end of a section.

[20.7.11.5 NMAC - Rp, 20.7.11.5 NMAC, XX/XX/2020]

20.7.11.6 OBJECTIVE: The objective of this rule is to provide for liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices.

[20.7.11.6 NMAC - Rp, 20.7.11.6 NMAC, XX/XX/2020]

20.7.11.7 DEFINITIONS:

A. Unless otherwise defined in this part, the words and phrases used in this part have the same meanings as in 20.7.3.7 NMAC, Liquid Waste Disposal.

B. As used in this part:

(1) **"advanced treatment"** means any process of wastewater treatment that removes a greater amount of contaminants than ~~is~~ accomplished through primary treatment. Advanced treatment may include physical or chemical processes;

(2) **"advanced treatment system"** means a method or technology implemented to achieve advanced treatment;

(3) **"alternative disposal"** means any approved, on-site liquid waste disposal method used in lieu of, including modifications to, a conventional disposal method;

(4) **"alternative disposal system"** means a method or technology implemented to achieve alternative disposal;

(5) **"alternative system"** means any on-site liquid waste system utilizing a method of liquid waste treatment and disposal used in lieu of a conventional system, including modifications that is recognized and allowed by Liquid Waste Disposal and Treatment, 20.7.3 NMAC (9/1/13 as amended through 9/15/14).

(6) "commercial unit" means a structure that is not a residential unit but which has sewage producing fixtures such as sinks, baths, showers, toilets, urinals, dish- and clothes-washers or floor drains for receiving liquid waste including but not limited to uses included in Subsection Q of 20.7.3.201 NMAC, Table 201.1;

(7) "conventional system" means an on-site liquid waste system consisting of a septic tank ~~and~~ a subsurface soil absorption system with gravity distribution of the effluent constructed in accordance with the standards set forth in 20.7.3 NMAC including privies, holding tanks and vaults;

(8) "gpd" means gallons-per-day;

(9) "hazard to public health" means the indicated presence in water or soil of biological, chemical or other contaminants under such conditions that could adversely impact human health, including without limitation surfacing liquid waste, damage to a domestic water supply source, presence of a cesspool or an open tank, or exposure of liquid waste or septage in a manner that allows possible transmission of disease;

(10) "large system" means any liquid waste treatment or disposal system that receives, or is designed to receive, more than 2,000 gpd but not more than 5,000 gpd;

(11) "notice of non-approval" means notification that inspection of a permitted liquid waste system is not in compliance with 20.7.3 NMAC;

(12) "on-site liquid waste system" means a liquid waste system, or part thereof, serving a dwelling, establishment or group, and using a liquid waste treatment unit designed to receive liquid waste followed by either a soil treatment or other type of disposal system; on-site liquid waste systems include enclosed systems and privies but do not include systems or facilities designed to receive or treat mine or mill tailings or wastes;

(13) "septic tank" means liquid waste treatment units designed to provide primary treatment and anaerobic treatment prior to disposal;

(14) "small system" means any liquid waste treatment and disposal system that receives, or is designed to receive, no more than 2,000 gpd.

[20.7.11.7 NMAC - Rp, 20.7.11.7 NMAC, XX/XX/2020]

20.7.11.8 PERMIT FEES: Payment of permit fees are due prior to the issuance of a permit meeting all the requirements of 20.7.3 NMAC.

A. Fees for permits to register, construct, or modify a conventional system of a specified design flow. The fee for a system designed for:

(1) zero gpd up to ~~500~~1,000 gpd is \$225.00;

~~(2) 501 gpd up to 1,000 gpd is \$275.00;~~

~~(3)~~ 1,001 gpd up to ~~1,500~~2,000 gpd is \$325.00;

~~(4) 1,501 gpd up to 2,000 gpd is \$375.00;~~

~~(5)~~ 2,001 gpd up to ~~2,500~~5,000 gpd is ~~\$425.00~~\$500.00;

~~(6) 2,501 gpd up to 3,000 gpd is \$475.00;~~

~~(7) 3,001 gpd up to 3,500 gpd is \$525.00;~~

~~(8) 3,501 gpd up to 4,000 gpd is \$575.00;~~

~~(9) 4,001 gpd up to 4,500 gpd is \$625.00;~~

~~(10) 4,501 gpd up to 5,000 gpd is \$675.00;~~

B. Fees for permits to register, construct, or modify an alternative system, or advanced treatment system, ~~or a commercial system~~ of a specified design flow. The fee for a system designed for:

(1) zero gpd up to ~~500~~1,000 gpd is \$450.00;

~~(2) 501 gpd up to 1,000 gpd is \$500.00;~~

~~(3)~~ 1,001 gpd up to ~~1,500~~2,000 gpd is \$550.00;

~~(4) 1,501 gpd up to 2,000 gpd is \$600.00;~~

~~(5)~~ 2,001 gpd up to ~~2,500~~5,000 gpd is ~~\$650.00~~\$750.00;

~~(6) 2,501 gpd up to 3,000 gpd is \$700.00;~~

~~(7) 3,001 gpd up to 3,500 gpd is \$750.00;~~

~~(8) 3,501 gpd up to 4,000 gpd is \$800.00;~~

~~(9) 4,001 gpd up to 4,500 gpd is \$850.00;~~

~~(10) 4,501 gpd up to 5,000 gpd is \$900.00.~~

C. Annual operating permit fees: ~~for an alternative system, advanced treatment system, or a commercial system.~~

(1) ~~The annual operating permit~~ fee for:

~~(1) (a) an alternative system, or advanced treatment system, ~~or a commercial system~~ is \$50.00;~~

~~(2) a commercial large system is \$200.00;~~
~~(3) (b) a holding tank system or, a split flow system with a holding tank, excluding commercial alternative systems and advanced treatment systems is \$30.00.~~

D. Application of annual operating permit fees: The annual operating permit fees will apply to the following:

~~(1) alternative disposal systems, advanced treatment systems, and holding tank systems installed after the effective date of this rule;~~

~~(2) alternative disposal systems, advanced treatment systems, and holding tank systems modified after the effective date of this rule; and~~

~~(3) alternative disposal systems, advanced treatment systems, and holding tank systems subject to transfer of ownership after the effective date of this rule.~~

E. Term of annual operating permits; non-transferability:

~~(1) Annual operating permits are issued for a period of 12 consecutive months from the date of issuance and expire on the last day of the anniversary month in which the permit was issued.~~

~~(2) Annual operating permits are non-transferrable.~~

F. Consumer Price Index: On February 1, 2022, all fees shall be adjusted to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for the previous two years. Thereafter, all fees shall be adjusted every two years on February 1 to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index of two years prior. The amount of the change in the fee shall be determined by multiplying the existing fee by the change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any year is the average of the consumer price index for all-urban consumers published by the United States department of labor, as of the close of the twelve-month period ending on August 31 of the previous year. No fee can exceed the average fee for the surrounding jurisdictions as determined by the latest report on contiguous state fees published by the department.

[20.7.11.8 NMAC - Rp, 20.7.11.8 NMAC, XX/XX/2020]

20.7.11.9 QUALIFICATION CERTIFICATE FEES: If a qualification certificate is requested as provided for in 20.7.3.904 NMAC, a fee as indicated in subsections A through F of this section shall be submitted upon issuance of the qualification certificate in addition to any associated permit fee required in 20.7.11 NMAC. The fee for a qualification certificate for:

- A. a qualified homeowner is ~~\$100.00~~\$170.00;
- B. a third-party evaluator is \$50.00;
- C. a maintenance service provider is \$50.00;
- D. a septage pumper is \$30.00;
- E. an installer specialist is \$150.00;
- F. renewal for an installer specialist is \$75.00

[20.7.11.9 NMAC - N, XX/XX/2020]

20.7.11.10 SEPTAGE PUMPING TRUCK ANNUAL REGISTRATION FEE: Effective July 1, 2021, the annual fee for registration of a septage pumping truck is \$30.00.

[20.7.11.10 NMAC - N, XX/XX/2020]

20.7.11.11 PROPERTY TRANSFER REPORT FILING FEE: The fee for filing a property transfer report is \$50.00.

[20.7.11.11 NMAC - N, XX/XX/2020]

20.7.11.12 SEPTIC TANK MANUFACTURER CERTIFICATION FEE: The annual fee for the certification/re-certification of septic tank designs as required in 20.7.3 NMAC is \$150.00.

[20.7.11.12 NMAC - Rp, 20.7.11.9 NMAC, XX/XX/2020]

20.7.11.13 RE-INSPECTION FEE: If a site inspection results in an issuance of a notice of non-approval, a fee of ~~\$150.00~~\$125.00 shall be assessed for the re-inspection of the system. The re-inspection fee shall be remitted to the department prior to a subsequent inspection being conducted.

[20.7.11.13 NMAC - Rp, 20.7.11.10 NMAC, XX/XX/2020]

20.7.11.14 UNPERMITTED SYSTEM INSPECTION FEE: If a property owner requests that the department conduct an unpermitted system inspection, the fee is \$250.
[20.7.11.14 NMAC – N, 20.7.11.13 NMAC, XX/XX/2020]

20.7.11.1415 VARIANCE FEE: If a variance is requested as provided for in 20.7.3 NMAC, a fee of \$100.00 for small systems and ~~\$400.00~~\$250.00 for large systems shall be submitted upon issuance of the variance in addition to the permit fee required in 20.7.11.8 NMAC above.
[20.7.11.1415 NMAC - Rp, 20.7.11.11 NMAC, XX/XX/2020]

20.7.11.1516 PAYMENT OF FEES:

A. The department shall not issue a permit, variance or tank design certification until payment is received by the department. The fees required in this part are non-refundable.

B. All fees shall be remitted to the department, payable to the environment department liquid waste fund. All fees collected pursuant to this part shall be transmitted to the state treasurer for deposit in the liquid waste fund.

C. ~~Beginning on February 1, 2021, all fees shall be adjusted each year on February 1 to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for the previous year. The amount of the change in the fee shall be determined by multiplying the existing fee by the change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any year is the average of the consumer price index for all urban consumers published by the United States department of labor, as of the close of the twelve month period ending on August 31 of the previous year. No fee can exceed the average fee for the surrounding jurisdictions as determined by the latest report on contiguous state fees published by the department on January 15th of the current year.~~

[20.7.11.1516 NMAC - Rp, 20.7.11.12 NMAC, XX/XX/2020]

20.7.11.17 LIQUID WASTE DISPOSAL SYSTEM ASSISTANCE FUND: Pursuant to Section 74-1-15.1 NMSA 1978, the liquid waste disposal system assistance fund will be funded annually with \$40.00 from each permit issued pursuant to subsections A and B of Section 8 of this part, up to a maximum of \$200,000.00. Money from the fund will be used for the sole purpose of assisting indigent individuals or households that qualify for funding to accomplish one of the following purposes where there is a real or potential negative impact to public health or water quality from on-site liquid waste disposal system effluent:

A. ~~to pay for a liquid waste disposal system to replace a cesspool or other failed or improper on-site liquid waste disposal system;~~

B. ~~to purchase, install or maintain an advanced treatment system as required by the Environmental Improvement Act or regulations issued pursuant to that act;~~

C. ~~to pay for the decommissioning and removal of a cesspool or other failed or improper on-site liquid waste disposal system; or~~

D. ~~to pay for all or a portion of the connection fees in order to connect an individual or household to a centralized wastewater collection and treatment system.~~

[20.7.11.17 NMAC - N, 20.7.11.17 NMAC, XX/XX/2020]

20.7.11.1618 APPLICABILITY:

A. The requirement for payment of the permit application fee shall apply only to those applications received on or after the effective date of this part.

B. The annual tank certification fee shall apply on or after the effective date of this part. The annual fee shall be received by the department no later than January 1 of each year.

C. The requirements concerning payment of a re-inspection fee shall apply only to those re-inspections occurring on or after the effective date of this part.

[20.7.11.1618 NMAC - Rp, 20.7.11.13 NMAC, XX/XX/2020]

20.7.11.1719 PERIODIC REVIEW: In order for the environmental improvement board to fulfill its obligation to establish onsite liquid waste system fees in accordance with Paragraph (3) of Subsection A of Section 74-1-8, NMSA 1978, the department shall provide information, biennially, by January 15th ~~of each year~~ to the environmental improvement board as follows:

A. liquid waste fund revenues for the previous fiscal year;

B. liquid waste fund expenditures for the previous fiscal year:

- (1) personal services and benefits;
 - (2) contracts;
 - (3) other costs;
 - (4) indirect;
 - C. external audit report for the previous fiscal year;
 - D. current fiscal year budget for field operations bureau approved by the department of finance and administration and the legislative finance committee;
 - E. report on contiguous states' fees:
 - (1) for Arizona, Oklahoma and Texas: report of state program fee schedules (although some Texas counties have their own fee schedules);
 - (2) Colorado and Utah: report of fee schedule for each county or health district;
 - F. performance measures report for previous fiscal year;
 - G. copy of liquid waste annual strategic plan;
 - H. copy of training plan, if any, for the upcoming year.
- [20.7.11.~~17-19~~ NMAC - Rp, 20.7.11.14 NMAC, XX/XX/2020]

20.7.11.~~18-20~~ COMPLIANCE WITH OTHER REGULATIONS: Compliance with this part does not relieve a person of the obligation to comply with other applicable state and federal regulations.
 [20.7.11.~~18-20~~ NMAC - Rp, 20.7.11.15 NMAC]

20.7.11.~~19-21~~ CONSTRUCTION: This part shall be liberally construed to implement the purpose of the act.
 [20.7.11.~~19-21~~ NMAC - Rp, 20.7.11.16 NMAC, XX/XX/2020]

20.7.11.~~20-22~~ SEVERABILITY: If any provision or application of this part is held invalid, the remainder shall not be affected.
 [20.7.11.~~20-22~~ NMAC - Rp, 20.7.11.17 NMAC, XX/XX/2020]

HISTORY of 20.7.11 NMAC:

History of Repealed Material:

20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees (filed 12/20/2001) replaced by 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees, effective XX/XX/2020.

Areas of Strength

- Personnel Training, Team Building and Supervision
- Extensive Knowledge in Food Safety, Swimming Pool Operations and Liquid Waste Disposal Design
- Problem Solving, Implementing Change
- Project Management

Education and Training



New Mexico State University, Las Cruces, NM

*1983 – 1987, BS Agriculture **

Emphasis is Chemistry and Biology

Continuing Education:

- Certified Food Safety Professional
- Certified Pool Operator
- Certified Liquid Waste Inspector
- Certified Drinking Water Sampler
- Food Managers Certificate through Serve Safe
- Dale Carnegie Management Seminar
- Dale Carnegie Public Speaking
- Zenger Miller Self Directed Work Groups
- Project Management
- Trainer, Team Management
- Microsoft Office
- Business Fiscal Management

Professional Experience



New Mexico Environment Department

5500 San Antonio NE

Albuquerque, NM 87109

2000 to Present

Bureau Chief (September 2015 to Present)

District Staff Manager (January 2006 to December 2011)

District Manager (August 2012 – present)

- **Bureau Chief - Responsible for 4 programs, 105 FTE's, 22 field offices.**
- Appointed Acting District 1 Manager 2006 - 2007 & 2011 – 2012. Administered District resources and operational activities.
- Program management – provide integrated support to ensure the field program for which EHB is responsible, are fully implemented in accordance with each program policy, rules and regulations.
- Supervision – Initiate and complete performance appraisals, provide guidance and training to staff in all program procedures, guidance's, policies and regulations. Mentor and provide opportunities for staff for personal and professional growth. Set short and long term objectives and priorities, develop plans to meet established deadlines, **anticipate problems and adapt to change by using resources effectively.**
- Fiscal Management - Develop District budgets and operate within Department guidelines. Monitor expenditures, forecast future budgetary needs and contingency planning while adhering to state and agency specific budget finance policies.
- Coordinate efforts with other Districts to improve communication and consistency

505.873.3018 • bandtchavez@gmail.com

- Actively participate in regulation re-write. Assisted in drafting and testifying on the last version of the Swimming Pool Regulations. Actively participate in rule and policy making for all EHB programs.

Environmental Specialist (August 2000 to January 2006)

- Assisted the Drinking Water Bureau during a time of need to collect water samples from public water systems in addition to my normal job duties.
- Assisted the Albuquerque, Rio Rancho, Socorro and Gallup field offices during periods of staff shortage in conducting food and liquid waste inspections over a four-year period.
- Assisted in training new staff in the Albuquerque, Rio Rancho, Socorro and Gallup field offices. Responsible for training two employees in Albuquerque, four employees in Rio Rancho, one employee in Socorro and two employees in Gallup.
- Assisted Food Specialist in conducting food safety training for the public. Conducted food safety training classes when required in Spanish.
- Delegated to serve on the food operations manual re-write committee.
- Serve as a technical advice person with issues related to food processors.
- Elected to the Board of Directors of the New Mexico's Environmental Health Association
- Assisted in authoring a technical sheet called "food tip of the week" which was sent out via email to NMED staff and restaurant operators. Is currently being used as a general publication given to industry.

***New Mexico's Kitchen
Albuquerque, NM******July 1996 to August 1999******A privately owned food company with canning/bottling facilities.*****General Manager/ Co-Owner**

- Responsible for complete business development. Created a business plan, secured financing, constructed facility, hired and trained staff.
- Responsible for acquiring manufacturing contracts with grocery store chains such as Albertson's, Safeway, HE Butt(Texas), Smiths, Basha's(Arizona, California)
- Increased sales from 250k the first year to over 500k. Increased production 75% within the first year. Increased staff from 10 to 30 employees. Named New Mexico's twelfth largest food processor by New Mexico Business Weekly in 1999.
- Obtained business for private label bottling of salsas, barbeque sauces and other thermal processed food.

***Prepared Foods / International Multifoods / Tyson
El Paso, Tx, Albuquerque, NM, Riverside, CA******May 1987 to August 1995******A fortune 100 company specializing in meat and prepared foods. Currently owned by Tyson Foods.*****Plant Supervisor / Plant Superintendent**

- General plant supervision in El Paso, TX of over 400 employees and 4 Departments. Involved in the day to day operation that included hiring and training employees, working with management to meet production and budget goals, working with clients such as Arby's, Burger King and Hormel in ensuring quality control and new product development.
- Assisted in designing and opening a new facility in Albuquerque, NM. Involved in a complete plant set up that involved purchasing equipment, developing personnel procedures, creating a microbiological lab and quality control program in accordance with USDA guidelines, preparing budgets and training programs. Managed day-to-day operations of a facility that employed 200.
- Selected to assist plant in Riverside, CA in improving production output, product quality and general personnel issues.
- Designated as a corporate trainer in implementing "self directed work groups". Designated as a trainer during the early 1990's in HACCP which was a USDA mandate.

**TECHNICAL TESTIMONY OF WILLIAM CHAVEZ – BUREAU CHIEF,
NEW MEXICO ENVIRONMENT DEPARTMENT’S ENVIRONMENTAL
HEALTH BUREAU**

I. INTRODUCTION

My name is William Chavez and I am currently the Bureau Chief for the Environmental Health Bureau (“Bureau”) of the New Mexico Environment Department (“Department”). My resume is attached. (NMED Exhibit 2).

I have a Bachelor of Science Degree in Agriculture from New Mexico State University with an emphasis in biology and chemistry. I have been with the Department for over twenty years and have been involved in public health and environmental health since 1987. In my role as Bureau Chief, I am responsible for the administration of the Liquid Waste Program (“LWP”). I have received extensive training and education in wastewater design, construction and wastewater chemistry.

II. SCOPE OF RESPONSIBILITY OF THE LIQUID WASTE PROGRAM

The Bureau of the Environmental Protection Division requests the repeal and replacement of 20.7.11 NMAC, *Liquid Waste Treatment and Disposal Fees*, for the following reasons:

A. **Protection of Public Health and the Environment:** The Bureau's Liquid Waste Program ("LWP") has the responsibility to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and groundwater contamination from on-site liquid waste disposal practices. Of importance to the mission of the Bureau is to ensure precious groundwater and surface waters are protected from contamination originating from improperly operating onsite liquid waste systems. The Bureau's prescriptive regulations ensure two key contaminants, nitrogen and fecal coliform, are kept out of water sources. These two contaminants can cause serious illnesses such as blue baby syndrome which can lead to death.

B. **Numerous and Various Liquid Waste Facilities:** The LWP currently regulates approximately two hundred twenty-five thousand (225,000) permitted liquid waste systems that handle up to five thousand gallons per day ("gpd"). These responsibilities require significant human and material resources. The LWP also has regulatory responsibility for an additional estimated one hundred thousand (100,000) unpermitted liquid waste systems statewide. Onsite residential liquid waste systems permitted and inspected by the LWP include but are not limited to, single-family homes, mobile homes, RV parks, apartment complexes, and campsites. Commercial liquid waste

systems regulated by the LWP include, but are not limited to, restaurants, schools, churches, rest homes, medical facilities, parks, retail outlets, hotels, and light industry up to 5,000 gpd. It is estimated, there are approximately twenty thousand lots statewide that can only be serviced through alternative liquid waste systems, which require more tracking than conventional systems in order to protect the environment and New Mexico residents. The LWP regulates twenty-two (22) different types of alternative treatment systems and maintains for the public, lists of these approved liquid waste treatment technologies. In addition to residential and commercial systems, the LWP has regulatory responsibility for liquid waste systems in schools, churches, rest homes, medical facilities, parks, retail outlets, hotels, and other entities.

C. **Compliance Assurance:** The LWP ensures that septage haulers are properly licensed and disposing at approved facilities. Bringing liquid waste systems into compliance is a time-intensive endeavor and the LWP administers compliance assistance programs to help users come into compliance as a less coercive alternative to fines and permit termination. The LWP administers a comprehensive application process that is detailed to ensure the safety of State residents and protection of the environment.

D. **Wastewater Advisory Committee:** The LWP has a statutory duty to provide technical assistance to the Wastewater Advisory Committee (“WTAC”),

helping the WTAC to “provide standardized objective evaluation of wastewater treatment and disposal technologies for both large- and small-flow domestic, commercial and agricultural wastewater systems.”. NMSA 1978, § 9-7A-15(D), (E) (2003). Most recently the WTAC reviewed and recommended approval of a treatment technology that could treat wastewater to a point where it is safe to apply to roads for dust control.

E. **Increasing Responsibilities:** New Mexico’s Permian Basin oilfields are currently producing approximately 885,000 barrels of oil per day, and are among the busiest, most-productive oilfields in the United States. Oil production in this area has caused a population boom and a housing shortage in southeastern New Mexico, resulting in ad hoc worker camps with improvised and dangerous liquid waste storage systems. These systems are often leaking and overflowing, putting the area’s groundwater in danger of contamination. It is the LWP that is charged with the task of identifying, locating, inspecting, and enforcing compliance in these camps. It is straining the Bureau’s resources and is unsustainable in the long term. Last year the LWP issued over 100 notices of violations for liquid waste violations at these ad hoc worker camps in southeast New Mexico for things like dumping raw sewage on the ground and in acequias. In order to develop an effective strategy to deal with the threat of groundwater contamination by the camps, the LWP

is currently developing a comprehensive database and mapping system to help identify and track the ad hoc, unpermitted wastewater storage systems. (NMED Exhibit 22).

The LWP provides free water testing for nitrate, iron, and fluoride, and many other unpaid services and administrative functions in fulfillment of its responsibility to ensure that liquid waste produced in New Mexico is adequately treated for the health and safety of the State and its residents.

III. REPLACING 20.7.11 NMAC

The Legislature has capped the liquid waste system fee amounts collectible by the Bureau at no more than the average charged by the New Mexico's contiguous states. The fee comparison to the other states is based on se similar permits and services, similar inspection and permitting and administration processes for on-site liquid waste systems.

Every year, the Bureau conducts a survey on the liquid waste fees charged by contiguous states and, in general, the fees charges by New Mexico were significantly lower than the fees charged by contiguous states. For example, the average fee charged in contiguous states for a liquid waste holding tank permit was five hundred fifty-five dollars (\$555.00), whereas New Mexico currently charges one hundred dollars (\$100.00). The average fee for a variance in contiguous states is two hundred

eighty dollars (\$280.00), whereas New Mexico charges fifty dollars (\$50.00) for a variance. (NMED Exhibits 20 [pgs. 99-107] and 21)

The LWP's inability to collect adequate fees has necessarily resulted in understaffing and slower response times. In 2019 alone, the LWP received five-thousand two hundred forty-three (5,243) applications for liquid waste permits statewide. These permits were processed start to finish by the LWP's thirty-two (32) employees spread among twenty-two (22) field offices across the State. As an example of the LWP's workload, the Albuquerque LWP field office had one employee that processed two hundred forty-five (245) permit applications in 2018. Rural areas also have the same problem. For example, the Raton field office has a single employee who processed one hundred sixty-five (165) applications in 2018.

The thirty-two LWP inspection staff conducted over six thousand (6,000) on-site inspections of liquid waste systems across New Mexico along with 25 administrative staff - an enormous undertaking given that many of the liquid waste inspections take place in rural areas, requiring extended travel time for LWP inspectors.

In addition to their work for the LWP, inspection staff also have the responsibility to inspect swimming pools and food facilities for approximately seven thousand (8,000) restaurants, churches, public pools, hotels, and schools. This practice is essential in rural New Mexico where there may be just one or two staff persons in a

field office to provide technical assistance, issue permits and inspect food establishments, public pools and liquid waste systems for a community.

The LWP's current fee structure generates four hundred thirty-five thousand dollars (\$435,000.00) annually. The LWP's remaining budgetary needs are met by the General Fund. The total annual budget for the LW program is approximately \$3.3 million. (NMED Exhibit 20 (pgs. 3-107]). Repealing and replacing 20.7.11 NMAC would allow the LWP to generate much needed revenue independent of the General Fund. Rather than rely on state General Fund dollars, during the most recent legislative session the House Appropriation and Finance Committee stated that "NMED should use its regulatory authority to ensure revenue generated." Should the Board adopt the proposed rules drafted, we believe the LWP would generate an estimated additional \$750,000 annually. With this added revenue, the LW program would hire 5 inspectors, 3 administrative staff, and offer more technical and compliance assistance. In addition to the tracking system described earlier, LW would modernize its systems by developing and implementing electronic applications/submissions and online payments.

Prior to 2002, New Mexico did not charge fees for liquid waste permits, inspections, and administration. In 2002, the EIB promulgated the first set of fees, which have not been raised since the rule was adopted - a period of over seventeen (17) years. The value of the fees we charge has dropped since 2002 with the number

of liquid waste systems we permit and inspect annually has steadily increased after the 2008 recession to a 10 year high in 2019. In addition, over the past 17 years we have lost 4 inspectors that conduct liquid waste inspections.

The draft rules you have before today propose to apply the consumer price index (CPI) to the liquid waste fees every two years. This is essential to ensure that the value of the money collected over time is not reduced by inflation, and that the LWP can continue to provide the services needed without having to return to the Board every couple of years – and expensive and time consuming process, the cost of which is ultimately borne by taxpayers. Pursuant to 20.2.75.11(F) NMAC, permit fees collected by the Air Quality Bureau are subject to the CPI and have been since at least 2005. In addition, just last month the Board approved the application of a CPI for Hazardous Waste fees. In the case of the liquid waste fees, the effect of CPI-based increases will be limited by statute, capping fees to no more than the average fee charged by surrounding states.

Repealing and replacing 20.7.11 NMAC is preferable to amending the current rules because the changes and additions are extensive. Repealing and replacing 20.7.11 NMAC would provide a streamlined process for changing fees under this part.

Pursuant to 1.24.10.18(B)(1) NMAC (2015), the replacement regulations would retain the current part name, title, chapter, and part numbers, “20.7.11 NMAC.”

Repealing and replacing 20.7.11 NMAC would allow the Bureau to bring New Mexico's liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, ensuring that the LWP has the resources necessary to protect the health of New Mexicans, the environment, and wildlife.

Repealing and replacing 20.7.11 NMAC would allow the Department to more fully staff the Bureau's LWP, speeding up permit processing times and allowing for more timely inspections, to better protect the health of New Mexico residents, and would provide for a more precise description of persons required to pay liquid waste treatment and disposal fees and would provide greater clarity and ease of use of the rules. Replacing 20.7.11 NMAC also would more precisely describe the methods and technologies used to treat liquid waste, and better reflect national standards of terminology.

IV. Public Outreach

On October 7, 2019, the Department filed a petition with Environmental Improvement Board for a public hearing in this matter. On October 25, 2019, the request for hearing was granted and scheduled for a hearing on February 28, 2020. Public notice of the hearing was timely published in English and Spanish in two newspapers of general circulation, *Santa Fe New Mexican* and *Las Cruces Sun News*,

as well as the *New Mexico Register*. In addition all other public notice requirements were met by the following: posting the notice of hearing of on the Departments website, distributed the notice to the Legislative Counsel Service, and made available to the Departments twenty-two regional district field offices for public inspection. (NMED Exhibits 8-18).

The Department held eight public meetings to outline the proposed rule, discuss the Departments proposed changes and answer any questions and receive input concerning the proposed rule. The eight meetings were held throughout the state on the following dates and locations: (1) October 28, 2019 - Las Cruces, (2) October 29, 2019 - Ruidoso, (3) October 30, 2019 - Carlsbad, (4) November 13, 2019 - Santa Fe, (5) November 14, 2019 - Farmington, (6 and 7) November 15, 2019 – Taos and (8) December 3 in Albuquerque (two sessions: morning and afternoon). (NMED Exhibits 8-18). Stakeholders and members of the public were notified of the public meetings via the Liquid Waste Program website. Each public meeting allowed for public comments. During the public meetings, the Department answered and or received 45 questions and comments. The Bureau also conducted an initial stakeholder meeting with the Professional Onsite Wastewater and Re-use Association of New Mexico (POWRA). The Association also provided notification of the proposed rulemaking to their membership.

RESUME of...

MICHAEL G. BROUSSARD Cell:(505) 750-1678 Home: (505) 832-2163 phone & fax

BSChemistry/Biochemistry/Microbiology Lamar University, Beaumont, TX

michaelgbroussard@gmail.com

SYNOPSIS

EMPLOYMENT HISTORY

- 2018 to present Acting Liquid Waste Program Manager, New Mexico Env Health Department, Santa Fe, NM
- 2013-2018 Wastewater Technical Specialist, district and program, New Mexico Env Health Department, Santa Fe, NM
- 2008-2013 Environmental Health Scientist, Food Safety, Pool Safety, Liquid Waste Inspector, New Mexico Env Health Department, Santa Fe, NM
- 2007-present, Self-employed part time Indoor Air Quality and Electrostatic Precipitator Equipment Field Technician, Service Technician, American Air Cleaners, Albuquerque, New Mexico
- 2007-2008 Sanitation Engineer, Windsor Foods, Inc., Albuquerque, New Mexico 2006-2007
- 2006-2007 Supervisor / Production Coordinator, Johnson & Johnson Endo-surgical Devices, Albuquerque, New Mexico
- 2003-2006 Environmental Monitoring Technician, Cardinal Health, Albuquerque, New Mexico
- 1997-2004 Quality Control Manager / Plant Engineer, Metal Finishing Instructor, Industrial Plating and Metal Finishing, Albuquerque, NM
- 1995-1998 Petroleum Lab Quality Assurance Manager/ Trainer, US Army Reserve Center, Albuquerque, NM
- 1995-1997 Quality Control Lab Manager / Trainer, Kaehr Corporation, Albuquerque, NM
- 1991-1994 Chemical Operations Engineer / Trainer / Instructor, USA Chemical, Biological R&D Agency, APG, MD
- 1990-1991 Hazardous Chemical Detection Team Manager/ Trainer, US Army Chemical Company, South Korea
- 1986-1990 Chemical Operations Assistant/Clerical Supervisor, Trainer, US Army, Fort Carson, CO
- 1984-1986 Lab Technician / Instructor, Exxon Chemicals, Baytown, TX
- 1975-1984 Construction, electrical, plumbing, framing, McCann's Real Estate, Daisetta TX

CERTIFICATIONS, ADDITIONAL EDUCATION & TRAINING

Certified Professional - Food Safety, Certified Pool Operator, NAWT Liquid Waste System Inspector, Current Good Manufacturing Practices, Basic Electronics, Implementation of Good

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BSCHEMISTRY/BIOCHEMISTRY/MICROBIOLOGY Lamar University, Beaumont, TX

michaelgbroussard@gmail.com

Laboratory Practices, Good Automated Laboratory Practices, and ISO Standards, RCRA
Environmental Laws & Pollution Prevention, USA Environmental Center Hazardous Communication
Training, Chemical & Nuclear Emergency Management, Operations Research & Systems Analysis
(Statistical Analysis), Model Aquatic Health Code

Memberships:

- American Society of Testing and Materials (ASTM) serves on technical review committee
- National Environmental Health Association NEHA,
- National Association of Wastewater Technicians.

Boards:

- 2018- present: President and board member, East Mountain Ice, Youth basketball club for East Mountain area youth
- 2014-2017 President, New Mexico Environmental Health Association, Professional Association

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Septic Systems: 11 years Liquid Waste Inspector, 4 years technical reviewer for advanced wastewater treatment systems and products, review structural analysis for precast concrete and fiberglass tanks technical reviewer, 7 years inspecting wastewater treatment systems, 10 years certified by National Association of Wastewater Transporters.

Military Service: 10 years, 4 years Supervisor Explosive Ordinance/ Field Artillery, Training and Administrative Support, NBC (Nuclear Biological, Chemical) Operations, 6 years Management NBC Reconnaissance, Operations, Chemical Surety Security, Petroleum QA, Logistic Operations (Fuel Storage and Transport), Hazardous Material, Hazardous Waste.

Indoor Air Quality: 15 years, self-employed, source capture ventilation, general ventilation, equipment maintenance, installation and service high voltage electrical equipment, electrostatic precipitators. 3 years, sterile environment, particle count equipment monitoring calibration, temperature, pressure, pressure differentials, and humidity.

Sanitation Engineer, Food Safety Inspector: 7 years' experience Working in food manufacturing and inspecting processing plants and restaurants for regulatory compliance with USDA and FDA requirements. 2 years Certified Professional in Food Safety (CP-FS).

President and member: 3 years New Mexico Environmental Health Association member, 1 year board president, East Mountain Ice youth basketball club

Quality Assurance within USDA and FDA regulated environments, 7 years

General Manager and Plant Engineer, Technical and Engineering plan review years, Industrial Plating and Metal Finishing: 7 years manage all aspects of plant operations, design and install production and wastewater systems to meet customer specifications and production output, manage plant quality, safety, and environmental programs for customer quality system certification

Chemical Laboratory: 7 years wet and instrumental Chemical analysis. Petroleum, chemical

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production and quality assurance, food grade production and electrochemistry.

Microbiology laboratory: 5 years Pharmaceutical Industry environmental monitoring. University Setting Maintenance of pathogenic and non-pathogenic cultures, media preparation and storage, related equipment operating and repairs, diagnostic microbiology.

Computer Skills: 31 years Windows, typist, document management, word processors, spreadsheet, database, database design, accounting, paperless, graphics, fax programs. Data entry and data analysis, financial and statistical reporting

Hazardous Material Training: 40 hours HAZMAT and HAZWOPER (Hazardous Waste Operations)

Military Management and Supervisory Experience: 13 years Radiological, Chemical and Biological Warfare operations, Explosives Handling, Personnel Management, Security Operations for Nuclear and Chemical facilities

Quality Assurance/Control: 13 years Devise and Develop SOPs, QC Manuals, Conduct File Audits, Compliance Audits

Regulatory Compliance: EPCRA, CERCLA, RCRA, 8 years compliance for petroleum and corrosive chemicals, storage, disposition, and transportation of large quantities. OSHA compliance

Security and Safety Training Officer: 3 years, trained 120 personnel in security operations, managed Safety program for security areas

Manufacturing Environment: 12 years' experience.

**TECHNICAL TESTIMONY OF MICHAEL BROUSSARD – PROGRAM
MANAGER, NEW MEXICO ENVIRONMENT DEPARTMENT LIQUID WASTE
PROGRAM**

INTRODUCTION

The New Mexico Environment Department (“Department”) is seeking to repeal and replace the current 20.7.11 NMAC regulations. Prior to 2002, the Department did not charge any fees for the Liquid Waste Program (“LWP”). The current fee regulations went into effect seventeen (17) years ago and there have been no changes since that time. The 20.7.3 NMAC (*Liquid Waste Disposal and Treatment*) scope was changed in 2014 from a system cap of 2,000 gallons-per-day (“gpd”) to 5,000 gpd discharges and has added additional demand for permitting to the LWP jurisdiction. Currently, the Department charges zero to one hundred \$150 dollars for any service provided, which is not sufficient to cover the cost of operating the LWP within the Environment Department.

Prior to 2014, the scope of the LWP was limited to sources discharging up to 2,000 gpd. After 2014, the scope of the program expanded to include sources discharging from 2,000 gpd to 5,000 gpd discharges. This change in the Liquid Waste Rules added additional demands for permitting, technical assistance and

compliance assurance by bringing in three hundred (300) additional wastewater systems into the LWP jurisdiction.

In my testimony below, I will describe the pertinent sections of the proposed Liquid Waste Fee rule, including a description of each type of proposed fee and how it compares to the average similar fee in contiguous jurisdictions. Throughout my testimony I will frequently refer to the Liquid Waste Disposal and Treatment Rules, 20.7.3 NMAC, as these rules fully describe the duties of the Department and the regulatory requirements for liquid waste systems.

COMPARISON TO CONTIGUOUS STATES

Each year the Department is required to conduct a survey of liquid waste fees in contiguous states in accordance with 20.7.11.14(E) NMAC. The fee survey is submitted annually to the Environmental Improvement Board (“EIB”) and details the comparable-service average fees charged by contiguous jurisdictions. Under the Environmental Improvement Act (“Act”), the Department’s liquid waste fees cannot exceed the average fee for comparable services in the contiguous jurisdictions. The contiguous state fee survey for 2019 was submitted to the EIB on January 31, 2020. The Department will demonstrate that the proposed fees do not exceed the contiguous state average comparable service fees.

The contiguous states' fee survey is accomplished by searching each contiguous jurisdiction's website for a fee schedule and then importing the data into the worksheet. Department staff calls jurisdictions that have no posted fee schedule to acquire the data. Each fee is entered with the jurisdictions' fee title or description and the staff assigns a comparable service title in accordance with New Mexico's services. The 2019 survey has over eight hundred (800) rows of data. Jurisdictional authorities use different terminology for like services, or the service definition is slightly different from New Mexico's. (NMED Exhibits 20 [pgs. 99-107] and 21)

Additional difficulties occur when the maximum system design flow for permits differs from New Mexico's. For example, Oklahoma's Department of Environmental Quality ("ODEQ") issues like permits with differing fees for installers that are approved to self-inspect versus those that are not approved to self-inspect up to a maximum design flow of one thousand five hundred (1,500) gpd. New Mexico does not issue permits in which self-inspection is authorized and the design flow limit is greater, therefore, the staff may include or exclude the fee from the final tabulation. (NMED Exhibits 20 [pgs. 99-107] and 21)

In the aforementioned example, staff included two of the ODEQ services as comparable to one (1) New Mexico service. Comparable service terminology may appear the same however in some cases the definitions may differ greatly creating another complication in assigning a comparable service or permit issuance to the

Michael Broussard Technical Testimony Page 3 of 29

survey data. While only two examples are provided, they are not the only difficulties encountered. The Department believes that the mass of data attenuates the subjective decisions needed to assign comparable services. (NMED Exhibits 20 [pgs. 99-107] and 21)

SCOPE OF RULES (20.7.11.2 NMAC)

The Department is proposing to change the scope of 20.7.11 NMAC. The scope change is intended to encompass all the services that we intend to charge a fee for and to delineate those that utilize those specific services. The Department looked at all the services provided and determined that many of the services added since the rule was last updated in 2002 had no fees associated with them, and concluded that it is appropriate to assign a fee to each service in an effort to cover the operational costs of the program.

DEFINITIONS (20.7.11.7)

The Department has chosen to add new definitions to the regulation in question. The definition changes proposed are intended to provide clarity for the reader and to assure that Department personnel and the regulated community can determine the appropriate fee in a consistent manner.

“Advanced treatment system”, “Alternative disposal system” and “Alternative disposal” were added to assure that each term is defined as the

respective terms are used in the regulation in 20.7.3 NMAC (also known as “the Design Manual”). An alternative system includes advanced treatment and/or alternative disposal.

The acronym “gpd” meaning gallons-per-day was added so that any reader could find the meaning within the regulation.

The term “large system” was added to replace our informal term “two-to-five K” meaning 2,000 to 5,000 thousand gpd that a system is designed to receive. This term was introduced when the Design Manual’s scope was increased to five thousand (5,000) gpd.

The term “small system” was added to delineate those systems designed to receive two thousand (2,000) gpd or less. These are systems that the LWP was accustomed to reviewing and inspecting and had no prior need to define as a single group before 2014. The term “conventional system” was changed to be the same as it appears in the Design Manual 20.7.3 NMAC.

PERMIT FEES (20.7.11.8)

The proposed permit fee structure is intended to make it easier to determine the appropriate fee in a standardized manner. The current regulation resulted in an inconsistent application of fees being charged for the same service between the 22 field offices throughout the state. It is important to note that approximately twenty-

five percent of the state's citizens utilize onsite liquid waste systems and the Department issues about five thousand (5,000) permits annually.

Most treatment systems installed in New Mexico are conventional systems. A conventional system is defined as an on-site liquid waste system utilizing both conventional treatment and conventional disposal, including privies, holding tanks and vaults. In simple terms a conventional system consists of a septic tank and sub-surface trenches for dispersing wastewater into the soil. The contiguous states average fee charged for this service is five hundred and fourteen dollars (\$514) and the proposed fee is two hundred and twenty-five dollars (\$225) to five hundred dollars (\$500), depending of the design flow, and neither fee exceeds the average fee charged by contiguous states. (NMED Exhibits 20 [pgs. 99-107] and 21)

After the seven public meetings, three staff meetings, and four key stakeholder meetings the Department has revised the originally submitted fee schedule. The revisions took into account all public input and addresses the concerns expressed. Stakeholders and staff saw the original version as a too complicated, with ten levels of permit fees in two categories. Additionally, the staff express concerns regarding charging a fee for a commercial system that was by design a conventional system. After reviewing the contiguous state fee survey, the Department adjusted two fees to comply with Act. Stakeholders also expressed their concerns that some fees were too low and would only provide negligible costs offset to the Department.

Michael Broussard Technical Testimony Page 6 of 29

Stakeholders further expressed concern that the fees are adequate to fund the LWP and Department personnel training each year. (NMED Exhibits 6 and 15)

The proposed fee structure takes a graduated approach to increasing the fees in three successive increments based on gpd. The first tier is up to one thousand (1,000) gpd and assigns a fee of two hundred twenty-five dollars (\$225). This fee would apply to single family dwellings with one to fifteen (1-15) bedrooms or multiple family dwellings such as a four (4) bedroom home and a three (3) bedroom home on a single lot. This category encompasses over ninety percent of the permits processed annually and applies overwhelmingly to homeowners.

The second graduated fee applies to systems from 1,001 to 2,000 gpd and assigns a fee of three hundred twenty five dollars (\$325) - one-hundred dollars (\$100) greater than the previous category, since these systems will be larger, having more tanks and disposal area subject to additional review time and inspection activity. These systems are often engineer designed and require performance testing and multiple onsite inspections.

The third and last fee category for conventional systems applies to large systems from 2,001 to 5,000 gpd and assigns a fee of five-hundred dollars (\$500), one-hundred and seventy-five dollars (\$175) greater than the previous tier. While the Department has not envisioned any conventional system design with this large

flow can be approved under the current Design Manual it is kept in place for the creative installers who may one day propose an unforeseen design. The fee will rarely if ever be imposed but must be considered as a future possibility that could be achieved with specific changes to the Design Manual.

Approximately five percent of the onsite systems installed are alternative systems. These systems are typically required due to sub-standard lot sizes or restrictive site conditions such as the setback to a drinking water well, to surface water, or to clearance to ground water. These systems provide a greater level of treatment and are intended to provide greater environmental protection for drinking water sources and surface water habitats. These systems are typically comprised of aerobic treatment units and or specially designed disposal fields with pumps and specified soil characteristics conducive to reducing wastewater constituents. These systems require maintenance contracts with trained licensed professionals to care for the electronic and mechanical mechanisms involved. The contiguous states average fee charged for this service is eight hundred and seventy-one dollars (\$871) and the proposed fee of four hundred and fifty dollars (\$450) to seven hundred and fifty dollars (\$750) does not exceed the average fee charged by contiguous states. (NMED Exhibits 20 [pgs. 99-107] and 21)

The proposed fee structure for the alternative systems takes a graduated approach increasing the fee in three successive increments based on gpd. The first

Michael Broussard Technical Testimony Page 8 of 29

tier for advanced treatment and alternative systems applies to systems up to one thousand (1,000) gpd and assigns a fee of four-hundred fifty dollars (\$450). This fee would apply to single family dwellings with one to fifteen (15) bedrooms or multiple family dwellings such as a four (4) bedroom home and a three (3) bedroom home on a single lot where site and soil limitations require this level of treatment. This tier encompasses over ninety percent of the alternative system permits processed annually and apply overwhelmingly to homeowners and small businesses.

The second graduated fee applies to systems from 1,001 to 2,000 gpd and assigns a fee of five-hundred and fifty dollars (\$550). This fee is one hundred dollars (\$100) greater than the previous tier as these systems will be larger, having more tanks and disposal area subject to additional review time and inspection activity. These systems are often engineer designed and require performance testing and multiple onsite inspections.

The third and last fee tier for advanced treatment and alternative systems applies to systems from 2,001 to 5,000 gpd and assigns a fee of seven-hundred fifty dollars (\$750). This fee is two hundred dollars (\$200) greater than the previous tier. These systems would be the largest and most complicated systems comprised of multiple tanks, pumps, disposal fields and numerous design considerations. These systems would require much more staff time to review, may involve engineer consultations and several site visits.

It is important to note that the term “commercial unit” has been removed from the permit fee structure as this was the source of inconsistent fee application. All systems are either conventional, advanced treatment or alternative systems. The term “commercial” did not describe the treatment or disposal method but rather how the design flow or gpd was calculated. This created confusion for Department staff and the regulated community that were accustomed to addressing treatment and disposal in fee determinations. The Department does not propose to remove the commercial unit definition, noting that the term is used in the Design Manual.

The Department is proposing adding a new fee for annual operating permits for advanced treatment and alternative systems as well as holding tanks. Both proposed fees are below the average for the contiguous states. The proposed annual operating permit fee for advanced and alternative systems is fifty dollars (\$50) and the average for contiguous states is one-hundred and nine dollars (\$109). The proposed annual operating permit fee for holding tanks is thirty dollars (\$30) and the average contiguous state fee is eighty dollars (\$80). The advanced treatment systems, alternative systems and holding tanks installed, modified or transferred after the regulation effective date will be subject to this fee. The fee amount will be used to address the cost of database purchase and maintenance to track maintenance and testing of these systems as they are uniquely installed where the environment is most susceptible to damage from poorly operating systems. Tracking the

maintenance and performance of these systems is paramount if the Department is to fulfill its mission to protect the environment.

The Department has proposed that fees be adjusted according to the CPI (Consumer Price Index) every two years. Providing a means of keeping fees aligned to annual cost increases would avoid another seventeen (17) years of revenue loss the Department has endured since the implementation of our current fee schedule on February 1, 2002. The Department's original submittal proposed an annual CPI fee increase however, with public and staff input we believe that this is too frequent and repeated changes would be disruptive to builders and installers budgeting processes. The Department sees the two-year cycle for CPI related fee change as minimally disruptive for staff, builders, installers and the public. (NMED Exhibit 19).

QUALIFICATION CERTIFICATES AND FEES (20.7.11.9)

Since 2005, state Liquid Waste Rules (20.7.3 NMAC) contained provisions for the Department to certify qualified homeowners to install their own liquid waste systems. Beginning in 2013, Liquid Waste rules required the Department to certify third party evaluators, maintenance service providers, septage pumpers, and installer specialists. The Department has never charged a fee for these services.

Qualified Homeowner

Pursuant to 20.7.3.7.904 NMAC, a homeowner may become qualified to install an on-site liquid waste system by passing an exam administered by the Department. The Department has proposed a new fee to issue the homeowner qualification certificate of one hundred seventy dollars (\$170). The proposed fee does not exceed the average contiguous state fee of three hundred ninety-five dollars (\$395). Public comments received by the Department were that it should be much higher. Homeowner training materials and opportunities for exams are offered by appointment and are available at all Department field offices. A qualified homeowner may apply for a permit to install or modify a conventional on-site liquid waste system serving the qualified homeowner's personal residence in accordance with 20.7.3.401 NMAC. A qualified homeowner is not allowed to install or modify an on-site liquid waste system serving a rental unit, or other property that is not the qualified homeowner's personal residence. A homeowner qualification shall be valid for one year from the date of issuance of qualification; the Department may extend the qualification beyond one year for good cause shown. The Department has set the fee amount at \$100 to help offset the cost of administering the training material, the exam and the multiple inspections required to assure compliance for the minimally qualified homeowner. Typically, homeowner qualifications are achieved after three (3) or more office visits and an additional three (3) or more permit reviews with

corrections or additional documentation needed. This is followed by two (2) or more inspections to achieve final approval. Homeowner installed systems have proven to be problematic in some isolated cases as some of the work was substandard and this affects prospective homebuyers who purchase such problematic systems. Department personnel are tasked with verifying that the property is the homeowner's primary residence, that they do not hire unlicensed parties, that they do not attempt to install multiple systems in a calendar year and that it is not used on rental homes. A qualified homeowner will also be required to pay the permit fee in addition to the qualification fee. Some field offices receive up to ten (10) homeowner qualification requests in a week or month, the demand varies with construction and real estate activity. The Department does not propose this to deter homeowners but, rather as a means of offsetting the costs to administer the qualification program. (NMED Exhibits 20 [pgs. 99-107] and 21)

Third Party Evaluators

The Department has proposed a new fee of fifty dollars (\$50) to issue a qualification certificate for third-party evaluators authorized under 20.7.3.904 NMAC. The average fee for contiguous jurisdictions is seventy dollars (\$70) and the proposed fee does not exceed the average contiguous state fee. Qualification as a third party evaluator is based on either a valid and appropriate license, licensure as a professional engineer, accreditation in on-site wastewater inspection by the

Michael Broussard Technical Testimony Page 13 of 29

national sanitation foundation (NSF), certification by the national environmental health association (NEHA) as an installer of on- site wastewater treatment systems, certification as a registered environmental health specialist (REHS) or a registered sanitarian (RS), or demonstration of a similar accreditation or certification or a combination of training and experience as approved by the Department. It is the latter group of personnel that must obtain a qualification certificate. All other groups mentioned possess evidence of their credentials from the corresponding professional certification bodies. The Department provides an application and a procedure to fairly review the experience and training for those who lack the other certification credentials and maintains a list of those who need a qualification certificate to evidence Department approval. The Department processes very few of these applications each year. We are aware that there are many evaluators that don't realize they are required to have this qualification certificate and we engage these evaluators as they are discovered. The fee is intended to offset the costs of administering the qualification process.

Maintenance Service Providers

Pursuant to 20.7.3.904 NMRA, the Department has proposed a new fee of fifty dollars (\$50) to issue a qualification certificate for maintenance service providers. The average contiguous state fee for this service is one-hundred dollars (\$100) and the proposed fee is below the average contiguous state fee. In order to

obtain approval by the Department, and in addition to receiving a recommendation for approval by the wastewater technical advisory committee, manufacturers or their authorized trainers of advanced treatment systems shall provide a written training and certification program, for approval by the Department, for installers and maintenance service providers of their systems. Installers and maintenance service providers of advanced treatment systems shall receive the training approved by the Department at least once per year. Department representatives may audit training classes provided by the manufacturers for the purpose of evaluating the training provided. Section 903 outlines thirteen (13) specific additional requirements that the Department must verify to exercise its consumer protection mandate. The Department must maintain an application process and a list of approvals to facilitate this maintenance process providing for public health and environmental protection. The Department processes very few of these applications each year but expects this will increase as we define the process. We are aware that there are many more maintenance service providers that don't realize they are required to have this qualification certificate and we engage these providers as they are discovered. The fee is intended to offset the costs of administering the qualification process. (NMED Exhibits 20 [pgs. 99-107] and 21)

Septage Pumpers

The Department is proposing a new fee of thirty dollars (\$30) for all those septage pumpers that are required to obtain a qualification certificate after the effective date of the proposed regulatory change. A septage pumper is an individual that pumps, transports or disposes of septage. The average contiguous fee for this service is sixty-one dollars (\$61) and the proposed fee is below the average contiguous state fee. The regulation sub-section D 20.7.3.904 NMAC titled “Septage Pumpers” provides that septage pumpers must demonstrate familiarity with applicable regulations and demonstrate competence in locating and exposing septic tanks, measuring septic sludge and scum levels, the complete pumping of septic tank sludge, maintenance of pumping equipment in a sanitary condition, prevention of pathogen transmission and preparation of an appropriate safety plan for normal operations. Septage pumpers must maintain their equipment to ensure no sewage spills occur during transport or storage and that employees or the public are not subjected to a public health hazard. Septage pumpers must have a written contingency plan for spill abatement and must have the equipment and supplies needed to abate spills. Septage pumpers must notify the Department of the facilities they use for the septage disposal and must provide the Department with copies of any permits or licenses issued by the disposal facility owner. The Department maintains a list of all those qualified and only those individuals qualified are

approved to pump, transport and dispose of septage indefinitely. The qualification belongs to the individual and not the company they work for, this allows the individual to work for any company and maintain their approval.

The Department has two-hundred eighty-seven (287) registered septage pumpers since 2013 when this qualification was enacted. The Department expects this number to grow as new workers enter the profession and as the service demand increases. Septage pumpers must complete a training course that meets the elements of 20.7.3.904 NMAC and provide evidence of completion to the Department. Public complaints throughout the state has revealed the need for this continued oversight measure. We have received numerous complaints of septage trucks illegally dumping and have utilized the gathered data to narrow down the septage pumpers in that area and then contact them to investigate the incident. The Department has investigated complaints of illegal septage dumping in all areas of the state. The proposed fee is intended to offset the cost of maintaining the data and the published list of qualified pumpers. (NMED Exhibits 20 [pgs. 99-107] and 21)

Installer Specialist

The Department has proposed a new fee of one hundred fifty dollars (\$150) to administer the qualification for Installer Specialist. The Department introduced this category of installers in 2013 to 20.7.3.904 NMAC. This is a category of

licensed contractors that have additional education and training beyond the license requirements and the Department has afforded those qualified some privileges. Installer specialist by program policy can complete unpermitted system inspections for systems installed prior to February 1, 2002, and they are allowed to schedule Department inspections when the permit is approved.

There is no comparable service for contiguous states however the fee report shows that the average in the contiguous is \$150. This value is due to the worksheet design and this should not be interpreted as an average. Rule 20.7.3.904 NMAC provides for eligibility of those licensed contractors with three (3) or more years of experience or have installed a requisite number of systems and have no compliance orders or criminal conviction in recent years. Those eligible are required to pass a Department administered exam after completing a Department 20.7.3 NMAC class and must attain sixteen (16) hours of Department approved CEUs. The Department must review and verify the applicant's information before approval. The current list has eighteen (18) approved installer specialist and each approval expires after three (3) years. The fee is intended to offset some of the costs of administering this qualification. (NMED Exhibits 20 [pgs. 99-107] and 21)

Renewal for Installer Specialist

The Department proposes a new fee of seventy-five dollars (\$75) for those qualified installer specialists whose qualification has expired after three years. There is no comparable service for contiguous states however the fee report shows an equal amount due to the worksheet design and this should not be interpreted as an average. Qualified installers are required to submit an application and provide additional sixteen (16) hours of CEUs. The Department reviews the application and records to before issuing the qualification certificate for renewal. (NMED Exhibits 20 [pgs. 99-107] and 21)

SEPTAGE PUMPING TRUCK ANNUAL REGISTRATION FEES (20.7.11.10)

While the proposed annual septage pumping truck fee of \$30 would be new the Department, many of the contiguous jurisdictions surveyed impose this fee annually. The average contiguous fee for this service is eighty-four dollars (\$84) and the proposed fee is below the average contiguous state fee. This fee will apply to all septage pumping trucks that load, transport and dispose of septage in New Mexico. We currently show one-hundred and sixty-seven (167) companies operating in New Mexico. This increase in fees will enable Department staff to inspect pumping trucks and minimize the potential for operators and their vacuum trucks to pose a public health hazard. The Department proposes to work closely with the

Michael Broussard Technical Testimony Page 19 of 29

regulated community and develop an application and inspection process that provides an adequate level of public health and environment protection. While public comments overwhelmingly viewed the proposed fee as “too low” the Department believes this fee will offset oversight cost.

Public complaints throughout the state has revealed the need for this oversight measure. For example, the Department received a complaint of a septage truck leaking onto the pavement of a city street and in heavy traffic. The individual complained while riding his motorcycle that the truck moved in front of him and wastewater splashed into his mouth. While investigating this complaint, staff realized they had little to no oversight to locate the violator or any means of taking action to correct the matter. Additionally, we have seen illegal septage dumping in the Farmington, Espanola and Carlsbad areas, just to mention a few. One more recent incident concerned an operator dumping septage into the Embudo river, a Rio Grande tributary. Pump truck application data will facilitate the Department locating a truck by description or registration number and contacting suspected violators. Rapid contact with violators assures preservation of evidence which aids in rapid cleanup or remediation.

PROPERTY TRANSFER REPORT FILING FEE (20.7.11.11)

The Department proposes a new fee of fifty dollars (\$50) for filing of any property transfer evaluation to the Department. The averages contiguous fee for this service is sixty-one dollars (\$61) and the proposed fee is below the average contiguous state fee. Property transfer evaluations are required prior to a property transfer with an established on-site liquid waste system and the owner is responsible to have the evaluation completed by a qualified third-party evaluator in accordance with 20.7.3.904 NMAC utilizing a Department approved form. The Department receives thousands of these evaluations each year and have been required since 2005 to review and file these. The Department provides records searches to determine if the on-site system is permitted or unpermitted.

Realtors, homeowners, and contractors have access to a web-based search tool however the Department is frequently asked for assistance searching the database. The Department provides hard copies of permits for the evaluators, homeowners and realtors. The Department is often asked to explain when a liquid waste system is required to be modified or where the buyer is unsure of what the evaluation is stating. Administrative staff often spend about half of their workday fielding requests and directing phone calls concerning a property transfer evaluation. Field staff are often called upon to address the same evaluation with multiple parties involved in a single property transfer evaluation. The Department estimates that about one-quarter to

Michael Broussard Technical Testimony Page 21 of 29

one-half of all evaluations result in modification requirements while a smaller number reveal that there are still systems that have never been permitted. The Department believes that the property transfer evaluation requirement has been the most significant driver to improve environmental protection since the inception of the liquid waste permitting program. The Department has provided a large amount of time administering property transfer evaluation requirements and has proposed this fee to offset the costs to administer and the report filing.

SEPTIC TANK MANUFACTURER CERTIFICATION FEE (20.7.11.12)

The Department is proposing to raise the septic tank manufacturer certification fee from one hundred (\$100) dollars to one hundred fifty dollars (\$150). The contiguous state fee survey shows that none of the contiguous jurisdictions charge for this service and as such there is no average shown. The increase in fee is proposed to help offset cost to provide for greater oversight. The Department currently requires that septic tank manufacturers submit engineered plans and calculations to demonstrate that each tank design meets appropriate standards in accordance with NMAC 20.7.3.501 and 502. Other jurisdictions simply require that the manufacturer file their engineered plans with the authority and state that it meets a generally accepted standard, established either by the American Society of Testing and Materials (ASTM) or the International Association of Plumbing and Mechanical Officers (IAPMO). The Department has inspected visited local manufacturers where

Michael Broussard Technical Testimony Page 22 of 29

field inspections have found problems with the quality of the septic tank design. The Department believes that charging a fee to enable this oversight is important in fulfilling its consumer protection role.

RE-INSPECTION FEE (20.7.11.13)

A re-inspection fee is imposed whenever the Department issues a notice of non-approval that a particular permitted construction or modification of a system is non-compliant. For example, if an inspection reveals that all work on a newly constructed system has not been completed prior to the request for inspection, the system will be re-inspected, and a fee charged. The proposed increase of the re-inspection fee from \$50 to \$125 is being presented to increase deterrence and to offset operational costs. The averages contiguous fee for this service is one-hundred and twenty-seven dollars (\$127) and the proposed fee is below the average contiguous state fee. This fee is used to deter contractors from calling for an inspection before they are fully ready. Field inspectors are often called to inspect when a system is not fully complete and are asked to provide a partial inspection with the contractor's promise of completing the installation at a later date. Field inspectors are then forced to make time management decisions, that is whether to grant approval with the condition of completing deficient items or schedule another site inspection to observe a fully installed system. While the Department has seldom utilized this fee, increasing the cost of re-inspection would create greater deterrent

to requests for inspections of partially constructed systems. This increase will help offset the cost of dedicating more time beyond what is planned towards inspections. Inspecting all installed components is how the program achieves its consumer protection role. (NMED Exhibits 20 [pgs. 99-107] and 21)

UNPERMITTED SYSTEM INSPECTION FEE (20.7.11.14)

The Department proposes to charge a new fee for conducting unpermitted system inspections of two hundred fifty dollars (\$250). The updated contiguous states' fee average for this comparable service is seven hundred eighty-eight dollars (\$788) and therefore the proposed fee does not exceed the average contiguous state fee. An unpermitted system is an established onsite system for which there is no permit or final inspection on file with the Department or one that the owner cannot provide a permit for. The unpermitted system fee is charged in addition to the regular permit fee. The fee is imposed when an owner requests to register a system for which there is no permit on file and the Department completes an unpermitted system inspection. (NMED Exhibits 20 [pgs. 99-107] and 21)

Stakeholders expressed a strong desire to put this fee in place and complained that the Department currently provides the service for free in competition with Installer Specialists who perform the inspections and as a private company they must charge for their labor. Stakeholders asserted that this was somewhat of an unfair

competitive situation. Installer Specialists performing these inspections have saved the Department staff time and transportation costs in some rural areas. The Department believes that this fee would reduce unpermitted system inspection demand and provide greater opportunity to apply time to other environmental and public health protective services.

VARIANCE FEE (20.7.11.15)

The current variance fee is set at fifty dollars (\$50). The Department is proposing to increase the variance fee and create a schedule that is separated into two categories, with a fee of one-hundred dollars (\$100) for small systems and a two hundred and fifty dollars (\$250) for large systems. The average contiguous fee for this service is two-hundred and fifty-nine dollars (\$259) and the proposed fee is below the average contiguous state fee. (NMED Exhibits 20 [pgs. 99-107] and 21)

The term “variance” means an administrative procedure authorizing the issuance of a permit or use of a system that does not meet the specific requirements of 20.7.3 NMAC but which meet the intent of 20.7.3 NMAC. The variance permitting process is dictated in Section 405 of 20.7.3 NMAC. The process requires notification of neighbors and provides a window for public comment. These applications undergo multiple team reviews to assure that the proposed system provides greater or equal protection to the environment as a compliant system would

provide. As variance systems increase in size the complications multiply and the greater scrutiny the Department must provide in reviewing and assessing the application. Variances are subject to appeal as all permitting is, however, the variance process requires greater substantiation since its outside of the Design Manual.

PAYMENT OF FEES (20.7.11.16)

The current “method of payment” prescribes checks or money orders which implies that other forms are not acceptable. With sufficient funds, the Department will endeavor to allow online credit card payments necessitating the removal of the phrase “in the form of check or money order.”

LIQUID WASTE DISPOSAL SYSTEM ASSISTANCE FUND (20.7.11.17)

The Department has proposed to fund the Liquid Waste Disposal System Assistance fund (Fund) by taking forty dollars (\$40) from each permit issued pursuant to the proposed replacement rule. The liquid waste disposal system assistance fund was created under the Act in 2009 and is not to exceed two hundred thousand dollars (\$200,000.00) per year.

The Fund is created in the state treasury, is administered by the Department. Money in the fund is appropriated to the Department for the sole purpose of assisting indigent individuals or households that qualify for funding when there is a real or

potential negative impact to public health or water quality from on-site liquid waste disposal system effluent. The Act allows funds to be used to pay for a liquid waste disposal system to replace a cesspool or other failed or improper on-site liquid waste disposal system. The Fund may also be used to purchase, install or maintain an advanced treatment system or to pay for the decommissioning and removal of a cesspool or to pay for all or a portion of the connection fees in order to connect an individual or household to a centralized wastewater collection and treatment system.

All construction activities sponsored by the fund are required to be performed by licensed contractors selected through competitive bid by the Department and shall be managed by the Department. This fund was used in past years to help indigent citizens to replace cesspools or failing systems with compliant systems however, with annual budgeting struggles the fund has not received any revenue in over five (5) years. Cesspools became illegal in 1973 and staff and industry continue to find many still in operation. A recent property transfer evaluation discovered a home with three (3) cesspools approximately 5 blocks from the Governor's mansion.

The Department currently has several potential indigent candidates with cesspools that could benefit from this fund but has not been able to provide any assistance. There has been two Lincoln county and two Otero county contractors that assisted the Alamogordo and Ruidoso field offices in addressing cesspools with low income homeowners. Alamogordo field staff successfully remediated twelve (12)

Michael Broussard Technical Testimony Page 27 of 29

cesspools in 2019 and have discovered another three (3) in January of 2020. The Santa Fe field office reached out to the Professional Onsite Wastewater Reuse Association of New Mexico (POWRANM) in 2012 to assist a citizen with an improper system. This was a low-income single grandmother raising her adolescent granddaughter and their home burned down one week prior to Thanksgiving Day. The insurance company provided funds to purchase a new home but the existing liquid waste system was unpermitted and therefore she was unable to get a permit to set the house on the property. The Department investigation revealed that the liquid waste disposal field was approximately eighty (80) feet from the drinking water well while regulations require a one hundred (100) foot setback for drinking water protection. The POWRANM association members volunteered time and equipment while the local plumbing supplier donated a tank, pipe and drainfield product. The homeowner was able to move into her new home one week before Christmas.

While this and numerous others were successful outcomes the Department cannot continually ask private businesses to donate resources or provide financing to address all such problems. The fund will provide a mechanism to assist more indigent homeowners, and help the Department achieve remediation of cesspools and other improper systems that threaten public health, or our drinking water resources. The Department staff has begun to develop a process to identify and

prioritize eligible candidates as well as define the administrative procedures necessary.

APPLICABILITY DATES (20.7.11.18)

The Department has proposed to change the annual tank certification fee due date from March 1 to January 1. The change is proposed to align with accounting systems utilized by the bureau for the food and pool safety programs administered.

PERIODIC REVIEW (20.7.11.19)

The Department is proposing to change the frequency of liquid waste fee reporting to the Board from annually to biennially. The most time-consuming portion of the fee report is the contiguous state fee survey. This survey can take seven to ten days to gather the information and provide a comprehensive report. The Department is proposing to provide the report every two years. The bi-annual report would be provided prior to the any fee adjustments resulting from the CPI fee changes to assure compliance with the Act.

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2

Receive Updates



Public Meeting Notice to change liquid waste fee regulation

New Mexico Environment Department sent this bulletin at 11/08/2019 04:12 PM MST



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Public Meeting Announcement

New Mexico Environment Department Environmental Health Bureau

- Date:** 11/13/2019 **Time:** 1:00pm to 5:00pm **Location:** Runnels Building Conference Room
1190 S St Francis Dr, Santa Fe, NM 87505
- Date:** 11/14/2019 **Time:** 1:00pm to 3:00pm **Location:** McGee Park –
Multi Use Building, Rm C
41 Rd 5568, Farmington, NM 87401
- Date:** 11/15/2019 **Time:** 1:00pm to 4:00pm **Location:** TCEDC (Taos County Economic
Development Corporation) HACT Bldg
1021 Salazar Rd, Taos NM 87571
- Date:** 12/3/2019 **Time:** AM Session, 8:00am to 12:00pm
Location: Springer Building,
NM Env Dept, Rio Grande Conference Room
121 Tijeras, Albuquerque, NM 87102
- Date:** 12/3/2019 **Time:** PM Session, 1:00pm to 5:00pm

**Location: Springer Building,
NM Env Dept, Rio Grande Conference Room
121 Tijeras, Albuquerque, NM 87102**

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Waste Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.

Meetings were held last week in Las Cruces, Ruidoso and Carlsbad. If you missed those meetings you are invited to attend any of the future meetings listed above.

Contact: Michael Broussard, Acting Liquid Waste Program Manager, 505-476-9125, or email : liquid.waste@state.nm.us , Mail inquiries to the above at 2540 Camino Edward Ortiz, Santa Fe, NM 87507

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Subject: Public Meeting Notice to change liquid waste fee regulation
 Sent: 11/08/2019 04:12 PM MST
 Sent By: Michael.broussard@state.nm.us
 Sent To: Subscribers of Liquid Waste

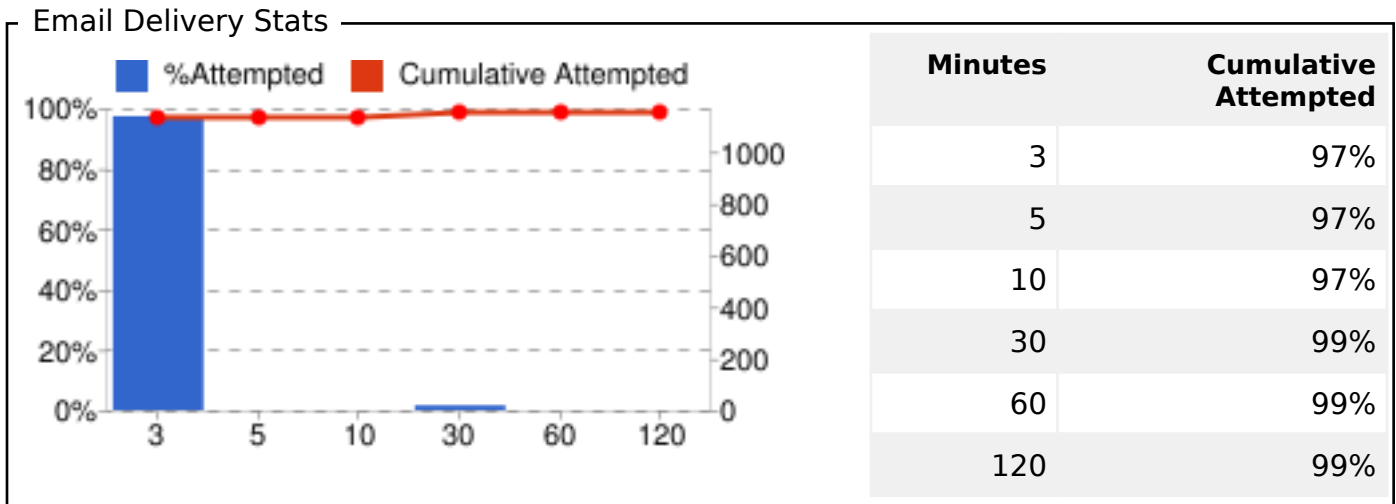
1,169
 Recipients

-  Email
-  SMS
-  Facebook
-  Twitter
-  RSS

95%
 Delivered



0% Pending
 5% Bounced
 29% Open Rate
 7% Click Rate



Delivery Metrics - Details

- 1,169** Total Sent
- 1,115 (95%)** Delivered
- 0 (0%)** Pending
- 54 (5%)** Bounced
- 10 (1%)** Unsubscribed

Bulletin Analytics

- 785** Total Opens
- 321 (29%)** Unique Opens
- 87** Total Clicks
- 76 (7%)** Unique Clicks
- 8** # of Links

Delivery and performance

These figures represent all data since the bulletin was first sent to present time.

	Progress	% Delivered	Recipients	# Delivered	Opened Unique	Bounced/Failed	Unsubscribes
Email Bulletin	Delivered	94.8%	1,045	991	321 / 32.4%	54	10
Digest	n/a	n/a	124	124	0 / 0.0%	0	0
SMS Message	Delivered	0.0%	0	0	n/a	0	n/a

Link URL	Unique Clicks	Total Clicks
https://content.govdelivery.com/accounts/NMED/bulletins/26...	14	25
https://www.env.nm.gov/	12	14
https://content.govdelivery.com/accounts/NMED/bulletins/26...	11	11
https://public.govdelivery.com/accounts/NMED/subscriber/edi...	10	10
https://subscriberhelp.granicus.com/	10	10
https://public.govdelivery.com/accounts/NMED/subscriber/on...	10	10
https://subscriberhelp.govdelivery.com/	10	10

**New Mexico Environment Department - Bulletin Address
Report**



01/28/2020 09:46 AM MST

Summary for "Public Meeting Notice to change liquid waste fee regulation"

Summary		
1	Importance	Normal
2	Subject	Public Meeting Notice to change liquid waste fee regulation
3	Recipients	Subscribers of Liquid Waste
4	Date Sent	11/08/2019 04:12 PM MST
5	Total Sent	1,169
6	Delivered	1,115
7	Shared Views	40

**NOTICE OF PUBLIC HEARING
FOR REPEALING AND REPLACING 20.7.11 NMAC,
*LIQUID WASTE TREATMENT AND DISPOSAL FEES***

The Environmental Improvement Board (“EIB”) will hold a public hearing beginning at **10:00 am on February 28, 2020** and continuing thereafter as necessary at **33 Plaza La Prensa, Santa Fe, NM 87507, in the Senator Fabian Chavez, Jr. Boardroom**. The hearing location may change prior to the hearing date, and those interested in attending should visit the New Mexico Environment Department’s (“NMED”) website prior to the hearing: <https://www.env.nm.gov/public-notice/>. The purpose of the hearing is to consider repealing and replacing 20.7.11, *Liquid Waste Treatment and Disposal Fees*, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices.

NMED’s Environmental Health Bureau (“Bureau”) is the proponent of the proposed new rule.

The proposed replacement rules would allow the Bureau to bring New Mexico’s liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, § 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau’s Liquid Waste Program (“LWP”), speeding up permit processing times and allowing for more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards of terminology.

The Bureau proposes the EIB adopt the proposed replacement rules, 20.7.11 NMAC, *Liquid Waste Treatment and Disposal Fees*, pursuant to its authority under Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and Section 74-1-9, NMSA 1978. Please note that formatting and minor technical changes to 20.7.11 NMAC, other than those proposed by NMED, may be proposed at the hearing. Additionally, other changes may be made as necessary in response to public comments and evidence presented at the hearing.

The proposed replacement rule 20.7.11 NMAC may be reviewed during regular business hours at the NMED Hearing Office located in the Harold Runnels Building, 1190 South St. Francis Drive, Santa Fe, NM, 87505. The full text of the proposed 20.7.11 NMAC is also available online at https://www.env.nm.gov/liquid_waste/.

All interested persons will be given reasonable opportunity at the hearing to submit relevant evidence, data, views, and arguments, orally or in writing; to introduce exhibits; and to examine witnesses. Any person wishing to submit a non-technical written statement for the record in lieu of oral testimony must file such statement prior to the close of the hearing.

Pursuant to 20.1.1.302 NMAC, those wishing to present technical testimony must file a written notice of intent to present technical testimony with the Hearing Office on or before **5:00 p.m. on February 7, 2020, twenty (20) days before the hearing**. Notices of intent to present technical testimony should reference the name of the regulation, the date of the hearing, and the docket number, **NMED 19-42**.

The form and content of the notice shall:

- * Identify the person for whom the witness(es) will testify;
- * Identify each technical witness the person intends to present and state the qualification of that witness, including a description of their education and work background;
- * Include a copy of the direct testimony of each technical witness in narrative form;
- * Include the text of any recommended modifications to the proposed regulatory change; and

* List and attach all exhibits anticipated to be offered by that person at the hearing, including any proposed statement of reasons for adoption of rules.

Notices of intent to present technical testimony shall be submitted to:

Cody Barnes, Hearing Office Administrator
New Mexico Environment Department
Harold Runnels Building
P.O. Box 5469
Santa Fe, NM 87502
telephone: (505) 827-2428
email: cody.barnes@state.nm.us

Those wishing to do so may offer non-technical public comment at the hearing or submit a non-technical written statement in lieu of oral testimony at or before the hearing. Written comments regarding the proposed new rule may be addressed to Mr. Cody Barnes, Hearing Office Administrator, at the above address, and should reference docket number **NMED 19-42**. Pursuant to 20.1.9.14 NMAC, any member of the public may file an entry of appearance as a party at the hearing. The entry of appearance shall be filed with Cody Barnes, at the above address, **no later than February 7, 2020, twenty (20) days before the date of the hearing.**

The hearing will be conducted in accordance with the EIB's Rulemaking Procedures, 20.1.1 NMAC; the Environmental Improvement Act, Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and the State Rules Act, Section 14-4-5.3 NMSA 1978, and other applicable procedures. Written comments regarding the proposed regulations may be addressed to Cody Barnes, Hearing Clerk, at the above address, referencing docket number **NMED 19-42**.

If any person requires assistance, an interpreter or auxiliary aid to participate in this process, please contact Cody Barnes, at the above address, by **February 21, 2020**. (TDD or TTY users please access the number via the New Mexico Relay Network, 1-800-659-1779 (voice); TTY users: 1-800-659-8331).

STATEMENT OF NON-DISCRIMINATION

NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Part 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kristine Pintado, Non-Discrimination Coordinator, New Mexico Environment Department, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, (505) 827-2855, nd.coordinator@state.nm.us. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator identified above or visit our website at <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> to learn how and where to file a complaint of discrimination.

AVISO DE AUDIENCIA PÚBLICA PARA REVOCAR Y REEMPLAZAR 20.7.11 NMAC, TARIFAS DE TRATAMIENTO Y ELIMINACIÓN DE RESIDUOS LÍQUIDOS

La Junta de Mejoramiento Ambiental ("EIB", por sus siglas en inglés) celebrará una audiencia pública a partir de **10:00 am del febrero 28, 2020** y continuará a partir de entonces según sea necesario en **33 Plaza La Prensa, Santa Fe, NM 87507, en la Sala de juntas del senador Fabian Chavez Jr.** La ubicación de la audiencia puede cambiar antes de la fecha de la audiencia, y los interesados en asistir deben visitar el sitio web de NMED antes de la audiencia: <https://www.env.nm.gov/public-notice/>. El propósito de la audiencia es considerar revocar y reemplazar 20.7.11, *Tarifas de Tratamiento y Eliminación de Residuos Líquidos*, que autoriza las tarifas de tratamiento y eliminación de

residuos líquidos para la administración de la normativa estatal de residuos líquidos. El propósito del programa estatal de tratamiento y eliminación de residuos líquidos es proteger la salud y el bienestar de los ciudadanos presentes y futuros de Nuevo México al proporcionar la prevención y la reducción de los riesgos para la salud pública y la contaminación de las aguas superficiales y subterráneas de las prácticas de eliminación de residuos líquidos en el sitio.

La Oficina de Salud Ambiental de NMED ("Oficina") es la proponente de la nueva norma propuesta.

Las normas de reemplazo propuestas permitirían a la Oficina llevar las tarifas de residuos líquidos de Nuevo México a un nivel comparable a los estados contiguos, mientras que aún cobran tarifas por debajo del promedio, como lo requiere la Ley de Mejoramiento Ambiental, párrafo (3) de la subsección A de la sección 74-1-8 NMSA 1978. Las normas propuestas permitirían al Departamento dotar de personal más completo al Programa de Residuos Líquidos ("LWP", por sus siglas en inglés) de la Oficina, acelerando los tiempos de procesamiento de permisos y permitiendo inspecciones más oportunas para proteger mejor la salud de los residentes de Nuevo México. Revocar y reemplazar 20.7.11 NMAC también proporcionaría una descripción más precisa de las personas que deben pagar las tarifas de tratamiento y eliminación de residuos líquidos, proporcionaría una mayor claridad y facilidad de uso de las normas, y describiría con mayor precisión los métodos y tecnologías utilizados para tratar los residuos líquidos de conformidad con los estándares nacionales de terminología.

La Oficina propone que el EIB adopte las normas de reemplazo propuestas, 20.7.11 NMAC, tarifas de tratamiento y eliminación de residuos líquidos, de conformidad con su autoridad bajo la Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y Sección 74-1-9, NMSA 1978. Tenga en cuenta que el formato y los cambios técnicos menores a 20.7.11 NMAC, distintos de los propuestos por NMED, pueden proponerse en la audiencia. Además, se pueden hacer otros cambios según sea necesario en respuesta a los comentarios públicos y la evidencia presentada en la audiencia.

La norma de reemplazo propuesta 20.7.11 NMAC puede revisarse durante las horas hábiles regulares en la Oficina de Audiencias de NMED ubicada en el Edificio Harold Runnels, 1190 South St. Francis Drive, Santa Fe, NM, 87505. El texto completo de la propuesta 20.7.11 NMAC también está disponible en línea en https://www.env.nm.gov/liquid_waste/.

Todas las personas interesadas tendrán una oportunidad razonable durante la audiencia de presentar evidencia relevante, datos, opiniones y argumentos, oralmente o por escrito; presentar documentos u objetos de pruebas; y examinar los testigos. Cualquier persona que desee presentar una declaración escrita no técnica para el registro en lugar de un testimonio oral debe presentar dicha declaración antes del cierre de la audiencia.

De conformidad con 20.1.1.302 NMAC, aquellos que deseen presentar un testimonio técnico deben presentar un aviso por escrito de la intención de presentar un testimonio técnico en la Oficina de Audiencias a más tardar a las 5:00 p.m. **el febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia.** Los avisos de intención de presentar testimonio técnico deben hacer referencia al nombre del reglamento, la fecha de la audiencia y el número de expediente, **NMED 19-42.**

La forma y el contenido del aviso deberá:

- * Identificar a la persona para quien el testigo testificará;
- * Identificar a cada testigo técnico que la persona tiene la intención de presentar y declarar la calificación de ese testigo, incluida una descripción de su historial educativo y laboral;
- * Incluir una copia del testimonio directo de cada testigo técnico en forma narrativa;
- * Incluir el texto de cualquier modificación recomendada al cambio regulatorio propuesto; y
- * Hacer una lista y adjuntar todos los documentos u objetos de pruebas que se anticipa que esa persona ofrecerá en la audiencia, incluida cualquier declaración propuesta de razones para la adopción de normas.

Los avisos de intención de presentar testimonio técnico se presentarán a:

Cody Barnes, Hearing Office Administrator
New Mexico Environment Department

Harold Runnels Building
P.O. Box 5469
Santa Fe, NM 87502
Teléfono: (505) 827-2428
Correo electrónico: cody.barnes@state.nm.us

Aquellos que deseen hacerlo pueden ofrecer comentarios públicos no técnicos en la audiencia o presentar una declaración escrita no técnica en lugar de un testimonio oral en o antes de la audiencia. Los comentarios escritos sobre la nueva norma propuesta pueden dirigirse al Sr. Cody Barnes, administrador de la oficina de audiencias, a la dirección anterior, y deben hacer referencia al número de expediente **NMED 19-42**. De conformidad con 20.1.9.14 NMAC, cualquier miembro del público puede presentar una entrada de comparecencia como parte interesada en la audiencia. La entrada de comparecencia se debe presentar ante Cody Barnes, en la dirección anterior, a más tardar el **febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia**.

La audiencia se llevará a cabo de conformidad con los Procedimientos de Reglamentación de la EIB, 20.1.1 NMAC; la Ley de Mejoramiento Ambiental, Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y la Ley de Normas del Estado, Sección 14-4-5.3 NMSA 1978, y otros procedimientos aplicables. Los comentarios por escrito sobre la reglamentación propuesta pueden dirigirse a Cody Barnes, secretario de audiencias, a la dirección anterior, haciendo referencia al número de expediente **NMED 19-42**.

Si alguna persona requiere asistencia, un intérprete o ayuda auxiliar para participar en este proceso, comuníquese con Cody Barnes, en la dirección anterior, **antes de febrero 21, 2020**. (Los usuarios de TDD o TTY pueden acceder al número a través de la Red de Retransmisión de Nuevo México, 1-800-659-1779 (voz); los usuarios de TTY: 1-800-659-8331).

DECLARACIÓN DE NO DISCRIMINACIÓN

NMED no discrimina por motivos de raza, color, origen nacional, discapacidad, edad o sexo en la administración de sus programas o actividades, según lo exigen las leyes y regulaciones aplicables. NMED es responsable de la coordinación de los esfuerzos de cumplimiento y la recepción de consultas sobre los requisitos de no discriminación implementados por 40 C.F.R. Partes 5 y 7, incluido el Título VI de la Ley de Derechos Civiles de 1964, según enmendada; Sección 504 de la Ley de Rehabilitación de 1973; la Ley de Discriminación por Edad de 1975, el Título IX de las Enmiendas de Educación de 1972 y la Sección 13 de las Enmiendas de la Ley de Control de la Contaminación del Agua de 1972. Si tiene alguna pregunta sobre este aviso o alguno de los programas, políticas o procedimientos de no discriminación de NMED o si cree que ha sido discriminado con respecto a un programa o actividad de NMED, puede comunicarse con: Kristine Yurdin, coordinadora de no discriminación, NMED, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, teléfono (505) 827-2855, correo electrónico nd.coordinator@state.nm.us. También puede visitar nuestro sitio web en <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> para saber cómo y dónde presentar una queja de discriminación.



Albuquerque Journal

Published in the Albuquerque Journal on Tuesday December 17, 2019

NOTICE OF PUBLIC HEARING FOR REPEALING AND REPLACING 20.7.11 NMAC, LIQUID WASTE TREATMENT AND DISPOSAL FEES The Environmental Improvement Board ("EIB") will hold a public hearing beginning at 10:00 am on February 28, 2020 and continuing thereafter as necessary at 33 Plaza La Prensa, Santa Fe, NM 87507, in the Senator Fabian Chavez, Jr. Boardroom. The hearing location may change prior to the hearing date, and those interested in attending should visit the New Mexico Environment Department's ("NMED") website prior to the hearing: <https://www.env.nm.gov/public-notice/>. The purpose of the hearing is to consider repealing and replacing 20.7.11, Liquid Waste Treatment and Disposal Fees, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices. NMED's Environmental Health Bureau ("Bureau") is the proponent of the proposed new rule. The proposed replacement rules would allow the Bureau to bring New Mexico's liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau's Liquid Waste Program ("LWP"), speeding up permit processing times and allowing for more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards of terminology. The Bureau proposes the EIB adopt the proposed replacement rules, 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees, pursuant to its authority under Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and Section 74-1-9, NMSA 1978. Please note that formatting and minor technical changes to 20.7.11 NMAC, other than those proposed by NMED, may be proposed at the hearing. Additionally, other changes may be made as necessary in response to public comments and evidence presented at the hearing. The proposed replacement rule 20.7.11 NMAC may be reviewed during regular business hours at the NMED Hearing Office located in the Harold Runnels Building, 1190 South St. Francis Drive, Santa Fe, NM, 87505. The full text of the proposed 20.7.11 NMAC is also available online at https://www.env.nm.gov/liquid_waste/. All interested persons will be given reasonable opportunity at the hearing to submit relevant evidence, data, views, and arguments, orally or in writing; to introduce exhibits; and to examine witnesses. Any person wishing to submit a non-technical written statement for the record in lieu of oral testimony must file such statement prior to the close of the hearing. Pursuant to 20.1.1.302 NMAC, those wishing to present technical testimony must file a written notice of intent to present technical testimony with the Hearing Office on or before 5:00 p.m. on February 7, 2020, twenty (20) days before the hearing. Notices of intent to present technical testimony should reference the name of the regulation, the date of the hearing, and the docket number, NMED 19-42. The form and content of the notice shall: * Identify the person for whom the witness(es) will testify; * Identify each technical witness the person intends to present and state the qualification of that witness, including a description of their education and work background; * Include a copy of the direct testimony of each technical witness in narrative form; * Include the text of any recommended modifications to the proposed regulatory change; and * List and attach all exhibits anticipated to be offered by that person at the hearing, including any proposed statement of reasons for adoption of rules. Notices of intent to present technical testimony shall be submitted to: Cody Barnes, Hearing Office Administrator New Mexico Environment Department Harold Runnels Building P.O. Box 5469 Santa Fe, NM 87502 telephone: (505) 827-2428 email: cody.barnes@state.nm.us Those wishing to do so may offer non-technical public comment at the hearing or submit a non-technical written statement in lieu of oral testimony at or before the hearing. Written comments regarding the proposed new rule may be addressed to Mr. Cody Barnes, Hearing Office Administrator, at the above address, and should reference docket number NMED 19-42. Pursuant to 20.1.9.14 NMAC, any member of the public may file an entry of appearance as a party at the hearing. The entry of appearance shall be filed with Cody Barnes, at the above address, no later than February 7, 2020, twenty (20) days before the date of the hearing. The hearing will be conducted in accordance with the EIB's Rulemaking Procedures, 20.1.1 NMAC; the Environmental Improvement Act, Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and the State Rules Act, Section 14-4-5.3 NMSA 1978, and other applicable procedures. Written comments regarding the proposed regulations may be addressed to Cody Barnes, Hearing Clerk, at the above address, referencing docket number NMED 19-42. If any person requires assistance, an interpreter or auxiliary aid to participate in this process, please contact Cody Barnes, at the above address, by February 21, 2020. (TDD or TTY users please access the number via the New Mexico

NMED EXHIBIT 8

Relay Network, 1-800-659-1779 (voice); TTY users: 1-800-659-8331). STATEMENT OF NON-DISCRIMINATION NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Part 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kristine Pintado, Non-Discrimination Coordinator, New Mexico Environment Department, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, (505) 827-2855, nd.coordinator@state.nm.us. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator identified above or visit our website at <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> to learn how and where to file a complaint of discrimination. AVISO DE AUDIENCIA PUBLICA PARA REVOCAR Y REEMPLAZAR 20.7.11 NMAC, TARIFAS DE TRATAMIENTO Y ELIMINACION DE RESIDUOS LIQUIDOS La Junta de Mejoramiento Ambiental ("EIB", por sus siglas en ingls) celebrar una audiencia pblica a partir de 10:00 am del febrero 28, 2020 y continuar a partir de entonces segn sea necesario en 33 Plaza La Prensa, Santa Fe, NM 87507, en la Sala de juntas del senador Fabian Chavez Jr. La ubicacin de la audiencia puede cambiar antes de la fecha de la audiencia, y los interesados en asistir deben visitar el sitio web de NMED antes de la audiencia: <https://www.env.nm.gov/public-notice/>. El propsito de la audiencia es considerar revocar y reemplazar 20.7.11, Tarifas de Tratamiento y Eliminacin de Residuos Lquidos, que autoriza las tarifas de tratamiento y eliminacin de residuos lquidos para la administracin de la normativa estatal de residuos lquidos. El propsito del programa estatal de tratamiento y eliminacin de residuos lquidos es proteger la salud y el bienestar de los ciudadanos presentes y futuros de Nuevo Mxico al proporcionar la prevencin y la reduccin de los riesgos para la salud pblica y la contaminacin de las aguas superficiales y subterrneas de las prticas de eliminacin de residuos lquidos en el sitio. La Oficina de Salud Ambiental de NMED ("Oficina") es la proponente de la nueva norma propuesta. Las normas de reemplazo propuestas permitan a la Oficina llevar las tarifas de residuos lquidos de Nuevo Mxico a un nivel comparable a los estados contiguos, mientras que an cobran tarifas por debajo del promedio, como lo requiere la Ley de Mejoramiento Ambiental, prrafo (3) de la subseccin A de la seccin 74-1-8 NMSA 1978. Las normas propuestas permitan al Departamento dotar de personal ms completo al Programa de Residuos Lquidos ("LWP", por sus siglas en ingls) de la Oficina, acelerando los tiempos de procesamiento de permisos y permitiendo inspecciones ms oportunas para proteger mejor la salud de los residentes de Nuevo Mxico. Revocar y reemplazar 20.7.11 NMAC tambin proporcionara una descripcin ms precisa de las personas que deben pagar las tarifas de tratamiento y eliminacin de residuos lquidos, proporcionara una mayor claridad y facilidad de uso de las normas, y describira con mayor precisin los mtodos y tecnologas utilizados para tratar los residuos lquidos de conformidad con los estndares nacionales de terminologa. La Oficina propone que el EIB adopte las normas de reemplazo propuestas, 20.7.11 NMAC, tarifas de tratamiento y eliminacin de residuos lquidos, de conformidad con su autoridad bajo la Seccin 74-1-5, Prrafo (3) de la Subseccin A de la Seccin 74-1-8, y Seccin 74-1-9, NMSA 1978. Tenga en cuenta que el formato y los cambios tcnicos menores a 20.7.11 NMAC, distintos de los propuestos por NMED, pueden proponerse en la audiencia. Adems, se pueden hacer otros cambios segn sea necesario en respuesta a los comentarios pblicos y la evidencia presentada en la audiencia. La norma de reemplazo propuesta 20.7.11 NMAC puede revisarse durante las horas hbiles regulares en la Oficina de Audiencias de NMED ubicada en el Edificio Harold Runnels, 1190 South St. Francis Drive, Santa Fe, NM, 87505. El texto completo de la propuesta 20.7.11 NMAC tambin est disponible en lnea en https://www.env.nm.gov/liquid_waste/. Todas las personas interesadas tendrn una oportunidad razonable durante la audiencia de presentar evidencia relevante, datos, opiniones y argumentos, oralmente o por escrito; presentar documentos u objetos de pruebas; y examinar los testigos. Cualquier persona que desee presentar una declaracin escrita no tcnica para el registro en lugar de un testimonio oral debe presentar dicha declaracin antes del cierre de la audiencia. De conformidad con 20.1.1.302 NMAC, aquellos que deseen presentar un testimonio tcnico deben presentar un aviso por escrito de la intencin de presentar un testimonio tcnico en la Oficina de Audiencias a ms tardar a las 5:00 p.m. el febrero 7, 2020, veinte (20) das antes de la fecha de la audiencia. Los avisos de intencin de presentar testimonio tcnico deben hacer referencia al nombre del reglamento, la fecha de la audiencia y el nmero de expediente, NMED 19-42. La forma y el contenido del aviso deber: * Identificar a la persona para quien el testigo testificar; * Identificar a cada testigo tcnico que la persona tiene la intencin de presentar y declarar la calificacin de ese testigo, incluida una descripcin de su historial educativo y laboral; * Incluir una copia del testimonio directo de cada testigo tcnico en forma narrativa; * Incluir el texto de cualquier modificacin recomendada al cambio regulatorio propuesto; y * Hacer una lista y adjuntar todos los documentos u objetos de pruebas que se anticipa que esa persona ofrecer en la audiencia, incluida cualquier declaracin propuesta de razones para la adopcin de normas. Los avisos de intencin de presentar testimonio tcnico se presentarn a: Cody Barnes, Hearing Office Administrator New Mexico Environment Department Harold Runnels Building P.O. Box 5469 Santa Fe, NM 87502 Telfono: (505) 827-2428 Correo electrnico: cody.barnes@state.nm.us Aquellos que deseen hacerlo pueden ofrecer comentarios pblicos no tcnicos en la audiencia o presentar una declaracin escrita no tcnica en lugar de un testimonio oral en o antes de la audiencia. Los comentarios escritos sobre la nueva norma propuesta pueden dirigirse al Sr. Cody Barnes, administrador de la oficina de audiencias, a la direccin anterior, y deben hacer referencia al nmero de expediente NMED 19-42. De conformidad con 20.1.9.14 NMAC,

cualquier miembro del pblico puede presentar una entrada de comparecencia como parte interesada en la audiencia. La entrada de comparecencia se debe presentar ante Cody Barnes, en la direccin anterior, a ms tardar el febrero 7, 2020, veinte (20) das antes de la fecha de la audiencia. La audiencia se llevar a cabo de conformidad con los Procedimientos de Reglamentacin de la EIB, 20.1.1 NMAC; la Ley de Mejoramiento Ambiental, Seccin 74-1-5, Prrafo (3) de la Subseccin A de la Seccin 74-1-8, y la Ley de Normas del Estado, Seccin 14-4-5.3 NMSA 1978, y otros procedimientos aplicables. Los comentarios por escrito sobre la reglamentacin propuesta pueden dirigirse a Cody Barnes, secretario de audiencias, a la direccin anterior, haciendo referencia al nmero de expediente NMED 19-42. Si alguna persona requiere asistencia, un intrprete o ayuda auxiliar para participar en este proceso, comunquese con Cody Barnes, en la direccin anterior, antes de febrero 21, 2020. (Los usuarios de TDD o TTY pueden acceder al nmero a travs de la Red de Retransmisin de Nuevo Mxico, 1-800-659-1779 (voz); los usuarios de TTY: 1-800-659-8331). **DECLARACIN DE NO DISCRIMINACIN NMED** no discrimina por motivos de raza, color, origen nacional, discapacidad, edad o sexo en la administracin de sus programas o actividades, segn lo exigen las leyes y regulaciones aplicables. NMED es responsable de la coordinacin de los esfuerzos de cumplimiento y la recepcin de consultas sobre los requisitos de no discriminacin implementados por 40 C.F.R. Partes 5 y 7, incluido el Ttulo VI de la Ley de Derechos Civiles de 1964, segn enmendada; Seccin 504 de la Ley de Rehabilitacin de 1973; la Ley de Discriminacin por Edad de 1975, el Ttulo IX de las Enmiendas de Educacin de 1972 y la Seccin 13 de las Enmiendas de la Ley de Control de la Contaminacin del Agua de 1972. Si tiene alguna pregunta sobre este aviso o alguno de los programas, polticas o procedimientos de no discriminacin de NMED o si cree que ha sido discriminado con respecto a un programa o actividad de NMED, puede comunicarse con: Kristine Yurdin, coordinadora de no discriminacin, NMED, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, telefono (505) 827-2855, correo electrnico nd.coordinator@state.nm.us. Tambin puede visitar nuestro sitio web en <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> para saber cmo y dnde presentar una queja de discriminacin. Journal: December 17, 2019

AFFIDAVIT OF PUBLICATION

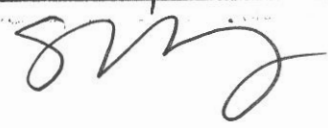
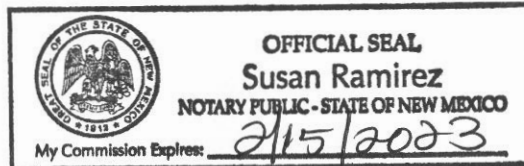
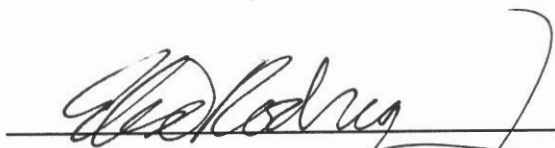
STATE OF NEW MEXICO

County of Bernalillo SS

NOTICE OF PUBLIC HEARING FOR REPEALING AND REPLACING 20711 NMAC LIQUID WASTE TREATMENT AND DISPOSAL FEES THE ENVIRONMENTAL IMPROVEMENT BOARD WILL
LH 1469688

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

12/17/2019



Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 29 day of January of 2020

PRICE \$1,497.95

Statement to come at the end of month.

ACCOUNT NUMBER 1027267

The newspapers of **New Mexico** make public notices from their printed pages available electronically in a single database for the benefit of the public. This enhances the legislative intent of public notice - keeping a free and independent public informed about activities of their government and business activities that may affect them. Importantly, Public Notices now are in one place on the web (www.PublicNoticeAds.com), not scattered among thousands of government web pages.

County: Dona Ana
Printed In: Las Cruces Sun-News
Printed On: 2019/12/17

NOTICE OF PUBLIC HEARING FOR REPEALING AND REPLACING 20.7.11 NMAC, LIQUID WASTE TREATMENT AND DISPOSAL FEES The Environmental Improvement Board ("EIB") will hold a public hearing beginning at 10:00 am on February 28, 2020 and continuing thereafter as necessary at 33 Plaza La Prensa, Santa Fe, NM 87507, in the Senator Fabian Chavez, Jr. Boardroom. The hearing location may change prior to the hearing date, and those interested in attending should visit the New Mexico Environment Department's ("NMED") website prior to the hearing: <https://www.env.nm.gov/public-notices/>. The purpose of the hearing is to consider repealing and replacing 20.7.11, Liquid Waste Treatment and Disposal Fees, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices. NMED's Environmental Health Bureau ("Bureau") is the proponent of the proposed new rule. The proposed replacement rules would allow the Bureau to bring New Mexico's liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, § 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau's Liquid Waste Program ("LWP"), speeding up permit processing times and allowing for more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards of terminology. The Bureau proposes the EIB adopt the proposed replacement rules, 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees, pursuant to its authority under Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and Section 74-1-9, NMSA 1978. Please note that formatting and minor technical changes to 20.7.11 NMAC, other than those proposed by NMED, may be proposed at the hearing. Additionally, other changes may be made as necessary in response to public comments and evidence presented at the hearing. The proposed replacement rule 20.7.11 NMAC may be reviewed during regular business hours at the NMED Hearing Office located in the Harold Runnels Building, 1190 South St. Francis Drive, Santa Fe, NM, 87505. The full text of the proposed 20.7.11 NMAC is also available online at https://www.env.nm.gov/liquid_waste/. All interested persons will be given reasonable opportunity at the hearing to submit relevant evidence, data, views, and arguments, orally or in writing; to introduce exhibits; and to examine witnesses. Any person wishing to submit a non-technical written statement for the record in lieu of oral testimony must file such statement prior to the close of the hearing. Pursuant to 20.1.1.302 NMAC, those wishing to present technical testimony must file a written notice of intent to present technical testimony with the Hearing Office on or before 5:00 p.m. on February 7, 2020, twenty days before the hearing. Notices of intent to present technical testimony should reference the name of the regulation, the date of the hearing, and the docket number, NMED 19-42. The form and content of the notice shall: * Identify the person for whom the witness(es) will testify; * Identify each technical witness the person intends to present and state the qualification of that witness, including a description of their education and work background; * Include a copy of the direct testimony of each technical witness in narrative form; * Include the text of any recommended modifications to the proposed regulatory change; and * List and attach all exhibits anticipated to be offered by that person at the hearing, including any proposed statement of reasons for adoption of rules. Notices of intent to present technical testimony shall be submitted to: Cody Barnes, Hearing Office Administrator New Mexico Environment Department Harold Runnels Building P.O. Box 5469 Santa Fe, NM 87502 telephone: (505) 827-2428 email: cody.barnes@state.nm.us Those wishing to do so may offer non-technical public comment at the hearing or submit a non-technical written statement in lieu of oral testimony at or before the hearing. Written comments regarding the proposed new rule may be addressed to Mr. Cody Barnes, Hearing Office Administrator, at the above address, and should reference docket number NMED 19-42. Pursuant to 20.1.9.14 NMAC, any member of the public may file an entry of appearance as a party at the hearing. The entry of appearance shall be filed with Cody Barnes, at the above address, no later than February 7, 2020, 20 days before the date of the hearing. The hearing will be conducted in accordance with the EIB's Rulemaking Procedures, 20.1.1 NMAC; the Environmental Improvement Act, Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and the State Rules Act, Section 14-4-5.3 NMSA 1978, and other applicable procedures. Written comments regarding the proposed regulations may be addressed to Cody Barnes, Hearing Clerk, at the above address, referencing docket number NMED 19-42. If any person requires assistance, an interpreter or auxiliary aid to participate in this process, please contact Cody Barnes, at the above address, by February 21, 2020. (TDD or TTY users please access the number via the New Mexico Relay Network, 1-800-659-1779 (voice); TTY users: 1-800-659-8331). STATEMENT OF NON-DISCRIMINATION If any person requires assistance, an interpreter or auxiliary aid to access documents, please contact 505.222.9515 (Relay users please access the number via the New Mexico Relay Network) or LiquidWaste.Program@state.nm.us. NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Part 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the

Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kristine Pintado, Non-Discrimination Coordinator, New Mexico Environment Department, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, (505) 827-2855, nd.coordinator@state.nm.us. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator identified above or visit our website at <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> to learn how and where to file a complaint of discrimination. AVISO DE AUDIENCIA PÚBLICA PARA REVOCAR Y REEMPLAZAR 20.7.11 NMAC, TARIFAS DE TRATAMIENTO Y ELIMINACIÓN DE RESIDUOS LÍQUIDOS La Junta de Mejoramiento Ambiental ("EIB", por sus siglas en inglés) celebrará una audiencia pública a partir de 10:00 am del febrero 28, 2020 y continuará a partir de entonces según sea necesario en 33 Plaza La Prensa, Santa Fe, NM 87507, en las Sala de juntas del senador Fabian Chavez Jr. La ubicación de la audiencia puede cambiar antes de la fecha de la audiencia, y los interesados en asistir deben visitar el sitio web de NMED antes de la audiencia: <https://www.env.nm.gov/public-notice/>. El propósito de la audiencia es considerar revocar y reemplazar 20.7.11, Tarifas de Tratamiento y Eliminación de Residuos Líquidos, que autoriza las tarifas de tratamiento y eliminación de residuos líquidos para la administración de la normativa estatal de residuos líquidos. El propósito del programa estatal de tratamiento y eliminación de residuos líquidos es proteger la salud y el bienestar de los ciudadanos presentes y futuros de Nuevo México al proporcionar la prevención y la reducción de los riesgos para la salud pública y la contaminación de las aguas superficiales y subterráneas de las prácticas de eliminación de residuos líquidos en el sitio. La Oficina de Salud Ambiental de NMED ("Oficina") es la proponente de la nueva norma propuesta. Las normas de reemplazo propuestas permitirían a la Oficina llevar las tarifas de residuos líquidos de Nuevo México a un nivel comparable a los estados contiguos, mientras que aún cobran tarifas por debajo del promedio, como lo requiere la Ley de Mejoramiento Ambiental, párrafo (3) de la subsección A de la sección 74-1-8 NMSA 1978. Las normas propuestas permitirían al Departamento dotar de personal más completo al Programa de Residuos Líquidos ("LWP", por sus siglas en inglés) de la Oficina, acelerando los tiempos de procesamiento de permisos y permitiendo inspecciones más oportunas para proteger mejor la salud de los residentes de Nuevo México. Revocar y reemplazar 20.7.11 NMAC también proporcionaría una descripción más precisa de las personas que deben pagar las tarifas de tratamiento y eliminación de residuos líquidos, proporcionaría una mayor claridad y facilidad de uso de las normas, y describiría con mayor precisión los métodos y tecnologías utilizados para tratar los residuos líquidos de conformidad con los estándares nacionales de terminología. La Oficina propone que el EIB adopte las normas de reemplazo propuestas, 20.7.11 NMAC, tarifas de tratamiento y eliminación de residuos líquidos, de conformidad con su autoridad bajo la Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y Sección 74-1-9, NMSA 1978. Tenga en cuenta que el formato y los cambios técnicos menores a 20.7.11 NMAC, distintos de los propuestos por NMED, pueden proponerse en la audiencia. Además, se pueden hacer otros cambios según sea necesario en respuesta a los comentarios públicos y la evidencia presentada en la audiencia. La norma de reemplazo propuesta 20.7.11 NMAC puede revisarse durante las horas hábiles regulares en la Oficina de Audiencias de NMED ubicada en el Edificio Harold Runnels, 1190 South St. Francis Drive, Santa Fe, NM, 87505. El texto completo de la propuesta 20.7.11 NMAC también está disponible en línea en https://www.env.nm.gov/liquid_waste/. Todas las personas interesadas tendrán una oportunidad razonable durante la audiencia de presentar evidencia relevante, datos, opiniones y argumentos, oralmente o por escrito; presentar documentos u objetos de pruebas; y examinar los testigos. Cualquier persona que desee presentar una declaración escrita no técnica para el registro en lugar de un testimonio oral debe presentar dicha declaración antes del cierre de la audiencia. De conformidad con 20.1.1.302 NMAC, aquellos que deseen presentar un testimonio técnico deben presentar un aviso por escrito de la intención de presentar un testimonio técnico en la Oficina de Audiencias a más tardar a las 5:00 p.m. el febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia. Los avisos de intención de presentar testimonio técnico deben hacer referencia al nombre del reglamento, la fecha de la audiencia y el número de expediente, NMED 19-42. La forma y el contenido del aviso deberá: * Identificar a la persona para quien el testigo testificará; * Identificar a cada testigo técnico que la persona tiene la intención de presentar y declarar la calificación de ese testigo, incluida una descripción de su historial educativo y laboral; * Incluir una copia del testimonio directo de cada testigo técnico en forma narrativa; * Incluir el texto de cualquier modificación recomendada al cambio regulatorio propuesto; y * Hacer una lista y adjuntar todos los documentos u objetos de pruebas que se anticipa que esa persona ofrecerá en la audiencia, incluida cualquier declaración propuesta de razones para la adopción de normas. Los avisos de intención de presentar testimonio técnico se presentarán a: Cody Barnes, Hearing Office Administrator New Mexico Environment Department Harold Runnels Building P.O. Box 5469 Santa Fe, NM 87502 Teléfono: (505) 827-2428 Correo electrónico: cody.barnes@state.nm.us Aquellos que deseen hacerlo pueden ofrecer comentarios públicos no técnicos en la audiencia o presentar una declaración escrita no técnica en lugar de un testimonio oral en o antes de la audiencia. Los comentarios escritos sobre la nueva norma propuesta pueden dirigirse al Sr. Cody Barnes, administrador de la oficina de audiencias, a la dirección anterior, y deben hacer referencia al número de expediente NMED 19-42. De conformidad con 20.1.9.14 NMAC, cualquier miembro del público puede presentar una entrada de comparecencia como parte interesada en la audiencia. La entrada de comparecencia se debe presentar ante Cody Barnes, en la dirección anterior, a más tardar el febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia. La audiencia se llevará a cabo de conformidad con los Procedimientos de Reglamentación de la EIB, 20.1.1 NMAC; la Ley de Mejoramiento Ambiental, Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y la Ley de Normas del Estado, Sección 14-4-5.3 NMSA 1978, y otros procedimientos aplicables. Los comentarios por escrito sobre la reglamentación propuesta pueden dirigirse a Cody Barnes, secretario de audiencias, a la dirección anterior, haciendo referencia al número de expediente NMED 19-42. Si alguna persona requiere asistencia, un intérprete o ayuda auxiliar para participar en este proceso, comuníquese con Cody Barnes, en la dirección anterior, antes de febrero 21, 2020. (Los usuarios de TDD o TTY pueden acceder al número a través de la Red de Retransmisión de Nuevo México, 1-800-659-1779 (voz); los usuarios de TTY: 1-800-659-8331). DECLARACIÓN DE NO DISCRIMINACIÓN Si alguna persona necesita asistencia, un intérprete o un dispositivo auxiliar para acceder a los documentos, comuníquese por correo electrónico LiquidWaste.Program@state.nm.us o llamando al 505.222.9515 (los

usuarios de retransmisión deben acceder al número a través de New Mexico Relay Network). NMED no discrimina por motivos de raza, color, origen nacional, discapacidad, edad o sexo en la administración de sus programas o actividades, según lo exigen las leyes y regulaciones aplicables. NMED es responsable de la coordinación de los esfuerzos de cumplimiento y la recepción de consultas sobre los requisitos de no discriminación implementados por 40 C.F.R. Partes 5 y 7, incluido el Título VI de la Ley de Derechos Civiles de 1964, según enmendada; Sección 504 de la Ley de Rehabilitación de 1973; la Ley de Discriminación por Edad de 1975, el Título IX de las Enmiendas de Educación de 1972 y la Sección 13 de las Enmiendas de la Ley de Control de la Contaminación del Agua de 1972. Si tiene alguna pregunta sobre este aviso o alguno de los programas, políticas o procedimientos de no discriminación de NMED o si cree que ha sido discriminado con respecto a un programa o actividad de NMED, puede comunicarse con: Kristine Yurdin, coordinadora de no discriminación, NMED, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, teléfono (505) 827-2855, correo electrónico nd.coordinator@state.nm.us. También puede visitar nuestro sitio web en <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> para saber cómo y dónde presentar una queja de discriminación. Pub#3902043
Run Date: December 17, 2019

Public Notice ID:

Las Cruces Sun News.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0003902043

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NEW MEXICO ENVIRONMENTAL DEPARTMENT
525 CAMINO DE LOS MARQUEZ STE.

SANTA FE, NM 87505

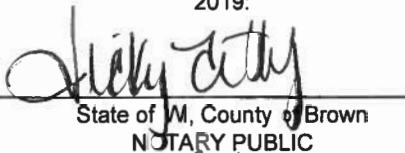
I, a legal clerk of the **Las Cruces Sun News**, a newspaper published daily at the county of Dona Ana, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

December 17, 2019

Desponent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. Chapter 167, Laws of 1937.


Legal Clerk

Subscribed and sworn before me this December 17,
2019:


State of NM, County of Brown
NOTARY PUBLIC

9/19/21
My commission expires



Ad # 0003902043

PO #: 34728

of Affidavits : 1

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more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards of terminology.

The Bureau proposes the EIB adopt the proposed replacement rules, 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees, pursuant to its authority under Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and Section 74-1-9, NMSA 1978. Please note that formatting and minor technical changes to 20.7.11 NMAC, other than those proposed by NMED, may be proposed at the hearing. Additionally, other changes may be made as necessary in response to public comments and evidence presented at the hearing.

The proposed replacement rule 20.7.11 NMAC may be reviewed during regular business hours at the NMED Hearing Office located in the Harold Runnels Building, 1190 South St. Francis Drive, Santa Fe, NM, 87505. The full text of the proposed 20.7.11 NMAC is also available online at https://www.en.v.nm.gov/liquid_waste/.

All interested persons will be given reasonable opportunity at the hearing to submit relevant evidence, data, views, and arguments, orally or in writing; to introduce exhibits; and to examine witnesses. Any person wishing to submit a non-technical written statement for the record in lieu of oral testimony must file such statement prior to the close of the hearing.

Pursuant to 20.1.1.302 NMAC, those wishing to present technical testimony must file a written notice of intent to present technical

**NOTICE OF PUBLIC HEARING
FOR REPEALING AND
REPLACING 20.7.11 NMAC,
LIQUID WASTE TREATMENT
AND DISPOSAL FEES**

The Environmental Improvement Board ("EIB") will hold a public hearing beginning at 10:00 am on February 28, 2020 and continuing thereafter as necessary at 33 Plaza La Prensa, Santa Fe, NM 87507, in the Senator Fabian Chavez, Jr. Boardroom. The hearing location may change prior to the hearing date, and those interested in attending should visit the New Mexico Environment Department's ("NMED") website prior to the hearing: <https://www.env.nm.gov/public-notices/>. The purpose of the hearing is to consider repealing and replacing 20.7.11, Liquid Waste Treatment and Disposal Fees, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices.

NMED's Environmental Health Bureau ("Bureau") is the proponent of the proposed new rule.

The proposed replacement rules would allow the Bureau to bring New Mexico's liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, § 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau's Liquid Waste Program ("LWP"), speeding up permit processing times and allowing for

testimony with the Hearing Office on or before 5:00 p.m. on February 7, 2020, twenty days before the hearing. Notices of intent to present technical testimony should reference the name of the regulation, the date of the hearing, and the docket number, NMED 19-42.

The form and content of the notice shall:

- * Identify the person for whom the witness(es) will testify;
- * Identify each technical witness the person intends to present and state the qualification of that witness, including a description of their education and work background;
- * Include a copy of the direct testimony of each technical witness in narrative form;
- * Include the text of any recommended modifications to the proposed regulatory change; and
- * List and attach all exhibits anticipated to be offered by that person at the hearing, including any proposed statement of reasons for adoption of rules.

Notices of intent to present technical testimony shall be submitted to:

Cody Barnes, Hearing Office
Administrator
New Mexico Environment
Department
Harold Runnels Building
P.O. Box 5469
Santa Fe, NM 87502
telephone: (505) 827-2428
email: cody.barnes@state.nm.us

Those wishing to do so may offer non-technical public comment at the hearing or submit a non-technical written statement in lieu of oral testimony at or before the hearing. Written comments regarding the proposed new rule may be addressed to Mr. Cody Barnes, Hearing Office Administrator, at the above address, and should reference docket number NMED 19-42. Pursuant to 20.1.9.14 NMAC, any member of the public may file an entry of appearance as a

party at the hearing. The entry of appearance shall be filed with Cody Barnes, at the above address, no later than February 7, 2020, 20 days before the date of the hearing.

The hearing will be conducted in accordance with the EIB's Rulemaking Procedures, 20.1.1 NMAC; the Environmental Improvement Act, Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and the State Rules Act, Section 14-4-5.3 NMSA 1978, and other applicable procedures. Written comments regarding the proposed regulations may be addressed to Cody Barnes, Hearing Clerk, at the above address, referencing docket number NMED 19-42.

If any person requires assistance, an interpreter or auxiliary aid to participate in this process, please contact Cody Barnes, at the above address, by February 21, 2020. (TDD or TTY users please access the number via the New Mexico Relay Network, 1-800-659-1779 (voice); TTY users: 1-800-659-8331).

STATEMENT OF NON-DISCRIMINATION

If any person requires assistance, an interpreter or auxiliary aid to access documents, please contact 505.222.9515 (Relay users please access the number via the New Mexico Relay Network) or LiquidWaste.Program@state.nm.us.

NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Part 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments

of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kristine Pintado, Non-Discrimination Coordinator, New Mexico Environment Department, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, (505) 827-2855, nd.coordinator@state.nm.us. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator identified above or visit our website at <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> to learn how and where to file a complaint of discrimination.

**AVISO DE AUDIENCIA
PÚBLICA
PARA REVOCAR Y
REEMPLAZAR 20.7.11
NMAC,
TARIFAS DE TRATAMIENTO
Y ELIMINACIÓN DE RESI-
DUOS LÍQUIDOS**

La Junta de Mejoramiento Ambiental ("EIB", por sus siglas en inglés) celebrará una audiencia pública a partir de 10:00 am del febrero 28, 2020 y continuará a partir de entonces según sea necesario en 33 Plaza La Prensa, Santa Fe, NM 87507, en las Sala de juntas del senador Fabian Chavez Jr. La ubicación de la audiencia puede cambiar antes de la fecha de la audiencia, y los interesados en asistir deben visitar el sitio web de NMED antes de la audiencia: <https://www.env.nm.gov/public-notices/>. El propósito de la audiencia es considerar revocar y reemplazar 20.7.11, Tarifas de Tratamiento y Eliminación de Residuos Líquidos, que autoriza las tarifas de tratamiento y eliminación de residuos líquidos para la administración de la normativa estatal de residuos líquidos. El propósito del programa estatal de tratamiento y eliminación de residuos líquidos es proteger la salud y el

bienestar de los ciudadanos presentes y futuros de Nuevo México al proporcionar la prevención y la reducción de los riesgos para la salud pública y la contaminación de las aguas superficiales y subterráneas de las prácticas de eliminación de residuos líquidos en el sitio.

La Oficina de Salud Ambiental de NMED ("Oficina") es la proponente de la nueva norma propuesta.

Las normas de reemplazo propuestas permitirían a la Oficina llevar las tarifas de residuos líquidos de Nuevo México a un nivel comparable a los estados contiguos, mientras que aún cobran tarifas por debajo del promedio, como lo requiere la Ley de Mejoramiento Ambiental, párrafo (3) de la subsección A de la sección 74-1-8 NMSA 1978. Las normas propuestas permitirían al Departamento dotar de personal más completo al Programa de Residuos Líquidos ("LWP", por sus siglas en inglés) de la Oficina, acelerando los tiempos de procesamiento de permisos y permitiendo inspecciones más oportunas para proteger mejor la salud de los residentes de Nuevo México. Revocar y reemplazar 20.7.11 NMAC también proporcionaría una descripción más precisa de las personas que deben pagar las tarifas de tratamiento y eliminación de residuos líquidos, proporcionaría una mayor claridad y facilidad de uso de las normas, y describiría con mayor precisión los métodos y tecnologías utilizados para tratar los residuos líquidos de conformidad con los estándares nacionales de terminología.

La Oficina propone que el EIB adopte las normas de reemplazo propuestas, 20.7.11 NMAC, tarifas de tratamiento y eliminación de residuos líquidos, de conformidad con su autoridad bajo la Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y Sección 74-1-9,

NMSA 1978. Tenga en cuenta que el formato y los cambios técnicos menores a 20.7.11 NMAC, distintos de los propuestos por NMED, pueden proponerse en la audiencia. Además, se pueden hacer otros cambios según sea necesario en respuesta a los comentarios públicos y la evidencia presentada en la audiencia.

La norma de reemplazo propuesta 20.7.11 NMAC puede revisarse durante las horas hábiles regulares en la Oficina de Audiencias de NMED ubicada en el Edificio Harold Runnels, 1190 South St. Francis Drive, Santa Fe, NM, 87505. El texto completo de la propuesta 20.7.11 NMAC también está disponible en línea en https://www.env.nm.gov/liquid_waste/.

Todas las personas interesadas tendrán una oportunidad razonable durante la audiencia de presentar evidencia relevante, datos, opiniones y argumentos, oralmente o por escrito; presentar documentos u objetos de pruebas; y examinar los testigos. Cualquier persona que desee presentar una declaración escrita no técnica para el registro en lugar de un testimonio oral debe presentar dicha declaración antes del cierre de la audiencia.

De conformidad con 20.1.1.302 NMAC, aquellos que deseen presentar un testimonio técnico deben presentar un aviso por escrito de la intención de presentar un testimonio técnico en la Oficina de Audiencias a más tardar a las 5:00 p.m. el febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia. Los avisos de intención de presentar testimonio técnico deben hacer referencia al nombre del reglamento, la fecha de la audiencia y el número de expediente, NMED 19-42.

La forma y el contenido del aviso deberá:

* Identificar a la persona para quien el testigo

testificará;

- * Identificar a cada testigo técnico que la persona tiene la intención de presentar y declarar la calificación de ese testigo, incluida una descripción de su historial educativo y laboral;

- * Incluir una copia del testimonio directo de cada testigo técnico en forma narrativa;

- * Incluir el texto de cualquier modificación recomendada al cambio regulatorio propuesto; y

- * Hacer una lista y adjuntar todos los documentos u objetos de pruebas que se anticipa que esa persona ofrecerá en la audiencia, incluida cualquier declaración propuesta de razones para la adopción de normas.

Los avisos de intención de presentar testimonio técnico se presentarán a:

Cody Barnes, Hearing Office
Administrator
New Mexico Environment
Department
Harold Runnels Building
P.O. Box 5469
Santa Fe, NM 87502
Teléfono: (505) 827-2428
Correo electrónico: cody.barnes@state.nm.us

Aquellos que deseen hacerlo pueden ofrecer comentarios públicos no técnicos en la audiencia o presentar una declaración escrita no técnica en lugar de un testimonio oral en o antes de la audiencia. Los comentarios escritos sobre la nueva norma propuesta pueden dirigirse al Sr. Cody Barnes, administrador de la oficina de audiencias, a la dirección anterior, y deben hacer referencia al número de expediente NMED 19-42. De conformidad con 20.1.9.14 NMAC, cualquier miembro del público puede presentar una entrada de comparecencia como parte interesada en la audiencia. La entrada de comparecencia se debe presentar ante Cody Barnes, en la dirección anterior, a más tardar el febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia.

La audiencia se llevará a

cabo de conformidad con los Procedimientos de Reglamentación de la EIB, 20.1.1 NMAC; la Ley de Mejoramiento Ambiental, Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y la Ley de Normas del Estado, Sección 14-4-5.3 NMSA 1978, y otros procedimientos aplicables. Los comentarios por escrito sobre la reglamentación propuesta pueden dirigirse a Cody Barnes, secretario de audiencias, a la dirección anterior, haciendo referencia al número de expediente NMED 19-42.

Si alguna persona requiere asistencia, un intérprete o ayuda auxiliar para participar en este proceso, comuníquese con Cody Barnes, en la dirección anterior, antes de febrero 21, 2020. (Los usuarios de TDD o TTY pueden acceder al número a través de la Red de Retransmisión de Nuevo México, 1-800-659-1779 (voz); los usuarios de TTY: 1-800-659-8331).

DECLARACIÓN DE NO DISCRIMINACIÓN

Si alguna persona necesita asistencia, un intérprete o un dispositivo auxiliar para acceder a los documentos, comuníquese por correo electrónico LiquidWaste.Program@state.nm.us o llamando al 505.222.9515 (los usuarios de retransmisión deben acceder al número a través de New Mexico Relay Network). NMED no discrimina por motivos de raza, color, origen nacional, discapacidad, edad o sexo en la administración de sus programas o actividades, según lo exigen las leyes y regulaciones aplicables. NMED es responsable de la coordinación de los esfuerzos de cumplimiento y la recepción de consultas sobre los requisitos de no discriminación implementados por 40 C.F.R. Partes 5 y 7, incluido el Título VI de la Ley de Derechos Civiles de 1964, según enmendada; Sección 504 de la Ley de Rehabilitación de 1973; la Ley de Discriminación por Edad de 1975, el Título IX de

las Enmiendas de Educación de 1972 y la Sección 13 de las Enmiendas de la Ley de Control de la Contaminación del Agua de 1972. Si tiene alguna pregunta sobre este aviso o alguno de los programas, políticas o procedimientos de no discriminación de NMED o si cree que ha sido discriminado con respecto a un programa o actividad de NMED, puede comunicarse con: Kristine Yurdin, coordinadora de no discriminación, NMED, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, teléfono (505) 827-2855, correo electrónico nd.coordinator@state.nm.us. También puede visitar nuestro sitio web en <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> para saber cómo y dónde presentar una queja de discriminación.
Pub#3902043 Run Date: December 17, 2019



NOTICES OF RULEMAKING, ISSUE 23

DECEMBER 17, 2019

Environment Department

Notice of Public Hearing to Amend Wastewater Facility Construction Loan Policies and Guidelines - 20.7.6 NMAC and Replace Review Procedures for Wastewater Construction Loans - 20.7.7 NMAC pdf version

Aviso de Audiencia Publica para Enmendar las Politicas y Directrices de Prestamos para la Construccion de Instalaciones de Aguas Residuales - 20.7.6 NMAC y Revocar y Reemplazar los Procedimientos de Revision de los Prestamos para Construcciones para Aguas Residuales - 20.7.7 NMAC pdf version

Notice of Public Hearing for Repealing and Replacing 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees pdf version

Game and Fish Department

State Game Commission Meeting and Rule Making Notice (19.30.9 NMAC) pdf version

State Game Commission Meeting and Rule Making Notice (19.30.18 NMAC) pdf version

State Game Commission Meeting and Rule Making Notice (19.32.2 and 19.31.10 NMAC) pdf version

Health, Department of

Notice of Public Hearing (7.34.2, 7.34.3 and 7.34.4 NMAC) pdf version

Human Services Department

Income Support Division

Notice of Public Hearing pdf version

Nursing, Board of

Notice of Public Rulemaking Hearing pdf version

Racing Commission

Notice of Public Meeting and Rule Hearing pdf version

Regulation and Licensing Department

Nutrition and Dietetics, Board of

Public Rulemaking Hearing and Regular Board Meeting pdf version

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NMAC LINKS

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**NOTICE OF PUBLIC HEARING
FOR REPEALING AND REPLACING 20.7.11 NMAC,
LIQUID WASTE TREATMENT AND DISPOSAL FEES**

The Environmental Improvement Board (“EIB”) will hold a public hearing beginning at **10:00 am on February 28, 2020** and continuing thereafter as necessary at **33 Plaza La Prensa, Santa Fe, NM 87507, in the Senator Fabian Chavez, Jr. Boardroom**. The hearing location may change prior to the hearing date, and those interested in attending should visit the New Mexico Environment Department’s (“NMED”) website prior to the hearing: <https://www.env.nm.gov/public-notices/>. The purpose of the hearing is to consider repealing and replacing 20.7.11, *Liquid Waste Treatment and Disposal Fees*, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices.

NMED’s Environmental Health Bureau (“Bureau”) is the proponent of the proposed new rule.

The proposed replacement rules would allow the Bureau to bring New Mexico’s liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, § 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau’s Liquid Waste Program (“LWP”), speeding up permit processing times and allowing for more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards of terminology.

The Bureau proposes the EIB adopt the proposed replacement rules, 20.7.11 NMAC, *Liquid Waste Treatment and Disposal Fees*, pursuant to its authority under Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and Section 74-1-9, NMSA 1978. Please note that formatting and minor technical changes to 20.7.11 NMAC, other than those proposed by NMED, may be proposed at the hearing. Additionally, other changes may be made as necessary in response to public comments and evidence presented at the hearing.

The proposed replacement rule 20.7.11 NMAC may be reviewed during regular business hours at the NMED Hearing Office located in the Harold Runnels Building, 1190 South St. Francis Drive, Santa Fe, NM, 87505. The full text of the proposed 20.7.11 NMAC is also available online at https://www.env.nm.gov/liquid_waste/.

All interested persons will be given reasonable opportunity at the hearing to submit relevant evidence, data, views, and arguments, orally or in writing; to introduce exhibits; and to examine witnesses. Any person wishing to submit a non-technical written statement for the record in lieu of oral testimony must file such statement prior to the close of the hearing.

Pursuant to 20.1.1.302 NMAC, those wishing to present technical testimony must file a written notice of intent to present technical testimony with the Hearing Office on or before **5:00 p.m. on February 7, 2020, twenty (20) days before the hearing**. Notices of intent to present technical testimony should reference the name of the regulation, the date of the hearing, and the docket number, **NMED 19-42**.

The form and content of the notice shall:

- * Identify the person for whom the witness(es) will testify;
- * Identify each technical witness the person intends to present and state the qualification of that witness, including a description of their education and work background;
- * Include a copy of the direct testimony of each technical witness in narrative form;

- * Include the text of any recommended modifications to the proposed regulatory change; and
- * List and attach all exhibits anticipated to be offered by that person at the hearing, including any proposed statement of reasons for adoption of rules.

Notices of intent to present technical testimony shall be submitted to:

Cody Barnes, Hearing Office Administrator
New Mexico Environment Department
Harold Runnels Building
P.O. Box 5469
Santa Fe, NM 87502
telephone: (505) 827-2428
email: cody.barnes@state.nm.us

Those wishing to do so may offer non-technical public comment at the hearing or submit a non-technical written statement in lieu of oral testimony at or before the hearing. Written comments regarding the proposed new rule may be addressed to Mr. Cody Barnes, Hearing Office Administrator, at the above address, and should reference docket number **NMED 19-42**. Pursuant to 20.1.9.14 NMAC, any member of the public may file an entry of appearance as a party at the hearing. The entry of appearance shall be filed with Cody Barnes, at the above address, **no later than February 7, 2020, twenty (20) days before the date of the hearing.**

The hearing will be conducted in accordance with the EIB's Rulemaking Procedures, 20.1.1 NMAC; the Environmental Improvement Act, Section 74-1-5, Paragraph (3) of Subsection A of Section 74-1-8, and the State Rules Act, Section 14-4-5.3 NMSA 1978, and other applicable procedures. Written comments regarding the proposed regulations may be addressed to Cody Barnes, Hearing Clerk, at the above address, referencing docket number **NMED 19-42**.

If any person requires assistance, an interpreter or auxiliary aid to participate in this process, please contact Cody Barnes, at the above address, by **February 21, 2020**. (TDD or TTY users please access the number via the New Mexico Relay Network, 1-800-659-1779 (voice); TTY users: 1-800-659-8331).

STATEMENT OF NON-DISCRIMINATION

NMED does not discriminate on the basis of race, color, national origin, disability, age or sex in the administration of its programs or activities, as required by applicable laws and regulations. NMED is responsible for coordination of compliance efforts and receipt of inquiries concerning non-discrimination requirements implemented by 40 C.F.R. Part 7, including Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. If you have any questions about this notice or any of NMED's non-discrimination programs, policies or procedures, you may contact: Kristine Pintado, Non-Discrimination Coordinator, New Mexico Environment Department, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, (505) 827-2855, nd.coordinator@state.nm.us. If you believe that you have been discriminated against with respect to a NMED program or activity, you may contact the Non-Discrimination Coordinator identified above or visit our website at <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> to learn how and where to file a complaint of discrimination.

AVISO DE AUDIENCIA PÚBLICA PARA REVOCAR Y REEMPLAZAR 20.7.11 NMAC, TARIFAS DE TRATAMIENTO Y ELIMINACIÓN DE RESIDUOS LÍQUIDOS

La Junta de Mejoramiento Ambiental ("EIB", por sus siglas en inglés) celebrará una audiencia pública a partir de **10:00 am del febrero 28, 2020** y continuará a partir de entonces según sea necesario en **33 Plaza La Prensa, Santa Fe, NM 87507, en la Sala de juntas del senador Fabian Chavez Jr.** La ubicación de la audiencia puede cambiar antes de la fecha de la audiencia, y los interesados en asistir deben visitar el sitio web de NMED antes de la audiencia: <https://www.env.nm.gov/public-notices/>. El propósito de la audiencia es considerar revocar y reemplazar 20.7.11, *Tarifas de Tratamiento y Eliminación de Residuos Líquidos*, que autoriza las tarifas de tratamiento y

eliminación de residuos líquidos para la administración de la normativa estatal de residuos líquidos. El propósito del programa estatal de tratamiento y eliminación de residuos líquidos es proteger la salud y el bienestar de los ciudadanos presentes y futuros de Nuevo México al proporcionar la prevención y la reducción de los riesgos para la salud pública y la contaminación de las aguas superficiales y subterráneas de las prácticas de eliminación de residuos líquidos en el sitio.

La Oficina de Salud Ambiental de NMED ("Oficina") es la proponente de la nueva norma propuesta. Las normas de reemplazo propuestas permitirían a la Oficina llevar las tarifas de residuos líquidos de Nuevo México a un nivel comparable a los estados contiguos, mientras que aún cobran tarifas por debajo del promedio, como lo requiere la Ley de Mejoramiento Ambiental, párrafo (3) de la subsección A de la sección 74-1-8 NMSA 1978. Las normas propuestas permitirían al Departamento dotar de personal más completo al Programa de Residuos Líquidos ("LWP", por sus siglas en inglés) de la Oficina, acelerando los tiempos de procesamiento de permisos y permitiendo inspecciones más oportunas para proteger mejor la salud de los residentes de Nuevo México. Revocar y reemplazar 20.7.11 NMAC también proporcionaría una descripción más precisa de las personas que deben pagar las tarifas de tratamiento y eliminación de residuos líquidos, proporcionaría una mayor claridad y facilidad de uso de las normas, y describiría con mayor precisión los métodos y tecnologías utilizados para tratar los residuos líquidos de conformidad con los estándares nacionales de terminología.

La Oficina propone que el EIB adopte las normas de reemplazo propuestas, 20.7.11 NMAC, tarifas de tratamiento y eliminación de residuos líquidos, de conformidad con su autoridad bajo la Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y Sección 74-1-9, NMSA 1978. Tenga en cuenta que el formato y los cambios técnicos menores a 20.7.11 NMAC, distintos de los propuestos por NMED, pueden proponerse en la audiencia. Además, se pueden hacer otros cambios según sea necesario en respuesta a los comentarios públicos y la evidencia presentada en la audiencia.

La norma de reemplazo propuesta 20.7.11 NMAC puede revisarse durante las horas hábiles regulares en la Oficina de Audiencias de NMED ubicada en el Edificio Harold Runnels, 1190 South St. Francis Drive, Santa Fe, NM, 87505. El texto completo de la propuesta 20.7.11 NMAC también está disponible en línea en https://www.env.nm.gov/liquid_waste/.

Todas las personas interesadas tendrán una oportunidad razonable durante la audiencia de presentar evidencia relevante, datos, opiniones y argumentos, oralmente o por escrito; presentar documentos u objetos de pruebas; y examinar los testigos. Cualquier persona que desee presentar una declaración escrita no técnica para el registro en lugar de un testimonio oral debe presentar dicha declaración antes del cierre de la audiencia.

De conformidad con 20.1.1.302 NMAC, aquellos que deseen presentar un testimonio técnico deben presentar un aviso por escrito de la intención de presentar un testimonio técnico en la Oficina de Audiencias a más tardar a las 5:00 p.m. el **febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia**. Los avisos de intención de presentar testimonio técnico deben hacer referencia al nombre del reglamento, la fecha de la audiencia y el número de expediente, **NMED 19-42**.

La forma y el contenido del aviso deberá:

- * Identificar a la persona para quien el testigo testificará;
- * Identificar a cada testigo técnico que la persona tiene la intención de presentar y declarar la calificación de ese testigo, incluida una descripción de su historial educativo y laboral;
- * Incluir una copia del testimonio directo de cada testigo técnico en forma narrativa;
- * Incluir el texto de cualquier modificación recomendada al cambio regulatorio propuesto; y
- * Hacer una lista y adjuntar todos los documentos u objetos de pruebas que se anticipa que esa persona ofrecerá en la audiencia, incluida cualquier declaración propuesta de razones para la adopción de normas.

Los avisos de intención de presentar testimonio técnico se presentarán a:
Cody Barnes, Hearing Office Administrator
New Mexico Environment Department
Harold Runnels Building

P.O. Box 5469
Santa Fe, NM 87502
Teléfono: (505) 827-2428
Correo electrónico: cody.barnes@state.nm.us

Aquellos que deseen hacerlo pueden ofrecer comentarios públicos no técnicos en la audiencia o presentar una declaración escrita no técnica en lugar de un testimonio oral en o antes de la audiencia. Los comentarios escritos sobre la nueva norma propuesta pueden dirigirse al Sr. Cody Barnes, administrador de la oficina de audiencias, a la dirección anterior, y deben hacer referencia al número de expediente **NMED 19-42**. De conformidad con 20.1.9.14 NMAC, cualquier miembro del público puede presentar una entrada de comparecencia como parte interesada en la audiencia. La entrada de comparecencia se debe presentar ante Cody Barnes, en la dirección anterior, a más tardar el **febrero 7, 2020, veinte (20) días antes de la fecha de la audiencia**.

La audiencia se llevará a cabo de conformidad con los Procedimientos de Reglamentación de la EIB, 20.1.1 NMAC; la Ley de Mejoramiento Ambiental, Sección 74-1-5, Párrafo (3) de la Subsección A de la Sección 74-1-8, y la Ley de Normas del Estado, Sección 14-4-5.3 NMSA 1978, y otros procedimientos aplicables. Los comentarios por escrito sobre la reglamentación propuesta pueden dirigirse a Cody Barnes, secretario de audiencias, a la dirección anterior, haciendo referencia al número de expediente **NMED 19-42**.

Si alguna persona requiere asistencia, un intérprete o ayuda auxiliar para participar en este proceso, comuníquese con Cody Barnes, en la dirección anterior, **antes de febrero 21, 2020**. (Los usuarios de TDD o TTY pueden acceder al número a través de la Red de Retransmisión de Nuevo México, 1-800-659-1779 (voz); los usuarios de TTY: 1-800-659-8331).

DECLARACIÓN DE NO DISCRIMINACIÓN

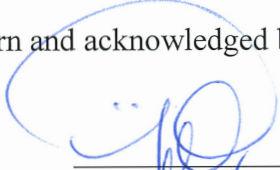
NMED no discrimina por motivos de raza, color, origen nacional, discapacidad, edad o sexo en la administración de sus programas o actividades, según lo exigen las leyes y regulaciones aplicables. NMED es responsable de la coordinación de los esfuerzos de cumplimiento y la recepción de consultas sobre los requisitos de no discriminación implementados por 40 C.F.R. Partes 5 y 7, incluido el Título VI de la Ley de Derechos Civiles de 1964, según enmendada; Sección 504 de la Ley de Rehabilitación de 1973; la Ley de Discriminación por Edad de 1975, el Título IX de las Enmiendas de Educación de 1972 y la Sección 13 de las Enmiendas de la Ley de Control de la Contaminación del Agua de 1972. Si tiene alguna pregunta sobre este aviso o alguno de los programas, políticas o procedimientos de no discriminación de NMED o si cree que ha sido discriminado con respecto a un programa o actividad de NMED, puede comunicarse con: Kristine Yurdin, coordinadora de no discriminación, NMED, 1190 St. Francis Dr., Suite N4050, P.O. Box 5469, Santa Fe, NM 87502, teléfono (505) 827-2855, correo electrónico nd.coordinator@state.nm.us. También puede visitar nuestro sitio web en <https://www.env.nm.gov/non-employee-discrimination-complaint-page/> para saber cómo y dónde presentar una queja de discriminación.

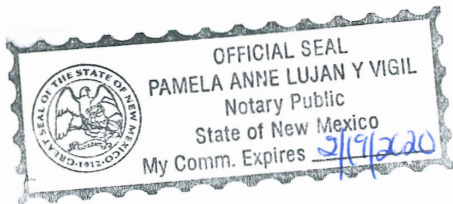
Affidavit of Publication in New Mexico Register

I, Matthew Ortiz, certify that the agency noted on Invoice # 4571 has published legal notice of rulemaking or rules in the NEW MEXICO REGISTER, VOLUME XXX, that payment has been assessed for said legal notice of rulemaking or rules, which appears on the publication date and in the issue number noted on Invoice # 4571, and that Invoice # 4571 has been sent electronically to the person(s) listed on the *Billing Information Sheet* provided by the agency.

Affiant: 
Matthew Ortiz

Subscribed, sworn and acknowledged before me this 18th day of December, 2019.

Notary Public: 
My Commission Expires: 9/18/2020



1205 Camino Carlos Rey | Santa Fe, NM 87507 | nmcpr.state.nm.us

Hon. Hector Balderas
Attorney General

Debra Garcia y Griego
Department of Cultural Affairs

Hon. Brian S. Colón
State Auditor

Kenneth Ortiz
General Services Department

Hon. Maggie Toulouse Oliver
Secretary of State

Daniel Cordova
Interim Director, NM State Law Library



Environmental Improvement

- Environmental Improvement Board
- Rules and Responsibilities
- EIB Meeting Agendas and Minutes
- Public Notices
- Environmental Improvement Board Applicable Legislation
- Environmental Improvement Board Standards and Regulations
- EIB Members
- Public Comment

Environmental Improvement Board

Next Meeting:

The next regularly scheduled meeting will be on Friday, December 20, 2019. A PDF of the Agenda can be found here ten days before the meeting. There will be a public hearing on EIB 19-35(R), in the matter of proposed amendments to 20.4.2 NMAC. Please check back for the most recent updates and changes.

When: 12/20/2019, Time 9:00 a.m.

Where: New Mexico State Capitol Building

Room 309

490 Old Santa Fe Trail

Santa Fe, NM 87501

Agenda: A PDF version of the Agenda can be found here ten days before the meeting.

The following items are for discussion and possible action:

Please check back frequently for the latest additions or changes.

All EIB meetings are open to the public. During meetings, upon the direction of the Board Chair, there will be time available for public comment on agenda items and on items not on the agenda.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of ancillary aid or service to attend or participate in the hearing or meeting, contact Cody Barnes at least ten days prior to the meeting or as soon as possible at 505.827.2428 or cody.barnes@state.nm.us. Public documents can be provided in various accessible formats. Contact Cody Barnes if accessible format is needed.

EIB Matters

[EIB 18-06 \(R\)](#) In the Matter of Proposed Approval of New Mexico's Infrastructure State Implementation Plan for Ozone National Ambient Air Quality Standard

[EIB 18-07 \(R\)](#) In the Matter of Proposed Repeal of 20.2.20 NMAC- Lime Manufacturing Plants-Particulate Matter Air Quality Bureau Environmental Protection Division New Mexico Environment Department, Petitioner

[EIB 19-35 \(R\)](#) In the Matter of Proposed Amendments to 20.4.2 NMAC - Hazardous Waste Permit and Corrective Action Fees and 20.4.3 NMAC - Annual Hazardous Waste Fees

[EIB 19-42 \(R\)](#) In the Matter of Proposed Repeal and Replacement of 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees



New Mexico Environment Department

Contact Information: (505) 827-2855 MAIN // 1-800-219-6157 (toll free)

Environmental Emergencies: 505-827-9329 (24 hrs)

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- Rules and Responsibilities
- EIB Meeting Agendas and Minutes
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- Environmental Improvement Board Applicable Legislation
- Environmental Improvement Board Standards and Regulations
- EIB Members
- Public Comment

EIB 19-42 (R)

IN THE MATTER OF:

Proposed Repeal and Replacement of 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees

Pleadings Log

1.	Petition to Repeal and Replacement of 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees and Request for Hearing	10/07/19
2.	Notice of Hearing Determination and Hearing Officer Appointment	10/25/19
3.	NMED's Notice of Compliance with Small Business Regulatory Relief Act	11/27/19
4.	Scheduling Order	12/4/19

NMED LINKS

- Request Public Records

EIB LINKS

- Subscribe to Listserv

CONTACT

1190 Saint Francis Drive
Suite # South 2102
Santa Fe, New Mexico 87505

Phone: (505) 827-2428
Fax: (505) 827-1628



NMED EXHIBIT 14

Liquid Waste Program

- Liquid Waste Program
- Find an Existing Liquid Waste Permit
- Liquid Waste Permitting
- Property Transfer Evaluations
- Forms
- Laws and Regulations
- Liquid Waste Professionals
- Homeowners
- Approved Products
- Technical Reference Material
- Compliance
- FAQ

Our Mission

To protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices.

Liquid Waste Program (Septic Systems)

- Regulation
- Permitting
- Inspections
- Enforcement
- Public Outreach
- Public Health
- Groundwater Protection
- Environmental Protection
- Septic Tank Safety
- On Site Septic Systems
- Residential
- Commercial
- 5000 Gallon or Less
- 250 Gallon Tanks
- Advanced Treatment

Taking Care of Your Septic System

- New Mexico Septic System Needs
- EPA: Septic Systems

Announcements

- Next WTAC Meeting is scheduled for Friday February 7, 2020 from 9:30 to 12:00pm at the NMED District 1 Office located at 121 Tijeras Ave. NE, Ste. 1000 Albuquerque, NM 87102. See WTAC Page
- New Resource for determining Depth to Water. The Office of the State Engineer has provide an online map of the wells that they have information on. There could be other well in the area. After clicking on a well, the Depth to Water value is near the end of the list (scroll down).
- Click this link for [Septic Tank Waste Fees - 2021 NMAC Building Rules 201810](#). The New Mexico Environment Department (NMED), Environmental Health Services (EHS) is proposing to change the fee schedule. The fee schedule is subject to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.
- Public hearing scheduled February 28, 2020 for proposed rule 20.7.11 NMAC changes.
- The department thanks all those members of the community that participated in the previous public meetings that were held on below listed dates.

Monday, October 28, 2019	1:00pm to 4:00pm	NM Ed Boga, Conference Room	2381 Estrada Del Sol, Las Cruces, NM 88801
Tuesday, October 29, 2019	12:30 pm to 3:30 pm	ENMU- Ruidoso	708 McClain Blvd, Ruidoso, NM 88345
Wednesday, October 30, 2019	12:30pm to 3:30 pm	4021 National Parks Highway	Carlsbad, NM 88220
Wednesday, November 13, 2019	1:00pm to 5:00pm	Rounds Building Conference Room	1109 S St Francis Dr, Santa Fe, NM 87505
Thursday, November 14, 2019	1:00pm to 3:00pm	McCoy Park -Multi Use Building, Room C	41 Rd 5558, Farmington, NM 87401
Friday, November 15, 2019	1:00pm to 4:00pm	TCBEC Pecos County Economic Development Corporation H< Bldg	1021 Salazar Rd, Sola, NM 87571
Tuesday, December 3, 2019	AM Session, 8:00am to 12:00pm	Springer Building, NM State Office, Room Grande Conference Room	121 Tijeras, Albuquerque, NM 87102
Tuesday, December 3, 2019	PM Session, 1:00pm to 5:00pm	Springer Building, NM State Office, Room Grande Conference Room	121 Tijeras, Albuquerque, NM 87102





MICHELLE LUJAN GRISHAM
Governor

HOWIE C. MORALES
Lt. Governor

State of New Mexico
ENVIRONMENT DEPARTMENT

Office of the Secretary

Harold Runnels Building
1190 Saint Francis Drive, PO Box 5469
Santa Fe, NM 87502-5469
Telephone (505) 827-2855 Fax (505) 827-2836
www.env.nm.gov



JAMES C. KENNEY
Cabinet Secretary

JENNIFER J. PRUETT
Deputy Secretary

Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 10/28/2019

Time: 1:00pm to 4:00pm

Location: NM Env Dept, Conference Room
2301 Entrada Del Sol, Las Cruces, NM 88001

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



MICHELLE LUJAN GRISHAM
Governor

HOWIE C. MORALES
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JAMES C. KENNEY
Cabinet Secretary

JENNIFER J. PRUETT
Deputy Secretary

Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 10/29/2019

Time: 12:30 pm -3:30 pm

Location: ENMU-Ruidoso
709 Mechem Drive, Ruidoso, NM 88345

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Telephone (505) 827-2855 Fax (505) 827-2836
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JAMES C. KENNEY
Cabinet Secretary

JENNIFER J. PRUETT
Deputy Secretary

Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/13/2019

Time: 1:00pm to 5:00pm

Location: Runnels Building Conference Room
1190 S St Francis Dr, Santa Fe, NM 87505

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



MICHELLE LUJAN GRISHAM
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HOWIE C. MORALES
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Deputy Secretary

Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/14/2019

Time: 1:00pm to 3:00pm

Location: McGee Park –Multi Use Building, Room C
41 Rd 5568, Farmington, NM 87401

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/15/2019

Time: 1:00pm to 4:00pm

Location: TCEDC (Taos County Economic Development Corporation) HACT Bldg
1021 Salazar Rd, Taos NM 87571

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 12/3/2019

Time: AM Session, 8:00am to 12:00pm

Location: Springer Building, NM Env Dept, Rio Grande Conference Room
121 Tijeras, Albuquerque, NM 87102

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 12/3/2019

Time: PM Session, 1:00pm to 5:00pm

Location: Springer Building, NM Env Dept, Rio Grande Conference Room
121 Tijeras, Albuquerque, NM 87102

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 10/28/2019

Time: 1:00pm to 4:00pm

Location: NM Env Dept, Conference Room
2301 Entrada Del Sol, Las Cruces, NM 88001

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 10/29/2019

Time: 12:30 pm -3:30 pm

Location: ENMU-Ruidoso
709 Mechem Drive, Ruidoso, NM 88345

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/13/2019

Time: 1:00pm to 5:00pm

Location: Runnels Building Conference Room
1190 S St Francis Dr, Santa Fe, NM 87505

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/14/2019

Time: 1:00pm to 3:00pm

Location: McGee Park –Multi Use Building, Room C
41 Rd 5568, Farmington, NM 87401

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/15/2019

Time: 1:00pm to 4:00pm

Location: TCEDC (Taos County Economic Development Corporation) HACT Bldg
1021 Salazar Rd, Taos NM 87571

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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New Mexico Environment Department
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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 12/3/2019

Time: PM Session, 1:00pm to 5:00pm

Location: Springer Building, NM Env Dept, Rio Grande Conference Room
121 Tijeras, Albuquerque, NM 87102

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.



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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/14/2019

Time: 1:00pm to 3:00pm

Location: McGee Park –Multi Use Building, Room C
41 Rd 5568, Farmington, NM 87401

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.

Persons may request non-English speaker language assistance and accommodations for persons with disabilities (e.g., hearing-impairment and/or non-English language interpreters) in public meetings, related to the rule adoption. Please direct public requests for assistance to the Michael Broussard, 505-476-9125, Michael.broussard@state.nm.us. Notification will be made to the Department's Non-Discrimination Coordinator. Arrangements will be made by the Bureau for document translation, interpretation, or disability services related to the activity or proceeding, as necessary.

Toll-free numbers are available for TDD or TDY users to access the New Mexico Relay Network at 1-800-659-1779 (voice); TTY users: 1-800-659-8331. EHB public notices will include Bureau contact information for persons with a disability who require assistance or auxiliary aid to participate in this process.

Department Websites:

Public notices and outreach materials links can be found at the following websites:

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JAMES C. KENNEY
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Anuncio de Reunión
El Departamento de Medio Ambiente de Nuevo México
Oficina de Salud Ambiental

Fecha: 11/14/2019

Tiempo: 1:00pm to 3:00pm

Localización: McGee Park –Multi Use Building, Room C
41 Rd 5568, Farmington, NM 87401

Propósito: Cambios normativos propuestos para el 20.7.11 NMAC Tratamiento de desechos líquidos y tarifas de eliminación. El Departamento de Medio Ambiente de Nuevo México (NMED), Oficina de Salud Ambiental (Bureau o EHB) está proponiendo cambiar el programa de tarifas. La Oficina está tratando de aumentar e implementar nuevas tarifas de Desechos Líquidos para ayudar a mejorar los servicios de permisos e inspección para el público y para asegurar la protección de las aguas subterráneas y superficiales en todo el Estado de Nuevo México.

Las personas que no hablan inglés pueden solicitar asistencia de idiomas y las personas con discapacidades pueden pedir acomodaciones (por ejemplo, problemas de audición y/o intérpretes de otras lenguas que no sean inglés) en reuniones públicas relacionadas con la adopción de las reglas. Por favor dirija sus solicitudes públicas de asistencia a Michael Broussard, 505-476-9125, Michael.broussard@state.nm.us. La notificación se hará al Coordinador de No Discriminación del Departamento. La Oficina hará los arreglos necesarios para la traducción de documentos, interpretación o servicios de discapacidad relacionados con la actividad o procedimiento, según sea necesario.

Hay números gratuitos disponibles para que los usuarios de TDD o TDY tengan acceso a la Red de Transmisión de Nuevo México al 1-800-659-1779 (voz); usuarios de TTY: 1-800-659-8331. Los avisos públicos de EHB incluirán información de contacto de la Oficina para personas con discapacidades que requieran asistencia o ayuda auxiliar para participar en este proceso.

Sitios Web del Departamento:

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Meeting Announcement
New Mexico Environment Department
Environmental Health Bureau

Date: 11/15/2019

Time: 1:00pm to 4:00pm

Location: TCEDC (Taos County Economic Development Corporation) HACT Bldg
1021 Salazar Rd, Taos NM 87571

Purpose: Proposed rulemaking changes to 20.7.11 NMAC Liquid Wasted Treatment and Disposal Fees. The New Mexico Environment Department (NMED), Environmental Health Bureau (Bureau or EHB) is proposing to change the fee schedule. The Bureau is seeking to increase and implement new Liquid Waste fees to help improve permitting and inspection services for the public and to ensure protection of groundwater and surface waters throughout the State of New Mexico.

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Anuncio de Reunión
El Departamento de Medio Ambiente de Nuevo México
Oficina de Salud Ambiental

Fecha: 11/15/2019

Tiempo: 1:00pm to 4:00pm

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Propósito: Cambios normativos propuestos para el 20.7.11 NMAC Tratamiento de desechos líquidos y tarifas de eliminación. El Departamento de Medio Ambiente de Nuevo México (NMED), Oficina de Salud Ambiental (Bureau o EHB) está proponiendo cambiar el programa de tarifas. La Oficina está tratando de aumentar e implementar nuevas tarifas de Desechos Líquidos para ayudar a mejorar los servicios de permisos e inspección para el público y para asegurar la protección de las aguas subterráneas y superficiales en todo el Estado de Nuevo México.

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Rule Hearing Search

Hearing Date: Comments Deadline Date: Agency:

Search

Total Results: 19 - Page #1

View	Agency	Public Hearing	Purpose	Hearing Date	Comments Due Date
View Details	Environment Department	NOTICE OF PUBLIC HEARING FOR AMENDMENTS TO 20.6.4 NMAC	The purpose of the hearing is to consider proposed amendments to 20.6.4 NMAC.	3/10/2020	2/17/2020 5:00 PM
View Details	Environment Department	NOTICE OF PUBLIC HEARING FOR REPEALING AND REPLACING 20.7.11 NMAC	The purpose of the hearing is to consider repealing and replacing 20.7.11, Liquid Waste Treatment and Disposal Fees, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations.	2/28/2020	2/7/2020 5:00 PM
View Details	Environment Department	Notice of Public Hearing to Amend 20.7.6 NMAC and 20.7.7 NMAC	The purpose of the hearing is to consider amendments to Wastewater Facility Construction Loan Policies and Guidelines, 20.7.6 NMAC and repeal and replacement of Review Procedures for Wastewater Construction Loans, 20.7.7 NMAC ("Rules").	1/17/2020	1/2/2020 5:00 PM
View Details	Environment Department	Hazardous Waste Permit/Corrective Action Fees and Annual Hazardous Waste Fees	The purpose of the amendments is to update the Hazardous Waste Permit and Corrective Action Fee Regulations, 20.4.2 NMAC and the Annual Hazardous Waste Fees, 20.4.3 NMAC, to incorporate changes in fees based on inflation since 2004	12/20/2019	12/2/2019 5:00 PM
View Details	Environment Department	PUBLIC HEARING FOR ADOPTION OF RULE 20.10.2 NMAC, HEMP POST-HARVEST PROCESSING	The purpose of the hearing is to consider the adoption of new rule 20.10.2 NMAC, Hemp Post-Harvest Processing of the Environmental Protection Regulations.	12/2/2019	11/15/2019 5:00 PM
View Details	Environment Department	Proposed Repeal of 20.2.20 NMAC (Lime Manufacturing Plants-Particulate Matter)	The purpose of the public hearing is to consider and take possible action on a petition from NMED to repeal 20.2.20 NMAC. The purpose of the proposed repeal of 20.2.20 NMAC is to remove outdated requirements.	11/30/2018	10/28/2018 5:00 PM
View Details	Environment Department	Hearing to Amend Rulemaking Procedures for the NM Environment Dept - 20.1.9 NMAC	Bring the Rules into compliance with recent changes to the State Rules Act (NMSA 1978, Sections 14-4-1 to -11)	10/12/2018	9/21/2018 5:00 PM
View Details	Environment Department	NOTICE OF PUBLIC HEARING TO REPEAL THE EMERGENCY VERSION OF 20.5.123 NMAC	The purpose of the hearing is to consider repealing the current emergency version of 20.3.123 NMAC and replacing it with a new 20.5.123 NMAC of the Petroleum Storage Tank Regulations ("Regulations").	10/12/2018	9/21/2018 5:00 PM
View Details	Environment Department	EIB 18-05(R) - Air Quality Control Reg - 20.2.23 NMAC Fugitive Dust Control	The purpose of the hearing is to consider the matter of EIB 18-05(R), the proposed adoption of an Air Quality Control Regulation to be codified in the New Mexico Administrative Code (NMAC) at 20.2.23 NMAC, Fugitive Dust Control.	9/28/2018	9/28/2018 9:30 AM

NMED EXHIBIT 16



Rule Hearing Search

Hearing Date: Comments:
 All Deadline Date: Agency: Environment Department
 All

[Return to Search Results](#)

Proposed Rule Name:
NOTICE OF PUBLIC HEARING FOR REPEALING AND REPLACING 20.7.11 NMAC

Agency:
Environment Department

Purpose:
The purpose of the hearing is to consider repealing and replacing 20.7.11, Liquid Waste Treatment and Disposal Fees, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of

Summary:
The proposed replacement rules would allow the Bureau to bring New Mexico's liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, § 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau's Liquid Waste Program ("LWFP"), speeding up permit processing times and allowing for more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards of terminology.

Administratives Codes:
NMAC 20.7.11

Rule Complete Copy :
https://www.env.nm.gov/liquid_waste/

Corrections:
Not available

Rule Explanatory Statement:
Not available

Related New Mexico Register Publications:
Not available

For any additional information or questions concerning this rule making or posting please contact:
Cody Barnes
cody.barnes@state.nm.us
(505) 827-2428

Last Updated Date
12/10/2019 1:50 PM

How to submit Comments:
Pursuant to 20.1.1.302 NMAC, those wishing to present technical testimony must file a written notice of intent to present technical testimony with the Hearing Office on or before 5:00 p.m. on February 7, 2020, twenty (20) days before the hearing. Notices of intent to present technical testimony should reference the name of the regulation, the date of the hearing, and the docket number, NMED 19-42.

The form and content of the notice shall:

- * Identify the person for whom the witness(es) will testify;
- * Identify each technical witness the person intends to present and state the qualification of that witness, including a description of their education and work background;
- * Include a copy of the direct testimony of each technical witness in narrative form;
- * Include the text of any recommended modifications to the proposed regulatory change; and
- * List and attach all exhibits anticipated to be offered by that person at the hearing, including any proposed statement of reasons for adoption of rules.

Notices of intent to present technical testimony shall be submitted to:

Cody Barnes, Hearing Office Administrator
New Mexico Environment Department
Harold Runnels Building
P.O. Box 5469
Santa Fe, NM 87502
telephone: (505) 827-2428
email: cody.barnes@state.nm.us

Those wishing to do so may offer non-technical public comment at the hearing or submit a non-technical written statement in lieu of oral testimony at or before the hearing. Written comments regarding the proposed new rule may be addressed to Mr. Cody Barnes, Hearing Office Administrator, at the above address, and should reference docket number NMED 19-42. Pursuant to 20.1.9.14 NMAC, any member of the public may file an entry of appearance as a party at the hearing. The entry of appearance shall be filed with Cody Barnes, at the above address, no later than February 7, 2020, twenty (20) days before the date of the hearing.

When are comments due:
2/7/2020 5:00 PM

Hearing Date:
2/28/2020 10:00 AM

Public Hearing Location:
33 Plaza La Prensa, Santa Fe, NM 87507, in the Senator Fabian Chavez, Jr. Boardroom 2/28/2020 (10:00 AM -)

How to participate:
All interested persons will be given reasonable opportunity at the hearing to submit relevant evidence, data, views, and arguments, orally or in writing; to introduce exhibits; and to examine witnesses. Any person wishing to submit a non-technical written statement for the record in lieu of oral testimony must file such statement prior to the close of the hearing.

ⓘ If the document is not visible on the previewer, please download the file.

File	File Name	File Type	Description
View Document	Bi Lingual Public Notice for Proposed Fee Changes to 20.7.11 NMAC	PDF	NMED EXHIBIT 16
View Document	Liquid Waste Fees 20.7.11 NMAC Redline Rules	PDF	

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Today	
'lcs@nmlegis.gov'	4:17 PM
Notice of Rulemaking for Di... Good Afternoon, Attached is	
Weatherly, Christal, N...	4:08 PM
RE: Sunshine Portal and LC... Thank you for both!	
Portal, Sunshine, DoIT	4:08 PM
Request for Posting Notice ... Good Afternoon, Attached is	
Lemon, Shelly, NMEN...	2:24 PM
Resumes Hi, Could you each send me	
Martinez, Rebekah, N...	2:22 PM
RE: Notice of Compliance - ... Thank you!!	
Barnes, Cody, NMEN...	1:55 PM
Notice of Compliance - WQ... Hi Cody and Rebekah,	
Fullam, Jennifer, NME...	1:03 PM
RE: [EXT] Quote Display Noti... I just called Taos news, and	
Fullam, Jennifer, NME...	12:57 PM
RE: [EXT] Quote Display Noti... I haven't heard back from	
Nelson, Johanna, EDD	11:24 AM
Proposed Rule Change - W... Dear Ms. Nelson, Please see	
Romero, Annette, NM...	11:07 AM
FW: [EXT] Quote Display No... Hi, Attached is the Quote	
Romero, Annette, NM...	11:06 AM
RE: Quote for Legal ad Ok, thank you.	
Broussard, Michael, N...	10:51 AM
Annual Leave Dec. 9-13 Hi, I will be gone all of next	
Lemon, Shelly, NMEN...	10:49 AM
Annual Leave Dec. 9-13 Hi, I will be gone all of next	
Fullam, Jennifer, NME...	10:46 AM
FW: [EXT] Quote Display No... Hi, Here is the quote from	

Reply Reply All Forward
 VC Vigil, Christopher J, NMENV 'lcs@nmlegis.gov'

Notice of Rulemaking for Distribution - 20.7.11 NMAC



Good Afternoon,

Attached is a Notice of Hearing in the matter of proposed changes to 20.7.11 NMAC, for distribution to appropriate interim and standing legislative committees. Also attached is a copy of the proposed 20.7.11 NMAC in redline format.

Please confirm your receipt of this email and the distribution of these documents in pursuant to NMSA 1978, Sec. 14.4.2(E)(7) (distribution of rulemaking info to legislative committees).

If there is anything I can do to assist, please let me know.

Thank you,
Chris

Chris Vigil
 Assistant General Counsel
 New Mexico Environment Department
 Springer Building
 121 Tijeras Avenue
 Suite 1000
 Albuquerque, NM 87102
 (505) 383-2060
 Fax: (505) 383-2064
<https://www.env.nm.gov/>

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NMED EXHIBIT 17

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12/5/2019

STATE OF NEW MEXICO
BEFORE THE ENVIRONMENTAL IMPROVEMENT BOARD



IN THE MATTER OF PROPOSED
REPEAL AND REPLACEMENT OF
20.7.11 NMAC

No. 19-42 (R)

Liquid Waste Treatment and Disposal Fees

Environmental Health Bureau,
Environmental Protection Division of the
New Mexico Environment Department,

Petitioner.

NEW MEXICO ENVIRONMENT DEPARTMENT'S
NOTICE OF COMPLIANCE WITH
SMALL BUSINESS REGULATORY RELIEF ACT

The New Mexico Environment Department gives notice that it has filed in the record of this proceeding a letter dated November 8, 2019, to the Small Business Regulatory Advisory Commission, a copy of which is attached hereto, as required by NMSA 1978, Section 14-4A-4 of the Small Business Regulatory Relief Act.

Respectfully submitted,

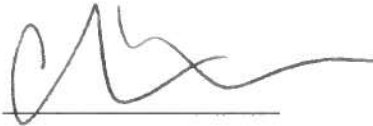
A handwritten signature in blue ink, appearing to be "Chris Vigil", written over a horizontal line.

Chris Vigil
Assistants General Counsel
New Mexico Environment Department
121 Tijeras Ave. NW, Ste 1000
Albuquerque, NM 87102
Phone: (505) 383-2060
christopherj.vigil@state.nm.us

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Notice of Compliance* was served on the following party on this the twenty-seventh day of November 2019 by email:

Cody Barnes, Hearing Officer Administrator
Room S-2104, Runnels Building
1190 St. Francis Dr.
Santa Fe, New Mexico 87505

A handwritten signature in black ink, appearing to read 'CV', is written over a horizontal line.

Chris Vigil
Assistant General Counsel



Michelle Lujan Grisham
Governor

Howie C. Morales
Lt. Governor

**NEW MEXICO
ENVIRONMENT DEPARTMENT**

Harold Runnels Building
1190 Saint Francis Drive, PO Box 5469
Santa Fe, NM 87502-5469
Telephone (505) 827-2855

www.env.nm.gov



James C. Kenney
Cabinet Secretary

Jennifer J. Pruett
Deputy Secretary

November 27, 2019

Small Business Regulatory Advisory Commission
c/o Johanna Nelson, Administrator
New Mexico Economic Development Department
1100 S. St. Francis Drive
Santa Fe, NM 87505-4147

RE: Proposed Repeal and Replace of *Liquid Waste Treatment and Disposal Fees*, NMAC 20.7.11

Dear Commission Members,

The New Mexico Environment Department (“Department”) hereby provides notice to the Small Business Regulatory Advisory Commission pursuant to the Small Business Regulatory Relief Act, NMSA 1978, Section 14-4A-1 through -6 (2005), that the Department’s Environmental Protection Division, Environmental Health Bureau has petitioned the Environmental Improvement Board to repeal and replace *Liquid Waste Treatment and Disposal Fees*, NMAC 20.7.11 (“Regulations”).

The purpose this rulemaking is to consider repealing and replacing 20.7.11 NMAC, *Liquid Waste Treatment and Disposal Fees*, which authorizes liquid waste treatment and disposal fees for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices.

The proposed replacement rules would allow the Bureau to bring New Mexico’s liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act, NMSA 1978, § 74-1-8(A)(3). The proposed rules would allow the Department to improve enforcement, tracking non-compliant systems, staffing, data collection and network hardware and software. These changes will enhance the Bureau’s Liquid Waste Program (“LWP”), speeding up permit processing times and allowing for more timely inspections to better protect the health of New Mexico residents. Repealing and replacing 20.7.11 NMAC would also provide for a more precise description of persons required to pay liquid waste treatment and disposal fees, would provide greater clarity and consistency in applying rules, and standardize the methods and technologies used to treat liquid waste in accordance with national standards.

The Environmental Improvement Board ("EIB") will hold a public hearing in this matter beginning at 10:00 am on February 28, 2020 and continuing thereafter as necessary at 33 Plaza La Prensa, Santa Fe, NM 87507. The hearing location may change prior to the hearing date, and those interested in attending should visit the New Mexico Environment Department's ("NMED") website prior to the hearing: <https://www.env.nm.gov/public-notices/>.

If Commission members have further questions, comments, or would like to meet and discuss the Regulations, please feel free to contact me directly at (505) 383-2060 or via email: christopherj.vigil@state.nm.us. A copy of the proposed Regulations is enclosed.

Sincerely,



Chris Vigil
Assistant General Counsel

Enclosure

Cc: Sandra Ely, Director, Environmental Health Division
William Chavez, Chief, Environmental Health Bureau
Michael Broussard, Acting Liquid Waste Program Manager

1 TITLE 20 ENVIRONMENTAL PROTECTION
2 CHAPTER 7 LIQUID WASTE
3 PART 11 LIQUID WASTE TREATMENT AND DISPOSAL FEES
4

5 20.7.11.1 ISSUING AGENCY: Environmental Improvement Board.
6 [20.7.11.1 NMAC - ~~Rp. 20.7.11.1 NMAC, XX/XX/2020N, 2/1/2002~~]
7

8 20.7.11.2 SCOPE: All persons required under 20.7.3 NMAC to obtain a: ~~permit, modification to a permit,~~
9 ~~tank certification or re-inspection under 20.7.3 NMAC.~~

- 10 ~~A. Permit;~~
11 ~~B. Modification to a permit;~~
12 ~~C. Registration;~~
13 ~~D. Septage pump truck registration;~~
14 ~~E. Certificate of qualification for:~~
15 ~~(1) Homeowner certification,~~
16 ~~(2) Third-party evaluator certification,~~
17 ~~(3) Maintenance service provider certification,~~
18 ~~(4) Septage pumper certification, or~~
19 ~~(5) Installer specialist certification~~
20 ~~F. Septic Tank Certification: or~~
21 ~~G. Re-inspection.~~

22 [20.7.11.2 NMAC - ~~Rp. 20.7.11.2 NMAC, XX/XX/2020N, 2/1/2002~~]
23

24 20.7.11.3 STATUTORY AUTHORITY: Environmental Improvement Act, Section 74-1-1 through 74 -1-
25 10 NMSA 1978.

26 [20.7.11.3 NMAC - ~~Rp. 20.7.11.3 NMAC, XX/XX/2020N, 2/1/2002~~]
27

28 20.7.11.4 DURATION: Permanent.

29 [20.7.11.4 NMAC - ~~Rp. 20.7.11.4 NMAC, XX/XX/2020N, 2/1/2002~~]
30

31 20.7.11.5 EFFECTIVE DATE: ~~February XXXXXXXX XX1, 20022020~~, unless a later date is cited at the
32 end of a section.

33 [20.7.11.5 NMAC - ~~Rp. 20.7.11.5 NMAC, XX/XX/2020N, 2/1/2002~~]
34

35 20.7.11.6 OBJECTIVE: The objective of this rule is to provide for liquid waste treatment and disposal fees
36 for the administration of the state liquid waste regulations. The purpose of the state liquid waste treatment and
37 disposal program is to protect the health and welfare of present and future citizens of New Mexico by providing for
38 the prevention and abatement of public health hazards and surface and ground water contamination from on-site
39 liquid waste disposal practices.

40 [20.7.11.6 NMAC - ~~Rp. 20.7.11.6 NMAC, XX/XX/2020N, 2/1/2002; A, 12/15/2011~~]
41

42 20.7.11.7 DEFINITIONS:

43 A. Unless otherwise defined in this part, the words and phrases used in this part have the same
44 meanings as in 20.7.3.7 NMAC, Liquid Waste Disposal.

45 B. As used in this part:

46 (1) "advanced treatment" means any process of wastewater treatment that removes a
47 greater amount of contaminants than in accomplished through primary treatment. Advanced treatment may include
48 physical or chemical processes; water renovation that upgrades liquid waste to meet specific reuse requirements;
49 advanced treatment may include general cleanup of wastewater or removal of specific types of wastes, such as
50 nitrates or other nitrogen compounds, insufficiently removed by primary or secondary treatment processes;
51 advanced treatment may include physical or chemical treatments;

52 (2) "advanced treatment system" means a method or technology implemented to achieve
53 advanced treatment;

54 (3) "alternative disposal" means any approved, on-site liquid waste disposal method used in
55 lieu of, including modifications to, a conventional disposal method;

1 (4) "alternative disposal system" means a method or technology implemented to achieve
2 alternative disposal:

3 (52) "alternative system" means any on-site liquid waste system utilizing a method of liquid
4 waste treatment and disposal used in lieu of a conventional system, including modifications that is recognized and
5 allowed by Liquid Waste Disposal and Treatment, 20.7.3 NMAC (9/1/13 as amended through 9/15/14), or by the
6 New Mexico Design Standards, 20.7.3.501-703 NMAC;

7 (63) "commercial unit" means a structure that is not a residential unit but which has sewage
8 producing fixtures such as sinks, baths, showers, toilets, urinals, dish- and clothes-washers or floor drains for
9 receiving liquid waste including but not limited to uses included in 20.7.3 NMAC, Table 201.1 means a structure
10 without bedrooms but which has sewage-producing fixtures such as sinks, baths, showers, toilets, urinals, dish- and
11 clothes-washers, or floor drains for receiving liquid waste;

12 (74) "conventional system" means an on-site liquid waste system consisting of a septic tank
13 and a subsurface soil absorption system with gravity distribution of the effluent constructed in accordance with the
14 standards set forth in 20.7.3 NMAC;

15 (8) "gpd" means gallons-per-day;

16 (95) "hazard to public health" means the indicated presence in water or soil of biological,
17 chemical or other contaminants under such conditions that could adversely impact human health, including without
18 limitation surfacing liquid waste, damage to a domestic water supply source, presence of a cesspool or an open tank,
19 or exposure of liquid waste or septage in a manner that allows possible transmission of disease;

20 (10) "large system" means any liquid waste treatment or disposal system that receives, or is
21 designed to receive, more than 2,000 gpd but not more than 5,000 gpd;

22 (116) "notice of non-approval" means notification that inspection of a permitted liquid waste
23 system is not in compliance with 20.7.3 NMAC;

24 (127) "on-site liquid waste system" means a liquid waste system, or part thereof, serving a
25 dwelling, establishment or group, and using a liquid waste treatment unit designed to receive liquid waste followed
26 by either a soil treatment or other type of disposal system; on-site liquid waste systems include enclosed systems and
27 privies but do not include systems or facilities designed to receive or treat mine or mill tailings or wastes;

28 (138) "septic tank" means liquid waste treatment units designed to provide primary treatment
29 and anaerobic treatment prior to disposal;

30 (14) "small system" means any liquid waste treatment and disposal system that receives, or is
31 designed to receive, no more than 2,000 gpd.

32 [20.7.11.7 NMAC - Rp. 20.7.11.7 NMAC, XX/XX/2020N, 2/1/2002; A, 12/15/2011]

34 **20.7.11.8 PERMIT FEES:** Payment of the permit fees are due prior to the issuance of a permit meeting
35 all the requirements of 20.7.3 NMAC.

36 A. The permit fee for a conventional system is \$100.00.

37 B. The permit fee for modification of a conventional system is \$50.00.

38 C. The permit fee for construction or modification of a commercial unit is \$150.00.

39 D. The permit fee for construction of an advanced treatment or alternative system is \$150.00.

40 E. The permit fee for modification of an advanced treatment or alternative system is \$75.00.

41 A. Fees for permits to register, construct, or modify a conventional system of a specified design
42 flow:

43 (1) The fee for a system designed for zero gpd up to 500 gpd is \$225.00

44 (2) The fee for a system designed for 501 gpd up to 1,000 gpd is \$275.00;

45 (3) The fee for a system designed for 1,001 gpd up to 1,500 gpd is \$325.00;

46 (4) The fee for a system designed for 1,501 gpd up to 2,000 gpd is \$375.00;

47 (5) The fee for a system designed for 2,001 gpd up to 2,500 gpd is \$425.00;

48 (6) The fee for a system designed for 2,501 gpd up to 3,000 gpd is \$475.00;

49 (7) The fee for a system designed for 3,001 gpd up to 3,500 gpd is \$525.00;

50 (8) The fee for a system designed for 3,501 gpd up to 4,000 gpd is \$575.00;

51 (9) The fee for a system designed for 4,001 gpd up to 4,500 gpd is \$625.00;

52 (10) The fee for a system designed for 4,501 gpd up to 5,000 gpd is \$675.00;

53 B. Fees for permits to register, construct, or modify an alternative system, advanced treatment
54 system, or a commercial system of a specified design flow:

55 (1) The fee for a system designed for zero gpd up to 500 gpd is \$450.00

56 (2) The fee for a system designed for 501 gpd up to 1,000 gpd is \$500.00;

- 1 (3) The fee for a system designed for 1,001 gpd up to 1,500 gpd is \$550.00;
 2 (4) The fee for a system designed for 1,501 gpd up to 2,000 gpd is \$600.00;
 3 (5) The fee for a system designed for 2,001 gpd up to 2,500 gpd is \$650.00;
 4 (6) The fee for a system designed for 2,501 gpd up to 3,000 gpd is \$700.00;
 5 (7) The fee for a system designed for 3,001 gpd up to 3,500 gpd is \$750.00;
 6 (8) The fee for a system designed for 3,501 gpd up to 4,000 gpd is \$800.00;
 7 (9) The fee for a system designed for 4,001 gpd up to 4,500 gpd is \$850.00;
 8 (10) The fee for a system designed for 4,501 gpd up to 5,000 gpd is \$900.00.

9 **C. Annual operating permit fees for an alternative system, advanced treatment system, or a**
 10 **commercial system:**

- 11 (1) The fee for an alternative system, advanced treatment system, or a commercial system is
 12 \$50.00;
 13 (2) The fee for a commercial large system is \$200.00;
 14 (3) The fee for a holding tank system or a split flow system with a holding tank, excluding
 15 commercial systems is \$30.00.

16 [20.7.11.8 NMAC - Rp. 20.7.11.8 NMAC, XX/XX/2020~~N~~, 2/1/2002]

17
 18 **20.7.11.9 QUALIFICATION CERTIFICATE FEES:** If a qualification certificate is requested as
 19 provided for in 20.7.3.904 NMAC, a fee as indicated in subsections A through F of this section shall be submitted
 20 upon issuance of the qualification certificate in addition to any associated permit fee required in 20.7.11 NMAC.

- 21 A. The fee for a qualification certificate for a qualified homeowner is \$100.00;
 22 B. The fee for a qualification certificate for a third-party evaluator is \$50.00;
 23 C. The fee for a qualification certificate for a maintenance service provider is \$50.00;
 24 D. The fee for a qualification certificate for a septage pumper is \$30.00;
 25 E. The fee for a qualification certificate for an installer specialist is \$150.00;
 26 F. The fee for a qualification certificate of renewal for an installer specialist is \$75.00

27 [20.7.11.9 NMAC - Rp. 20.7.11.9 NMAC, XX/XX/2020]

28
 29 **20.7.11.10 SEPTAGE PUMPING TRUCK ANNUAL REGISTRATION FEE:** The annual fee for
 30 registration of a septage pumping truck is \$30.00.

31 [20.7.11.10 NMAC - Rp. 20.7.11.10 NMAC, XX/XX/2020]

32
 33 **20.7.11.11 PROPERTY TRANSFER REPORT FILING FEE:** The fee for filing a property transfer report
 34 is \$50.00.

35 [20.7.11.11 NMAC - Rp. 20.7.11.11 NMAC, XX/XX/2020]

36
 37 **20.7.11.12 SEPTIC TANK MANUFACTURER CERTIFICATION FEE:** The annual fee for the
 38 certification/re-certification of septic tank designs as required in 20.7.3 NMAC is ~~\$100.00~~ \$150.00.

39 [20.7.11.12 NMAC - Rp. 20.7.11.12 NMAC, XX/XX/2020~~N~~, 2/1/2002]

40
 41
 42 **20.7.11.13 RE-INSPECTION FEE:** If a site inspection results in an issuance of a notice of non-approval, a
 43 fee of \$150.00 shall be assessed for the re-inspection of the system. The re-inspection fee shall be remitted to the
 44 department prior to a subsequent inspection being conducted.

45 [20.7.11.13 NMAC - Rp. 20.7.11.13 NMAC, XX/XX/2020~~N~~, 2/1/2002]

46
 47 **20.7.11.14 VARIANCE FEE:** If a variance is requested as provided for in 20.7.3 NMAC, a fee of
 48 ~~\$50.00~~ \$100.00 for small systems and \$400.00 for large systems shall be submitted upon issuance of the variance in
 49 addition to the permit fee required in 20.7.11.8 above.

50 [20.7.11.14 NMAC - Rp. 20.7.11.14 NMAC, XX/XX/2020~~N~~, 2/1/2002]

51
 52 **20.7.11.15 PAYMENT OF FEES:**

- 53 A. The department shall not issue a permit, variance or tank design certification until payment is
 54 received by the department. The fees required in this part are non-refundable.

1 B. All fees shall be remitted to the department ~~in the form of a check or money order made~~ payable to
2 the environment department liquid waste fund. All fees collected pursuant to this part shall be transmitted to the
3 state treasurer for deposit in the liquid waste fund.

4 C. Beginning on February 1, 2021, all fees shall be adjusted each year on February 1 to reflect the
5 increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for
6 the previous year. The amount of the change in the fee shall be determined by multiplying the existing fee by the
7 change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any
8 year is the average of the consumer price index for all-urban consumers published by the United States department
9 of labor, as of the close of the twelve-month period ending on August 31 of the previous year. No fee can exceed the
10 average fee for the surrounding jurisdictions as determined by the latest report on contiguous state fees published by
11 the department on January 15th of the current year.

12 [20.7.11.~~12-15~~ NMAC - Rp. 20.7.11.15 NMAC. XX/XX/2020N, 2/1/2002]

13
14 **20.7.11.~~1613~~ APPLICABILITY:**

15 A. The requirement for payment of the permit application fee shall apply only to those applications
16 received on or after the effective date of this part.

17 B. The annual tank certification fee shall apply on or after the effective date of this part. The annual
18 fee shall be received by the department no later than ~~January~~March 1 of each year.

19 C. The requirements concerning payment of a re-inspection fee shall apply only to those re-
20 inspections occurring on or after the effective date of this part.

21 [20.7.11.~~13-16~~ NMAC - Rp. 20.7.11.16 NMAC. XX/XX/2020N, 2/1/2002]

22
23 **20.7.11.~~1744~~ PERIODIC REVIEW:** In order for the environmental improvement board to fulfill its obligation
24 to establish onsite liquid system fees in accordance with Section 74-1-8(A)(3), NMSA 1978, the department shall
25 provide information by January 15th of each year to the environmental improvement board as follows:

26 A. liquid waste fund revenues for the previous fiscal year;

27 B. liquid waste fund expenditures for the previous fiscal year:

28 (1) personal services and benefits;

29 (2) contracts;

30 (3) other costs;

31 (4) indirect;

32 C. external audit report for the previous fiscal year;

33 D. current fiscal year budget for field operations bureau approved by the department of finance and
34 administration and the legislative finance committee;

35 E. report on contiguous states' fees:

36 (1) for Arizona, Oklahoma and Texas: report of state program fee schedules (although some
37 Texas counties have their own fee schedules);

38 (2) Colorado and Utah: report of fee schedule for each county or health district;

39 F. performance measures report for previous fiscal year;

40 G. copy of liquid waste annual strategic plan;

41 H. copy of training plan, if any, for the upcoming year.

42 [20.7.11.~~1744~~ NMAC - Rp. 20.7.11.17 NMAC. XX/XX/2020N, 2/1/2002; A, 12/15/2011]

43
44 **20.7.11.~~1815~~ COMPLIANCE WITH OTHER REGULATIONS:** Compliance with this part does not relieve
45 a person of the obligation to comply with other applicable state and federal regulations.

46 [20.7.11.~~15-18~~ NMAC - N. XX/XX/2020N, 2/1/2002]

47
48 **20.7.11.~~1916~~ CONSTRUCTION:** This part shall be liberally construed to implement the purpose of the act.

49 [20.7.11.~~16-19~~ NMAC - N. XX/XX/2020N, 2/1/2002]

50
51 **20.7.11.~~2017~~ SEVERABILITY:** If any provision or application of this part is held invalid, the remainder shall
52 not be affected.

53 [20.7.11.~~17-20~~ NMAC - N. XX/XX/2020N, 2/1/2002]

54
55 **HISTORY of 20.7.11 NMAC: [RESERVED]**

Vigil, Christopher J, NMENV

From: Nelson, Johanna, EDD
Sent: Monday, December 9, 2019 11:28 AM
To: Vigil, Christopher J, NMENV
Cc: Broussard, Michael, NMENV; Chavez, William, NMENV; Ely, Sandra, NMENV; Ulibarri, Jesika, EDD
Subject: RE: Proposed Liquid Waste Rule Change - 20.7.11 NMAC

Dear Mr. Vigil,

The SBRAC did not find any adverse effects on small businesses in regard to 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees regulations.

Thank you for alerting us on the proposed regulation. Please let me know if you have any questions.

Johanna Nelson, MBA, CEcD
Finance Development Specialist
New Mexico Economic Development Department
1100 S. St. Francis, Santa Fe, NM 87505
O: 505-827-0264
C: 505-469-6204
Johanna.nelson@state.nm.us
**Hablo Ingles y Español*

[NMEDD Website](#)
[NM Rural Efficient Business Program](#)
[NM Collateral Assistance Program](#)
[NM FUNDIT](#)



From: Vigil, Christopher J, NMENV
Sent: Wednesday, November 27, 2019 9:52 AM
To: Nelson, Johanna, EDD <Johanna.Nelson@state.nm.us>
Cc: Broussard, Michael, NMENV <Michael.Broussard@state.nm.us>; Chavez, William, NMENV <william.chavez@state.nm.us>; Ely, Sandra, NMENV <Sandra.Ely@state.nm.us>
Subject: Proposed Liquid Waste Rule Change - 20.7.11 NMAC

Dear Ms. Nelson,

Please see the attached letter to the SBRAC regarding 20.7.11 NMAC, Liquid Waste Treatment and Disposal Fees regulations. I have also send you a copy via First Class Mail.

If you have any questions, please feel free to contact me at any time.

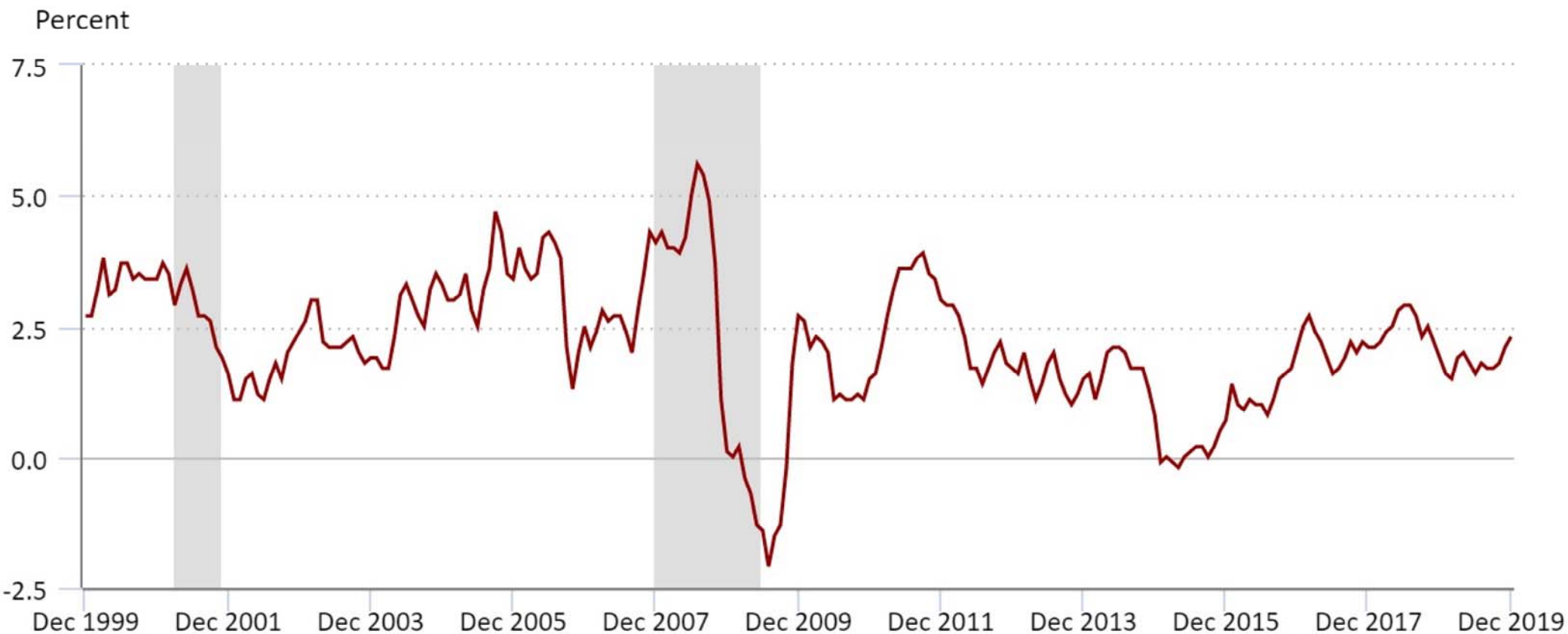
Regards,
Chris

Chris Vigil
Assistant General Counsel
New Mexico Environment Department
Springer Building
121 Tijeras Avenue
Suite 1000
Albuquerque, NM 87102
(505) 383-2060
Fax: (505) 383-2064
<https://www.env.nm.gov/>

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12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted

- All items
- Food at home
- Energy
- Electricity
- All items less food and energy
- Apparel
- Medical care commodities
- Shelter
- Education and communication
- Food
- Food away from home
- Gasoline (all types)
- Natural gas (piped)
- Commodities less food and energy com...
- New vehicles
- Services less energy services
- Medical care services



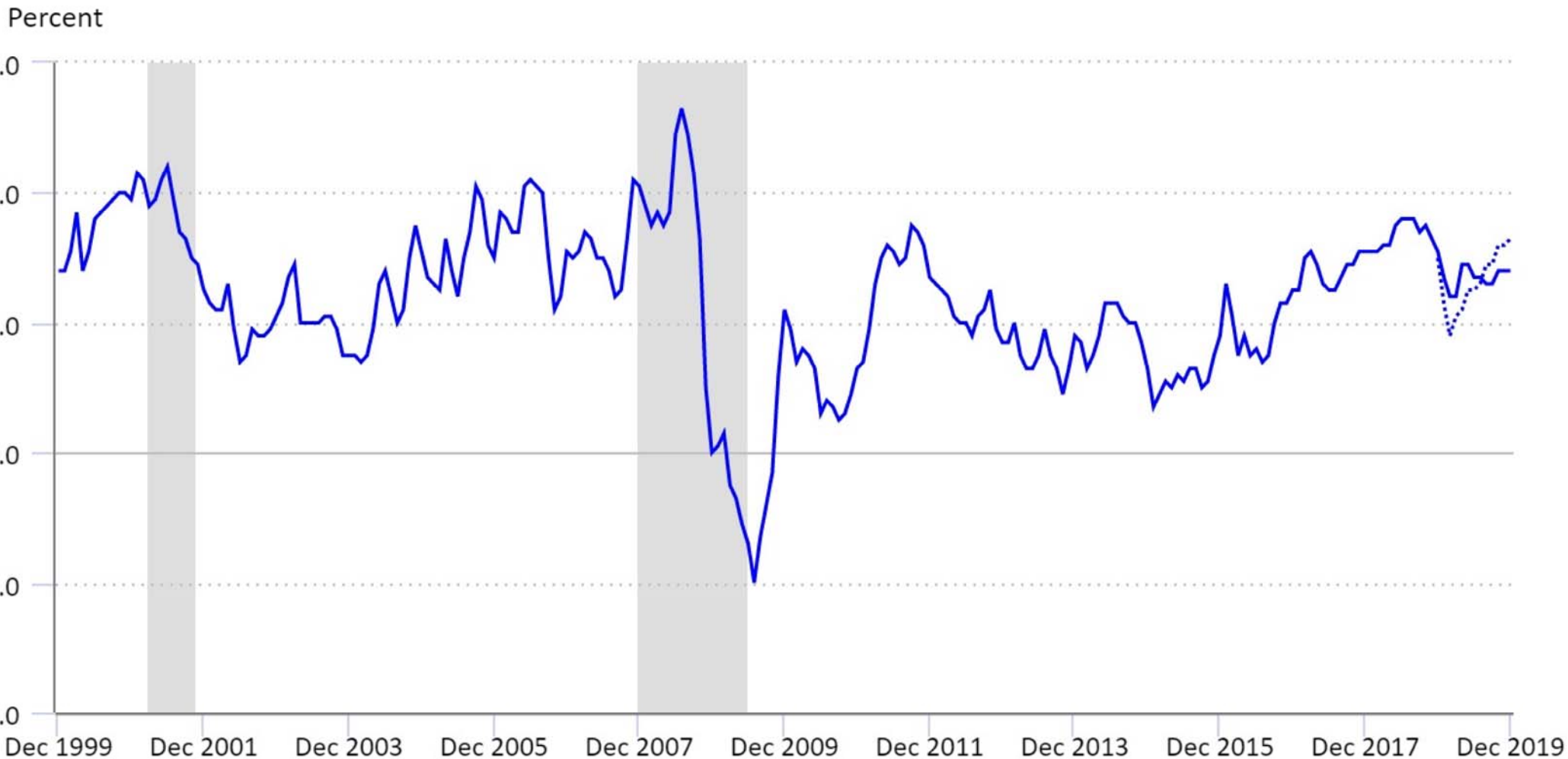
Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.

12-month percentage change, Consumer Price Index, by region and division, all items, not seasonally adjusted

- South
- West
- Midwest
- Northeast
- - - South Atlantic
- Mountain
- - - East North Central
- - - New England
- - - East South Central
- - - Pacific
- . . West North Central
- - - Middle Atlantic
- . . West South Central



Data for some metropolitan areas are bimonthly.

Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.



For Release: Tuesday, January 14, 2020

20-58-SAN

WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

Media contact: (415) 625-2270

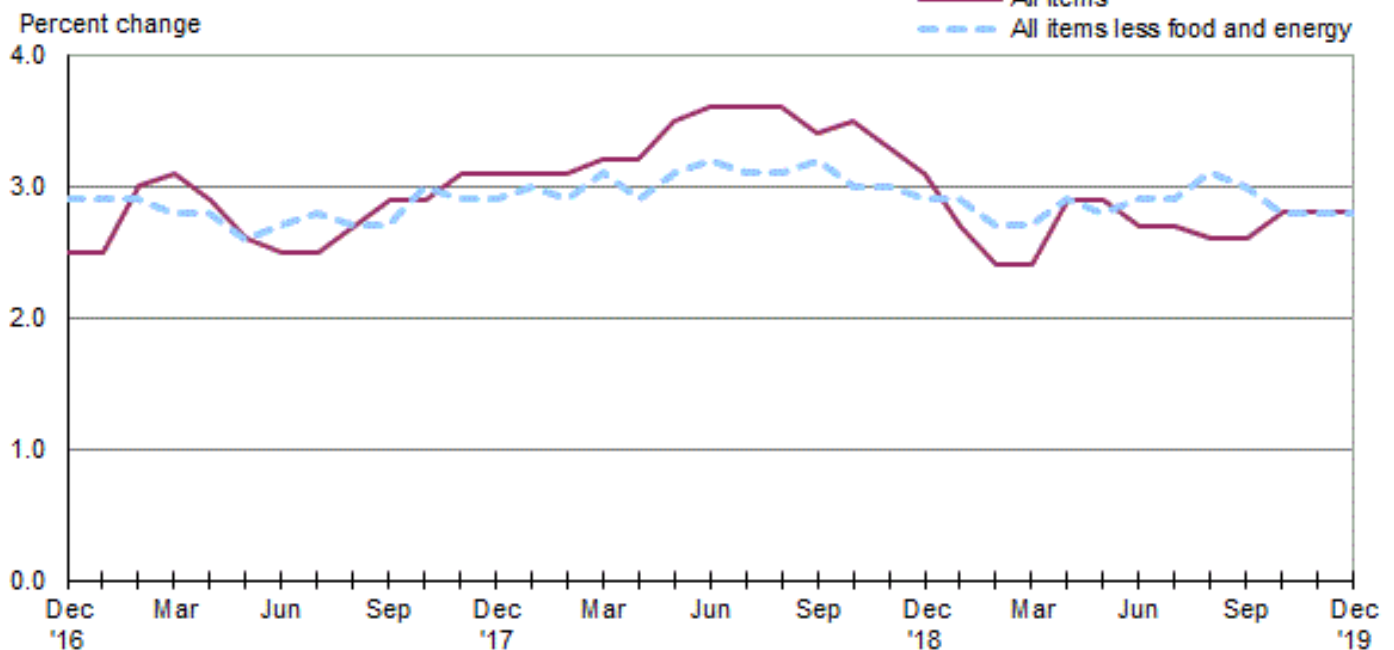
Consumer Price Index, West Region — December 2019

Area prices were down 0.2 percent over the past month, up 2.8 percent from a year ago

Prices in the West Region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), edged down 0.2 percent in December, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) The December decrease was influenced by lower prices for energy. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 2.8 percent. (See [chart 1](#) and [table A](#).) The index for all items less food and energy rose 2.8 percent over the year. Food prices rose 2.1 percent. Energy prices advanced 3.4 percent, largely the result of an increase in the price of gasoline. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, West region, December 2016–December 2019



Source: U.S. Bureau of Labor Statistics.

Food

Food prices crept up 0.1 percent for the month of December. (See [table 1](#).) Prices for food away from home rose 0.3 percent, while prices for food at home were virtually unchanged and for the same period.

Over the year, food prices rose 2.1 percent. Prices for food away from home rose 3.6 percent since a year ago, and prices for food at home rose 0.8 percent.

Energy

The energy index decreased 3.9 percent over the month. The decrease was mainly due to lower prices for gasoline (-6.2 percent). Prices for electricity declined 1.2 percent, but prices for natural gas service advanced 4.4 percent for the same period.

Energy prices advanced 3.4 percent over the year, largely due to higher prices for gasoline (5.2 percent). Prices paid for electricity rose 0.8 percent, and prices for natural gas service advanced 0.4 percent during the past year.

All items less food and energy

The index for all items less food and energy crept up 0.1 percent in December. Higher prices for medical care (1.4 percent), recreation (0.4 percent), and shelter (0.1 percent) were partially offset by lower prices for apparel (-1.3 percent) and education and communication (-0.3 percent).

Over the year, the index for all items less food and energy rose 2.8 percent. Components contributing to the increase included medical care (6.0 percent) and shelter (4.3 percent). Partly offsetting the increases was a price decrease in apparel (-0.1 percent).

Table A. West region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2015		2016		2017		2018		2019	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January.....	-0.3	0.7	0.5	2.6	0.5	2.5	0.5	3.1	0.2	2.7
February.....	0.6	0.9	0.1	2.1	0.6	3.0	0.5	3.1	0.2	2.4
March.....	0.8	1.1	0.2	1.5	0.3	3.1	0.4	3.2	0.4	2.4
April.....	0.3	1.0	0.5	1.8	0.3	2.9	0.4	3.2	0.8	2.9
May.....	0.8	1.2	0.5	1.5	0.2	2.6	0.5	3.5	0.5	2.9
June.....	0.0	1.1	0.2	1.6	0.0	2.5	0.2	3.6	0.0	2.7
July.....	0.3	1.3	0.1	1.4	0.1	2.5	0.1	3.6	0.0	2.7
August.....	-0.1	1.3	0.0	1.5	0.2	2.7	0.2	3.6	0.1	2.6
September.....	-0.2	1.0	0.3	2.0	0.5	2.9	0.3	3.4	0.3	2.6
October.....	0.0	1.1	0.3	2.3	0.3	2.9	0.4	3.5	0.5	2.8
November.....	-0.2	1.5	-0.2	2.3	0.0	3.1	-0.2	3.3	-0.1	2.8
December.....	-0.1	1.8	0.0	2.5	0.1	3.1	-0.2	3.1	-0.2	2.8

The January 2020 Consumer Price Index for the West Region is scheduled to be released on February 13, 2020.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 5,000 housing units and approximately 22,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The West Region covered in this release is comprised of the following thirteen states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods West (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2019	Nov. 2019	Dec. 2019	Dec. 2018	Oct. 2019	Nov. 2019
Expenditure category						
All Items.....	273.524	273.128	272.584	2.8	-0.3	-0.2
All items (December 1977=100).....	442.137	441.496	440.616			
Food and beverages	267.382	266.850	267.096	1.9	-0.1	0.1
Food	267.487	267.107	267.425	2.1	0.0	0.1
Food at home	251.030	250.350	250.222	0.8	-0.3	-0.1
Cereals and bakery products	266.617	266.219	262.004	0.1	-1.7	-1.6
Meats, poultry, fish, and eggs.....	257.933	259.911	260.400	1.2	1.0	0.2
Dairy and related products	234.068	233.698	236.295	4.2	1.0	1.1
Fruits and vegetables.....	336.864	330.634	331.526	0.0	-1.6	0.3
Nonalcoholic beverages and beverage materials.....	174.118	174.995	174.619	1.3	0.3	-0.2
Other food at home	212.827	211.908	211.683	-0.1	-0.5	-0.1
Food away from home.....	288.871	288.878	289.770	3.6	0.3	0.3
Alcoholic beverages	262.665	260.173	259.502	-1.4	-1.2	-0.3
Housing	302.144	301.908	302.112	3.7	0.0	0.1
Shelter	349.802	350.397	350.777	4.3	0.3	0.1
Rent of primary residence(1).....	371.955	373.143	374.382	4.6	0.7	0.3
Owners' equiv. rent of residences(1)(2)....	367.314	368.433	369.702	4.4	0.7	0.3
Owners' equiv. rent of primary residence(1)(2).....	367.318	368.436	369.707	4.4	0.7	0.3
Fuels and utilities.....	310.623	305.066	304.982	2.0	-1.8	0.0
Household energy	262.208	254.427	254.281	0.7	-3.0	-0.1
Energy services(1)	264.312	256.323	256.032	0.7	-3.1	-0.1
Electricity(1).....	297.331	290.952	287.434	0.8	-3.3	-1.2
Utility (piped) gas service(1).....	201.626	188.520	196.879	0.4	-2.4	4.4
Household furnishings and operations	132.956	132.061	131.794	0.6	-0.9	-0.2
Apparel	119.233	114.668	113.210	-0.1	-5.1	-1.3
Transportation	223.674	223.156	218.713	1.4	-2.2	-2.0
Private transportation	219.314	218.956	214.895	1.5	-2.0	-1.9
New and used motor vehicles(3).....	99.743	99.531	99.488	-0.6	-0.3	0.0
New vehicles	147.391	147.579	147.969	0.2	0.4	0.3
New cars and trucks(3)(4).....	102.350	102.480	102.754	0.1	0.4	0.3
New cars(4).....	145.782	146.222	146.602	0.9	0.6	0.3
Used cars and trucks.....	133.071	132.086	131.779	-0.9	-1.0	-0.2
Motor fuel	286.854	285.613	268.140	5.1	-6.5	-6.1
Gasoline (all types).....	286.207	284.666	266.882	5.2	-6.8	-6.2
Gasoline, unleaded regular(4).....	283.162	281.564	263.581	5.1	-6.9	-6.4
Gasoline, unleaded midgrade(4)(5)....	272.405	271.444	256.745	5.2	-5.7	-5.4
Gasoline, unleaded premium(4).....	279.515	278.300	262.545	5.4	-6.1	-5.7
Motor vehicle insurance(6).....	842.158	843.534	843.608	-1.1	0.2	0.0
Medical Care	521.163	523.141	530.506	6.0	1.8	1.4
Medical care commodities.....	411.526	413.647	434.657	12.8	5.6	5.1
Medical care services	555.400	557.317	559.982	4.3	0.8	0.5
Professional services	359.664	359.655	359.697	1.2	0.0	0.0
Recreation(3).....	115.627	115.738	116.187	0.7	0.5	0.4
Education and communication(3).....	137.928	138.301	137.914	0.6	0.0	-0.3
Tuition, other school fees, and child care(6) .	1,494.313	1,495.444	1,494.758	2.5	0.0	0.0
Other goods and services	451.586	455.293	453.836	3.2	0.5	-0.3
Commodity and Service Group						
All Items.....	273.524	273.128	272.584	2.8	-0.3	-0.2
Commodities	190.020	189.091	187.603	1.8	-1.3	-0.8

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods West (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2019	Nov. 2019	Dec. 2019	Dec. 2018	Oct. 2019	Nov. 2019
Commodities less food & beverages.....	151.460	150.430	148.369	1.7	-2.0	-1.4
Nondurables less food & beverages	202.934	200.892	197.070	3.3	-2.9	-1.9
Nondurables less food, beverages, and apparel	261.643	261.450	255.951	4.4	-2.2	-2.1
Durables	105.835	105.618	104.983	-0.5	-0.8	-0.6
Services.....	351.102	351.264	351.706	3.4	0.2	0.1
Rent of shelter(2).....	372.536	373.174	373.602	4.3	0.3	0.1
Transportation services	321.753	321.138	318.458	0.2	-1.0	-0.8
Other services	360.056	360.878	362.528	2.0	0.7	0.5
Special aggregate indexes:						
All items less medical care	262.221	261.724	260.842	2.5	-0.5	-0.3
All items less food	274.649	274.249	273.570	2.9	-0.4	-0.2
All items less shelter.....	243.616	242.821	241.905	1.9	-0.7	-0.4
Commodities less food	155.642	154.565	152.523	1.5	-2.0	-1.3
Nondurables	235.675	234.306	232.319	2.5	-1.4	-0.8
Nondurables less food.....	207.598	205.518	201.855	2.9	-2.8	-1.8
Nondurables less food and apparel.....	261.427	261.017	255.981	3.8	-2.1	-1.9
Services less rent of shelter(2).....	363.142	362.722	363.231	2.1	0.0	0.1
Services less medical care services.....	336.825	336.873	337.168	3.3	0.1	0.1
Energy	281.399	277.542	266.687	3.4	-5.2	-3.9
All items less energy	275.227	275.079	275.280	2.7	0.0	0.1
All items less food and energy	277.386	277.277	277.459	2.8	0.0	0.1
Commodities less food and energy commodities	141.127	140.062	139.819	0.8	-0.9	-0.2
Energy commodities.....	291.662	290.390	272.955	5.0	-6.4	-6.0
Services less energy services.....	357.483	358.093	358.577	3.5	0.3	0.1

Footnotes

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Indexes on a December 1982=100 base.

(3) Indexes on a December 1997=100 base.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1977=100 base.

- Data not available

Regions defined as the four Census regions. West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.

STATE OF NEW MEXICO
BEFORE THE ENVIRONMENTAL IMPROVEMENT BOARD



IN THE MATTER OF
20.7.11.17 NMAC - *Periodic Review*

No. N/A

New Mexico Environment Department,

Movant

NEW MEXICO ENVIRONMENT DEPARTMENT'S
SUBMISSION OF PERIODIC REVIEW OF 2020

COMES NOW, the New Mexico Environment Department and respectfully submits this
Periodic Review, pursuant to 20.7.11.14 NMAC.

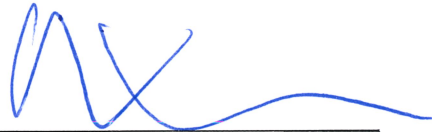
NEW MEXICO ENVIRONMENT DEPARTMENT

Chris Vigil
Assistant General Counsel,
New Mexico Environment Department
121 Tijeras Avenue NE, Suite 1000
Albuquerque, New Mexico 87102-3400
Telephone: (505) 383-2060

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Submission of Periodic Review of 2019* was served on the following party by email on this the thirty-first day of January 2020:

Cody Barnes, Hearing Officer Administrator
Room S-2104, Runnels Building
1190 St. Francis Dr.
Santa Fe, New Mexico 87505



Chris Vigil
Assistant General Counsel



Michelle Lujan Grisham
Governor

Howie C. Morales
Lt. Governor

NEW MEXICO ENVIRONMENT DEPARTMENT

Harold Runnels Building
1190 Saint Francis Drive, PO Box 5469
Santa Fe, NM 87502-5469
Telephone (505) 827-2855
www.env.nm.gov



James C. Kenney
Cabinet Secretary

Jennifer J. Pruett
Deputy Secretary

2019 EIB Liquid Waste Fee Review Requirements Prepared by the Environmental Health Bureau January 2020 Summary

Pursuant to 20.7.11. NMAC of the Liquid Waste Treatment and Disposal Fees, section 14, "Periodic Review":

In order for the environmental improvement board to fulfill its obligation to establish onsite liquid waste fees in accordance with Section 74-8-8(A)(3), NMSA 1978, the department shall provide information by January 15th of each year to the environmental improvement board as follows:

- A. Liquid waste fund expenditures for **2019 – \$433,871,00**
- B. Liquid waste fund expenditures for **2019 - \$604,899.00**
 - 1) Personal services and benefits - \$417,076.78
 - 2) Contracts: \$38,264.08
 - 3) Other costs - \$53,843.33
 - 4) Indirect - \$88,461.99
- C. External audit report **2019 - See Attached report**
- D. Current fiscal budget for EHB approved by DFA and LFC - **See Attached report**
- E. Report of contiguous states' fees – **See Attached report**
- F. Performance measures report – **The liquid waste program does not report any performance measures**
- G. Copy of liquid waste annual strategic plan – **Currently the Bureau has not maintained a current liquid waste program strategic plan.**
- H. Copy of training plan, if any, for upcoming year. **The Bureau does not have a current training plan.**

NMED External Audit 2019



STATE OF NEW MEXICO
NEW MEXICO ENVIRONMENT DEPARTMENT
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
JUNE 30, 2019

OFFICIAL ROSTER	1
INDEPENDENT AUDITORS' REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	14
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
STATEMENT OF REVENUES AND EXPENDITURES – MAJOR GOVERNMENTAL FUNDS – BUDGET AND ACTUAL (BUDGETARY BASIS)	20
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	23
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	24
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	25
NOTES TO FINANCIAL STATEMENTS	27
SUPPLEMENTARY INFORMATION	
NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS	56
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	59
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	64
OTHER INFORMATION	69
SCHEDULE 1 – SUPPLEMENTAL SCHEDULE OF CAPITAL APPROPRIATIONS	69
SCHEDULE 2 – SUPPLEMENTAL SCHEDULE OF SPECIAL APPROPRIATIONS	70

COMPLIANCE SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	71
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	75
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	77
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	79
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	82
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	87
EXIT CONFERENCE	88

Office of the Secretary

James C. Kenney, Cabinet Secretary

Jennifer J. Pruett, Deputy Secretary

Division Directors

Michelle Desmond, ASD Director

Mary Montoya, Information Technology Division

Stephanie Stringer, Resource Protection Director

Rebecca Roose, Water Protection Division

Sandra Ely, Environmental Protection Director

INDEPENDENT AUDITORS' REPORT

Mr. James C. Keeney, Cabinet Secretary
New Mexico Environment Department and
Mr. Brian Colón
New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the New Mexico Environment Department (the Department), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities and business-type activities of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2019, and the changes in the financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other schedules required by Section 2.2.2 NMAC, as listed in the table of contents as Supplemental Schedule of Capital Appropriations (Schedule 1) and Supplemental Schedule of Special Appropriations (Schedule 2), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and the other schedules required by Section 2.2.2 NMAC as listed in the table of contents as Supplemental Schedule of Capital Appropriations (Schedule 1) and Supplemental Schedule of Special Appropriations (Schedule 2) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and the schedules required by Section 2.2.2 NMAC as listed in the table of contents as Supplemental Schedule of Capital Appropriations (Schedule 1) and Supplemental Schedule of Special Appropriations (Schedule 2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Department's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
October 31, 2019

Executive Summary

The management of the State of New Mexico Environment Department (the Department) is pleased to present the *Management's Discussion and Analysis (MD&A)* of its financial statements for the fiscal year ended June 30, 2019. This overview and analysis summarizes the Department's financial activities and operations for the state fiscal year 2019, which is the period between July 01, 2018 and June 30, 2019 (*FY19*). This report is targeted at consumers of financial information including state legislators, citizens, federal entities and the public. It contains a synopsis of operational highlights for the four budgetary programs within the Department in accordance with the laws it is charged to administer and enforce.

The Department encourages readers to consider the MD&A information in conjunction with the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Department's basic financial statements, which include five components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, 4) other supplemental information and schedules, and 5) single audit of federal programs.

Government-wide Financial Statements. The government-wide financial statements are designed to be corporate-like in that the governmental and business-type activities are consolidated into columns that add to a total for the primary government and consist of a Statement of Net Position and a Statement of Activities. These statements should report all of the assets, liabilities, revenues, expenses and gains and losses of the government. Both statements distinguish between the governmental and business-type activities of the primary government. Fiduciary activities whose resources are not available to finance the government's program are excluded from the government-wide statements.

The government-wide financial statements of the Department are divided into two categories:

Governmental Activities. Most of the Department's basic services are included in the governmental activities. State appropriations, federal grants and special revenue fund appropriations finance the Department's activities. The funds included in Governmental Activities for the Department are the General Operating Fund, various special revenue and capital project funds, and various federal grant activities. The Department has classified four funds as major funds: the General Fund, the Corrective Action Fund, and two Capital Project Funds.

Business-type Activities. The Department's Wastewater Facility Construction Loan Fund, the Clean Water Administrative Fund, and the Rural Infrastructure Revolving Loan Fund comprise the Department's business-type activities. The Wastewater Facility Construction Loan Fund and the Rural Infrastructure Revolving Loan Fund provide low interest rate loans to communities throughout the state for water and wastewater treatment and delivery infrastructure projects. The Clean Water Administrative Fund is used to administer the Wastewater Facility Construction Loan Fund.

Fund Financial Statements. Fund financial statements consist of a series of statements that focus on information about the major governmental and enterprise funds. Fund financial statements also report information about a government's fiduciary funds. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary fund financial statements (enterprise funds) and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column. The Department has two types of funds: governmental funds and proprietary funds.

Governmental Funds. Most of the Department's services are included in governmental funds, which focus on (a) how cash and other financial assets that can be readily converted to cash flow in and out, and (b) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view and help the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

Proprietary Funds. The Wastewater Facility Construction Loan Fund, the Clean Water Administrative Fund, and the Rural Infrastructure Fund have been classified as proprietary funds. The funds provide low interest loans to communities throughout the State for water and wastewater treatment and delivery infrastructure projects. Proprietary funds, like the government-wide statements, provide both long and short-term information.

Notes to the Financial Statements. The notes to the financial statements consist of notes that provide information that is essential to a user's understanding of the basic financial statements.

Per the New Mexico Office of the State Auditor under 2.2.2 NMAC (the State Auditor Rule), the Statement of Revenues and Expenditures – Budget to Actuals for non-major funds are no longer required to be included separately in the presentation of the financial statements. The budgetary comparisons statements for only the general fund and major funds that have legally adopted annual budgets will be presented in the financial statements.

Department Highlights

The Department's mission is to protect and restore the environment, and to foster a healthy and prosperous New Mexico for present and future generations. NMED is committed to providing clear articulation of the agency's goals, standards and expectations in a professional manner so that employees and the public can make informed decisions and be actively involved in setting priorities. Additionally, NMED promotes environmental awareness through the practice of open and direct communication and sound decision-making by carrying out the mandates and initiatives of the Department in a fair and consistent manner.

During fiscal year 2019, the Department operated with four divisions within four budgetary programs. Through these programs, which include Resource Management Division (P567), Water Protection Division (P568), Resource Protection Division (P569), and Environmental Protection Division (P570), the Department was able to administer and enforce the state and federal laws with which it is charged.

Following is a summation of the four budgetary programs and their purposes within the Department:

Resource Management Division (P567)

This program is comprised of the Office of the Secretary; Office of the General Counsel; the Financial Services Bureau, which includes Budget & Grants, General Ledger & Operational Support, Procurement & Accounts Payables and Human Resources and the Office of Information Technology.

Resource Management provides overall leadership, administrative, legal and information management support to the Department staff and oversight and regulatory entities. This support allows the Department to operate in the most knowledgeable, efficient and cost-effective manner possible, and provides the public with information necessary to hold the Department accountable.

Water Protection Division (P568)

This program is comprised of the Construction Programs Bureau (“CPB”); Drinking Water Bureau (“DWB”); Ground Water Quality Bureau (“GWQB”) and Surface Water Quality Bureau (“SWQB”).

The program is responsible for overseeing water infrastructure systems and water quality issues throughout the state. It regulates the quality of New Mexico’s ground and surface water resources to ensure clean and safe water supplies are available now and in the future to support domestic, agricultural, economic, and recreational activities; ensures that drinking water throughout the state is clean and healthy; that wastewater systems are designed and constructed to meet regulatory standards; and that public funds appropriated to design and construct these systems are appropriately utilized.

Accomplishments –

- During State Fiscal Year (“SFY”) 2019, Constructions Program Bureau provided technical and financial oversight and assistance for over 300 projects statewide and disbursed over \$26.5 million dollars to New Mexico communities from the Clean Water State Revolving Loan Fund (“CWSRF”), Rural Infrastructure Program (RIP) and Capital Outlay programs. This money was used to support projects that not only protect public health and the environment, but also stimulate the local economies.
- In 2019 the CWSRF program continues to accept applications from private entities for funding for a variety of projects that became eligible as a result of the 2017 and 2018 legislative amendments to the Wastewater Facility Construction Loan Act also known as the CWSRF. The program is working with several owners of underground petroleum storage tanks to fund removal or removal and replacement of outdated tanks to protect groundwater resources.

- In SFY 2019, the DWB developed an SFY 2019 Drinking Water State Resolving Fund (“DWSRF”) Priority Funding List to offer \$29,121,801 in water infrastructure project funding assistance to 10 public water systems across the state at interest rates from 0% to 2%. The DWSRF list offers loans and loan/principal forgiveness combinations to public water systems, positively impacting about 724,476 water customers in these communities.
- Through the Clean Water Act (“CWA”) §319 and §604(b) Programs, SWQB funded and oversaw projects located throughout the state to develop watershed-based plans and implement on-the-ground restoration activities.

Resource Protection Division (P569)

This program is comprised of the Department of Energy Oversight (“DOE-OB”); Hazardous Waste Bureau (HWB); Petroleum Storage Tank Bureau (“PSTB”) and the Solid Waste (“SWB”).

The program protects public health and the environment by ensuring that solid waste and recyclable materials are properly transported, managed, handled and disposed; operations that generate, manage, store, process, transport, or dispose of hazardous wastes do so in a responsible manner; petroleum storage tanks are managed to prevent releases and petroleum contaminated sites are cleaned up; and Department of Energy operations in New Mexico are performed in a conscientious manner.

Accomplishments –

- SWB permitting staff issued 118 Collection Center registrations for 48 Recycling facilities, 35 Composting facilities, 17 Transfer Stations, 10 Tire Recycling Facilities, 1 Processing Facility, 2 air curtain incinerators, 5 Small Animal Crematoria and there are 28 permitted landfills in New Mexico. SWB has registered 392 commercial haulers, 19 special waste haulers and 34 scrap tire haulers. Staff have also completed one closure/post closure care certificate to Plains Electric Generating Station Landfill in April 2019.
- The HWB has implemented a document conversion plan that allows public access to HWB records in a prompt and efficient manner. The records are located at <<http://hwbdocuments.env.nm.gov/>>.
- The HWB also responded to 25 spills or complaints. HWB issued a RCRA hazardous waste permit for Cannon Air Force Base and issued a final decision on a permit modification for the Waste Isolation Pilot Plant on volume of record.
- HWB revised the Hazardous Waste Management Regulations, 20.4.1 NMAC, before the Environmental Improvement Board which became effective in December 2018. The HWB started the process in 2018 to revise the Hazardous Waste Permit and Corrective Action Fee Regulations, 20.4.2 NMAC and the Annual Hazardous Waste Fee Regulations, 20.4.3 NMAC. The proposed revisions to the fee regulations have been communicated to the regulated community and meetings have been held. The fee regulations are tentatively planned to go before the Environmental Improvement Board in late calendar year 2019.

Environmental Protection Program (P570)

This program is comprised of the Air Quality Bureau (“AQB”), Environmental Health Bureau (“EHB”), Occupational Health and Safety Bureau (“OSHB”), Radiation Control Bureau (“RCB”), and the Office of Nuclear Worker Advocacy (“ONWA”).

The purpose of the Environmental Health Division is to protect public health and the environment through programs that regulate air emissions; provide public outreach, education, and regulatory oversight for worker safety; regulation of radiation producing materials and equipment; protection of public health through regulation of food service and food processing facilities; regulation of liquid waste treatment and disposal; and, regulating public swimming pools, baths, and spas.

Accomplishments -

- The Permitting Section of the AQB issued 1751 (up 40% since FY2017) permit applications and 509 (up 130%) construction permits during the 2019 state fiscal year. This increase is primarily due to the increased oil and gas activity primarily in the Permian Basin. Despite this increased workload, the section managed to issue 100% of the permits within the statutory deadline. This success was accomplished through multiple efforts to streamline the regulatory review process, including, but not limited to, the new General Construction Permit-Oil & Gas permit and the new Notice of Intent-Oil and Gas application form.
- NMED was named the lead agency for the Volkswagen (“VW”) Mitigation Trust and conducted six public information meetings across the State. The initial round of funding funded numerous projects, including 75 new school buses, replacement of 10 solid waste trucks, one county truck, 20 delivery trucks and 4 cement trucks, and electric push back trailers at the Albuquerque Support.
- EHB has been given added responsibilities of promulgating regulations and creating a new hemp manufacturing program under the Hemp Manufacturing Act (Act) that will become law on July 1, 2019.
- During SFY 2019, the OHSB continued to focus enforcement and cooperative program efforts in high hazard industries including healthcare, construction, manufacturing, and oil and gas well drilling and servicing. OHSB conducted 252 enforcement inspections, issued citations for 365 health and safety violations, and assessed \$555,730 in penalties during the 2019 fiscal year which were reverted to the State’s General Fund Investment Pool.

Financial Highlights

The Department’s FY19 financial portfolio included 29 funds comprised of governmental and proprietary funds. The governmental funds included four major funds: the General Fund (06400), the Corrective Action Fund (99000), the Severance Tax Bonds (89200), and the General Fund Capital Outlay (93100). The proprietary funds include three major funds: the Wastewater Facility Construction Loan Fund (12100), the Clean Water Administrative Fund (32700), and the Rural Infrastructure Revolving Loan Fund (33700). The special revenue funds made up the remainder of the Department’s financial portfolio for the year.

During FY19, the Department recorded total net position of \$410,806,459, which represents an increase of \$55,504,928, or a 16% increase from FY18. The Department’s governmental net position increased by \$41,840,568, while the business-type net position increased by \$13,664,360 over FY18.

The business-type activities operating revenue for FY19 was \$8,404,072 and the non-operating income was \$5,260,288. The total cost of all Department programs increased by \$4,395,335, or 6%, versus the prior fiscal year, from \$77,729,463 to \$82,124,798 during FY18.

Budgetary Highlights

The Department's general fund appropriation (06400 General Fund) decreased by \$100,000 over the prior year. Federal sources were budgeted at \$3,740,745 less than the prior fiscal year. These changes demonstrate the Department's increased reliance on the use of special revenue funding to support activities and match federal awards. The Department continued to operate under austerity measures with regard to hiring in order to have sufficient fund balances to support activities.

Analysis of Individual Balances and Transactions

Governmental activities and business activities experienced an increase in net revenue this was mainly attributable to additional general fund capital outlay appropriations. The Department has continued to fully utilize special revenue and federal funds where allowable.

In addition, one million dollars from the Corrective Action fund was transferred to the New Mexico Energy, Minerals and Natural Resources Department to assist with the Carlsbad Brine Well project.

Financial Analysis of the Department as a Whole

Net Position. Table A-1 summarizes the Department's net position for the fiscal year ending June 30, 2019. Net position for the Governmental Activities and Business-type Activities was \$51,345,832 and \$359,460,627, respectively. The total Department's net position for fiscal year 2019 is \$410,806,459, which is an increase over the previous fiscal year. The Department's unrestricted balance decreased over the prior period with an increase of total liabilities, mainly attributable to governmental activities.

**Table A-1
The Department's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and						
Other Assets	\$ 87,627,036	\$ 44,724,665	\$ 180,019,033	\$ 169,857,474	\$ 267,646,069	\$ 214,582,139
Capital and Non-current Assets	1,502,873	1,736,899	180,941,598	177,038,797	182,444,471	178,775,696
Total Assets	<u>89,129,909</u>	<u>46,461,564</u>	<u>360,960,631</u>	<u>346,896,271</u>	<u>450,090,540</u>	<u>393,357,835</u>
Liabilities						
Current Liabilities	8,430,356	9,795,724	1,500,004	1,100,004	9,930,360	10,895,728
Long-Term Liabilities	29,353,721	27,160,576	-	-	29,353,721	27,160,576
Total Liabilities	<u>37,784,077</u>	<u>36,956,300</u>	<u>1,500,004</u>	<u>1,100,004</u>	<u>39,284,081</u>	<u>38,056,304</u>
Net Position						
Net Investment						
in Capital Assets	1,502,873	1,736,899	-	-	1,502,873	1,736,899
Restricted	80,521,303	38,546,320	359,460,627	345,796,267	439,981,930	384,342,587
Unrestricted	(30,678,344)	(30,777,955)	-	-	(30,678,344)	(30,777,955)
Total Net Position	<u>\$ 51,345,832</u>	<u>\$ 9,505,264</u>	<u>\$ 359,460,627</u>	<u>\$ 345,796,267</u>	<u>\$ 410,806,459</u>	<u>\$ 355,301,531</u>

Changes in Net Position. Table A-2 summarizes the Department's changes in net position for the fiscal year ending June 30, 2019. The Department's changes in net position for fiscal year 2019 was \$55,504,928 compared to \$31,686,367 for fiscal year 2018. Program revenues for governmental activities increased by \$777,798 when compared to fiscal year 2018. Program revenues for business-type activities decreased by \$365,192. The total change in net position was primarily due to the department utilizing more of its special revenue funds to complete the mission of the agency.

**Table A-2
Changes in the Department's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 20,739,167	\$ 19,868,049	\$ 3,274,896	\$ 5,025,088	\$ 24,014,063	\$ 24,893,137
Operating Grants & Contributions	19,961,360	20,054,680	7,859,000	6,474,000	27,820,360	26,528,680
General Revenues						
Transfers, Net	115,582	201,227	127,118	(937,133)	242,700	(735,906)
Other	21,039,726	20,583,058	-	-	21,039,726	20,583,058
Bond Proceeds/ Appropriations	59,314,405	36,846,861	-	1,300,000	59,314,405	38,146,861
Investment Income	69,296	-	5,129,176	-	5,198,472	-
Total Revenues	<u>121,239,536</u>	<u>97,553,875</u>	<u>16,390,190</u>	<u>11,861,955</u>	<u>137,629,726</u>	<u>109,415,830</u>
Expenses						
Governmental	<u>79,398,968</u>	<u>76,203,197</u>	<u>2,725,830</u>	<u>1,526,266</u>	<u>82,124,798</u>	<u>77,729,463</u>
Total Expenses	<u>79,398,968</u>	<u>76,203,197</u>	<u>2,725,830</u>	<u>1,526,266</u>	<u>82,124,798</u>	<u>77,729,463</u>
Changes in Net Position	41,840,568	21,350,678	13,664,360	10,335,689	55,504,928	31,686,367
Beginning Net Position	<u>9,505,264</u>	<u>(11,845,414)</u>	<u>345,796,267</u>	<u>335,460,578</u>	<u>355,301,531</u>	<u>323,615,164</u>
Ending Net Position	<u>\$ 51,345,832</u>	<u>\$ 9,505,264</u>	<u>\$ 359,460,627</u>	<u>\$ 345,796,267</u>	<u>\$ 410,806,459</u>	<u>\$ 355,301,531</u>

Capital Assets and Debt Administration

As of June 30, 2019, the Department's net capital assets were \$1,502,873. This amount represents a net decrease of \$234,026 (including additions, deletions and depreciation) compared to fiscal year 2018.

As of June 30, 2019, the Department's total compensated absence liability was approximately \$1.9 million; this is an increase of \$54,422 compared to fiscal year 2018. The amount is expected to be paid from the general fund and special revenue funds and is expected to be paid within one year.

As of June 30, 2019, the Department's total pollution remediation liability was approximately \$27.5 million; this is a decrease of \$22,875 compared to fiscal year 2018. The amount expected to be paid within one year is \$620,523.

Economic Factors and Next Year's Budget Outlook

The Department is reliant on a nominal appropriation of general fund used to support general operating activities and provide match to federal awards. Accordingly, special and capital projects are significantly reliant on general fund appropriations and as such this source has continued to diminish in recent periods. The sources of inflows to the general fund appears to have stabilized, but is still dependent upon the government's ability to collect taxes and fees for services based on current and projected economic wealth. As stable economic certainty is still unknown, investors remain cautious to invest in public projects, which directly affect bonds sales. In the current economic climate, the State Legislature, who makes appropriations annually for the operations and capital projects, has been cautious in its authority to fund government operations based on revenue and income flows to the State. The Department remains optimistic that current low interest rates on loans it provides for capital projects has induced more consumers to utilize this source, which has increased business-type assets. The Department continues to be concerned with future federal funding and the reliance on the special revenue funds and its effects on fund balances for operations and future projects.

Contacting the Department's Financial Management

The financial report is designed to provide citizens, taxpayers, customers, legislators, investors and creditors with a general overview of the Department finances and to demonstrate the Department's accountability for the money it receives. If you have any questions about this report or need additional information, please contact:

New Mexico Environment Department
Administrative Services Division – Financial Services Bureau
1190 St. Francis Drive
PO Box 5469
Santa Fe, NM 87502-5469
www.nmenv.state.nm.us

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Investment in State General Fund			
Investment Pool	\$ 76,478,669	\$ 166,663,104	\$ 243,141,773
Receivables			
Due from Federal Government	5,185,491	-	5,185,491
Due from Other State Agencies	2,034,832	-	2,034,832
Due from Other State Entities	1,879,427	-	1,879,427
Other Receivables, Net	2,048,617	-	2,048,617
Loan Receivables, Net	-	191,596,391	191,596,391
Loan Interest Receivables	-	2,465,831	2,465,831
Administrative Fee Receivables	-	235,305	235,305
Capital Assets, Net of Accumulated			
Depreciation	1,502,873	-	1,502,873
Total Assets	<u>89,129,909</u>	<u>360,960,631</u>	<u>450,090,540</u>
LIABILITIES			
Accounts Payable	6,333,530	-	6,333,530
Accrued Payroll Liabilities	1,695,733	-	1,695,733
Due to Federal Government	38,323	-	38,323
Due to Other State Entities	19,725	-	19,725
Due to State General Fund	22,125	4	22,129
Other Liabilities	6,305	-	6,305
Unearned Revenues	314,615	1,500,000	1,814,615
Pollution Remediation Liability:			
Due Within One Year	620,523	-	620,523
Due in More Than One Year	26,835,693	-	26,835,693
Compensated Absences:			
Due Within One Year	1,707,754	-	1,707,754
Due in More Than One Year	189,751	-	189,751
Total Liabilities	<u>37,784,077</u>	<u>1,500,004</u>	<u>39,284,081</u>
NET POSITION			
Net Investment in Capital Assets	1,502,873	-	1,502,873
Restricted	80,521,303	359,460,627	439,981,930
Unrestricted Deficit	(30,678,344)	-	(30,678,344)
Total Net Position	<u>\$ 51,345,832</u>	<u>\$ 359,460,627</u>	<u>\$ 410,806,459</u>

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
Resource Management Division	\$ 7,470,282	\$ -	\$ -	\$ -
Water Protection Division	19,750,704	-	-	-
Resource Protection Division	22,524,870	-	-	-
Environmental Protection Division	20,161,484	-	-	-
Other Environmental Initiatives	9,491,628	20,739,167	19,961,360	-
Total Governmental Activities	79,398,968	20,739,167	19,961,360	-
BUSINESS-TYPE ACTIVITIES				
12100/32700 - Clean Water State Revolving Fund	2,234,725	2,796,162	7,859,000	-
33700 - Rural Infrastructure Revolving Fund	491,105	478,734	-	-
Total Business-Type Activities	2,725,830	3,274,896	7,859,000	-
TOTAL PRIMARY GOVERNMENT	\$ 82,124,798	\$ 24,014,063	\$ 27,820,360	\$ -

Functions/Programs (Continued)	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES			
Resource Management Division	\$ (7,470,282)	\$ -	\$ (7,470,282)
Water Protection Division	(19,750,704)	-	(19,750,704)
Resource Protection Division	(22,524,870)	-	(22,524,870)
Environmental Protection Division	(20,161,484)	-	(20,161,484)
Other Environmental Initiatives	31,208,899	-	31,208,899
Total Governmental Activities	(38,698,441)	-	(38,698,441)
BUSINESS-TYPE ACTIVITIES			
12100/32700 - Clean Water State Revolving Fund	-	8,420,437	8,420,437
33700 - Rural Infrastructure Revolving Fund	-	(12,371)	(12,371)
Total Business-Type Activities	-	8,408,066	8,408,066
TOTAL PRIMARY GOVERNMENT	(38,698,441)	8,408,066	(30,290,375)
GENERAL REVENUES AND TRANSFERS:			
General Fund Appropriations	50,456,630	-	50,456,630
Severance Tax Bond Appropriations	8,857,775	-	8,857,775
Petroleum Products Loading Fee	21,039,726	-	21,039,726
Investment Earnings	69,296	5,129,176	5,198,472
Transfers from Other Agencies	142,700	1,105,800	1,248,500
Transfers to Other Agencies	(1,000,000)	-	(1,000,000)
Transfers - INTRA Agency	978,682	(978,682)	-
Reversions FY19	(5,800)	-	(5,800)
Total General Revenues and Transfers	80,539,009	5,256,294	85,795,303
CHANGE IN NET POSITION	41,840,568	13,664,360	55,504,928
Net Position - Beginning of Year (Deficit)	9,505,264	345,796,267	355,301,531
NET POSITION - END OF YEAR (DEFICIT)	<u>\$ 51,345,832</u>	<u>\$359,460,627</u>	<u>\$410,806,459</u>

	Major Funds					Total Governmental
	06400	99000	89200	93100	Other	
	General Fund	Corrective Action Fund	Severance Tax Bonds	GF Capital Outlay	Governmental Funds	
ASSETS						
Investment in State General Fund						
Investment Pool	\$ -	\$ 20,434,966	\$ 766,927	\$ 39,184,130	\$ 20,624,766	\$ 81,010,789
Due from Federal Government	5,185,491	-	-	-	-	5,185,491
Due from Other State Agencies	-	1,800,443	-	-	234,389	2,034,832
Due from Other State Entities	1,879,427	-	-	-	-	1,879,427
Other Receivables, Net	21,762	-	-	-	2,026,855	2,048,617
TOTAL ASSETS	\$ 7,086,680	\$ 22,235,409	\$ 766,927	\$ 39,184,130	\$ 22,886,010	\$ 92,159,156
LIABILITIES AND FUND BALANCES						
Liabilities:						
Investment in State General Fund						
Investment Pool Overdraft	\$ 4,532,120	\$ -	\$ -	\$ -	\$ -	\$ 4,532,120
Accounts Payable	1,387,517	4,081,876	766,927	-	97,210	6,333,530
Accrued Payroll Liabilities	1,695,733	-	-	-	-	1,695,733
Due to Federal Government	38,268	-	-	-	55	38,323
Due to Other State Entities	19,725	-	-	-	-	19,725
Due to State General Fund	-	-	-	-	22,125	22,125
Other Liabilities	6,305	-	-	-	-	6,305
Unearned Revenues	-	-	-	-	314,615	314,615
Total Liabilities	7,679,668	4,081,876	766,927	-	434,005	12,962,476
Fund Balances:						
Restricted	731,635	18,153,533	-	39,184,130	22,452,005	80,521,303
Unassigned (Deficit)	(1,324,623)	-	-	-	-	(1,324,623)
Total Fund Balances	(592,988)	18,153,533	-	39,184,130	22,452,005	79,196,680
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,086,680	\$ 22,235,409	\$ 766,927	\$ 39,184,130	\$ 22,886,010	\$ 92,159,156

Total Funds Balance - Governmental Funds (Governmental Fund Balance Sheet) \$ 79,196,680

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.

Cost of Capital Assets	7,755,973
Accumulated Depreciation	<u>(6,253,100)</u>
Total Capital Assets	1,502,873

Long-term and certain other liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

Long-term and other liabilities at year-end consist of:

Pollution Remediation Obligations	(27,456,216)
Compensated Absences Payable	<u>(1,897,505)</u>
Total Long-Term and Other Liabilities	<u>(29,353,721)</u>

Net Position of Governmental Activities (Statement of Net Position) \$ 51,345,832

Major Funds

	06400 General Fund	99000 Corrective Action Fund	89200 Severance Tax Bonds	93100 GF Capital Outlay	Other Governmental Funds	Total Governmental
REVENUES						
Environmental Fees	\$ -	\$ -	\$ -	\$ -	\$ 20,739,167	\$ 20,739,167
Petroleum Products Loading Fee	-	21,039,726	-	-	-	21,039,726
Federal Grant Revenue	19,303,760	-	-	-	239,232	19,542,992
Investment Earnings	-	-	-	-	67,296	67,296
Interest on Loans	-	-	-	-	2,000	2,000
Other Revenue	255,892	162,476	-	-	-	418,368
Total Revenues	<u>19,559,652</u>	<u>21,202,202</u>	<u>-</u>	<u>-</u>	<u>21,047,695</u>	<u>61,809,549</u>
EXPENDITURES						
Resource Management Division	7,322,805	-	-	-	-	7,322,805
Water Protection Division	19,649,404	-	-	-	-	19,649,404
Resource Protection Division	11,793,804	10,066,178	-	-	436,857	22,296,839
Environmental Protection Division	20,058,077	-	-	-	-	20,058,077
Other Environmental Initiatives	633,853	-	8,857,775	-	-	9,491,628
Capital Outlay	288,912	25,730	-	-	-	314,642
Total Expenditures	<u>59,746,855</u>	<u>10,091,908</u>	<u>8,857,775</u>	<u>-</u>	<u>436,857</u>	<u>79,133,395</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,187,203)	11,110,294	(8,857,775)	-	20,610,838	(17,323,846)
OTHER FINANCING SOURCES (USES)						
General Fund Appropriation	11,272,500	-	-	39,184,130	-	50,456,630
Transfers in - Other Agencies	142,700	-	-	-	-	142,700
Transfers in - STB	-	-	8,857,775	-	-	8,857,775
Transfers out - Other Agencies	-	(1,000,000)	-	-	-	(1,000,000)
Transfers - INTRA Agency	28,269,308	(8,184,184)	-	-	(19,106,442)	978,682
Reversions - FY19	(5,800)	-	-	-	-	(5,800)
Total Other Financing Sources (Uses)	<u>39,678,708</u>	<u>(9,184,184)</u>	<u>8,857,775</u>	<u>39,184,130</u>	<u>(19,106,442)</u>	<u>59,429,987</u>
NET CHANGE IN FUND BALANCES	(508,495)	1,926,110	-	39,184,130	1,504,396	42,106,141
Fund Balances - Beginning	(84,493)	16,227,423	-	-	20,947,609	37,090,539
FUND BALANCES - ENDING	<u>\$ (592,988)</u>	<u>\$ 18,153,533</u>	<u>\$ -</u>	<u>\$ 39,184,130</u>	<u>\$ 22,452,005</u>	<u>\$ 79,196,680</u>

**Net Changes in Fund Balances - Total Governmental Funds
(Statement of Revenues, Expenditures, and Changes in Fund Balances)**

\$ 42,106,141

Amounts reported for governmental activities in the statement of activities are different because:

In the statement of activities, certain operating expenses - compensated absences (sick and annual leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid).

Increase in Compensated Absences for the Fiscal Year (54,422)

Decrease in the Pollution Remediation Liability for the Fiscal Year 22,875

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts were:

Capital Outlay 314,642
Depreciation Expense (493,365)

Excess of Capital Outlay Over Depreciation Expense (178,723)

Loss on Disposal of Capital Assets (2,349)

Transfers/Adjustments for Purchase of Assets (52,954)

Change in Net Position of Governmental Activities (Statement of Activities)

\$ 41,840,568

GENERAL FUND - TOTAL

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
Federal Funds	\$ 24,588,800	\$ 25,030,355	\$ 19,303,760	\$ (5,726,595)
General Fund	11,272,500	11,272,500	11,272,500	-
Intra-Agency Transfers	34,062,200	34,987,912	28,412,008	(6,575,904)
Other	270,500	392,200	255,892	(136,308)
Total Revenues	70,194,000	71,682,967	59,244,160	(12,438,807)
BUDGETED FUND BALANCE	1,078,571	1,078,571	-	(1,078,571)
TOTAL REVENUES AND BUDGETED FUND BALANCE	<u>\$ 71,272,571</u>	<u>\$ 72,761,538</u>	59,244,160	<u>\$ (13,517,378)</u>
P-567 EXPENDITURES				
Personal Services and Employee Benefits	\$ 6,409,200	\$ 6,391,108	5,987,680	\$ 403,428
Contractual Services	454,300	498,139	338,033	160,106
Other	1,007,400	1,182,736	1,044,111	138,625
Total P-567 Expenditures	<u>\$ 7,870,900</u>	<u>\$ 8,071,983</u>	7,369,824	<u>\$ 702,159</u>
P-568 EXPENDITURES				
Personal Services and Employee Benefits	\$ 14,838,200	\$ 14,329,100	12,271,531	\$ 2,057,569
Contractual Services	6,017,000	7,752,300	5,544,758	2,207,542
Other	3,004,000	2,735,300	1,866,079	869,221
Total P-568 Expenditures	<u>\$ 23,859,200</u>	<u>\$ 24,816,700</u>	19,682,368	<u>\$ 5,134,332</u>
P-569 EXPENDITURES				
Personal Services and Employee Benefits	\$ 9,912,100	\$ 10,166,131	9,168,360	\$ 997,771
Contractual Services	2,158,100	1,708,308	1,115,761	592,547
Other	1,961,000	1,769,145	1,515,661	253,484
Total P-569 Expenditures	<u>\$ 14,031,200</u>	<u>\$ 13,643,584</u>	11,799,782	<u>\$ 1,843,802</u>

GENERAL FUND - TOTAL (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
P-570 EXPENDITURES				
Personal Services and Employee Benefits	\$ 16,478,900	\$ 16,751,400	\$ 15,693,798	\$ 1,057,602
Contractual Services	1,458,700	1,616,200	940,398	675,802
Other	3,970,100	4,258,100	3,626,832	631,268
Total P-570 Expenditures	<u>\$ 21,907,700</u>	<u>\$ 22,625,700</u>	20,261,028	<u>\$ 2,364,672</u>
CAPITAL/SPECIAL APPROPRIATION EXPENDITURES				
Personal Services and Employee Benefits	\$ 525,000	\$ 525,000	-	\$ 525,000
Contractual Services	3,008,571	3,008,571	633,853	2,374,718
Other	70,000	70,000	-	70,000
Total Capital/Special Appropriation Expenditures	<u>\$ 3,603,571</u>	<u>\$ 3,603,571</u>	633,853	<u>\$ 2,969,718</u>
ALL EXPENDITURES				
Personal Services and Employee Benefits	\$ 48,163,400	\$ 48,162,739	43,121,369	\$ 5,041,370
Contractual Services	13,096,671	14,583,518	8,572,803	6,010,715
Other	10,012,500	10,015,281	8,052,683	1,962,598
Total All Expenditures	<u>\$ 71,272,571</u>	<u>\$ 72,761,538</u>	59,746,855	<u>\$ 13,014,683</u>
NET CHANGE IN FUND BALANCE			(502,695)	
REVERSIONS TO INTRA AGENCY FUND (NOT BUDGETED)			<u>(5,800)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (508,495)</u>	

CORRECTIVE ACTION FUND (99000)

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Federal Funds	\$ -	\$ -	\$ -	\$ -
General Fund	-	-	-	-
Other State Funds	19,663,300	19,663,300	21,202,202	1,538,902
Inter-agency Transfers	-	-	-	-
Total Revenues	19,663,300	19,663,300	21,202,202	1,538,902
BUDGETED FUND BALANCE	5,174,900	5,174,900	-	(5,174,900)
TOTAL REVENUES AND BUDGETED FUND BALANCE	<u>\$ 24,838,200</u>	<u>\$ 24,838,200</u>	21,202,202	<u>\$ (3,635,998)</u>
EXPENDITURES				
Personal Services and Employee Benefits	\$ -	\$ -	-	\$ -
Contractual Services	3,500,000	3,500,000	1,887,424	1,612,576
Other	11,000,000	11,000,000	8,168,687	2,831,313
Transfers to Other Agencies	1,000,000	1,000,000	1,000,000	-
Other Financing Uses	9,338,200	9,338,200	8,184,184	1,154,016
TOTAL EXPENDITURES	<u>\$ 24,838,200</u>	<u>\$ 24,838,200</u>	19,240,295	<u>\$ 5,597,905</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER NET CHANGE IN FUND BALANCE			1,961,907	
REQUEST TO PAY PRIOR YEAR BILLS				
FY18 Bills Paid in 2019			(35,797)	
NET CHANGE IN FUND BALANCE			<u>\$ 1,926,110</u>	

	ENTERPRISE FUNDS			Total
	12100 Wastewater Facility Construction Loan Fund	32700 Clean Water Administrative Fund	33700 Rural Infrastructure Revolving Loan Fund	
ASSETS				
CURRENT ASSETS				
Investments in State General Fund				
Investment Pool	\$ 156,161,483	\$ 3,064,542	\$ 7,437,079	\$ 166,663,104
Receivables				
Loan Receivables (Completed Projects)	9,606,738	-	1,048,055	10,654,793
Loan Interest Receivables	2,214,393	-	251,438	2,465,831
Administrative Fee Receivables	-	235,305	-	235,305
Total Current Assets	<u>167,982,614</u>	<u>3,299,847</u>	<u>8,736,572</u>	<u>180,019,033</u>
NONCURRENT ASSETS				
Loan Receivables (Projects in Process)	24,847,850	-	91,575	24,939,425
Loan Receivables (Completed Projects)	141,029,991	-	15,350,413	156,380,404
Allowance for Uncollectible Accounts	-	-	(378,231)	(378,231)
Total Noncurrent Assets	<u>165,877,841</u>	<u>-</u>	<u>15,063,757</u>	<u>180,941,598</u>
Total Assets	<u>333,860,455</u>	<u>3,299,847</u>	<u>23,800,329</u>	<u>360,960,631</u>
LIABILITIES				
Unearned Revenue	1,500,000	-	-	1,500,000
Due to State General Fund	4	-	-	4
Total Liabilities	<u>1,500,004</u>	<u>-</u>	<u>-</u>	<u>1,500,004</u>
NET POSITION				
Restricted	<u>332,360,451</u>	<u>3,299,847</u>	<u>23,800,329</u>	<u>359,460,627</u>
Total Net Position	<u>\$ 332,360,451</u>	<u>\$ 3,299,847</u>	<u>\$ 23,800,329</u>	<u>\$ 359,460,627</u>

	ENTERPRISE FUNDS			Total
	12100 Wastewater Facility Construction Loan Fund	32700 Clean Water Administrative Fund	33700 Rural Infrastructure Revolving Loan Fund	
REVENUES				
Interest on Loans	\$ 2,280,408	\$ -	\$ 478,734	\$ 2,759,142
Interest on Investments	4,808,378	85,613	235,185	5,129,176
Debt Service Fees	-	515,754	-	515,754
Total Revenues	7,088,786	601,367	713,919	8,404,072
OPERATING INCOME	7,088,786	601,367	713,919	8,404,072
NON-OPERATING REVENUES (EXPENSES)				
Federal Grant Revenue	7,859,000	-	-	7,859,000
Grants to Other Organizations	(2,234,725)	-	(491,105)	(2,725,830)
Transfers in - Other Agencies	1,100,000	-	5,800	1,105,800
Transfers - Intra-Agency	(578,330)	(200,322)	(200,030)	(978,682)
Total Nonoperating Revenues (Expenses)	6,145,945	(200,322)	(685,335)	5,260,288
CHANGES IN NET POSITION	13,234,731	401,045	28,584	13,664,360
Total Net Position - Beginning	319,125,720	2,898,802	23,771,745	345,796,267
TOTAL NET POSITION - ENDING	<u>\$ 332,360,451</u>	<u>\$ 3,299,847</u>	<u>\$ 23,800,329</u>	<u>\$ 359,460,627</u>

	ENTERPRISE FUNDS			Total
	(12100) Wastewater Facility Construction Loan Fund	(32700) Clean Water Administrative Fund	(33700) Rural Infrastructure Revolving Loan Fund	
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES				
Cash Received on Repayment of Loan Principal	\$ 9,402,791	\$ -	\$ 1,377,131	\$ 10,779,922
Cash Received on Interest from Loans	1,652,898	-	414,478	2,067,376
Interest Payments Received from STO	4,808,378	85,613	235,185	5,129,176
Cash Received for Debt Service Fees	-	525,753	-	525,753
Cash Payments for Administrative Expenses	-	-	-	-
Cash Payments Made to Borrowers	(13,772,471)	-	(1,550,627)	(15,323,098)
Net Cash Provided (Used) by Operating Activities	2,091,596	611,366	476,167	3,179,129
CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES				
Grant Proceeds - EPA	7,859,000	-	-	7,859,000
Grants to Other Organizations	(2,234,725)	-	(491,105)	(2,725,830)
Transfers In - Appropriations	1,500,000	-	-	1,500,000
Intra Agency Transfers	(578,330)	(200,322)	(194,230)	(972,882)
Net Cash Provided (Used) by Noncapital Financing Activities	6,545,945	(200,322)	(685,335)	5,660,288
NET INCREASE (DECREASE) IN CASH	8,637,541	411,044	(209,168)	8,839,417
Investments in State General Fund Investment Pool - Beginning of Year	147,523,942	2,653,498	7,646,247	157,823,687
INVESTMENTS IN STATE GENERAL FUND INVESTMENT POOL - END OF YEAR	<u>\$ 156,161,483</u>	<u>\$ 3,064,542</u>	<u>\$ 7,437,079</u>	<u>\$ 166,663,104</u>

	ENTERPRISE FUNDS (CONTINUED)			Total
	(12100) Wastewater Facility Construction Loan Fund	(32700) Clean Water Administrative Fund	(33700) Rural Infrastructure Revolving Loan Fund	
RECONCILIATION OF CHANGES IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income	\$ 7,088,786	\$ 601,367	\$ 713,919	\$ 8,404,072
Change in Assets and Liabilities:				
Loans Receivable	(4,369,680)	-	(309,735)	(4,679,415)
Loan Interest Receivable	(627,510)	-	71,983	(555,527)
Administrative Fee Receivable	-	9,999	-	9,999
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,091,596</u>	<u>\$ 611,366</u>	<u>\$ 476,167</u>	<u>\$ 3,179,129</u>

NOTE 1 DEFINITION OF REPORTING ENTITY

The New Mexico Environment Department (the Department) was created on July 1, 1991, under the Department of Environment Act Laws of 1991, Chapter 25, Section 9-7A-1. The Department is a cabinet department of the executive branch of government. The chief executive of the Department is the Secretary, who is appointed by the Governor with the consent of the senate and serves in the Governor's executive cabinet. These financial statements include all funds and activities over which the Department Secretary has oversight responsibility. The Department was formed for the purpose of preserving, protecting, and perpetuating the State of New Mexico's water, air, and land. The Department also protects the safety and health of the State's people by regulating, monitoring, and inspecting public facilities and establishments.

The functions of the Department are administered through the following programs:

Resource Management Program (P-567)

The Resource Management Program provides overall executive leadership and administrative, legal, and information management support to all Department staff, the public, and oversight and regulatory bodies. This support allows the Department to operate in the most knowledgeable, efficient and cost-effective manner so that the public can receive the information it needs to hold the Department accountable.

Water Protection Program (P-568)

The purpose of the Water Protection Program is to protect and preserve the ground, surface, and drinking resources of the state for present and future generations through monitoring, sampling, and permitting processes. In addition, the program helps communities develop sustainable and secure water, wastewater, and solid waste infrastructure through funding, technical assistance, and project oversight.

Resource Protection Program (P569)

The purpose of the Resource Protection Program is to protect the air, land, groundwater, surface water, and public health through monitoring and regulatory oversight of hazardous and solid waste generation, transportation, disposal, and storage; prevention of releases of petroleum products; and monitoring and sampling at past and present U.S. Department of Energy facilities located in New Mexico.

Environmental Protection Program (P570)

The Environmental Protection Program protects New Mexico's air quality, public health and ensures safe and healthful working conditions for employees. The program provides regulatory oversight for food service and food processing facilities, liquid waste treatment and disposal, public swimming pools and baths, and mosquito abatement. It also protects the environment through specific programs that provide public outreach and education and regulatory oversight of treatment with medical radiation and disposal of radioactive material including transportation to the Waste Isolation Pilot Plant. The program also provides public outreach and education about radon in homes and public buildings.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

The financial statements for the Department have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

The statement of activities demonstrates the degree to which the direct expenditures of a function are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific Department's function. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by the Department, such as permit fees and remediation monitoring. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Indirect expenditures are allocated based on a prorated measure of direct expenditures.

Net position is restricted when constraints placed on it are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. It is the Department's policy to apply disbursements first to restricted assets and then to non-restricted. Restricted assets arising from enabling legislation means the restrictions are legally enforceable. Legally enforceable means a government can be compelled by an external party to use resources only for purposes specified by legislation.

The net cost (by function) is normally covered by general revenues (intergovernmental revenues, interest income, etc.). The Department does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements emphasis is on the major fund in the governmental category.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Department's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund-based financial statements into the governmental column on the government-wide presentation.

The Department is a "department" of the State of New Mexico and will be included in any statewide Comprehensive Annual Financial Report. In accordance with the criteria set forth in GASB No. 14 (as amended by GASB No. 39 and No. 61) for determining component units, the Department does not have any component units.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Department first uses restricted resources, then unrestricted resources.

The Department administers the Clean Water State Revolving Loan Fund (the Fund) pursuant to Title VI of the Federal Water Quality Act of 1987, which consists of the Clean Water Administrative Fund (32700) and the Wastewater Facility Construction Loan Fund (12100). The Environmental Protection Agency (EPA) requires the Department to submit an annual report of the Fund. As a result, the Department issues a separate set of financial statements consisting of these two funds of the Department.

Basis of Presentation – Fund Accounting

The accounts of the Department are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The various funds are summarized by type in the accompanying financial statements. The following fund types are used by the Department:

Governmental Fund Types – All governmental fund types are accounted for on a spending or financial flow measurement focus.

Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – Fund Accounting (Continued)

The Department reports the following major governmental funds:

General Fund (06400) – The General Fund is the operating fund of the Department. It is used to account for all operating activities of the Department, except those requiring other governmental fund types. The General Fund is a reverting fund. Source of funding: General fund appropriation, federal grant revenue and other revenues.

Corrective Action Fund (99000) – Created by State Statute 74-6B-7. This Special Revenue fund is intended to provide for financial assurance coverage requirements by federal law and shall be used by the division to take corrective action in response to a release, to pay for the costs of a minimum site assessment in excess of ten thousand dollars, to pay the State's share of federal leaking underground storage tank trust fund cleanup costs as required by the Federal Resource Conservation and Recovery Act and to make payments to or on behalf of owners and operators in accordance with Section 74-6B-13. This fund is nonreverting.

Severance Tax Bonds (89200) – This Capital Project fund was established to account for the sale of severance tax bonds to provide funds for various waste handling projects. The fund is a reverting fund. Source of funding: Severance tax bonds.

GF Capital Outlay (93100) – This fund was established to account for Capital Outlay projects utilizing General Fund Appropriations. The fund is reverting.

The Department reports the following nonmajor governmental funds:

Special Revenue Funds – Special revenue funds account for the proceeds of revenue sources that are limited to specific expenditures. These revenue sources must provide a "substantial" amount (defined as 50% or more) of the funding accounted for in a special revenue fund. The standard further limits the use of this fund to expenditures that are not related to capital outlay or debt service.

Proprietary Fund Types – The focus of Proprietary Fund measurement is based upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector.

Enterprise Funds – Enterprise Funds are required to account for operations for which a fee is charged to external users for goods and services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues; (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges; or (c) has pricing policy designed for the fees and charges to recover similar costs.

These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - Fund Accounting (Continued)

Proprietary funds distinguish operating revenues and expenditures from non-operating items. Operating revenues and expenditures generally result from providing services and producing and delivering goods regarding a proprietary fund's principal ongoing operations. The principal operating revenues of the funds are interest on loans made to municipalities for water projects and other projects. Operating expenditures include administrative expenditures required to manage and operate the fund. All revenues and expenditures not meeting this definition are reported as nonoperating revenues and expenditures.

The Department reports the following major proprietary funds:

Wastewater Facility Construction Loan Fund (12100) – Created by State Statute 74-6A-4. The fund is a revolving loan fund used to provide low-cost financial assistance to local authorities to construct or modify wastewater facilities. The net position balance is restricted by state statute for future loans. This fund is nonreverting.

Clean Water Administrative Fund (32700) – Created by State Statute 74-6A-4.1. The Clean Water Administrative Fund is a dedicated fund, and all money in the Clean Water Administrative Fund is appropriated to the Department to be used solely to administer the Wastewater Facility Construction Loan Fund. The net position balance is restricted by state statute for administering the Wastewater Facility Construction Loan Fund. This fund is nonreverting.

Rural Infrastructure Revolving Loan Fund (33700) - Created by State Statute 75-1-3. The fund is a revolving loan fund used to make loans and grants to local authorities, individually or jointly, for water supply facilities. The net position balance is restricted by state statute for future loans. This fund is nonreverting.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in trustee or agency capacity for others and, therefore, are not available to support Department programs. The reporting focus is upon changes in assets and liabilities and employs accounting principles similar to proprietary funds. The Department has no fiduciary funds.

Agency Funds – Agency Funds are used to account for assets held by the Department in the capacity of trustee or agent. Penalties Fund (65200) was reported in prior years as an Agency Fund. This fund has been reclassified as a Special Revenue Fund for the fiscal year ended June 30, 2019. The Department of Finance and Administration is working on a process to determine how to address the mechanics of the penalties and how it should be transferred to the Department of Finance and Administration.

Basis of Accounting

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Governmental Fund Financial Statements. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2019 has been reported only in the government-wide financial statements.

The financial activities of the Department are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Department uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Federal funds are recorded as revenues when expenditures have been incurred on behalf of one or more of the Department's federal award programs and when all eligibility requirements have been met. Special appropriations are recorded as revenues when they are available. Major revenue sources susceptible to accrual include: petroleum products loading fee, permit fees for air emission discharge, underground storage tank fees, food and pool permit fees, hazardous waste permits and generator fees. These sources are recorded when available and when revenues are determinable. Bond proceeds are recognized when all eligibility requirements have been met.

Budgets and Budgetary Accounting

The state Legislature makes annual appropriations to the Department. Annual appropriations lapse at fiscal year-end unless otherwise specified in the legislation. Legal compliance is monitored through the establishment of a budget and a financial control system that permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the category level. Budgeted category amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration (DFA) within the limitations as specified in the General Appropriation Act.

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, "For the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the State of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the Department of Finance and Administration." The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year's budget.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the appropriation program level (A-Code, P-Code, and Z-Code). A-Codes pertain to capital outlay appropriations (general obligation/severance tax or state general fund). P-Codes pertain to program operating funds. Z-Codes pertain to special appropriations.

Interfund Transactions

Transfers which, because of budgetary or legal restrictions, must be expended by funds other than the fund initially receiving the revenue are recorded as operating transfers in (out) under the other financing sources (uses) category. A summary of these transactions is outlined in Note 8.

Modified Accrual

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Codification, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and unearned revenue by the recipient.

Receivables

Petroleum Storage Tank Bureau. The Petroleum Storage Tank Bureau has a database of receivable balances from various prior periods which are deemed uncollectible due to their age.

However, the Department has an ongoing project to investigate and resolve all outstanding balances. Collection efforts have been successful in some of the resolved cases. In other cases, the Bureau determined that the balances were uncollectible. This effort is still ongoing and will take three to five years before completion.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Donated capital assets are recorded at their estimated fair value at the time of acquisition. Additions, improvements and other capital outlays exceeding \$5,000 that significantly extend the useful life of an asset are capitalized per Section 12-6-10 NMSA 1978.

Other costs incurred for repairs and maintenance are expensed as incurred.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives in years:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Reportable IT Maintenance	5
Reportable IT Services	5
Furniture and Fixtures	7
Data Processing Equipment	5
Machinery and Equipment	5
Library and Museum	7
Automotive	5
Buildings and Structures	27 ½

Compensated Absences

Accrued vacation up to 240 hours is recorded in the Statement of Net Position at 100% of the employee's hourly wage. In addition, accrued sick leave over 600 and up to 720 hours (less the amount classified as current) is recorded in the Statement of Net Position at 50% of the employee's hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each overtime hour. The accrual for compensated absences is calculated at pay rates in effect at June 30, 2019 and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department did not have any items that qualified for reporting in this category as of June 30, 2019.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Department did not have any items that were required to be reported in this category as of June 30, 2019.

Pension Plan

The Department, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Overall, the total pension liability exceeds Plan net position resulting in a net pension liability. The State has determined the State's share of the net pension liability to be a liability of the State as a whole, rather than any agency or department of the State and will not be reported in the department or agency level financial statements of the State. All required disclosures will be

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plan (Continued)

presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the State General Fund and the CAFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, NM 87501.

Other Postemployment Benefits

The Department, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in the State of New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the state. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted, and unrestricted.

Net Investment in Capital Assets

Net investment reflects the portion of net position which are associated with nonliquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. The Department has no debt related to capital assets.

Restricted

Restricted assets are liquid assets generated from revenues but not bond proceeds which have third-party (statutory, bond covenant or granting agency) limitations on their use. Of the reported restricted net assets on the government-wide statement of net position, all are restricted by enabling legislation. Specific purposes of restrictions are for statutory requirements, loans on water and wastewater projects and special revenue funds. According to underground storage tank regulation section 1507(A), "the Department shall maintain a reserve of one million dollars (\$1,000,000) in the fund for the costs of taking first and second priority emergency corrective action."

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted

Unrestricted assets represent assets that do not have third-party limitations on their use. The Department has an unrestricted deficit as of June 30, 2019 as a result of long-term liabilities that are to be funded as they become due rather than when they are incurred.

Tax Abatements

The Department does not abate taxes and has not been materially impacted by any tax abatement agreements entered into by other governmental entities.

Fund Balances

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or, in some cases, by legislation. See additional information about fund balances below.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

Restricted – Government Fund Financial Statements

The following table identifies the funds that are affected by enabling legislation and the respective balances:

RESTRICTED - MAJOR FUNDS

Fund	Description	Enabling Legislation	Restricted Fund Balance
06400	General Fund	Laws 2017 Ch. 135	\$ 731,635
93100	GF Capital Outlay	Various	39,184,130
99000	Corrective Action Fund	NM 74-6B-7	18,153,533
Subtotal, Restricted-Major Funds			58,069,298

RESTRICTED - OTHER GOVERNMENTAL FUNDS

Fund	Description	Enabling Legislation	Restricted Fund Balance
02600	Recycling & Illegal Dumping Fund	NM 74-13-19	1,733,673
06600	Voluntary Remediation Fund	NM 74-4G-11	74,711
09200	Air Quality Title V Fund	NM 74-2-15	2,391,991
10980	Nuclear Workers Assistance Fund	NM 74-1-17	71,527
11900	Brownfields Cleanup Revolving Loan Fund	NM 74-4G-11.1	2,330,175
24800	Responsible Parties Fund	NM 74-6B-7	141,224
33900	Hazardous Waste Fund	NM 74-4-4.5	1,670,589
34000	Liquid Waste Fund	NM 74-1-15	719,924
34100	Water Quality Management Fund	NM 74-6-5.2	420,575
40000	Water Recreation Facilities Fund	NM 74-1-16	223,721
56700	Water Conservation Fund	NM 74-1-13	1,747,862
58400	Public Water Supply System Operator and Public Wastewater Operator Fund	NM 61-33-5	45,955
59200	Radiation Protection Fund	NM 74-3-5.1	1,250,186
63100	State Air Quality Permit Fund	NM 74-2-15	5,334,270
63200	Solid Waste Facility Grant Fund	NM 74-9-41	177,778
78300	Solid Waste Permit Fees	NM 74-9-8(I)	115,993
95700	Hazardous Waste Emergency Fund	NM 74-4-8	1,695,943
98700	Radiologic Technology Fund	NM 61-4E-10	343,321
98900	Storage Tank Fund	NM 74-4-4.8	488,722
99100	Food Service Sanitation Fund	NM 25-1-5.1	1,473,865
Subtotal, Restricted-Other			22,452,005
Total - All Governmental Funds			\$ 80,521,303

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-Term Debt

The Department did not have any short-term debt activity during the year.

Eliminations

Interfund eliminations have not been made in the aggregation of the governmental fund financial statements. Interfund transfers and due to/due from amounts shown in the governmental financial statements are eliminated in the government-wide statement of net position and statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly-liquid investments within a maturity of three months or less when purchased to be cash equivalents.

Risk Management

The Department, as a "State Agency" defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico. The Department pays annual premiums to the Risk Management Division for coverage provided in the following areas:

Liability and civil rights protection for claims made by others against the State of New Mexico.

- o Coverage to protect the State of New Mexico's property and assets.
- o Fringe benefit coverage for State of New Mexico employees.

NOTE 3 INVESTMENT IN STATE GENERAL FUND INVESTMENT POOL

Compliant with statute 6-10-3 (NMSA 1978), and to optimize state cash management and investment practices, funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office (STO). Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP.

A reconciliation of claims on the SGFIP to the related assets managed by STO assets is performed monthly. There is no material difference between the two amounts.

State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Department consist of an interest in the SGFIP managed by the New Mexico State Treasurer's Office.

At June 30, 2019, the Department had the following invested in the State General Fund Investment Pool:

State General Fund Investment Pool	<u>\$ 243,141,773</u>
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NOTE 3 INVESTMENT IN STATE GENERAL FUND INVESTMENT POOL (CONTINUED)

Interest Rate Risk – The New Mexico State Treasurer’s Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit Risk – The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer’s Office for the fiscal year ended June 30, 2019.

NOTE 4 OTHER RECEIVABLES

Brownfields Cleanup Revolving Loan Fund (11900)	\$	1,885,168
Hazardous Waste Fund (33900)		64,250
Radiation Protection Fund (59200)		35,713
Hazardous Waste Emergency Fund (95700)		13,965
Food Service Sanitation Fund (99100)		12,600
General Fund (06400)		21,762
State Air Quality Permit Fund (63100)		9,878
Storage Tank Fund (98900)		5,281
Total Other Receivables, Net	\$	<u>2,048,617</u>

The Brownfields Cleanup Revolving Loan Fund provides loans from federal grant proceeds to various parties to carry out cleanup activities at Brownfields sites. At June 30, 2019, the fund consisted of three loans with private parties:

- One loan was in repayment and had a principal balance of \$833,783. Payments began June 30, 2017 in equal monthly installments of \$8,777. Payments will be made over 10 years, with a final payment due May 15, 2027. This receivable is considered fully collectible.
- One loan was in repayment and had a principal balance of \$300,000. Interest only payments began March 15, 2019 in twelve equal monthly installments of \$500. Interest and principal payments begin March 15, 2020 in monthly installments of \$3,038. Payments will be made over 10 years, with a final payment due February 15, 2029. This receivable is considered fully collectible.
- One loan was in disbursement with a principal disbursed balance of \$751,385. This receivable is considered fully collectible.

The Storage Tank Permit Fee is a \$100 annual fee charged on each underground storage tank. The tank fees are invoiced May 1 and are due July 1 for the next fiscal year. A past-due notice is sent in October and a late fee of 25% of the unpaid amount is charged. The Hazardous Waste revenues are composed of various permits and fee charges, including hazardous waste permits, annual unit audits, annual generator fees and WIPP permits.

Other receivables represent other various fee and permit related receivables, which are considered fully collectible.

NOTE 5 CONSTRUCTION AND MORTGAGE LOANS

Construction and mortgage loans represent interest-bearing funds advanced to various municipalities and water control districts within the state to construct or modify wastewater or water supply facilities. Construction loans represent those projects still under construction. Interest is accrued on loans in the construction phase. Upon completion, accrued interest is either paid or added to the principal balance of the mortgage loan. The mortgage loans represent completed projects and the Department is receiving payments of principal and interest.

The allowance for uncollectible accounts is based on estimated collectible balances using an analysis of an aging of outstanding accounts and historical collection experience. For Fund 12100, no provision for uncollectible accounts has been made as all loans are current and management believes that all loans will be repaid according to the loan terms. The Department may not forgive a loan without Legislative approval.

Construction and mortgage loans as of June 30, 2019 consist of the following:

	(12100) Wastewater Facility Construction Loan Fund	(33700) Rural Infrastructure Revolving Loan Fund	Total
Construction Loans in Progress	\$ 24,847,850	\$ 91,575	\$ 24,939,425
Mortgage Loans on Completed Projects, Noncurrent and Current	150,636,729	16,398,468	167,035,197
Accrued Interest	2,214,393	251,438	2,465,831
Allowance for Uncollectible Accounts	-	(378,231)	(378,231)
Total	<u>\$ 177,698,972</u>	<u>\$ 16,363,250</u>	<u>\$ 194,062,222</u>

The above loans are secured by pledged revenues of the borrower’s water and sewer systems and bear interest at rates ranging from 0% to 3% per annum. Construction loans in process are transferred to mortgage loans upon completion of the project.

Mortgage loans are paid in annual installments, including interest, ranging from \$1,000 to \$1,921,489 through January 8, 2048, in the Wastewater Facility Construction Loan Fund and \$317 to \$133,048 through June 20, 2039 monthly and annual installments in the Rural Infrastructure Revolving Loan Fund.

NOTE 5 CONSTRUCTION AND MORTGAGE LOANS (CONTINUED)

The following is a schedule of future annual payments including principal, interest, and administrative fee as of June 30, 2019:

(12100) Wastewater Facility Construction Loan Fund

<u>Years Ending June 30,</u>	<u>Principal Repayments</u>	<u>Interest Payments</u>	<u>Fee Payments</u>	<u>Total</u>
2020	\$ 9,606,738	\$ 1,351,296	\$ 346,908	\$ 11,304,942
2021	10,565,093	1,427,724	323,470	12,316,287
2022	10,712,631	1,300,778	299,602	12,313,011
2023	10,884,490	1,171,423	275,386	12,331,299
2024	10,739,742	1,039,268	250,724	12,029,734
2025 and Thereafter	98,128,035	4,725,562	1,269,516	104,123,113
Completed Projects Totals	<u>\$ 150,636,729</u>	<u>\$ 11,016,051</u>	<u>\$ 2,765,606</u>	<u>\$ 164,418,386</u>

(33700) Rural Infrastructure Revolving Loan Fund

<u>Years Ending June 30,</u>	<u>Principal Repayments</u>	<u>Interest Payments</u>	<u>Fee Payments</u>	<u>Total</u>
2020	\$ 1,048,055	\$ 414,696	\$ -	\$ 1,462,751
2021	1,065,438	409,202	-	1,474,640
2022	1,033,922	379,503	-	1,413,425
2023	1,013,850	351,370	-	1,365,220
2024	1,035,574	322,690	-	1,358,264
2025 and Thereafter	11,201,629	1,833,963	-	13,035,592
Completed Projects Totals	<u>\$ 16,398,468</u>	<u>\$ 3,711,424</u>	<u>\$ -</u>	<u>\$ 20,109,892</u>

NOTE 5 CONSTRUCTION AND MORTGAGE LOANS (CONTINUED)

The following is a detailed summary of major borrowers and loan balances for construction and mortgage loans at June 30, 2019.

Construction loans in progress:

Community	(12100) Wastewater Facility Construction Loan Fund	(33700) Rural Infrastructure Revolving Loan Fund	Total
City of Grants	\$ 12,991,797	\$ -	\$ 12,991,797
Village of Los Lunas	3,771,062	-	3,771,062
City of Hobbs	3,501,522	-	3,501,522
City of Gallup	2,199,226	-	2,199,226
Town of Peralta	1,093,967	-	1,093,967
Estancia Valley Solid Waste Authority	566,335	32,511	598,846
City of Santa Rosa	553,472	-	553,472
Other Communities	170,469	-	170,469
Dona Ana MDWCA	-	59,064	59,064
Total	<u>\$ 24,847,850</u>	<u>\$ 91,575</u>	<u>\$ 24,939,425</u>

NOTE 5 CONSTRUCTION AND MORTGAGE LOANS (CONTINUED)

Mortgage loans on completed projects:

Community	(12100) Wastewater Facility Construction Loan Fund	(33700) Rural Infrastructure Revolving Loan Fund	Total
City of Farmington	\$ 27,820,715	\$ -	\$ 27,820,715
City of Portales	23,922,000	720,905	24,642,905
City of Hobbs	20,320,403	-	20,320,403
City of Carlsbad	18,615,195	-	18,615,195
Village of Los Lunas	13,221,914	-	13,221,914
City of Las Vegas	8,055,755	-	8,055,755
Los Alamos County	6,846,156	-	6,846,156
City of Aztec	5,943,501	-	5,943,501
City of Clovis	4,362,502	-	4,362,502
Dona Ana MDWCA	-	3,683,097	3,683,097
City of Lovington	3,479,842	-	3,479,842
City of Espanola	3,372,071	-	3,372,071
Dona Ana County	2,603,905	-	2,603,905
Town of Peralta	-	1,916,925	1,916,925
El Valle de Los Ranchos Water & Sanitation	1,496,464	304,724	1,801,188
City of Belen	1,647,991	-	1,647,991
City of Bloomfield	1,169,216	343,872	1,513,088
Village of Chama	-	1,234,043	1,234,043
City of Socorro	1,197,884	-	1,197,884
Southern Sandoval County Arroyo Flood Control	1,155,565	-	1,155,565
Taos Ski Valley	1,049,895	-	1,049,895
Sandoval County	288,870	680,825	969,695
City of Elephant Butte	301,784	597,642	899,426
Village of Cloudcroft	-	883,289	883,289
Town of Taos	840,000	-	840,000
Paa-ko Communities Sewer Association	-	769,759	769,759
Estancia Valley Solid Waste Authority	-	747,191	747,191
City of Bayard	726,065	-	726,065
San Juan County	631,300	-	631,300
Greentree Solid Waste Authority	-	564,368	564,368
Lower Rio Grande PWWA	-	523,598	523,598
Village of Cuba	404,700	-	404,700
De Baca County	-	326,576	326,576
City of Santa Rosa	300,000	-	300,000
Navajo Dam DWS & SWA	-	298,778	298,778
Town of Edgewood	-	260,717	260,717
Otis MDWC & SWA	-	251,859	251,859
Other Communities	863,036	2,290,300	3,153,336
Total	\$ 150,636,729	\$ 16,398,468	\$ 167,035,197

NOTE 6 DUE FROM AND DUE TO OTHER FUNDS

Due from and due to other funds are amounts due from and to other funds within the Department. A significant portion of these balances during the year represents the differences between the amounts transferred from the Special Revenue Funds and the Clean Water Administrative Fund to the General Fund and the amounts expended in the General Fund on behalf of the Special Revenue Funds. As of June 30, 2019, the Department did not have any amounts due from/to other funds as the amounts were transferred as of the year end.

NOTE 7 DUE FROM AND DUE TO OTHER STATE AGENCIES/ENTITIES

Transactions that occur among state agencies legislative mandate, exchange transactions, and other situations are accounted for in the financial statements which make up the due from and due to other state agencies. The due from and due to other agencies balances at June 30, 2019 consist of the following:

NMED Fund	Agency	Business Unit No.	Other Agency's Fund No.	Amount
Due From Other State Agencies				
Governmental Funds:				
99000	Due from NM TRD for Petroleum Products Loading Fee (A)	33300	82800	\$ 1,800,443
56700	Due from NM TRD for Water Conservation Fee (B)	33300	82800	234,389
Total Governmental Funds				<u>\$ 2,034,832</u>

Transactions that occur among other state entities exchange transactions and other situations are accounted for in the financial statements which make up the due from and due to other state entities. The due from and due to other state entities balances consist of reimbursements for drinking water set-asides for small water systems and at June 30, 2019 consist of the following:

NMED Fund	Entity	Other Entity's Business Unit	Amount
Due From Other State Entities			
06400	Due from the NMFA for DWSRF set-aside pass-throughs (C)	38500	\$ 1,879,427
			<u>\$ 1,879,427</u>
Due To Other State Entities			
06400	Due to UNM for Contractual Work for Wetlands Project	96900	\$ 19,725
Total			<u>\$ 19,725</u>

(A) TRD collects the petroleum product loading fee which is transferred to the NMED for the Corrective Action Fund. The June distribution was not received by year end.

(B) New Mexico Taxation and Revenue Department (TRD) collects monthly taxes for every 1,000 gallons of water pumped out of the ground for drinking water use. NMED receives this tax as a monthly distribution to the Water Conservation Fund. The June distribution was not received by year end.

NOTE 7 DUE FROM AND DUE TO OTHER STATE AGENCIES/ENTITIES (CONTINUED)

(C) The New Mexico Financial Authority (NMFA) receives an annual capitalization grant for the Drinking Water State Revolving Loan Fund (DWSRF). NMFA passes the set asides through to NMED from each capitalization grant.

NOTE 8 TRANSFERS

Intra-Agency transfers as of June 30, 2019 are as follows:

	Transfers In	Transfers Out
Governmental Funds Intra-Agency Transfers:		
General Fund - 06400	\$ 27,290,626	\$ -
Special Revenue Funds:		
02600	-	214,581
06600	-	10,879
09200	-	4,885,435
10980	-	78,119
11900	-	-
24800	-	192,916
33900	-	2,932,753
34000	-	604,899
34100	-	607,542
40000	-	242,063
56700	-	3,085,726
58400	-	89,486
59200	-	789,765
63100	-	2,908,032
78300	-	56,772
95700	-	161,058
98700	-	97,688
98900	-	409,266
99000	-	8,184,184
99100	-	1,739,462
Total	<u>\$ 27,290,626</u>	<u>\$ 27,290,626</u>
Proprietary Funds Intra-Agency Transfers:		
06400	\$ 978,682	\$ -
12100	-	578,330
32700	-	200,322
33700	-	200,030
Total*	<u>\$ 978,682</u>	<u>\$ 978,682</u>

* Proprietary Funds Intra-Agency Transfers Out are included with Transfers - INTRA Agency on the statement of revenues, expenses, and changes in fund net position.

NOTE 8 TRANSFERS (CONTINUED)

Intra-Agency transfers occur primarily from special revenue funds to the general operating fund since certain revenues are recorded in the special revenue funds, but related expenditures are budgeted and incurred through the general operating fund. All transfers are routine and consistent with fund activity.

Transfers to Other Agencies as of June 30, 2019 are as follows:

Governmental Fund Transfers to Other Agencies

NMED Fund	Agency	Other Agency's Fund	Description	Amount
99000	Energy Minerals & Natural Resources Dept.		Appropriation - L18, 2S, C73-S005-64	\$ 1,000,000
Total Government Fund Transfers to Other Agencies				<u>\$ 1,000,000</u>

Governmental Fund Transfers From Other

NMED Fund	Agency	Other Agency's Fund	Description	Amount
06400	Dept. of Finance and Administration - 34101	85300	FY19 Compensation Increase	\$ 142,700
Total Government Fund Transfers From Other Agencies				<u>\$ 142,700</u>

NOTE 9 CAPITAL ASSETS

A summary of changes in capital assets owned by the Department is as follows:

	Balance, June 30, 2018	Additions	Deletions	Transfers/ Adjustments	Balance, June 30, 2019
Furniture and Fixtures	\$ 250,449	\$ -	\$ -	\$ -	\$ 250,449
Data Processing Equipment	841,994	19,520	(61,683)	-	799,831
Machinery and Equipment	2,622,736	198,818	-	-	2,821,554
Library and Museum	35,511	-	-	-	35,511
Automotive	-	70,574	-	(52,954)	17,620
Buildings and Structures	18,225	-	-	-	18,225
Total	<u>3,768,915</u>	<u>288,912</u>	<u>(61,683)</u>	<u>(52,954)</u>	<u>3,943,190</u>
Accumulated Depreciation					
Furniture and Fixtures	(218,892)	(4,587)	-	-	(223,479)
Data Processing Equipment	(283,880)	(93,545)	59,334	-	(318,091)
Machinery and Equipment	(1,838,956)	(257,855)	-	-	(2,096,811)
Library and Museum	(35,511)	-	-	-	(35,511)
Automotive	-	(587)	-	-	(587)
Buildings and Structures	(4,705)	(833)	-	-	(5,538)
Total Accumulated Depreciation	<u>(2,381,944)</u>	<u>(357,407)</u>	<u>59,334</u>	<u>-</u>	<u>(2,680,017)</u>
Net Capital Assets	<u>\$ 1,386,971</u>	<u>\$ (68,495)</u>	<u>\$ (2,349)</u>	<u>\$ (52,954)</u>	<u>\$ 1,263,173</u>

Depreciation expense for the year ended June 30, 2019 was allocated to the following:

Resource Management Division	\$ 37,752
Water Protection Division	101,300
Resource Protection Division	114,948
Environmental Protection Division	103,407
Total Depreciation Expense by Program	<u>\$ 357,407</u>

The Department transferred a net book value of \$52,954 in automotive to the New Mexico General Services Department.

NOTE 9 CAPITAL ASSETS (CONTINUED)

The Corrective Action Fund tracks fixed assets separately. A summary of assets owned by the Corrective Action Fund is as follows:

	Balance, June 30, 2018	Additions	Deletions	Transfers/ Adjustments	Balance, June 30, 2019
Corrective Action Fund Assets	\$ 4,083,986	\$ 25,730	\$ (296,933)	\$ -	\$ 3,812,783
Total	4,083,986	25,730	(296,933)	-	3,812,783
Accumulated Depreciation					
Corrective Action Fund Assets	(3,734,058)	(135,958)	296,933	-	(3,573,083)
Total Accumulated Depreciation	(3,734,058)	(135,958)	296,933	-	(3,573,083)
Net Capital Assets	<u>\$ 349,928</u>	<u>\$ (110,228)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,700</u>

Depreciation expense for the year ended June 30, 2019 was allocated to the following:

Resource Protection Division	\$ 135,958
Total Depreciation Expense by Program	<u>\$ 135,958</u>

NOTE 10 COMPENSATED ABSENCES

The following is a summary of compensated absences of the Department for the year ended June 30, 2019:

	Balance, June 30, 2018	Additions	Deletions	Balance, June 30, 2019	Due in One Year
Compensated Absences	<u>\$ 1,843,083</u>	<u>\$ 1,790,222</u>	<u>\$ (1,735,800)</u>	<u>\$ 1,897,505</u>	<u>\$ 1,707,754</u>

Substantially, all of the compensated absences balances have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay rate at year-end plus applicable payroll taxes.

NOTE 11 POLLUTION REMEDIATION OBLIGATIONS

Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations (GASB 49), provides guidance in estimating and reporting the potential costs of pollution remediation. The standard excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post closure care. While GASB 49 does not require the Department to search for pollution, it does require the Department to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and the Department is compelled to take action,
- The Department is found in violation of a pollution related permit or license,
- The Department is named, or has evidence that it will be named, as a responsible party by a regulator,
- The Department is named, or has evidence that it will be named, in a lawsuit to enforce a cleanup, or
- The Department commences or legally obligates itself to conduct remediation activities.

The following details the nature of the identified sites, the methodology used in the estimate, and the estimated liability.

Leaking Petroleum Storage Tanks (LPST)

The Department oversees cleanups of LPST sites and reimburses eligible parties from the PST corrective action fund, which has paid for the vast majority of LPST cleanups. The corrective action fund is intended to provide for financial assurance coverage and shall be used by the Department to the extent revenues are available to make payments on behalf of owners and operators for corrective action in accordance with Section 74-6B-13 NMSA. However, per section 74-6B-7: 1) when revenues are limited and the fund can no longer be approved as a financial responsibility mechanism, priorities for expenditures from the fund shall be based on financial need, 2) nothing in this section authorizes payments or commitments for payments in excess of the funds available, and 3) within 60 days after receipt of notification that the corrective action fund has become incapable of paying assured corrective actions, the owner or operator shall obtain alternative financial assurance acceptable to the Department. The nature of the majority of LPST sites includes other identified responsible parties or sites in which there is not an imminent danger to the public health or environment and is limited as noted in Section 74-6B-7 to available funds in the corrective action fund and the Department has not recorded a remediation liability related to these sites as of June 30, 2019. However, for priority 1 State Lead sites in which there is an imminent danger to the public health or environment and the Department has obligated itself to begin remediation clean-up activities as a result of an unwilling or unable property \$1,619,611 as of June 30, 2019.

NOTE 11 POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)

Superfund

The Superfund Oversight Section of the Department assists the United States Environmental Protection Agency (EPA) in characterization of inactive hazardous waste sites; identifies sites which warrant remedial or removal action under Superfund (CERCLA); and oversees remedial activities and provides management assistance to EPA at Superfund sites listed on the National Priorities List (NPL). There are currently 16 listed Superfund sites in New Mexico which are in various stages of investigation and remediation. One of the 16 listed Superfund sites was placed on the NPL in April 2016. The site is currently in the scoping phase of the investigation in which no financial obligation exists. The Department estimates it will take at least 2 or 3 years before a Record of Decision is issued by the EPA. As of June 30, 2019, this site is excluded from the estimated pollution remediation liability.

The primary objective of the Superfund Oversight Section is to address releases or threatened releases of hazardous substances that pose an imminent or substantial endangerment to public health and safety or the environment. The major functions of the Superfund Program are to investigate and evaluate the release or threatened release of hazardous substances and identify responsible parties and remediate sites on the National Priorities List to ensure protection of human health and the environment.

The pollution remediation liability for Superfund sites was calculated by estimating the remediation liabilities for active sites in New Mexico. Sites for which one or more Potentially Responsible Parties is performing or funding the investigation and cleanup were excluded from the estimate. In cases where a viable potential responsible party has not been identified, federal funds will cover 100% of the investigation costs and 90% of the cleanup costs for up to 10 years. The state must assure payment of 10% of the cleanup costs for the first 10 years and 100% of the costs for any cleanup actions required beyond 10 years. Although there is no cost share requirement for sites where removal actions are performed, the State is responsible for 100% of post removal operation and maintenance.

NOTE 11 POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)

Superfund (Continued)

Site estimates were based on budget projections to cover necessary activities for the upcoming fiscal year, along with estimated costs for future years and phases, plus direct salaries and benefits. For sites or phases without budget projections, Superfund Program and Project Managers estimated costs for the Superfund phases of investigation and cleanup based on experience with similar sites. Site estimates may change drastically from one year to another as the investigations continue or remediation progresses. The estimate is subject to change due to price changes, technology changes, changes in applicable laws and regulations, or other unforeseen conditions. The Department does not expect any recoveries from other responsible parties that would reduce this liability. As of June 30, 2019, the estimated pollution remediation liability for Superfund sites totals \$25,836,605.

	Balance, June 30, 2018	Additions	Deletions	Balance, June 30, 2019
SUPERFUND				
Amount Due Within One Year	\$ 502,823	\$ 206,608	\$ (88,908)	\$ 620,523
Amount Due in More Than One Year - Beginning Balance	25,385,180	-	(169,098)	25,216,082
Total Superfund Oversight Remediation Liabilities	<u>\$ 25,888,003</u>	<u>\$ 206,608</u>	<u>\$ (258,006)</u>	<u>\$ 25,836,605</u>
LEAKING TANKS				
Amount Due Within One Year	\$ -	\$ -	\$ -	\$ -
Amount Due in More Than One Year	1,591,088	1,619,611	(1,591,088)	1,619,611
Total Leaking Tanks Remediation Liabilities	<u>\$ 1,591,088</u>	<u>\$ 1,619,611</u>	<u>\$ (1,591,088)</u>	<u>\$ 1,619,611</u>
TOTAL POLLUTION REMEDICATION LIABILITY				
Amount Due Within One Year	\$ 502,823	\$ 206,608	\$ (88,908)	\$ 620,523
Amount Due in More Than One Year	26,976,268	1,619,611	(1,760,186)	26,835,693
Grand Total Pollution Remediation Liability	<u>\$ 27,479,091</u>	<u>\$ 1,826,219</u>	<u>\$ (1,849,094)</u>	<u>\$ 27,456,216</u>

This liability is paid from the Department's special revenue funds and the general fund.

NOTE 12 REVERSIONS

In accordance with statute Section 6-5-10(A) NMSA 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30 shall revert. The Department did not have any reversions to the State General Fund for FY19. These payables may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

NOTE 13 PETROLEUM PRODUCTS LOADING FEES

The following is the summary of the petroleum products loading fees received from the New Mexico Department of Taxation and Revenue, recorded in the Corrective Action Fund (99000).

Petroleum Products Loading Fees	<u>\$ 21,039,726</u>
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NOTE 14 PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

Substantially all of the Department’s full-time employees participate in a public employee retirement system authorized under the Public Employees’ Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA’s website at www.pera.state.nm.us.

Funding Policy

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 16.99% of the gross covered salary. The contribution requirements of plan members and the Department are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department’s contribution to PERA for the fiscal year ending June 30, 2019 was \$5,191,587, which is equal to the amount of the required contribution for the fiscal year.

NOTE 15 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description

The Department contributes to the New Mexico Retiree Health Care Fund; a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf, unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2019, the statute required each participating employer to contribute 2.00% of each participating employee's annual salary; each participating employee was required to contribute 1.00% of their salary.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

**NOTE 15 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

Funding Policy (Continued)

The employer, employee and retiree contributions are required to be remitted to the RHCA monthly. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998 are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Department's contribution to the RHCA for the year ended June 30, 2019 was \$610,020, which is equal to the required contribution for the year.

NOTE 16 COMMITMENTS

Corrective Action Fund (99000)

The Corrective Action Fund uses only single site contracts. Workplans are submitted and approved for all site work. The workplans will be paid for as contractors submit claims for work performed. The Department plans to pay for projects completed under the workplans from revenues received by the Corrective Action Fund from the New Mexico Taxation and Revenue Department for petroleum products loading fees.

Loan Commitments

Wastewater Loan Construction Fund – As of June 30, 2019, the Department has executed binding commitments to disburse \$21,550,000 for future loans.

Rural Infrastructure Loan Fund – As of June 30, 2019, the Department has executed binding commitments to disburse \$2,335,379 for loans and grants from the fund.

Operating Leases

The Department leases equipment, vehicles, and real property under operating leases. Operating leases do not give rise to eventual property rights or lease obligations and, therefore, the effect of the lease obligations is not reflected in the Department's liabilities. Operating leases are subject to future appropriations and are cancelable by the Department at the end of each fiscal year. The Department has commitments for lease obligations for the following periods in the following amounts:

<u>Years Ending June 30,</u>	
2020	\$ 3,098,872
2021	3,117,143
2022	3,100,052
2023	3,084,834
2024	3,119,989
2025 and Thereafter	15,071,991
Total	<u>\$ 30,592,881</u>

NOTE 16 COMMITMENTS (CONTINUED)

Operating Leases (Continued)

Rental expenditures for the fiscal year ended June 30, 2019 were \$3,088,820.

NOTE 17 CONTINGENT LIABILITIES (CLAIMS AND JUDGMENTS)

The Department, as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico. The Risk Management Division pays annual premiums for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

In the case of civil actions or claims against the Department for financial damages, the Department's certificate of insurance with Risk Management does not cover claims for back wages, but does cover civil rights claims for other compensatory damages.

The Department is subject to various legal proceedings, claims, and liabilities, including employee claims, which arise in the ordinary course of the Department's operations. In the opinion of the Department's management and in-house legal counsel, the ultimate resolution of the above matters will not have a material adverse impact on the financial position or results of operations of the Department.

NOTE 18 RISK MANAGEMENT

The Department is exposed to various risks of loss for which the Department carries insurance with the State of New Mexico Risk Management Division (i.e., auto, employee fidelity bond, general liability, civil rights and foreign jurisdiction, money and securities, property and workers' compensation).

SPECIAL REVENUE FUNDS. The purpose of the Special Revenue Funds is to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Recycling and Illegal Dumping Fund (02600) – Established by the Department to comply with Recycling and Illegal Dumping Act, NMSA 1978, Section 74-13-19. The purpose of this fund is for abatement of tire dumps; reprocessing, transportation or recycling of scrap tires; providing annual retread rebates; and carrying out the provisions of the Recycling and Illegal Dumping Act. This fund is nonreverting.

Voluntary Remediation Fund (06600) – Created by State Statute NMSA 1978, Section 74-4G-11. The purpose of this fund is to account for fees and oversight payments collected pursuant to regulation adopted by the Secretary of the Environment Department pursuant to the provisions of the Voluntary Remediation Act. This fund is nonreverting.

Air Quality Title V Fund (09200) – Established by the Department to comply with the Air Quality Control Act, Chapter 74, Article 2. The purpose of the fund is to establish and administer an air quality permit program. This fund is nonreverting.

Nuclear Workers Assistance Fund (10980) – Created by State Statute NMSA 1978, Section 74-1-17. This fund was established for administration of a program to assist nuclear workers seeking claims under the federal Energy Employees Occupation Illness Compensation Program Act of 2000, 42 USC 7384 et seq. This fund is nonreverting.

Brownfields Cleanup Revolving Loan Fund (11900) – Created by State Statute NMSA 1978, Section 74-4G-11.1. The fund was established to account for the Brownsfield Cleanup Revolving Loan Fund. The funds are obtained through a grant from the Environmental Protection Agency. The funds are for the repayments of loans and interest. Income is accrued on the balance of the fund. This fund is nonreverting.

Responsible Parties Fund (24800) – Created by State Statute NMSA 1978, Section 74-6B-7 for removing leaking underground storage tanks. This fund is nonreverting.

Hazardous Waste Fund (33900) – Created by State Statute NMSA 1978, Section 74-4-4.5. The purpose of the fund is to meet necessary expenditures in the administration and operation of the hazardous waste program. This fund is nonreverting.

Liquid Waste Fund (34000) – Created by State Statute NMSA 1978, Section 74-1-15. The fund was established for the administration of liquid waste regulations. Source of funding: Permits and fees. This fund is nonreverting.

Water Quality Management Fund (34100) – Created by State Statute NMSA 1978, Section 74-6-5.2. The fund was established for administering the regulation adopted by the Water Quality Control Commission. This fund is nonreverting.

Water Recreation Facilities Fund (40000) – Created by State Statute NMSA 1978, Section 74-1-16. The fund was created to be used to administer and enforce rules pertaining to public swimming pools, public spas, and other public water recreation facilities. Source of funding: Fees. This fund is nonreverting.

SPECIAL REVENUE FUNDS (CONTINUED)

Water Conservation Fund (56700) – Created by State Statute NMSA 1978, Section 74-1-13. It was established for administration of a public water supply program to (1) test public water supplies, (2) perform vulnerability assessments, (3) implement new requirements of the Utility Operators Certification Act, and (4) provide training for all public water supply operators. This fund is nonreverting. Source of funding: Fees through New Mexico Taxation and Revenue Department. This fund is nonreverting.

Public Water Supply System Operator and Public Wastewater Operator Fund (58400) – Created by State Statute NMSA 1978, Section 61-33-5. The fund shall be used solely for administering and enforcing the Utility Operators Certification Act. Fees collected shall be deposited with the state treasurer in the “public water supply system operator and public wastewater facility operator fund”, hereby created. The fund shall be administered by the Department. Money in the fund shall be retained by the Department for use, subject to appropriation by the legislature. Balances in the fund at the end of any fiscal year shall not revert to the General Fund, but shall accrue to the credit of the fund. Earnings on the fund shall be credited to the fund. This fund is nonreverting.

Radiation Protection Fund (59200) – Created by State Statute NMSA 1978, Section 74-3-5.1. The fund was established to carry out provisions of the Radiation Protection Act. Source of funding: Fees and licenses. This fund is nonreverting.

State Air Quality Permit Fund (63100) – Created by State Statute NMSA 1978, Section 74-2-15. The fund is to be used for paying the reasonable costs of (1) reviewing and acting upon any application for a permit; (2) permits issued; (3) emissions and ambient monitoring; (4) preparing applicable regulations or guidance; (5) modeling, analysis and demonstrations; and (6) preparing inventories and tracking emissions. This fund is nonreverting.

Solid Waste Facility Grant Fund (63200) – Created by NMSA 1978, Section 74-9-41. The Solid Waste Facility Grant Fund was administratively established to administer grants to New Mexico counties and municipalities to construct solid waste facilities. This fund is nonreverting.

Penalties Fund (65200) – This fund formerly an agency fund and has been reclassified for fiscal year 2017 forward to a special revenue fund. It is used to account for settlements, penalties, fees, and reimbursements. The civil penalties are required to be paid to the general fund and are transferred, or reverted, monthly to the State General Fund. In future years, the penalties may go directly to the State General Fund. Statutory authority for this fund is related to the statutes which create the revenue streams; Air Quality Control Act and Occupational Health and Safety Act (OSHA) penalties (NMSA 1978 50-9-24 and 74-2-12).

Solid Waste Permit Fees (78300) – Created by State Statute NMSA 1978, Section 74-9-8I. The Solid Waste Act is to administer the Solid Waste Penalty Fees. The Statute established an applicant fee schedule for processing permit applications that is based on costs of application review incurred by the division. This fund is nonreverting.

ARRA Fund (89000) – The Department ARRA Special Revenue Fund was administratively created by NM Department of Finance and Administration and is used to account for the activity related to the funding provided by the federal government under the American Recovery and Reinvestment Act. This fund is nonreverting. All activity is segregated to ensure:

SPECIAL REVENUE FUNDS (CONTINUED)

ARRA Fund (89000) (Continued)

- Funds are awarded and distributed in a prompt, fair and reasonable manner;
- The recipients and uses of all funds are transparent to the public. The public benefits of these funds are reported clearly, accurately and in a timely manner;
- Funds are used for authorized purposes and instances of fraud, waste, error and abuse are mitigated;
- Projects funded under this Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

Hazardous Waste Emergency Fund (95700) – Created by State Statute NMSA 1978, Section 74-4-8. This fund shall be used for cleanup of hazardous substance incidents, disposal of hazardous substance and necessary repairs to, or replacement of, state property and may be used for the State's share of any response action taken under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. This fund is nonreverting.

Radiologic Technology Fund (98700) – Created by State Statute NMSA 1978, Section 61-14E-10. The purpose of the fund is to meet necessary expenditures incurred in the enforcement of the Medical Radiation Health and Safety Act. The Act established standards and requirements for the education and training of persons operating medical equipment emitting ionizing radiation. Source of funding: Fees. This fund is nonreverting.

Storage Tank Fund (98900) – Created by State Statute NMSA 1978, Section 74-4-4.8. The sole purpose of the fund is to meet necessary expenditures in the administration and operation of the underground storage tank program: specifically, to (1) review and act upon applications for the registration of underground storage tanks, (2) review and act upon applications for the certification of tank installers, and (3) implement and enforce any provision of the Hazardous Waste Act applicable to underground storage tanks and tank installers, including standards for the installation, operation and maintenance of underground storage tanks and for the certification of tank installers. This fund is nonreverting.

Food Service Sanitation Fund (99100) – Created by State Statute NMSA 1978, Section 25-1-5.1. The purpose of the fund is to pay the cost of administering regulations promulgated by the Environmental Improvement Board to carry out the provisions of the Food Service Sanitation Act. Source of funding: Fees. This fund is nonreverting.

SPECIAL REVENUE FUNDS

	02600	06600	09200	10980	11900
	Recycling and Illegal Dumping Fund	Voluntary Remediation Fund	Air Quality Title V Fund	Nuclear Workers Assistance Fund	Brownfields Cleanup Revolving Loan Fund
ASSETS					
Investment in State General Fund					
Investment Pool	\$ 1,830,883	\$ 74,711	\$ 2,391,991	\$ 71,527	\$ 445,007
Due from Federal Government	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other State Agencies	-	-	-	-	-
Due from Other State Entities	-	-	-	-	-
Other Assets	-	-	-	-	-
Other Receivables, Net	-	-	-	-	1,885,168
Total Assets	<u>\$ 1,830,883</u>	<u>\$ 74,711</u>	<u>\$ 2,391,991</u>	<u>\$ 71,527</u>	<u>\$ 2,330,175</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Investment in State General Fund

Investment Pool Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	97,210	-	-	-	-
Accrued Payroll Liabilities	-	-	-	-	-
Due to Federal Government	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other State Agencies	-	-	-	-	-
Due to Other State Entities	-	-	-	-	-
Due to State General Fund	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	<u>97,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Fund Balances:

Restricted	1,733,673	74,711	2,391,991	71,527	2,330,175
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>1,733,673</u>	<u>74,711</u>	<u>2,391,991</u>	<u>71,527</u>	<u>2,330,175</u>
Total Liabilities and Fund Balances	<u>\$ 1,830,883</u>	<u>\$ 74,711</u>	<u>\$ 2,391,991</u>	<u>\$ 71,527</u>	<u>\$ 2,330,175</u>

	SPECIAL REVENUE FUNDS				
	24800	33900	34000	34100	40000
	Responsible Parties Fund	Hazardous Waste Fund	Liquid Waste Fund	Water Quality Management Fund	Water Recreation Facilities Fund
ASSETS					
Investment in State General Fund					
Investment Pool	\$ 143,904	\$ 1,606,339	\$ 719,924	\$ 420,575	\$ 223,721
Due from Federal Government	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other State Agencies	-	-	-	-	-
Due from Other State Entities	-	-	-	-	-
Other Assets	-	-	-	-	-
Other Receivables, Net	-	64,250	-	-	-
Total Assets	<u>\$ 143,904</u>	<u>\$ 1,670,589</u>	<u>\$ 719,924</u>	<u>\$ 420,575</u>	<u>\$ 223,721</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Investment in State General Fund					
Investment Pool Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-
Accrued Payroll Liabilities	-	-	-	-	-
Due to Federal Government	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other State Agencies	-	-	-	-	-
Due to Other State Entities	-	-	-	-	-
Due to State General Fund	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	2,680	-	-	-	-
Total Liabilities	<u>2,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	141,224	1,670,589	719,924	420,575	223,721
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>141,224</u>	<u>1,670,589</u>	<u>719,924</u>	<u>420,575</u>	<u>223,721</u>
Total Liabilities and Fund Balances	<u>\$ 143,904</u>	<u>\$ 1,670,589</u>	<u>\$ 719,924</u>	<u>\$ 420,575</u>	<u>\$ 223,721</u>

	SPECIAL REVENUE FUNDS			
	56700	58400	59200	63100
	Water Conservation Fund	Public Water Supply System Operator and Public Wastewater Facility Operator Fund	Radiation Protection Fund	State Air Quality Permit Fund
ASSETS				
Investment in State General Fund				
Investment Pool	\$ 1,513,473	\$ 45,955	\$ 1,214,473	\$ 5,324,392
Due from Federal Government	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other State Agencies	234,389	-	-	-
Due from Other State Entities	-	-	-	-
Other Assets	-	-	-	-
Other Receivables, Net	-	-	35,713	9,878
Total Assets	<u>\$ 1,747,862</u>	<u>\$ 45,955</u>	<u>\$ 1,250,186</u>	<u>\$ 5,334,270</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Investment in State General Fund				
Investment Pool Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Payroll Liabilities	-	-	-	-
Due to Federal Government	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other State Agencies	-	-	-	-
Due to Other State Entities	-	-	-	-
Due to State General Fund	-	-	-	-
Other Liabilities	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Restricted	1,747,862	45,955	1,250,186	5,334,270
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances	<u>1,747,862</u>	<u>45,955</u>	<u>1,250,186</u>	<u>5,334,270</u>
Total Liabilities and Fund Balances	<u>\$ 1,747,862</u>	<u>\$ 45,955</u>	<u>\$ 1,250,186</u>	<u>\$ 5,334,270</u>

	SPECIAL REVENUE FUNDS				
	63200	65200	78300	89000	95700
	Solid Waste				Hazardous Waste
	Facility				
	Grant	Penalties	Solid Waste	ARRA	Emergency
	Fund	Fund	Permit Fees	Fund	Fund
ASSETS					
Investment in State General Fund					
Investment Pool	\$ 177,778	\$ 22,125	\$ 115,993	\$ 55	\$ 1,681,978
Due from Federal Government	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other State Agencies	-	-	-	-	-
Due from Other State Entities	-	-	-	-	-
Other Assets	-	-	-	-	-
Other Receivables, Net	-	-	-	-	13,965
Total Assets	<u>\$ 177,778</u>	<u>\$ 22,125</u>	<u>\$ 115,993</u>	<u>\$ 55</u>	<u>\$ 1,695,943</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Investment in State General Fund

Investment Pool Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-
Accrued Payroll Liabilities	-	-	-	-	-
Due to Federal Government	-	-	-	55	-
Due to Other Funds	-	-	-	-	-
Due to Other State Agencies	-	-	-	-	-
Due to Other State Entities	-	-	-	-	-
Due to State General Fund	-	22,125	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	22,125	-	55	-

Fund Balances

Restricted	177,778	-	115,993	-	1,695,943
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>177,778</u>	<u>-</u>	<u>115,993</u>	<u>-</u>	<u>1,695,943</u>
Total Liabilities and Fund Balances	<u>\$ 177,778</u>	<u>\$ 22,125</u>	<u>\$ 115,993</u>	<u>\$ 55</u>	<u>\$ 1,695,943</u>

SPECIAL REVENUE FUNDS

	98700	98900	99100	
	Radiologic Technology Fund	Storage Tank Fund	Food Service Sanitation Fund	Total All Non-Major Funds
ASSETS				
Investment in State General Fund				
Investment Pool	\$ 343,321	\$ 750,876	\$ 1,505,765	\$ 20,624,766
Due from Federal Government	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other State Agencies	-	-	-	234,389
Due from Other State Entities	-	-	-	-
Other Assets	-	-	-	-
Other Receivables, Net	-	5,281	12,600	2,026,855
Total Assets	<u>\$ 343,321</u>	<u>\$ 756,157</u>	<u>\$ 1,518,365</u>	<u>\$ 22,886,010</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Investment in State General Fund

Investment Pool Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	97,210
Accrued Payroll Liabilities	-	-	-	-
Due to Federal Government	-	-	-	55
Due to Other Funds	-	-	-	-
Due to Other State Agencies	-	-	-	-
Due to Other State Entities	-	-	-	-
Due to State General Fund	-	-	-	22,125
Other Liabilities	-	-	-	-
Unearned Revenues	-	267,435	44,500	314,615
Total Liabilities	-	267,435	44,500	434,005

Fund Balances

Restricted	343,321	488,722	1,473,865	22,452,005
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances	<u>343,321</u>	<u>488,722</u>	<u>1,473,865</u>	<u>22,452,005</u>
Total Liabilities and Fund Balances	<u>\$ 343,321</u>	<u>\$ 756,157</u>	<u>\$ 1,518,365</u>	<u>\$ 22,886,010</u>

	SPECIAL REVENUE FUNDS				
	02600	06600	09200	10980	11900
	Recycling and Illegal Dumping Fund	Voluntary Remediation Fund	Air Quality Title V Fund	Nuclear Workers Assistance Fund	Brownfields Cleanup Revolving Loan Fund
REVENUES					
Environmental Fees	\$ 983,582	\$ 18,936	\$ 4,415,401	\$ 43,100	\$ -
Petroleum Products Loading Fee	-	-	-	-	-
Federal Grant Revenue	-	-	-	-	239,232
Investment Earnings	-	-	-	-	7,784
Interest on Loans	-	-	-	-	2,000
Other Revenue	-	-	-	-	-
Total Revenues	983,582	18,936	4,415,401	43,100	249,016
EXPENDITURES					
Resource Management Division	-	-	-	-	-
Water Protection Division	-	-	-	-	-
Resource Protection Division	436,857	-	-	-	-
Environmental Protection Division	-	-	-	-	-
Other Environmental Initiatives	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	436,857	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	546,725	18,936	4,415,401	43,100	249,016
OTHER FINANCING SOURCES (USES)					
General Fund Appropriation	-	-	-	-	-
Transfers in - Other Agencies	-	-	-	-	-
Transfers in - STB	-	-	-	-	-
Transfers out - Other Agencies	-	-	-	-	-
Transfers - INTRA Agency	(214,581)	(10,879)	(4,885,435)	(78,119)	-
Reversions - FY19	-	-	-	-	-
Total Other Financing Sources (Uses)	(214,581)	(10,879)	(4,885,435)	(78,119)	-
NET CHANGE IN FUND BALANCES	332,144	8,057	(470,034)	(35,019)	249,016
Fund Balances - Beginning	1,401,529	66,654	2,862,025	106,546	2,081,159
FUND BALANCES - ENDING	<u>\$ 1,733,673</u>	<u>\$ 74,711</u>	<u>\$ 2,391,991</u>	<u>\$ 71,527</u>	<u>\$ 2,330,175</u>

	SPECIAL REVENUE FUNDS				
	24800	33900	34000	34100	40000
	Responsible Parties Fund	Hazardous Waste Fund	Liquid Waste Fund	Water Quality Management Fund	Water Recreation Facilities Fund
REVENUES					
Environmental Fees	\$ 207,691	\$ 3,420,322	\$ 409,004	\$ 563,572	\$ 145,600
Petroleum Products Loading Fee	-	-	-	-	-
Federal Grant Revenue	-	-	-	-	-
Investment Earnings	-	-	24,867	-	-
Interest on Loans	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenues	207,691	3,420,322	433,871	563,572	145,600
EXPENDITURES					
Resource Management Division	-	-	-	-	-
Water Protection Division	-	-	-	-	-
Resource Protection Division	-	-	-	-	-
Environmental Protection Division	-	-	-	-	-
Other Environmental Initiatives	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	207,691	3,420,322	433,871	563,572	145,600
OTHER FINANCING SOURCES (USES)					
General Fund Appropriation	-	-	-	-	-
Transfers in - Other Agencies	-	-	-	-	-
Transfers in - STB	-	-	-	-	-
Transfers out - Other Agencies	-	-	-	-	-
Transfers - INTRA Agency	(192,916)	(2,932,753)	(604,899)	(607,542)	(242,063)
Reversions - FY19	-	-	-	-	-
Total Other Financing Sources (Uses)	(192,916)	(2,932,753)	(604,899)	(607,542)	(242,063)
NET CHANGE IN FUND BALANCES	14,775	487,569	(171,028)	(43,970)	(96,463)
Fund Balances - Beginning	126,449	1,183,020	890,952	464,545	320,184
FUND BALANCES - ENDING	\$ 141,224	\$ 1,670,589	\$ 719,924	\$ 420,575	\$ 223,721

	SPECIAL REVENUE FUNDS				
	56700	58400	59200	63100	63200
	Water Conservation Fund	Public Water Supply System Operator and Public Wastewater Facility Operator Fund	Radiation Protection Fund	State Air Quality Permit Fund	Solid Waste Facility Grant Fund
REVENUES					
Environmental Fees	\$ 2,141,890	\$ 72,446	\$ 884,073	\$ 4,755,344	\$ 134,854
Petroleum Products Loading Fee	-	-	-	-	-
Federal Grant Revenue	-	-	-	-	-
Investment Earnings	-	1,333	29,110	-	4,202
Interest on Loans	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenues	2,141,890	73,779	913,183	4,755,344	139,056
EXPENDITURES					
Resource Management Division	-	-	-	-	-
Water Protection Division	-	-	-	-	-
Resource Protection Division	-	-	-	-	-
Environmental Protection Division	-	-	-	-	-
Other Environmental Initiatives	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,141,890	73,779	913,183	4,755,344	139,056
OTHER FINANCING SOURCES (USES)					
General Fund Appropriation	-	-	-	-	-
Transfers in - Other Agencies	-	-	-	-	-
Transfers in - STB	-	-	-	-	-
Transfers out - Other Agencies	-	-	-	-	-
Transfers - INTRA Agency	(3,085,726)	(89,486)	(789,765)	(2,908,032)	-
Reversions - FY19	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,085,726)	(89,486)	(789,765)	(2,908,032)	-
NET CHANGE IN FUND BALANCES	(943,836)	(15,707)	123,418	1,847,312	139,056
Fund Balances - Beginning	2,691,698	61,662	1,126,768	3,486,958	38,722
FUND BALANCES - ENDING	\$ 1,747,862	\$ 45,955	\$ 1,250,186	\$ 5,334,270	\$ 177,778

	SPECIAL REVENUE FUNDS				
	65200	78300	89000	95700	98700
	Penalties Fund	Solid Waste Permit Fees	ARRA Fund	Hazardous Waste Emergency Fund	Radiologic Technology Fund
REVENUES					
Environmental Fees	\$ -	\$ 50,100	\$ -	\$ 231,800	\$ 196,899
Petroleum Products Loading Fee	-	-	-	-	-
Federal Grant Revenue	-	-	-	-	-
Investment Earnings	-	-	-	-	-
Interest on Loans	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total Revenues	-	50,100	-	231,800	196,899
EXPENDITURES					
Resource Management Division	-	-	-	-	-
Water Protection Division	-	-	-	-	-
Resource Protection Division	-	-	-	-	-
Environmental Protection Division	-	-	-	-	-
Other Environmental Initiatives	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	50,100	-	231,800	196,899
OTHER FINANCING SOURCES (USES)					
General Fund Appropriation	-	-	-	-	-
Transfers in - Other Agencies	-	-	-	-	-
Transfers in - STB	-	-	-	-	-
Transfers out - Other Agencies	-	-	-	-	-
Transfers - INTRA Agency	-	(56,772)	-	(161,058)	(97,688)
Reversions - FY19	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(56,772)	-	(161,058)	(97,688)
NET CHANGE IN FUND BALANCES	-	(6,672)	-	70,742	99,211
Fund Balances - Beginning	-	122,665	-	1,625,201	244,110
FUND BALANCES - ENDING	\$ -	\$ 115,993	\$ -	\$ 1,695,943	\$ 343,321

	SPECIAL REVENUE FUNDS		
	98900	99100	
	Storage	Food	Total
	Tank	Service	All Non-Major
Fund	Sanitation	Funds	
Fund	Fund	Funds	
REVENUES			
Environmental Fees	\$ 495,553	\$ 1,569,000	\$ 20,739,167
Petroleum Products Loading Fee	-	-	-
Federal Grant Revenue	-	-	239,232
Investment Earnings	-	-	67,296
Interest on Loans	-	-	2,000
Other Revenue	-	-	-
Total Revenues	495,553	1,569,000	21,047,695
EXPENDITURES			
Resource Management Division	-	-	-
Water Protection Division	-	-	-
Resource Protection Division	-	-	436,857
Environmental Protection Division	-	-	-
Other Environmental Initiatives	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	436,857
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	495,553	1,569,000	20,610,838
OTHER FINANCING SOURCES (USES)			
General Fund Appropriation	-	-	-
Transfers in - Other Agencies	-	-	-
Transfers in - STB	-	-	-
Transfers out - Other Agencies	-	-	-
Transfers - INTRA Agency	(409,266)	(1,739,462)	(19,106,442)
Reversions - FY19	-	-	-
Total Other Financing Sources (Uses)	(409,266)	(1,739,462)	(19,106,442)
NET CHANGE IN FUND BALANCES	86,287	(170,462)	1,504,396
Fund Balances - Beginning	402,435	1,644,327	20,947,609
FUND BALANCES - ENDING	<u>\$ 488,722</u>	<u>\$ 1,473,865</u>	<u>\$ 22,452,005</u>

Severance Tax Bonds Projects - Fund 89200

Laws	Chapter	Amount Authorized	Amount De-Authorized	Art in Public Places	Amount Available	Expenditures Reported Prior Years (unaudited)	Expenditures Reported Current Year	Amount Reverted	06/30/19 Balance Available
2015	147 / 3	\$ 17,174,009	\$ (3,284,166)	\$ -	\$ 13,889,843	\$ (12,244,603)	\$ (1,421,137)	\$ (224,103)	\$ -
2016	81	17,133,797	(5,087,273)	(7,142)	12,039,382	(6,909,553)	(2,715,913)	(1,011)	2,412,905
2017	133	3,898,324	-	-	3,898,324	(196,137)	(1,256,030)	(687)	2,445,470
2018	80/68	12,147,175	(251,997)	(1,503)	11,893,675	(583,163)	(3,464,695)	(146,887)	7,698,930
2019	280	925,400	-	-	925,400	-	-	-	925,400
Total Severance Tax Bond		<u>\$ 51,278,705</u>	<u>\$ (8,623,436)</u>	<u>\$ (8,645)</u>	<u>\$ 42,646,624</u>	<u>\$ (19,933,456)</u>	<u>\$ (8,857,775)</u>	<u>\$ (372,688)</u>	<u>\$ 13,482,705</u>

General Fund Capital Outlay Projects - Fund 93100

2019	278	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
2019	278	100,000	-	-	100,000	-	-	-	100,000
2019	278	150,000	-	-	150,000	-	-	-	150,000
2019	278/279	300,000	-	-	300,000	-	-	-	300,000
2019*	277	42,796,640	-	(81,510)	42,715,130	-	-	-	42,715,130
Total General Fund		<u>\$ 43,396,640</u>	<u>\$ -</u>	<u>\$ (81,510)</u>	<u>\$ 43,315,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,315,130</u>

*\$3,831,000 in funding related to various projects was not released in FY19 and is not reflected in the fund financial statements for fund 93100. \$764,000 of the \$3,831,000 appropriation will be received by the Department in FY20 and released to the local government. The remaining \$3,064,000 will be received by the Department once the local governments are in compliance.

Description	Project Number	Authority	Appropriation Period	SHARE Fund	Total Original Appropriation	Expenditures Reported Prior Years	Current Year Expenditures	Encumbrances	Current Year Reversion Amount	Remaining Balance at 06/30/19
Environmental Litigation	Z40565	Laws 2014, Chapter 63	2014-2019	06400	\$ 1,500,000	\$ 1,421,429	\$ 78,571	\$ -	\$ -	\$ -
Environmental Litigation	ZB0523	Laws 2017, Chapter 135	2017-2020	06400	1,000,000	-	268,365	-	-	731,635
Environmental Remediation	ZC5564	Laws 2018, Chapter 73	2018-2019	99000	2,000,000	1,000,000	1,000,000	-	-	-
Total General Fund					4,500,000	2,421,429	1,346,936	-	-	731,635
Capital Project Appropriations	A151069	Laws 2015, Chapter 3	2015-2019	06400	500,000	207,283	286,917	-	5,800	-
Total Capital Project Funds					500,000	207,283	286,917	-	5,800	-
Total All Funds					\$ 5,000,000	\$ 2,628,712	\$ 1,633,853	\$ -	\$ 5,800	\$ 731,635

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Participating Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Air Pollution Control Program Support				
Air Pollution Control Sec 105 Grant FY19	66.001		\$ -	\$ 1,271,487
			-	1,271,487
State Indoor Radon Grants				
NM State Indoor Radon FY17-18	66.032		-	50,084
NM State Indoor Radon FY19-20	66.032		-	138,460
			-	188,544
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act				
PM 2.5 Air Monitoring FY18	66.034		-	61,737
State Public Water System Supervision				
Public Water Supply Supervision FY19-20	66.432		-	966,690
Multipurpose Grants to States and Tribes				
Gold King Mine (Animas) Multi-Purpose	66.204		4,144	4,144
Statewide Air Pollution and Water Protection	66.204		-	121,277
			4,144	125,421
Water Pollution Control State, Interstate, and Tribal Program Support				
SW 106 Supplemental Monitoring - FY17-18	66.419		-	203,265
FY18-19 CWA Section 106 - Ground Water	66.419		-	296,232
FY18-19 CWA Section 106 - Surface Water	66.419		-	1,229,128
ENVGKM - Gold King Mine (Animas) Phase 2	66.419		20,501	20,501
			20,501	1,749,126
State Underground Water Source Protection				
Pass-thru via NM Energy and Minerals				
Underground Injection Energy & Minerals FY18	66.433	G-00622319	-	75,371
Water Quality Management Planning				
FY18-19 CWA, Water Quality Planning 604(b)	66.454		-	99,733
Clean Water State Revolving Funds (CWSRF) Cluster				
Capitalization Grants for CWSRF, Construction	66.458		7,859,000	7,859,000
Capitalization Grants for CWSRF, Administration	66.458		-	578,330
			7,859,000	8,437,330
Nonpoint Source Implementation Grants				
FY16-17 319 Grant Project Implement - Surface Water	66.460		-	444,038
FY18-19 319 NSIG - Ground Water	66.460		-	139,783
FY18-19 319 NSIG - Surface Water	66.460		-	1,057,325
			-	1,641,146
Regional Wetland Program Development Grants				
FFY17-18 East Fork Jemez River Innovative Wetland Restoration	66.461		-	7,569
FFY17-18 Mapping & Classification of Wetlands - Rio Grande	66.461		-	4,119
FFY17-18 Mapping & Classification of Wetlands - San Juan River	66.461		-	36,653
FFY17-18 NM Rapid Assessment for Slope Wetlands	66.461		-	407
FY13-14 105 Grant Wetlands – Canadian	66.461		-	142,629
FY13-14 105 Grant Wetlands – Springs Assessment	66.461		-	218,303
FY14-15 105 NM RAM Wetlands - Pecos	66.461		-	125,967
FY15-16 Rapid Assessment for Wetlands	66.461		-	499,684
			-	1,035,331

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Participating Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY (CONTINUED)				
Drinking Water State Revolving Funds (DWSRF) Cluster				
Pass-thru via NM Finance Authority				
FFY15 Cap Grant - Capacity	66.468	FS-99692518	\$ -	\$ 1,568
FFY16 Cap Grant - Capacity	66.468	FS-99692519	-	136,960
FFY16 Cap Grant - State Programs	66.468	FS-99692519	-	3,150
FFY17 Cap Grant - Capacity	66.468	FS-99692520	-	316,494
FFY17 Cap Grant - State Programs	66.468	FS-99692520	-	462,541
FFY17 Cap Grant - Wellhead	66.468	FS-99692520	-	245,281
FFY17 Cap Grant Small Systems Tech	66.468	FS-99692520	-	77,480
NMFA DWSRF Grant Capacity	66.468	FS-99692521	-	854,077
NMFA DWSRF Grant Small Systems Tech	66.468	FS-99692521	-	18,992
NMFA DWSRF Grant State Programs	66.468	FS-99692521	-	885,073
NMFA DWSRF Grant Wellhead	66.468	FS-99692521	-	61,889
			-	3,063,505
Environmental Information Exchange Network Grant Program				
FY15 Exchange Network Grant Program	66.608		-	32,277
FY18 Exchange Network (EN) Enterprize Security Badge	66.608		-	59,684
FY15 SWQB SQUID/Attains Grant Project	66.608		-	9,842
			-	101,803
Hazardous Waste Management State Program Support				
FY19 HWB - RCRA State Program Support	66.801		-	772,503
Superfund State, Political Subdivision, and Indian Tribe				
Site-Specific Cooperative Agreements				
FFY19-20 Superfund Bulk Oversight Multi-Project Coop. Agreement	66.802		-	240,046
FFY19-20 Superfund Core Oversight Multi-Project Coop. Agreement	66.802		-	101,440
FY13 Superfund Bulk Grant	66.802		-	108,670
FY13 Superfund Core Grant	66.802		-	33,717
FY15 NMED Five Year Bulk Funding	66.802		-	12,555
FY17 North Railroad Avenue Plume Grant	66.802		-	719,922
Gold King Mine San Juan Watershed Monitoring Program	66.802		220,023	220,023
McGaffey & Main Plume Ground Water Plume	66.802		-	47,028
McGaffey & Main Plume Grnd. Wtr. Plume RA SVE/VIMS	66.802		-	36,831
Remedial Action Oversight of the Chevron Questa Mine - EMNRD	66.802		52,016	53,601
Superfund - Eagle Picher Remedial Design	66.802		-	266,211
Superfund Oversight of the Chevron Questa Mine	66.802		-	227,746
Superfund Tronox	66.802		-	14,850
Superfund Tronox - EMNRD	66.802		2,855	6,968
			274,894	2,089,608
Underground Storage Tank Prevention, Detection, and Compliance Program				
FY19-20 LUST - Underground Storage Tank Prevention	66.804		-	317,934
FY19-20 LUST - Underground Storage Tank Trust Fund	66.804		-	510,297
			-	828,231
Brownfields Assessment and Cleanup Cooperative Agreements				
Brownfields Cleanup	66.818		-	242,813
State and Tribal Response Program Grants				
Brownfield State Response Program	66.817		-	209,960
FY14 NM Brownfields State Response Program	66.817		-	333,036
			-	542,996
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			8,158,539	23,293,375

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Participating Expenditures
U.S. DEPARTMENT OF ENERGY				
Environmental Monitoring and Clean-up				
DOE WIPP Oversight AIP	81.214		\$ -	\$ 342,731
DOE Environmental Oversight & Monitoring for LANL/Sandia Labs	81.214			428,589
FFY19-23 DOE Environmental Oversight & Monitoring - LANL/SNL	81.214		-	1,565,424
			-	2,336,744
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions				
Pass-through via NM Energy and Minerals:				
FY19 WIPP Emergency Response	81.106	DE-EM004167	-	144,908
Long-Term Surveillance and Maintenance				
GNOME Coach and Gasbuggy Nuclear Test Sites	81.136		-	1,707
NM Uranium Mill Tailings Radiation Control Act	81.136		-	55,855
			-	57,562
TOTAL U.S. DEPARTMENT OF ENERGY				
			-	2,539,214
U.S. DEPARTMENT OF DEFENSE				
State Memorandum of Agreement Program for the Reimbursement of Technical Services				
DSMOA CA18-20 State Memorandum of Agreement Program	12.113	W921DY-18-2-0233	-	5,772
Estuary Habitat Restoration Program				
Kirtland AFB Cooperative Agreement	12.130	FA-8903-16-2-0002	-	89,999
TOTAL U.S. DEPARTMENT OF DEFENSE				
			-	95,771
U.S. DEPARTMENT OF LABOR				
Occupational Safety and Health State Program				
FFY18 OSHA 23(g) State Plan Implementation	17.503		-	255,334
Implementation of NM OHSA: Sec 50-9-1 to 50-9-25 NMSA1978	17.503		-	709,242
			-	964,576
Consultation Agreements				
FFY18 OSHA 21(d) State Consultation Program	17.504		-	124,559
State Plan OSHA Consultation Program	17.504		-	368,928
			-	493,487
Compensation and Working Conditions				
FFY18 OSHA BLS Statistics	17.005		-	21,155
Occupational Health & Safety Statistics	17.005		-	52,085
			-	73,240
TOTAL U.S. DEPARTMENT OF LABOR				
			-	1,531,303
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Food and Drug Administration Research				
Conformance with the Manufactured Food Regulatory Program	93.103		-	25,971
Flexible Funding Model - Infrastructure Development and Maintenance				
NM MFRPS Implementation	93.367		-	239,915
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
			-	265,886
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,158,539	\$ 27,725,549

RECONCILIATION TO FINANCIAL STATEMENTS

Governmental Funds - Federal Grant Revenue	\$ 19,542,992
Enterprise Funds - Federal Grant Revenue	7,859,000
CWSRF Administrative Expenditures	578,330
Federal Contracts	(279,004)
Other Reconciling Items	24,231
	<u>\$ 27,725,549</u>

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Department under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Department.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Amounts reported in the Schedule are reported on the accrual basis of accounting. The Department has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NONCASH ASSISTANCE

The Department did not receive any federal non-cash assistance during the year ended June 30, 2019.

LOANS

The Department does not have any loans outstanding with the Federal government at June 30, 2019.

SUBRECIPIENTS

The Clean Water State Revolving Loan Fund (the Fund) receives capitalization grants to create and maintain the Clean Water State Revolving Fund program (CWSRF, CFDA 66.458). The Fund can use the capitalization grants to provide loans at reduced interest rates to finance the construction of publicly-owned water pollution control facilities, non-point source pollution control projects, and estuary management plans. Loans made by the Fund can be paid up to 30 years and all repayments, including interest and principal, must remain within the Wastewater Facility Construction Loans Fund of the Fund. Capitalization loans processed for CWSRF for the year ended June 30, 2019 were \$13,772,471. CWSRF outstanding loans at June 30, 2019 were \$175,484,579. The Fund provided in fiscal year 2019 \$2,234,725 in grants to various communities throughout New Mexico to subsidize their loans.

Of the \$7,859,000 represented in the Schedule of Expenditures of Federal Awards, \$1,523,210 was provided as grant and \$6,335,790 was provided as loan disbursements. The amounts are included in the schedule of expenditures of federal awards as Construction Loan and Construction Grant (CFDA 66.458).

The Department received federal grant funding from the Environmental Protection Agency (EPA) passed-through to other subrecipients as specified in the schedule below:

SUBRECIPIENTS (CONTINUED)

Clean Water State Revolving Fund (CWSRF)

	Federal Grant	Federal Revolving Loan	Total
Village of Los Lunas	\$ -	\$ 2,048,764	\$ 2,048,764
City of Grants	-	1,444,101	1,444,101
City of Gallup	-	878,092	878,092
City of Hobbs	-	871,562	871,562
Town of Peralta	975,602	752,981	1,728,583
Estancia Valley Solid Waste Authority	-	174,262	174,262
City of Santa Rosa	-	63,346	63,346
Village of Tijeras	-	54,621	54,621
Village of Fort Sumner	5,976	20,000	25,976
Village of Cimarron	-	14,237	14,237
Town of Springer	-	13,824	13,824
Village of Cuba	541,632	-	541,632
Total CWSRF Passed Through to Subrecipients	<u>\$ 1,523,210</u>	<u>\$ 6,335,790</u>	<u>7,859,000</u>

Gold King Mine (Animas) Multi-Purpose

Regents of New Mexico State University 4,144

Gold King Mine (Animas) Phase 2

New Mexico Institute of Mining & Tech 15,915
 Regents of New Mexico State University 4,586
20,501

Gold King Mine San Juan Watershed Monitoring Program

New Mexico Institute of Mining & Tech 110,271
 Regents of New Mexico State University 109,752
220,023

Remedial Action Oversight of the
 Chevron Questa Mine - EMNRD

Energy Minerals & Natural Resources Department 52,016

Superfund Tronox - EMNRD

Energy Minerals & Natural Resources Department 2,855
\$ 8,158,539

Grand Total

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mr. James C. Kenney, Cabinet Secretary
New Mexico Environment Department and
Mr. Brian Colón
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of the New Mexico Environment Department (the Department), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated October 31, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Albuquerque, New Mexico
October 31, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Mr. James C. Kenney, Cabinet Secretary
New Mexico Environment Department and
Mr. Brian Colón
New Mexico State Auditor
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

We have audited New Mexico Environment Department's (the Department) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2019. The Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Department's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Department's compliance.

Opinion on Each Major Federal Program

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003. Our opinion on each major federal program is not modified with respect to these matters.

The Department's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Department's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003, that we consider to be significant deficiencies.

The Department's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Albuquerque, New Mexico
October 31, 2019

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
66.419	Water Pollution Control State, Interstate, and Tribal Program Support
66.CWSRF	Capitalization Grants for Clean Water State Revolving Funds
66.461	Regional Wetland Program Development Grants
81.214	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis

Dollar threshold used to distinguish between

Type A and Type B programs: \$ 831,766

Auditee qualified as low-risk auditee? x yes _____ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2019 – 001 Allowable Activities and Costs

Federal Agency: U.S. Environmental Protection Agency

Federal Program Title: Water Pollution Control State, Interstate, and Tribal Program Support

CFDA Number: 66.419

Award Period: 07/01/2017 – 06/30/2019

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Instances of Noncompliance

Criteria or Specific Requirement: According to §200.303 Internal Controls of 2 CFR Part 200, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. According to §200.430 Compensation—personal services of 2 CFR Part 200, costs of compensation are allowable to the extent the costs are reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities and follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies. Specific to the Department, employees working on multiple grants are required to complete a Personnel Activity Report i.e., time sheet. Employees who devote 100% of their time to one grant complete a Time Sheet Certification. Supervisors review the employee's time in SHARE and compare to the time sheets and time certifications. Adjustments are made as needed to accurately reflect the time worked on a grant. Time sheets and time certifications are reviewed and signed by the employee's supervisor.

Condition: During our testing over payroll disbursements, we noted the following exceptions:

- One time certification was not signed by the supervisor
- One instance of time entered into SHARE did not agree to the Time Sheet Certification.

Questioned Costs: None

Context: While performing audit procedures, it was noted that 1 time sheet certification was not signed by the supervisor out of the 40 sampled payroll disbursements. Also, it was noted that 1 time sheet certification was completed stating the employee devoted 100% of his time to the grant. However, the hours allocated to the grant in SHARE were 20.40 hours rather than 40 hours. As a result, the amount undercharged to the grant totaled approximately \$614.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2019 – 001 Allowable Activities and Costs (Continued)

Cause: The supervisor neglected to sign the certification. The bureau noted the need for a journal entry for the employee's time. However, a journal entry was not completed.

Effect: The lack of internal controls over this compliance requirement provides an opportunity for noncompliance. The auditor noted instances of noncompliance. Noncompliance results in possible under or over charges to the grants.

Recommendation: We recommend the Department design controls to ensure an adequate review process is in place related to the payroll review function. We also recommend the Department implement a process to ensure identified journal entries are entered into the financial records within a timely manner.

Views of Responsible Officials: Management agrees with this finding. The immediate supervisor for this particular grant should ensure that their signature is on the certification. Monthly reconciliations are performed for all federal grants, however, due financial staff turnover, this particular certification was overlooked. Both the immediate supervisor and the Bureau Financial Manager should ensure that all signatures are on the certifications.

The Bureau financial manager at the Ground Water Quality Bureau is responsible for ensuring that all journal entries have been done. Since the Bureau has experienced financial staff turnover, this particular journal entry was not conducted. All payroll reconciliations were conducted; however, a journal entry was not completed. The Department continues to work on hiring staff and ensuring that all eligible expenditures for each of the funding sources are allocated properly.

2019 – 002 Period of Performance

Federal Agency: U.S. Environmental Protection Agency

Federal Program Title: Regional Wetland Program Development Grants

CFDA Number: 66.461

Award Period: 10/01/2013 – 05/31/2019

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Instance of Noncompliance

Criteria or Specific Requirement: According to §200.303 Internal Controls of 2 CFR Part 200, unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

Condition: During our testing over period of performance, we noted an obligation was not paid within 90 days after the end date of the period of performance.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2019 – 002 Period of Performance (Continued)

Questioned Costs: \$19,725

Context: While performing audit procedures, it was noted that a payable posted to SHARE on 06/30/2019 for a grant with a period of performance end date of 05/31/2019. However, as of 10/14/2019, the payable had not been liquidated. Liquidation date was 08/29/2019. As a result, the Department owes the EPA an approximate amount of \$19,725 as the expenditure had already been drawn against the grant.

Cause: The Department was not timely in making payment to the payee of the grant funds.

Effect: The auditor noted an instance of noncompliance. Noncompliance results in possible under or over charges to the grants.

Recommendation: We recommend the Department implement a process to ensure obligations are liquidated within the closeout period of 90 days.

Views of Responsible Officials: Management concurs with this finding. The Bureau financial manager at the Ground Water Quality Bureau is responsible for ensuring that all journal entries have been done. Since the Bureau has experienced financial staff turnover, this particular journal entry was not conducted. All payroll reconciliations were conducted; however, a journal entry was not completed. The Department continues to work on hiring staff and ensuring that all eligible expenditures for each of the funding sources are allocated properly.

2019 – 003 Suspension and Debarment Procedure

Federal Agency: U.S. Department of Energy

Federal Program Title: Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis

CFDA Number: 81.214

Award Period: 10/01/2013 - 09/30/2023 and 09/12/2012 - 06/30/2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Instances of Noncompliance

Criteria or Specific Requirement: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of suspension and debarment. The Department should have internal controls designed to ensure compliance with these provisions.

Condition: During our testing over suspension and debarment, we noted the Department did not have adequate internal controls to ensure vendors were not suspended or debarred.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2019 – 003 Suspension and Debarment Procedure (Continued)

Questioned Costs: None

Context: While performing audit procedures, it was noted that the Department did not review 3 of 3 vendors prior to entering into a contract with a vendor to ensure the vendor was not on the suspended or debarred vendor list maintained by the General Services Administration.

Cause: The Department utilized vendors awarded by the State Purchasing Department under a Statewide Price Agreement. The Department is not included in the award process. The Department was under the assumption that the State Purchasing Division completed the federal suspension and debarment checks during the award process. However, upon conformation with the State Purchasing Department, it reviews the New Mexico suspension and debarment. However, the agency is required to check for federal suspension and debarment.

Effect: The auditor noted instances of noncompliance. Noncompliance results in possible federal funds provided to ineligible vendors.

Recommendation: We recommend the Department implement a process to ensure vendors are not suspended or debarred prior to entering into a contract with the vendor. For vendors awarded under a Statewide Price Agreement, we recommend the process include a review of the vendor on the suspended or debarred vendor list maintained by the General Services Administration prior to the procurement of services. Furthermore, we recommend the Department's suspension and debarment process be written into a formal procedure.

Views of Responsible Officials: Management agrees with this finding. Management was under the assumption that since the request for proposal was conducted through the State Purchasing Division, the suspension and debarment was handled through the State Purchasing Division. Management has implemented a process wherein the Department will verify vendors selected to perform work for the Department are not debarred or suspended.

Finding	Status
Section I – Financial Statement Findings	
2018-001 Prior Period Restatement for Capital Assets (Significant Deficiency)	Resolved
Section II – Federal Award Findings and Questioned Costs	
FA2018-001 Federal Program Reporting (Other Noncompliance)	Resolved
FA2018-002 Federal Program Equipment Purchase Approval (Other Noncompliance)	Resolved
Section 12-6-5 NMSA 1978 Findings	
2018-002 Payroll Documentation (Other Noncompliance)	Resolved
2018-003 Noncompliance with the Governmental Conduct Act (Other Noncompliance)	Resolved
2018-004 Improperly Completed Cash Receipts (Finding That Does Not Rise to the Level of a Significant Deficiency)	Resolved

An exit conference was held with the Department on October 31, 2019. The conference was held at the Department's offices in Santa Fe, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

NEW MEXICO ENVIRONMENT DEPARTMENT

James C. Kenney	Secretary
Marlene Velasquez	Chief Financial Officer

CLIFTONLARSONALLEN LLP

Matt Bone, CPA, CGFM, CGMA	Engagement Principal
Jane Tinker, CPA	Engagement Director

CliftonLarsonAllen LLP assisted in the preparation of the financial statements presented in this report. The Department's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

FY 2020 Budget

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target	
1					90%	
2	(b) Outcome:					
3						
4					95%	
5	(2) Water protection:					
6	The purpose of the water protection program is to protect and preserve the ground, surface and drinking					
7	water resources of the state for present and future generations. The program also helps New Mexico					
8	communities develop sustainable and secure water, wastewater and solid waste infrastructure through					
9	funding, technical assistance and project oversight.					
10	Appropriations:					
11	(a) Personal services and					
12	employee benefits	1,670.7	100.0	5,252.6	7,697.6	14,720.9
13	(b) Contractual services	344.7		2,821.1	2,871.1	6,036.9
14	(c) Other	182.7		1,287.5	2,397.7	3,867.9
15	Performance measures:					
16	(a) Output:					
17	Percent of facilities operating under a groundwater discharge permit inspected each year				63%	
18	(b) Outcome:					
19	Percent of assessed stream and river miles meeting water quality standards				50%	
20	(3) Environmental protection:					
21	The purpose of the environmental protection program is to ensure New Mexicans breathe healthy air, to					
22	protect public health and the environment through specific programs that provide regulatory oversight of					
23	food service and food processing facilities, on-site treatment and disposal of liquid wastes, public					
24	swimming pools and baths and medical radiation and radiological technologist certification and to ensure					
25	every employee has safe and healthful working conditions.					

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
1 Appropriations:					
2 (a) Personal services and					
3 employee benefits	4,017.6	26.4	10,557.2	2,288.1	16,889.3
4 (b) Contractual services	4.4		995.9	503.7	1,504.0
5 (c) Other	1,238.1		1,981.8	1,198.5	4,418.4
6 Performance measures:					
7 (a) Outcome:					
8 Percent of serious worker health and safety violations					
9 corrected within the timeframes designated on issued					
9 citations from the consultation and compliance sections					96%
10 (4) Resource management:					
11 The purpose of the resource management program is to provide overall leadership, administrative, legal					
12 and information management support to all programs within the department. This support allows the					
13 department to operate in the most responsible, efficient and effective manner so the public can receive					
14 the information it needs to hold the department accountable.					
15 Appropriations:					
16 (a) Personal services and					
17 employee benefits	2,205.9		2,219.5	1,865.1	6,290.5
18 (b) Contractual services	267.8		78.7	194.0	540.5
19 (c) Other	103.2	5.0	342.1	442.6	892.9
20 Performance measures:					
21 (a) Output:					
21 Percent of positive outcomes of legal action					95%
22 (5) Special revenue funds:					
23 Appropriations:					
24 (a) Contractual services		2,800.0			2,800.0
25 (b) Other		10,410.0			10,410.0

Report on Contiguous States' Fees

CONTIGUOUS STATES FEE COMPARISON 2019

1. The Environmental Improvement Act, Section 74-1-7 A(3) gives the New Mexico Environment Department authority to collect on-site liquid waste system fees that are no more than the average charged by the contiguous states to New Mexico for similar permits and services. The initial fees were established in February of 2002.
2. The fee regulations NMAC 20.7.11 require a periodic review: In order for the environmental improvement board to fulfill its obligation to establish onsite liquid system fees in accordance with Section 74-1-8(A)(3), NMSA 1978, the department shall provide information by January 15th of each year to the environmental improvement board as a report on contiguous states' fees. The fees are based on surveying Arizona, Oklahoma and Texas: report of state program fee schedules (although some Texas counties have their own fee schedules) and for Colorado and Utah: report of fee schedule for each county or health district;
3. Presently New Mexico provides the following services and their fees for systems up to 5,000gpd:

NMAC Services	Current Fee	Citing NMAC 20.7	Remarks	Proposed Fee	Remarks
Abandonment		3.307	Tank Abandonment Report		
Amendment to Permit					
Annual Operating Permit ATS / ADS			ATS AS Operating Permit, annual	\$ 50.00	any system that requires a maintenance contract under NMAC 20.7.3
Annual Operating Permit Conventional System				\$ 30.00	
Annual Operating Permit Holding Tank (Split Flow)					
Annual Operating Permit Large Commercial System			2-5K Operating permit annual		
Annual Operating Permit Small Commercial System					
Annual Variance Renewal Large System					
Annual Variance Renewal Small System					
Construction of an ATS or AS	\$ 150.00	11.8D	Construction of an ATS or AS	\$ 450.00	AS or ATS \$550, \$650 / 1-2K / 2-5K
Construction, Registration or Modification of a Commercial Unit	\$ 150.00	11.8C	Construction or Modification of a Commercial Unit		systems are either conventional or ATS / AS
Conventional System Construction or Registration	\$ 100.00	11.8A	Conventional System, Construction of	\$ 225.00	\$325, \$425 / 1-2K / 2-5K
Fine Commercial	\$ 1,000.00				
Fine Residential	\$ 100.00				
Holding Tank	\$ 100.00		Holding Tank, permit to install one system (multiple tanks tied together)	\$ 225.00	
Homeowner Qualification Certificate		3.904A		\$ 100.00	
Installer Specialist Approval		3.904E	Holding Tank annual operating permit	\$ 150.00	
Installer Specialist Renewal (3yr)		3.904E	Unpermitted System Inspection	\$ 75.00	
IPRA File Search Copy Records					
Modification of a Conventional System	\$ 50.00	11.8B	Modification of a Conventional System	\$ 225.00	one fee for new or modification
Modification of an ATS or AS	\$ 75.00	11.8E	Modification of an ATS or ADS	\$ 450.00	one fee for new or modification
MSP Qualification Certificate		3.904C		\$ 50.00	
Notice of Violation			NOV		
Permit Fee for any system, one fee					
Plan Review Sub-division			Plan Review, Subdivisions		
Property Transfer Filing Fee		3.902E	Property Transfer Report filing	\$ 50.00	
Property Transfer Filing Fee Expedite					
Registration ATS / AS			Register a unperitted ATS / AS system, includes inspection and review		
Registration Conventional System	\$ 100.00	3.7C(2)	Registration		
Re-inspection	\$ 50.00	11.1	Re-inspection pursuant to a "notice of non-approval"	\$ 150.00	
Septage Pump Truck Annual Registration			Septage Pump Truck Annual Registration	\$ 30.00	
Septage Pumper Renewal			Septage Pumper Renewal	\$ 30.00	
Septage Pumper Training/Registration Certificate		3.904D	Septage Pumper Training/Registration Certificate	\$ 30.00	
Septic Tank Manufacturer Certification	\$ 100.00	11.9	Septic Tank Manufacturer Certification	\$ 150.00	
Site Evaluation		3.601A	Site Evaluation Visit, Soil evaluation		
Third Party Evaluator Qualification Certificate		3.904B		\$ 50.00	
Variance	\$ 50.00	11.11	Variance Application	\$ 100.00	small system \$400 large system
WTAC Review		3.501A	ATS ADS Plan Review		

4. Comparable service proposed and existing fee titles were utilized to establish fee averages. Some jurisdictions do not differentiate between a residential permit and a non-residential (commercial) permit, or between a new permit and modifications/repairs (may be equal to or less than a new permit), or between a conventional system and an alternative/advanced treatment system (again, may be less than or equal to and/or include an annual operating permit). In addition, some jurisdictions required percolation tests, engineer (PE) designed systems, hourly charges for certain activities (plan or design reviews) and added mileage cost for inspections. The maximum flow permitted by the health authorities vary from 1,500gpd, 3,000 gpd and up to 5,000 gpd

5. The fees listed are a compilation of the fees for current services set by NMAC 20.7.11 and fees that the program is proposing to put into the code or wants to consider for future regulatory changes.
6. Arizona: Fees are cumulative, i.e., as the system expands, the fees increase. The permit fees used in the survey are for a maximum of 3,000 gpd (Type 4.02 to 4.23, per administrative code). The programs are managed across 16 health authorities (counties).
7. Utah, the fees are set by the 12 individual Health Districts, each with a different fee schedule covering different aspects of the program. In addition to the permit fees, there is a \$20 surcharge for the State program for their Education and Training Center.
8. Colorado, the fees are set by the 63 individual counties, joint county association agreements, or health district (no septic systems are located in Denver County, i.e. the City of Denver). The permit fee is based, by state statute, on the direct and indirect cost to the individual counties for administering the program during the preceding calendar year with a mandatory cap of \$1,000. In addition, there is a \$23 fee to the permit fee, \$20 of which goes to the State Program Office and \$3 for administrative cost to the counties. The fee schedule of many counties has expanded to cover new or different services as they are administered by community planning and zoning, building departments, or planning and zoning departments. The state in conjunction with the counties seeking to remove the \$1,000 fee cap the state imposes to help counties set fees at a level to cover their cost of administering the regulations.
9. Oklahoma onsite sewage treatment system fee schedule is applicable to 5,000 gpd or less and fees are tied to the CPI with the option of not increasing if the decision is made concerning adequate funding within any year.
10. Texas is split between the state having jurisdiction through TCEQ (Texas Commission on Environmental Quality) sixteen (16) regions or the individual permitting authorities throughout the 254 counties. For the counties under the state jurisdiction, the fees are set by the state. The fees include an additional \$10 fee for the On-Site Wastewater Treatment Research Council.
11. The following pages have the previous year fee survey and additional previous 2 years are provided as background information only.

2019

2018 NMAC Services	Permit and service fees contiguous jurisdictions			Current Fee	Proposed Fee	Difference	NMAC proposed fee is Than the average	Comments
	Min	Max	Average					
Abandonment	\$ 50	\$ 227	\$ 140			(\$140)	Lower	
Amendment to Permit	\$ 50	\$ 262	\$ 141			(\$141)	Lower	No data from others
Annual Operating Permit ATS / ADS	\$ 70	\$ 200	\$ 109		\$50	(\$59)	Lower	
Annual Operating Permit Conventional System	\$ 25	\$ 100	\$ 82			(\$82)	Lower	
Annual Operating Permit Holding Tank (Split Flow)	\$ 50	\$ 100	\$ 80		\$30	(\$50)	Lower	
Annual Operating Permit Large Commercial System	\$ 185	\$ 185	\$ 185			(\$185)	Lower	
Annual Operating Permit Small Commercial System						\$0	Equal	
Annual Variance Renewal Large System						\$0	Equal	
Annual Variance Renewal Small System						\$0	Equal	
Construction of an ATS or AS	\$ 251	\$2,620	\$ 871	\$150	\$450	(\$421)	Lower	
Construction, Registration or Modification of a Commercial System	\$ 215	\$3,348	\$ 923	\$150		(\$923)	Lower	
Conventional System Construction or Registration	\$ 123	\$2,115	\$ 514	\$100	\$225	(\$289)	Lower	
Fine Commercial	\$ 1,000	\$1,000	\$ 1,000	\$1,000		(\$1,000)	Equal	
Fine Residential	\$ 200	\$ 200	\$ 200	\$100		(\$200)	Lower	
Holding Tank	\$ 100	\$ 600	\$ 360	\$100	\$225	(\$135)	Lower	
Homeowner Qualification Certificate	\$ 50	\$ 775	\$ 395		\$100	(\$295)	Lower	
Installer Specialist Approval					\$150	\$150	Equal	No data from others
Installer Specialist Renewal (3yr)					\$75	\$75	Equal	No data from others
IPRA File Search Copy Records	\$ 5	\$ 50	\$ 25			(\$25)	Lower	
Modification of a Conventional System	\$ 25	\$1,200	\$ 347	\$50	\$225	(\$122)	Lower	
Modification of an ATS or AS	\$ 100	\$1,200	\$ 605	\$75	\$450	(\$155)	Lower	
MSP Qualificaiton Certificate	\$ 100	\$ 100	\$ 100		\$50	(\$50)	Lower	
Notice of Violation						\$0	Equal	
Permit Fee for any system, one fee	\$ 200	\$ 200	\$ 200			(\$200)	Lower	
Plan Review Sub-division	\$ 60	\$ 550	\$ 181			(\$181)	Lower	
Property Transfer Filing Fee	\$ 25	\$ 121	\$ 61		\$50	(\$11)	Lower	
Property Transfer Filing Fee Expedite	\$ 50	\$ 170	\$ 110			(\$110)	Lower	
Registration ATS / AS	\$ 1,500	\$1,500	\$ 1,500			(\$1,500)	Lower	
Registration Conventional System	\$ 125	\$1,000	\$ 438	\$100		(\$438)	Lower	
Re-insepection	\$ 30	\$ 402	\$ 127	\$50	\$150	\$23	Lower	
Septage Pump Truck Annual Registration	\$ 10	\$ 312	\$ 84		\$30	(\$54)	Lower	
Septage Pumper Renewal	\$ 25	\$ 60	\$ 34		\$30	(\$4)	Lower	
Septage Pumper Training/Registration Certificate	\$ 25	\$ 100	\$ 61		\$30	(\$31)	Lower	
Septic Tank Manufacturer Certificaion				\$100	\$150	\$150	Higher	No data from others
Site Evaluation	\$ 60	\$ 546	\$ 180			(\$180)	Lower	
Third Party Evaluator Qualification Certificate	\$ 50	\$ 100	\$ 70		\$50	(\$20)	Lower	
Variance	\$ 50	\$1,000	\$ 259	\$50	\$100	(\$159)	Lower	
WTAC Review						\$0	Equal	

Note:

1. Fee averages are compared to New Mexico proposed fees as opposed to previous years where the average fees are compared to current New Mexico fees. Current fees are lower than the proposed fees therefore, if the average is greater than the proposed fee then the average is less than the New Mexico current fee.
2. The proposed fee is compared to the average fee and the corresponding column shows when the proposed fee is higher, equal to or lower than the average fee.
3. The septic tank manufacturer certification (septic tank approval) fee is shown to be higher however, no other jurisdiction has any such fee. Designs are approved once in a lifetime or onsite certification documents are required at time of installation or purchase to certify that they meet applicable standards. This fee was assessed prior to NMAC 20.7.11 by the constructions industries division when they administered the program. Septic tank plan certification and its administration was transferred to the department prior to NMAC 20.7.11.

2018

All Surrounding State		(All)	Permit and service fees			The Average fee for surrounding states is..... than NMAC fees		Remarks
2018 NMAC Services	Min	Max	Average	NMAC Fee	Difference			
NOV	\$0	\$1,000	\$470	\$ -	\$470	Higher		
Abandonment	\$0	\$0	\$0	\$ -	\$0	Equal	No data from other	
Amendment to Permit	\$0	\$30	\$15	\$ -	\$15	Higher		
Construction of an ATS or AS	\$100	\$1,250	\$519	\$ 150	\$369	Higher		
Construction or Modification of a Commercial Unit	\$100	\$1,200	\$525	\$ 150	\$375	Higher		
Conventional System	\$75	\$1,200	\$426	\$ 100	\$326	Higher		
Holding Tank	\$100	\$1,200	\$555	\$ 100	\$455	Higher		
IPRA File Search Copy Records	\$0	\$40	\$18	\$ -	\$18	Higher		
Modification of a Conventional System	\$25	\$1,200	\$347	\$ 50	\$297	Higher		
Modification of an ATS or AS	\$25	\$1,200	\$398	\$ 75	\$323	Higher		
Plan Review	\$0	\$600	\$132	\$ -	\$132	Higher		
Property Transfer	\$0	\$250	\$93	\$ -	\$93	Higher		
Registration	\$50	\$267	\$134	\$ 100	\$34	Higher		
Re-insepction	\$30	\$150	\$78	\$ 50	\$28	Higher		
Septage Pumper License	\$0	\$100	\$44	\$ -	\$44	Higher		
Septage Pumper Renewal	\$0	\$50	\$27	\$ -	\$27	Higher		
Septage Pumper Training/Registration Certificate	\$0	\$0	\$0	\$ -	\$0	Equal		
Septic Tank Manufacturer Certificaion	\$ -	\$ 100	\$ 20	\$ 100	(\$80)	Lower	No fee in other states	
Site Evaluation	\$0	\$480	\$142	\$ -	\$142	Higher		
Variance	\$50	\$1,000	\$280	\$ 50	\$230	Higher		
WTAC Review	\$0	\$725	\$250	\$ -	\$250	Higher		

Note:

1. The average fee is compared to the New Mexico current fee and the corresponding column shows when the average is higher, equal to or lower than the current fee.

2017

All Surrounding State				Permit and service fees in surrounding states			The Average fee for surrounding states is than NMAC fees
2017 NMAC Services	Min	Max	Average	NMAC Fee	Difference		
NOV	\$200	\$1,100	\$599	\$0	\$599	Higher	
Abandonment	\$227	\$227	\$227	\$0	\$227	Higher	
Amendment to Permit	\$15	\$30	\$23	\$0	\$23	Higher	
Construction of an ATS or AS	\$100	\$2,000	\$572	\$150	\$422	Higher	
Construction or Modification of a Commercial Unit	\$123	\$1,990	\$502	\$150	\$352	Higher	
Conventional System	\$75	\$1,200	\$387	\$100	\$287	Higher	
Holding Tank	\$150	\$1,023	\$491	\$100	\$391	Higher	
IPRA File Search Copy Records	\$0	\$45	\$20	\$0	\$20	Higher	
Modification of a Conventional System	\$25	\$1,023	\$295	\$50	\$245	Higher	
Modification of an ATS or AS	\$25	\$1,023	\$334	\$75	\$259	Higher	
Plan Review	\$25	\$726	\$276	\$0	\$276	Higher	
Property Transfer	\$30	\$250	\$77	\$0	\$77	Higher	
Registration	\$25	\$263	\$133	\$100	\$33	Higher	
Re-insepction	\$30	\$335	\$111	\$50	\$61	Higher	
Septage Pumper License	\$25	\$260	\$88	\$0	\$88	Higher	
Septage Pumper Renewal	\$25	\$50	\$32	\$0	\$32	Higher	
Septage Pumper Training/Registration Certificate	\$83	\$83	\$83	\$0	\$83	Higher	
Site Evaluation	\$30	\$480	\$156	\$0	\$156	Higher	
Variance	\$25	\$1,000	\$216	\$50	\$166	Higher	
WTAC Review	\$25	\$5,000	\$1,917	\$0	\$1,917	Higher	

2016

All Surrounding State				Permit and service fees in surrounding states			The Average fee for surrounding states is than NMAC fees
2016 NMAC Services	Min	Max	Average	NMAC Fee	Difference		
NOV	\$200	\$1,100	\$599	\$0	\$599	Higher	
Abandonment	\$227	\$227	\$227	\$0	\$227	Higher	
Amendment to Permit	\$15	\$30	\$23	\$0	\$23	Higher	
Construction of an ATS or AS	\$100	\$2,000	\$572	\$150	\$422	Higher	
Construction or Modification of a Commercial Unit	\$123	\$1,990	\$502	\$150	\$352	Higher	
Conventional System	\$75	\$1,200	\$387	\$100	\$287	Higher	
Holding Tank	\$150	\$1,023	\$491	\$100	\$391	Higher	
IPRA File Search Copy Records	\$0	\$45	\$20	\$0	\$20	Higher	
Modification of a Conventional System	\$25	\$1,023	\$295	\$50	\$245	Higher	
Modification of an ATS or AS	\$25	\$1,023	\$334	\$75	\$259	Higher	
Plan Review	\$25	\$726	\$276	\$0	\$276	Higher	
Property Transfer	\$30	\$250	\$77	\$0	\$77	Higher	
Registration	\$25	\$263	\$133	\$100	\$33	Higher	
Re-insepction	\$30	\$335	\$111	\$50	\$61	Higher	
Septage Pumper License	\$25	\$260	\$88	\$0	\$88	Higher	
Septage Pumper Renewal	\$25	\$50	\$32	\$0	\$32	Higher	
Septage Pumper Training/Registration Certificate	\$83	\$83	\$83	\$0	\$83	Higher	
Site Evaluation	\$30	\$480	\$156	\$0	\$156	Higher	
Variance	\$25	\$1,000	\$216	\$50	\$166	Higher	
WTAC Review	\$25	\$5,000	\$1,917	\$0	\$1,917	Higher	

2015:

A summary of the 2015 survey results are provided to demonstrate average permit costs and a comparison.

Services	Data Points	Min	Max	Average	NMAC Fee	Difference	Average is... than NMAC fees
NOV	4	\$262	\$1,100	\$592	\$0	\$592	Higher
Abandonment	2	\$50	\$227	\$139	\$0	\$139	Higher
Construction of an ATS or AS	57	\$205	\$1,990	\$668	\$150	\$518	Higher
Construction or Modification of a Commercial Unit	15	\$145	\$1,250	\$595	\$150	\$445	Higher
Conventional System	85	\$50	\$1,023	\$401	\$100	\$301	Higher
Holding Tank	4	\$100	\$528	\$303	\$0	\$303	Higher
Modification of a Conventional System	76	\$25	\$1,023	\$284	\$50	\$234	Higher
Modification of an ATS or AS	3	\$263	\$480	\$335	\$75	\$260	Higher
Plan Review	23	\$42	\$850	\$252	\$0	\$252	Higher
Property Transfer	26	\$30	\$350	\$97	\$0	\$97	Higher
Registration	1	\$75	\$75	\$75	\$100	(\$25)	Lower
Re-inseption	44	\$20	\$335	\$100	\$50	\$50	Higher
Septage Pumper License	23	\$25	\$215	\$65	\$0	\$65	Higher
Septage Pumper Renewal	1	\$25	\$25	\$25	\$0	\$25	Higher
Septic Tank Manufacturer Certificaion	1	\$0	\$0	\$0	\$100	(\$100)	Lower
Site Evaluation	39	\$30	\$480	\$158	\$0	\$158	Higher
Variance	26	\$25	\$1,000	\$245	\$50	\$195	Higher
WTAC Review	1	\$5,000	\$5,000	\$5,000	\$0	\$5,000	Higher

The state individual averages are provided herein:

State	AZ
Services	Average Fee
NOV	\$ 592
Abandonment	\$ 227
Construction of an ATS or AS	\$ 687
Construction or Modification of a Commercial Unit	\$ 569
Conventional System	\$ 291
Modification of a Conventional System	\$ 212
Modification of an ATS or AS	\$ 335
Plan Review	\$ 308
Property Transfer	\$ 50
Re-inseption	\$ 141
Septage Pumper License	\$ 91
Site Evaluation	\$ 161
Variance	\$ 130
WTAC Review	\$ 5,000

State	CO
Services	Average Fee
Construction of an ATS or AS	\$ 423
Construction or Modification of a Commercial Unit	\$ 632
Conventional System	\$ 468
Modification of a Conventional System	\$ 339
Plan Review	\$ 238
Property Transfer	\$ 123
Registration	\$ 75
Re-inseption	\$ 85
Septage Pumper License	\$ 55
Septage Pumper Renewal	\$ 25
Septic Tank Manufacturer Certificaion	\$ -
Site Evaluation	\$ 163
Variance	\$ 284

State	UT	
Services	Average Fee	
Abandonment	\$	50
Construction of an ATS or AS	\$	731
Construction or Modification of a Commercial Unit	\$	676
Conventional System	\$	353
Holding Tank	\$	303
Modification of a Conventional System	\$	144
Plan Review	\$	186
Property Transfer	\$	89
Re-insepection	\$	67
Septage Pumper License	\$	215
Septic Tank Manufacturer Certificaiton		
Site Evaluation	\$	121
Variance	\$	180

State	TX	
Services	Average Fee2	
Construction of an ATS or AS	\$	405
Construction or Modification of a Commercial Unit	\$	350
Conventional System	\$	253
Modification of a Conventional System	\$	165
Plan Review	\$	285
Re-insepection	\$	99
Variance	\$	135

State	OK	
Services	Average Fee	
Conventional System	\$	474
Modification of a Conventional System	\$	263
Plan Review	\$	211
Site Evaluation	\$	263

All Surrounding State		(Multiple Items)	Permit and service fees contiguous jurisdictions			NM Proposed Fee		NMAC proposed fee is Than the average	Comments		
Line	2018 NMAC Services	Data Points	Min	Max	Average	20.7.11 NMAC Services	Sum of Current Fee	Sum of Proposed Fee	Difference		
1	Abandonment	5	\$ 50	\$ 227	\$ 140	Abandonment			(\$140)	Lower	
2	Amendment to Permit	4	\$ 50	\$ 262	\$ 141	Amendment to Permit			(\$141)	Lower	No data from others
3	Annual Operating Permit ATS / ADS	9	\$ 70	\$ 200	\$ 109	Annual Operating Permit ATS / ADS		\$50	(\$59)	Lower	
4	Annual Operating Permit Conventional System	9	\$ 25	\$ 100	\$ 82	Annual Operating Permit Conventional System			(\$82)	Lower	
5	Annual Operating Permit Holding Tank (Split Flow)	5	\$ 50	\$ 100	\$ 80	Annual Operating Permit Holding Tank (Split Flow)		\$30	(\$50)	Lower	
6	Annual Operating Permit Large Commercial System	1	\$ 185	\$ 185	\$ 185	Annual Operating Permit Large Commercial System			(\$185)	Lower	
7	Annual Operating Permit Small Commercial System					Annual Operating Permit Small Commercial System			\$0	Equal	
8	Annual Variance Renewal Large System					Annual Variance Renewal Large System			\$0	Equal	
9	Annual Variance Renewal Small System					Annual Variance Renewal Small System			\$0	Equal	
10	Construction of an ATS or AS	53	\$ 251	\$ 2,620	\$ 871	Construction of an ATS or AS	\$150	\$450	(\$421)	Lower	
11	Construction, Registration or Modification of a Commercial Unit	16	\$ 215	\$ 3,348	\$ 923	Construction, Registration or Modification of a Commercial Unit	\$150		(\$923)	Lower	
12	Conventional System Construction or Registration	81	\$ 123	\$ 2,115	\$ 514	Conventional System Construction or Registration	\$100	\$225	(\$289)	Lower	
13	Fine Commercial	1	\$ 1,000	\$ 1,000	\$ 1,000	Fine Commercial	\$1,000		(\$1,000)	Lower	
14	Fine Residential	1	\$ 200	\$ 200	\$ 200	Fine Residential	\$100		(\$200)	Lower	
15	Holding Tank	16	\$ 100	\$ 600	\$ 360	Holding Tank	\$100	\$225	(\$135)	Lower	
16	Homeowner Qualification Certificate	5	\$ 50	\$ 775	\$ 395	Homeowner Qualification Certificate		\$100	(\$295)	Lower	Other include permit with fee
17	Installer Specialist Approval					Installer Specialist Approval		\$150	\$150	Higher	No data from others
18	Installer Specialist Renewal (3yr)					Installer Specialist Renewal (3yr)		\$75	\$75	Higher	No data from others
19	IPRA File Search Copy Records	8	\$ 5	\$ 50	\$ 25	IPRA File Search Copy Records			(\$25)	Lower	
20	Modification of a Conventional System	57	\$ 25	\$ 1,200	\$ 347	Modification of a Conventional System	\$50	\$225	(\$122)	Lower	
21	Modification of an ATS or AS	7	\$ 100	\$ 1,200	\$ 605	Modification of an ATS or AS	\$75	\$450	(\$155)	Lower	
22	MSP Qualificaiton Certificate	1	\$ 100	\$ 100	\$ 100	MSP Qualificaiton Certificate		\$50	(\$50)	Lower	
23	Notice of Violation					Notice of Violation			\$0	Equal	
24	Permit Fee for any system, one fee	1	\$ 200	\$ 200	\$ 200	Permit Fee for any system, one fee			(\$200)	Lower	
25	Plan Review Sub-division	12	\$ 60	\$ 550	\$ 181	Plan Review Sub-division			(\$181)	Lower	
26	Property Transfer Filing Fee	17	\$ 25	\$ 121	\$ 61	Property Transfer Filing Fee		\$50	(\$11)	Lower	
27	Property Transfer Filing Fee Expedite	2	\$ 50	\$ 170	\$ 110	Property Transfer Filing Fee Expedite			(\$110)	Lower	
28	Registration ATS / AS					Registration ATS / AS			\$0	Equal	
29	Registration Conventional System	3	\$ 125	\$ 200	\$ 158	Registration Conventional System	\$100		(\$158)	Lower	
30	Re-insepction	28	\$ 30	\$ 402	\$ 127	Re-insepction	\$50	\$125	(\$2)	Lower	
31	Septage Pump Truck Annual Registration	11	\$ 10	\$ 312	\$ 84	Septage Pump Truck Annual Registration		\$30	(\$54)	Lower	
32	Septage Pumper Renewal	4	\$ 25	\$ 60	\$ 34	Septage Pumper Renewal		\$30	(\$4)	Lower	
33	Septage Pumper Training/Registration Certificate	12	\$ 25	\$ 100	\$ 61	Septage Pumper Training/Registration Certificate		\$30	(\$31)	Lower	
34	Septic Tank Manufacturer Certificaion					Septic Tank Manufacturer Certificaion	\$100	\$150	\$150	Higher	No data from others
35	Site Evaluation	23	\$ 60	\$ 546	\$ 180	Site Evaluation			(\$180)	Lower	
36	Third Party Evaluator Qualification Certificate	3	\$ 50	\$ 100	\$ 70	Third Party Evaluator Qualification Certificate		\$50	(\$20)	Lower	
37	Unpermitted System Inspection	8	\$ 270	\$ 1,500	\$ 788	Unpermitted System Inspection		\$250	(\$538)	Lower	
38	Variance	13	\$ 50	\$ 1,000	\$ 259	Variance	\$50	\$250	(\$9)	Lower	
39	WTAC Review					WTAC Review					

Previous version did not provide the revised information

Browser address bar: https://gis.web.env.nm.gov/oem/?map=man_camps

Page Title: OpenEnviroMap

Map Interface:

- Legend:
 - All Layers On/Off: All Layer Transparency
 - Roads
 - Counties
 - Man Camps
 - Man Camps
 - Man Camps
 - Non-compliant Liquid Waste Permits
 - Drinking Water Sources
 - Impaired Waters 2020 DRAFT
- Map Scale: 1:577,791
- Map Location: Artesia, Carlsbad, New Mexico
- Scale Bar: 0, 5, 10mi
- Coordinates: Lon: -104.91785°, Lat: 32.72284°

Navigation Panel (Left):

- Home
- Permits and Licenses
- Services & Assistance
- News
- More
- Programs
- Businesses
- Tools & Maps
- Online Tools
 - Air Monitoring
 - Drinking Water Watch
 - GoNM Mapper (Petroleum Storage Tanks)
 - EGIS Mapper
 - El Mapping Tool
 - Email Listserv
 - Environmental Complaint (Notification)
 - Intellus (LANL)
 - Liquid waste compliance man
 - Methane Map
 - ResourceSpace Cloud
 - UOCP Operator Lookup
 - Wastewater Treatment Finder (Septic Systems)
 - Water Infrastructure Portal
 - NMED Districts Map
 - Contact Sheet
- Related Web Sites
 - Border 2020
 - Governor Michelle Lujan Grisham
 - New Mexico Department of Health
 - New Mexico Energy, Minerals and Natural Resources Department
 - New Mexico Office of Natural Resources Trustee
 - New Mexico Office of State Engineer
 - New Mexico State Government
 - U.S. Environmental Protection Agency (Region 6)

Map Footer:

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**STATE OF NEW MEXICO
BEFORE THE ENVIRONMENTAL IMPROVEMENT BOARD**

**IN THE MATTER OF PROPOSED
REPEAL AND REPLACEMENT OF
20.7.11 NMAC**

No. 19-42(R)

Liquid Waste Treatment and Disposal Fees

**New Mexico Environment Department,
Environmental Protection Division,
Environmental Health Bureau,**

Petitioner.

ORDER AND STATEMENT OF REASONS

This matter comes before the Environmental Improvement Board (“Board”) upon a petition filed by the New Mexico Environment Department (“Department”) on October 7, 2019, to repeal and replace 20.7.11 NMAC, *Liquid Waste Treatment and Disposal Fees*. The Board met with a quorum on February 28, 2020, to conduct the public hearing, which was held in Santa Fe, New Mexico, in accordance the rulemaking procedures, 20.1.1 NMAC. The public hearing was transcribed by Albuquerque Court Reporting Services.

Public notice of the February 28, 2020 hearing (“notice”) was published in English and Spanish in the *Albuquerque Journal* and the *Las-Cruces Sun-News* on December 17, 2019. (NMED Exhibits 8 through 11). Notice was published in English and Spanish in the *New Mexico Register* on December 17, 2019. (NMED Exhibits 12 and 13). Notice was published on the Environmental Improvement Board’s and Liquid Waste Program’s respective pages on the Department’s website on October 25 and 28, respectively. (NMED Exhibits 14 and 15). Notice was public was posted on the New Mexico Sunshine Portal on December 17, 2019. (NMED

Exhibit 16). All other public notice requirements under NMSA 1978, Sections 14-4-5.2 (2017), 47-1-9 (1971 as amended through 1974), and 20.1.1.301 NMAC were met. (NMED Exhibits 17 and 18).

During the hearing, the Board heard technical testimony from and questioned the Department's witnesses and admitted the Department's exhibits. Members of the public were present for the hearing and provided comment. The Board closed the record on February 28, 2020.

The Board deliberated the proposed repeal and replacement of 20.7.11 NMAC, on _____, 2020. After Deliberation, the Board voted unanimously to repeal and replace 20.7.11 NMAC, as proposed by the Department in NMED Exhibit 1 of the Department's Notice of Intent to Present Technical Testimony. The Board adopts the proposed repeal and replacement of 20.7.11 NMAC, for the reasons that follow:

STATEMENT OF REASONS

1. Pursuant to NMSA 1978, Section 74-1-8(A)(3) (1971 as amended through 2000), the proposed repeal and replacement of 20.7.11 NMAC, is within the jurisdiction of the Board.

2. Pursuant to 20.1.1.300(A) NMAC, any person may file a petition with the board to adopt, amend or repeal any regulation within the jurisdiction of the Board. The Department is a "person" under 20.1.1 NMAC.

3. On October 7, 2019, the Department filed a petition and with the Board for a public hearing in this matter. On October 25, 2019, the Board granted the Department's request for a hearing and scheduled a public hearing in this matter for February 28, 2020 and continuing thereafter as necessary. The Board appointed Dr. Benjamin Duval to serve as Hearing Officer in this matter pursuant to 20.1.1.107 NMAC.

4. Pursuant to the Scheduling Order filed on December 4, 2019, and section

20.1.1.302 NMAC, the Department filed a Notice of Intent to Present Technical Testimony on February 7, 2020.

5. Pursuant to Section 74-1-7(A)(3) (1971 as amended through 2000), the Department's Liquid Waste Program ("LWP") has the responsibility to protect the health and welfare of present and future citizens of New Mexico by providing for the prevention and abatement of public health hazards and surface and ground water contamination from on-site liquid waste disposal practices. The LWP is managed by the Environmental Health Bureau ("Bureau"), an administrative unit of the Department.

6. The LWP regulates approximately two hundred twenty-five thousand (225,000) permitted liquid waste systems that handle up to five thousand gallons per day ("gpd"). These responsibilities require significant human and material resources. The LWP also has regulatory responsibility for an additional estimated one hundred thousand (100,000) unpermitted liquid waste systems statewide. (NMED Exhibits 3 and 5).

7. The residential liquid waste systems regulated by the LWP include single-family homes, mobile home and RV parks, apartment complexes, and campsites. There are approximately ten thousand lots statewide that can only be serviced through alternative liquid waste systems, which require more tracking than conventional systems in order to protect the environment and New Mexico residents. (NMED Exhibits 3 and 5).

8. Commercial liquid waste systems regulated by the LWP include restaurants and light industry up to 5,000 gpd. The LWP regulates twenty-two (22) different types of alternative treatment and storage systems. (NMED Exhibits 3 and 5).

9. In addition to residential and commercial systems, the LWP has regulatory responsibility for liquid waste systems in schools, churches, rest homes, medical facilities, parks,

retail outlets, hotels, and other entities. (NMED Exhibits 3 and 5).

10. The LWP ensures that septage haulers are properly licensed and disposing at approved facilities. The problem of unregulated septage haulers is an ongoing danger to the health of New Mexicans and the health of the environment and wildlife. Recently, the Department received a citizen complaint of a septage truck leaking onto the pavement within the city streets and heavy traffic. The individual complained while riding his motorcycle the truck moved in front of him and some wastewater splashed into his mouth. Additionally, the Department has encountered illegal septage dumping in the Farmington, Española and Carlsbad areas, just to mention a few. In one recent incident, an operator was spotted dumping septage into the Embudo River, a tributary of the Rio Grande. (NMED Exhibits 3 and 5).

11. The LWP spends significant time tracking treatment systems and ensuring compliance with statutes and regulations for the hundreds of thousands of systems statewide. Bringing liquid waste systems into compliance is a time-intensive endeavor, and the LWP administers compliance assistance programs to help users come into compliance as a less coercive alternative to fines and permit termination. (NMED Exhibits 3 and 5).

12. The LWP administers a comprehensive application process that is detailed to ensure the safety of State residents and protection of the environment. (NMED Exhibits 3 and 5).

13. The LWP has a statutory duty to provide technical assistance to the Wastewater Advisory Committee (“WTAC”), helping the WTAC to “provide standardized objective evaluation of wastewater treatment and disposal technologies for both large- and small-flow domestic, commercial and agricultural wastewater systems.” The LWP maintains for the public, lists of approved liquid waste treatment technologies. NMSA 1978, § 9-7A-15(D), (E) (2003).

14. New Mexico’s Permian Basin oilfields are currently producing approximately

885,000 barrels of oil per day, and are the busiest, most-productive oilfields in the United States. Oil production in this area has caused a population boom and a housing shortage in southeastern New Mexico, resulting in ad hoc worker camps with improvised and dangerous liquid waste storage systems. These systems are often leaking and overflowing, putting the area's groundwater in danger of contamination. It is the LWP that is charged with the task of identifying, locating, inspecting, and enforcing compliance in these camps. It is straining the Department's resources and is unsustainable in the long term. (NMED Exhibits 3 and 5).

15. In order to develop an effective strategy to deal with the threat of groundwater contamination by the camps, the LWP is currently developing a comprehensive database and mapping system to help identify and track the ad hoc, unpermitted wastewater storage systems. (NMED Exhibits 3, 5, and 22).

16. The LWP provides free water testing for nitrate, iron, and fluoride, and many other unpaid services and administrative functions in fulfillment of its responsibility to ensure that liquid waste produced in New Mexico is adequately treated for the health and safety of the State and its residents. (NMED Exhibits 3 and 5).

17. The Legislature has capped the liquid waste system fee amounts collectible by the Bureau at "no more than the average charged by the contiguous states to New Mexico for similar permits and services and to implement and administer an inspection and permitting program for on-site liquid waste systems." § 74-1-8(A)(3).

18. In November 2018, the Bureau conducted a survey on the liquid waste fees charged by contiguous states and, in general, the fees charges by New Mexico were significantly lower than the fees charged by contiguous states. For example, the average fee charged in contiguous states for a liquid waste holding tank permit was five hundred fifty-five dollars (\$555.00), whereas

New Mexico currently charges one hundred dollars (\$100.00). The average fee for a variance in contiguous states is two hundred eighty dollars (\$280.00), whereas New Mexico charges fifty dollars (\$50.00) for a variance. (NMED Exhibits 3, 5, 20 [pgs. 99-107], and 21).

19. The LWP's inability to collect adequate fees has necessarily resulted in understaffing and slower response times. In 2018 alone, the LWP received four thousand eight hundred sixty-six (4,866) applications for liquid waste permits statewide. These permits were processed start to finish by the LWP's sixty-five (65) employees spread among twenty-two (22) field offices across the State. The Albuquerque LWP field office had one employee that processed two hundred forty-five (245) permit applications in 2018. This problem is not unique to urban centers: The Raton field office has a single employee who processed one hundred sixty-five (165) applications in 2018. (NMED Exhibits 3 and 5).

20. The sixty-five LWP employees conducted over four thousand (4,000) on-site inspections of liquid waste systems across New Mexico; an enormous undertaking given that many of the liquid waste inspections take place in rural areas, requiring extended travel time for LWP inspectors. (NMED Exhibits 3 and 5).

21. In addition to their work for the LWP, the same sixty-five employees also have the responsibility to inspect swimming pools and food facilities for approximately seven thousand (7,000) restaurants, churches, public pools, hotels, and schools. (NMED Exhibits 3 and 5).

22. Prior to 2002, New Mexico did not charge fees for liquid waste permits, inspections, and administration. In 2002, the Board promulgated the first set of fees, which have not been raised since the rule was adopted - a period of over seventeen (17) years. (NMED Exhibits 3 and 5).

23. The LWP's current fee structure generates four hundred thirty-five thousand dollars

(\$435,000.00) annually. The LWP's remaining budgetary needs are met by the General Fund. Repealing and replacing 20.7.11 NMAC would allow the LWP to generate much needed revenue independent of the General Fund. (NMED Exhibits 3, 5, and 20 [pgs. 3-99]).

24. The proposed repeal and replacement includes a biennial adjustment of the fees for inflation using the Consumer Price Index for All Urban Consumers ("CPI"), United States City Average for All Items, published by the United States Department of Labor. The inclusion of the CPI will provide the regulated community a reliable way to predict the small biennial fee increases and will virtually eliminate the need to enact large fee increases in the future. For the vast majority of homeowners, a biennial fee increase based on the CPI would be approximately two-and-one-half percent (2.5%). (NMED Exhibits 3, 5, and 19).

25. To offset the proposed fee, the repeal and replacement includes a provision to fund the Liquid Waste Disposal Assistance Fund with forty dollars (\$40.00) from each permit issued, up to the statutory maximum of two hundred thousand dollars (\$200,000.00). The Liquid Waste Assistance Fund was created by the legislature to assist indigent households and individuals construct, install, and maintain liquid waste systems. Although the fund was authorized in 2009 by Section 74-1-15.1 (2009) of the Environmental Improvement Act, it has only been funded once. It is currently not funded and has not been for a number of years. Adopting this provision will require the Department to build and administer the fund for the benefit of low-income families and individuals in New Mexico. (NMED Exhibits 3 and 5).

26. The repeal and replacement would make the Department's Periodic Review Report due biennially instead of annually. A biennial periodic review, linked to the CPI increases, will provide the Board with a meaningful report on how the CPI fee increases are affecting the regulated community, in addition to the other elements of the report. (NMED Exhibits 3 and 5).

27. Repealing and replacing 20.7.11 NMAC, is preferable to amending the current rules because the changes and additions are extensive. Repealing and replacing 20.7.11 NMAC would provide a streamlined process for changing fees under this part. (NMED Exhibits 3 and 5).

28. Pursuant to 1.24.10.18(B)(1) NMAC, the replacement regulations would retain the current part name, title, chapter, and part numbers, “20.7.11 NMAC.”

29. Repealing and replacing 20.7.11 NMAC, would allow the Department to bring New Mexico’s liquid waste fees to a level comparable with contiguous states, while still charging fees below the average, as required by the Environmental Improvement Act. (NMED Exhibits 3 and 5).

30. Repealing and replacing 20.7.11 NMAC, would allow the Department to more fully staff the LWP, speeding up permit processing times and allowing for more timely inspections, to better protect the health of New Mexico residents. (NMED Exhibits 3 and 5).

31. Repealing and replacing 20.7.11 NMAC, would provide for a more precise description of persons required to pay liquid waste treatment and disposal fees and would provide greater clarity and ease of use of the rules. (NMED Exhibits 3 and 5).

32. Repealing and replacing the definitions in 20.7.11 NMAC, would more precisely describe the methods and technologies used to treat liquid waste, and better reflect national standards of terminology. (NMED Exhibits 3 and 5).

33. The Board has the “exclusive authority to establish on-site liquid waste system fees that are no more than the average charged by the contiguous states to New Mexico for similar permits and services and to implement and administer an inspection and permitting program for on-site liquid waste systems.” § 74-7-8(3).

34. In considering the proposed amendments, the Board is required to give the weight

it deems appropriate to all relevant facts and circumstances presented at the public hearing, including but not limited to: (1) character and degree of injury to or interference with health, welfare, animal and plant life, property and the environment; (2) the public interest, including the social, economic and cultural value of the regulated activity and the social, economic and cultural effects of environmental degradation; and (3) technical practicability, necessity for and economic reasonableness of reducing, eliminating or otherwise taking action with respect to environmental degradation. § 74-1-9 (B).

35. The Board considered all facts and circumstances and concluded that the proposed repeal and replacement as adopted by the Board does not cause injury or interference with health, welfare, animal and plant life, property and the environment. The Board found the proposed repeal and replacement as adopted by the Board is technically practical, economically reasonable, and in the public interest.

ORDER

WHEREFORE, the Board hereby adopts the repeal and replacement of to 20.7.11 NMAC which changes the liquid waste treatment and disposal fees, fee structure, and associated definitions, and provides for the funding of the Liquid Waste Disposal Assistance Fund, as proposed by the Department in NMED Exhibit 1 to the Department's Notice of Intent to Present Technical Testimony in this matter.

IT IS SO ORDERED.

JOHN VOLKERDING, Chair
New Mexico Environmental Improvement Board
1190 St. Francis Drive, Suite S2100
Santa Fe, New Mexico 87505
(505) 827-2425

Date: _____