



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS TX 75202-2733

DEC 08 2016

Mr. Butch Tongate
Acting Cabinet Secretary
New Mexico Environment Department
1190 South St. Francis Drive
Santa Fe, New Mexico 87505

Subject: Reimbursement of New Mexico Response Costs Related to the Gold King Mine Incident; Cooperative Agreement Number 01F14001

Dear Mr. Tongate:

The purpose of this letter is to summarize the costs that the Environmental Protection Agency (EPA) reimbursed New Mexico government agencies for their responses to the Gold King Mine spill. Fourteen Cities, Counties and New Mexico State Agencies were compensated for Superfund response expenses through a Cooperative Agreement with the New Mexico Environment Department (NMED). EPA initiated discussions of reimbursement with NMED in September, 2015. After numerous discussions with EPA regarding potentially eligible Superfund response costs, NMED submitted a final application on March 10, 2016 for reimbursement of \$1,308,827. EPA reviewed the applications, discussed eligible costs, and reached agreement with NMED on reimbursement to the State of \$1,072,585 for Superfund response costs on March 20, 2016. This amount was awarded incrementally in four awards culminating in the award on July 20, 2016. The attached tables itemize these awards and the costs that could not be funded.

EPA and NMED reached agreement on costs that could not be funded under the subject cooperative agreement. The Project Period for the cooperative agreement is effective thru June 30, 2017, if NMED identifies additional costs associated with the response action, those costs may be considered to amend the cooperative agreement for reimbursement.

Thank you for your cooperation and assistance to EPA in responding to the Gold King Mine response effort. We value the support and partnership of all fourteen government entities in protecting human health and the environment. Please contact me at 214-665-8124 if you wish to discuss this matter or have questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Edlund".

Carl Edlund
Superfund Division Director
EPA Region 6

Attachments

ENCLOSURE 1

REQUESTED REIMBURSEMENTS THAT COULD NOT BE FUNDED AS A SUPERFUND RESPONSE COST

Of the reimbursements requested \$236,242 could not be funded in Cooperative Agreement V01F1400. These costs are described below.

AMOUNT	DESCRIPTION
\$103,059	Several of the recipients included a 10% contingency cost for future expenses. The cooperative agreement covers only reimbursement for expenses relating to the Gold King Mine Superfund Removal Response from August 5, 2015 to December 31, 2015. Therefore, this cost was unallowable.
\$3,622	Unintended double postings of travel costs and/or lodging costs, mileage costs.
\$14,264	EPA determined that the requested costs for biological monitoring (urine testing) were not allocable to this Cooperative Agreement because the testing in itself could not be tied directly back to the release and therefore, were not allowable response costs (40 CFR 35.6245, 40 CFR 35.6015).
\$115,297	The cost of replacing the City of Aztec's Water Head Gate could not be funded as a Superfund response cost because the device was found by an EPA inspection to need replacement before the incident. However, this kind of infrastructure expense may be addressed through the source water protection set-aside portion of New Mexico's federally-assisted revolving loan fund for drinking water infrastructure [DW-SRF] or through other federal and/or state infrastructure funding sources.

ENCLOSURE 2

SUPERFUND RESPONSE COSTS REIMBURSED TO NEW MEXICO

RECIPIENT	AMOUNT REQUESTED	AMOUNT REIMBURSED
New Mexico Environment Department	\$367,458	\$334,064
City of Aztec	\$153,307	\$38,010
City of Farmington	\$408,381	\$371,255
San Juan County	\$93,970	\$85,437
NM Department of Agriculture	\$31,273	\$24,021
NM Department of Health	\$45,846	\$31,582
NM Livestock Board	\$5,285	\$5,285
NM State University Agriculture Experiment Station	\$28,842	\$22,928
NM State University Cooperative Extension Service	\$11,449	\$11,449
NM Department of Military Affairs	\$14,954	\$14,954
NM Department of Game and Fish	\$69,076	\$62,796
NM Department of Homeland Security and Emergency Management	\$14,362	\$13,056
NM Bureau of Geology and Mineral Resources	\$25,244	\$21,948
NM Office of the State Engineer	\$39,380	\$35,800
TOTAL	\$1,308,827	\$1,072,585