

Estancia Valley Solid Waste Authority



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Executive Summary

Estancia Valley Solid Waste Authority was funded in 1995 to provide a service to the County of Torrance. In accord with its delegated duties by the county, EVSWA is charged with providing proper waste disposal services to all county residents. The aforementioned obligations have created an unfunded mandate in excess of \$300,000 the previous fiscal year as a large portion of residents are unable to commit to the service fees of the Authority. Calculations express that only about 71% of residents of the county are contributing to the operations of waste management. Currently EVSWA is forced to absorb the deficit through allocation of funds from the profits of the landfill operations. The allocation of funds is not conducive to a healthy growth model for the firm as depreciation of equipment is to be realized.

We found that the organization is operating at a high efficiency level. This is of great benefit currently but will pose implications long-term. The high level of efficiency creates a high level of dependency placing a large strain on current resources and likewise inhibits further growth. On average, EVSWA is providing a much higher level of service in comparison to its county peers, but is receiving less revenue and charging a lower fee. The level of service is justified as figures dictate that residents of the county produce a greater amount of waste in comparison to other counties in the state.

Recommendations to overcome the deficit include a rate increase for both fully and partially serviced accounts as well as county contribution to alleviate tension. Further long-term recommendations are included to promote sustainability and growth.

Company Overview

Estancia Valley Solid Waste Authority (EVSWA) provides a vital service to each member entity of Torrance County. The Torrance County Ordinance No. 94-12 states that the Torrance County Board of Commissioners finds that it is of high necessity to provide a coordinated countywide program of solid waste management and construction and demolition of debris in cooperation with Federal and State Agencies. The ordinance also states that it is necessary that a solid waste management program be implemented in a manner as to preserve the environment while protecting and promoting the health, welfare and safety of the citizens of Torrance County.

Since its inception in 1995, Estancia Valley Solid Waste Authority has been complying with the ordinance therefore providing services for the County of Torrance which is primarily comprised of the city of Moriarty, the towns of Estancia and Mountainair and the villages of Encino and Willard. The Waste Authority was formed by a joint powers agreement in which a contract between the county and the solid waste special district agreed to perform services, cooperate with or lend its powers to the solid waste authority special district. In the fiscal year of 2012, the parties of the joint power agreement amended the agreement and added the Town of Vaughn as a member entity.

The power to create these authorities was constructed under the 1993 legislation contributing to the acquisition, maintenance and operation of solid waste management projects (census.gov). Without the services that EVSWA provides, it is of high concern and probability that an exponential increase in illegal dumping would be realized. The

illegal dumping would consequently result in the degradation of the surrounding environment.

Garbage has become increasingly more toxic since the heavy introduction and further development of chemicals in the 1950's. The addition of certain chemicals and electronic components to disposable items has modified the duties of waste authorities in order to ensure proper disposal. The method in which the garbage of Estancia is disposed of – and across the globe – is extremely important and should be treated as a top priority of the county. EVSWA has dedicated a good part of two decades contributing to this matter, but with the increase in demand for disposal services (including recycling), the costs associated with the level of service provided has experienced an increase.

Company Case

Estancia Valley Solid Waste Authority is aware of its mandated duties and responsibilities and has been compliant and successful in administering these services to the county of Torrance since 1995. Aid in administration of these duties is not the main concern of the management team at EVSWA, but rather aid in funding its operations. As can be expected, providing solid waste services to an entire county becomes an expensive process. Every aspect of the program including development, implementation and maintenance requires funding.

In analyzing the most current financial figures, Estancia Valley Solid Waste Authority has been operating in a deficit in excess of \$300,000. In comparison to other counties in the area, the residents of Torrance County are substantially lower income. As a result, EVSWA is not able to generate sufficient revenue to fund its operations.

Currently the deficit seen by the Solid Waste Authority is being subsidized by the profits of the landfill operations.

Unfortunately there is no direct correlation between the amount of trash generated and income level. Whether of high or low income, individuals will continue to generate trash and EVSWA is required to service its members regardless of income. In order for EVSWA to become self-sustained and a profitable entity, it must either decrease its costs or increase its revenue.

In an attempt to accomplish the following, Manager Joseph Ellis of Estancia Valley Solid Waste Authority contracted the services of the Small Business Institute at the University of New Mexico. As student consultants, he requested that we analyze the following:

- If the level of service provided is adequate, and
- What resources should be used?

In accord with the requests, we deemed it necessary to perform an analysis on the following three categories: operation efficiency, cost allocation and county politics.

Analysis of the aforementioned categories allowed the team to answer the proposed questions and construct the necessary recommendations to achieve a sustainable and profitable operation.

Operation Analysis

Level of Service

In compliance with the regulations put forth by the New Mexico Environment Department, Estancia Valley Solid Waste Authority operates eight different waste collection stations alongside the Estancia Valley Regional Landfill to provide waste management services for the residents of Torrance County. In contrast to a curbside collection service experienced in larger cities, it is the responsibility of the unincorporated residences of Torrance County to dispose of their waste at a nearby collection station. Manager Joseph Ellis operates the EVSWA office and has created a proven waste management system that has curbed illegal dumping and brought the region up to par with environmental standards.

Torrance County encompasses the towns of Encino, Estancia, Moriarty, Mountainair and Willard. EVSWA services approximately 5,600 households within the unincorporated regions of Torrance County. As outlined by the Memorandum of Understanding entered into between Torrance County Solid Waste Authority and the County of Torrance, EVSWA is responsible for providing the following services:

- Billing and collection of all accounts liable for the Solid Waste Management Fee
- Customer service, including making available information on services offered and account payment options

- Implementing collection measures for accounts in arrears, including but not limited to the filing of liens on behalf of Torrance County
- Writing off bad debts
- Filing claim of debts in bankruptcy cases
- Negotiating for payment of accounts involved in litigation

To effectively provide these services, every residence within the unincorporated regions of Torrance County is subject to the 'Solid Waste Management Fee' of \$38.61 billed quarterly (\$154.44 annually). This fee, which is specified by Torrance County Ordinance 94-12, includes a weekly allotment of 2.5 yards-worth of waste (the size of a regular truck bed). To dispose of their waste, residents must visit one of the eight collection stations during hours of operation. Only residents with an EVSWA account are permitted access into the waste collection stations. Alternatively, municipal and commercial customers can purchase a 'Tip Ticket' for \$10 plus tax in order to dump the equivalent of one level truck bed of waste or a \$5 ticket to dump one cubic yard of waste. Loads in excess of 2.5 yards are billed at \$5.00 per yard while any load that exceeds ten yards must be taken to the Estancia Valley Regional Landfill for disposal.

Upon arrival at one of the stations, an attendant gathers the customer's information, including their EVSWA account number, and then allows them to dispose of their waste. The customer must have either an EVSWA payment stub or a window decal to be permitted access into the station (each residence can request up to two window decals

at no additional charge). As a result, we were told that complaints may sometimes emerge as a result of customers forgetting to carry proof of their EVSWA account.

Waste Collection Sites		
Collection Site	No. of Days Open	Avg. No. Customers Per Day
1. Hills & Valleys	3 days / week	50
2. Indian Hills	3 days / week	52
3. Northern (Moriarty)	7 days / week	95
4. Tajique	3 days / week	43
5. Central	3 days / week	31
6. Punta de Agua	2 days / week	33
7. Southern (Mountainair)	2 days / week	38
8. Duran	2 half-days / month	5
Total:		347

Monthly Total:		6,550
Yearly Total:		78,600

As illustrated in the table above, the most frequented collection station is Northern, which primarily services the city of Moriarty (the most populous city in Torrance County). Northern is open seven days a week and averages 95 customers per day. Conversely, the least frequented station is Duran which receives just five customers on average a day and is only open on the second and fourth Saturday of each month. Estancia Valley Solid Waste Authority pays the town of Vaughn \$500 per month to transport bagged trash from the Duran station.

As previously mentioned, EVSWA currently receives payment on 3,993 households in the unincorporated regions of Torrance County. Each household is billed quarterly for \$38.61 for the services that EVSWA provides. To pay their bill, customers have three options: they can mail in their payment, call and pay over the phone with a credit or debit card or they can pay online at ‘www.trashbilling.com.’ Providing several payment options facilitates and maximizes collections by providing convenient options for customers. Billing cycles run from January – March, April – June, July – September and October – December.

In addition to offering a 50% reduced rate to low-income residents (\$77.22 per year, \$19.30 per quarter), customers are also welcome to inquire about setting up a payment

plan if they are unable to afford the fee upfront. Meanwhile, residents that opt to obtain services from private haulers are still required to pay EVSWA \$51.48 per year (1/3rd the normal rate). Lastly, owners of vacant properties within the county are given a 75% discount and are only charged \$40 annually. To combat lack of payment, it is possible for a lien to be placed on the property of any residence that does not pay its EVSWA bill. EVSWA currently carries accounts on 1,049 lien properties. It is worth noting that residences with an outstanding lien are still permitted access to all of the collection stations as to prevent an increase in illegal dumping.

Job Performance Analysis

In an effort to evaluate job performance, four EVSWA employees were asked to fill out a questionnaire regarding their overall job satisfaction (the questionnaire can be found in the appendices of this report). Their collective responses indicated an overall job satisfaction rate of 92%. In particular, when asked, "I feel a great sense of personal satisfaction when I do this job well," every employee indicated that they either "Agree" or "Strongly Agree" with the statement. Furthermore, every employee indicated that he/she either "Agree" or "Strongly Agree" when asked, "the organization strongly considers my goals and values" as well as when asked "I feel confident in my ability to perform all of the tasks associated with the job for which I was trained."

Additionally, the same employees were asked to comment on the operation of EVSWA as a whole. Every employee stated that the organization operated very efficiently. In addition, most employees indicated that the equipment, including company vehicles, needed replacing. One staff member stated that he/she knew of a 41 year-old back hoe

that was still in use by the company. Currently, EVSWA allocates \$32,000 annually to the cost of vehicle repairs and maintenance. Furthermore, every employee commented that the operation was under-staffed, and that as a result he/she was required to fulfill unrelated job duties which distracted him/her from his/her intended assignment. One employee commented that the addition of a staff member would allow EVSWA to expand its research efforts and grow as an organization.

The survey of employees was concluded with EVSWA Manager Joseph Ellis. In regard to the issue of staffing an additional employee, Mr. Ellis stated that he decided to take on the weight of an additional full-time employee when he became manager as to reduce costs. Due to the current budget constraints, it is not feasible to hire an additional staff member which is resulting in a detriment of organizational growth. He also cited having to personally 'man' collection stations at times in which an employee may not be able to attend work. He went on to state that the organization is in need of more employees on the ground during weekends due to the fact that the Field Supervisor stays on call seven days a week but does not officially work on Saturdays or Sundays. Finally, Mr. Ellis commented that larger collection stations would be safer and would be able to support a larger recycling operation.

County Demographics

According to the United States Census Bureau, the County of Torrance is home to a population of 16,383 residents. There are currently 5,691 households in Torrance County with an average of 2.74 persons per household. The median household income in Torrance is \$32,435 with 25.2% of the population living below the poverty level

(compared to 19.0% in New Mexico overall). Finally, Torrance County is a sparsely populated area with only 4.9 persons per square mile (compared to the state average of 17.0 persons per square mile). Residence in Torrance County are generating less income and live further apart from each other which contributes to the costs experienced by the Estancia Valley Solid Waste Authority.

Statistics demonstrate that EVSWA currently collects on only 70.2% of the county (3,993 / 5,691). Additionally, since the population is so spread out, it would be relevant for EVSWA to operate manned collection stations as opposed to a curbside collection service overall. Further analysis could be able to construct a hybrid system consisting of curbside pickup for densely populated areas and collection stations for the less populated areas. Lastly, with consideration of income, 1,507 households are below the poverty level ($16,383 \text{ population} * 25.2\% (0.252) = 4129 / 2.74 \text{ persons per household} = 1,507 \text{ households}$). However, currently EVSWA only maintains 203 low-income accounts. Since low-income households only pay 50% of the service rate but receive all of the same services, this represents a big risk for EVSWA's financial solvency if an increase in households living below the poverty level was to be experienced within Torrance County resulting in a further decrease of revenue.

Recycling

According to a 2009 report by the New Mexico Environmental Department Solid Waste Bureau (SWB), Torrance County generates 17,084 tons of waste per year and recycles 6.97% (1,191 tons) of that waste. EVSWA collection stations are equipped with recycling containers for various materials. Accepted materials include: aluminum cans,

cardboard, tin cans, #1 and #2 plastic bottles and mixed paper. The Central, Indian Hills, Northern (Moriarty) and Southern (Mountainair) collection sites will accept all of these materials. However, Duran, Hills & Valleys, Punta de Agua and Tajique currently only accept aluminum cans and tin cans. In addition, all locations recycle scrap metal, electronics, rechargeable batteries, automotive batteries, tires, automotive fluids (transmission fluid, oil, etc.) and appliances with Freon. Collection stations are unable to recycle glass bottles, #3 - #7 plastics, paints, fluorescent lamps, pesticides, cleaners or other forms of hazardous waste at this time.

Recycling Capabilities	
Collection Station	Recyclable Materials Accepted
Hills & Valleys, Punta de Agua, Tajique, Duran	aluminum cans, tin cans, scrap metal, electronics, rechargeable batteries, automotive batteries, tires, automotive fluids and appliances with Freon
Indian Hills, Northern, Central, Southern	aluminum cans, cardboard, tin cans, #1 and #2 plastic bottles, mixed paper, scrap metal, electronics, rechargeable batteries, automotive batteries, tires, automotive fluids and appliances with Freon

The Hills & Valleys, Punta de Agua, and Taji que collection stations, combined, receive 126 customers per operational day. Since the option for these residents to recycle their cardboard, #1 and #2 plastics and mixed paper does not exist, EVSWA is losing out on potential revenue from an expansion in its recycling operation. This is largely due to the limited available space of these stations to place extra recycling containers. This verifies Mr. Ellis's statement that, by acquiring more space, Estancia Valley Solid Waste Authority's recycling operation could be expanded.

Market Analysis

As mentioned previously, in comparison to its County peers, Torrance County has the lowest average income at about \$33,000 annually per household. In comparison, Santa Fe's county average income is about \$54,000 annually per household and Lincoln County's average income is about \$45,000 annually per household.

In 2008, the State Legislature stopped providing funds to expand the construction of landfill cells, so EVSWA was forced to borrow \$1,000,000 for a cell that was needed immediately. Now the company needs Estancia Valley Regional Landfill surplus to pay back this loan and develop an additional cell as the current cell has a life expectancy of four more years.

Key points to note:

- Mountainair Population is decreasing; in the last ten years it has experienced a 16.8% decrease.
- Encino population is decreasing as well; in the last ten years it has experienced a 12.8% decrease.

Issues to explore further for possible financial relief:

- Removing or reducing hours for Mountainair waste collection sites; to transition employees into part time, thus eliminating benefits.
- Removing or reducing hours for Encino waste collection sites; to transition employees into part time, thus eliminating benefits.

- In addition, further explore and define disposable income. What is the price elasticity of waste management prior to customers renegeing?

Another useful observation is that in every part of Torrance County, the average commute to work is greater than twenty minutes. How far are the waste management collection stations from any given residence? If residents of the county are accustomed to driving more than twenty minutes, an opportunity for EVSWA to move and consolidate its waste management collection sites may exist.

We could also create synergy by removing employees and/or reducing hours through consolidation. If Estancia Valley Solid Waste Authority was to consolidate all of its collection sites to central locations, they may be able to support recycling at all stations. This could in turn provide an additional source of revenue for the company.

Possibilities to explore to further revenue growth:

Introduce a multi-year cost increase where EVSWA increases what it charges by possibly \$1-\$2 a year. For example, at approximately 4,000 actively collected accounts, an increase of say two dollars a year could result EVSWA generating \$40,000 in additional revenue in five years. Of course this is under the assumption that the price is within an elastic range therefore allowing on successful collection of all currently active accounts. Further development on a potential rate increase will be discussed in a later section.

County Politics

Estancia Valley Solid Waste Authority has established a sustainability phase-in plan. The goal of this plan is for the County of Torrance to have adequate sustainable funding mechanisms within four years for comprehensive solid waste collection, hauling and disposal services for residences in the unincorporated areas of Torrance County. This report will explore all of these objectives and the viability of the four-year sustainability plan as well as the strategies associated with each objective. There are six objectives in the plan and they are as follows:

1. Review and update the solid waste management contract between Torrance County and the Estancia Valley Solid Waste Authority.
2. FY13 commitment by County to initiate remediation of system budget shortfall
3. Initiate grant resource development for Estancia Valley Regional Landfill (EURL) Cell 4 construction.
4. Based on level of service contracted by County, and considering prospects of grant funding for landfill construction, develop FY14 County budget participation.
5. Continue annual grant resource development for Estancia Valley Regional Landfill (EURL) Cell 4 construction.
6. Based on the level of service contracted by the County, and considering prospects of grant funding for landfill construction, develop annual County budget participation.

In order to effectively review and update the solid waste management contract between Torrance County and the Estancia Valley Solid Waste Authority, a comparison must be

constructed in regard to the level of service EVSWA was providing upon establishment, and the level of service that it provides today. The same comparisons need to be made as to what percentage of county funds were used to support the EVSWA operations when it started out in 1995 and if funding has increased, decreased or stayed the same. Estancia Valley Solid Waste Authority services are provided by 20 employees and presently include:

- 8 collection stations; 4 of which have recycling drop-offs
- Waste hauling and sorting
- Waste burial at the landfill
- Administrative services

According to the MOU charter between the authority and the county, the required level of service that Estancia Valley Solid Waste Authority must provide is as follows:

“These services will include the operation of manned convenience stations strategically located throughout the county. The Authority will collect and transport municipal solid waste for disposal at the TC/BC Regional Landfill. Recycling and diversion of certain materials, including but not limited to metal and white goods, waste oil, automotive batteries, and landscape green waste may be handled at the convenience stations, at the discretion of the Authority.” Other services that the Authority is responsible to provide include:

- Billing and collection of all accounts liable for the Solid Waste Management Fee as specified in the ordinance.

- Customer service, including making available information on services offered and account payment options.
- Implementing collection measures for accounts in arrears, including but not limited to the filing of liens on behalf of the County.
- Writing off bad debts.
- Filing claim of debts in bankruptcy cases.
- Negotiating for payment of accounts involved in litigation.

Additionally, the EVSWA strategy for implementing this objective includes:

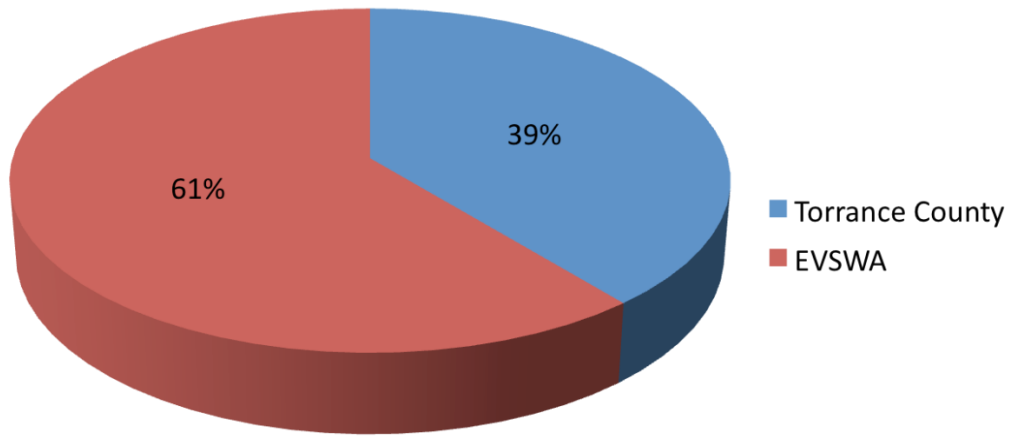
- Submit current contract to attorneys for legal review
- Management* review of current waste management systems and funding mechanisms
- Level of service recommendation submitted to County Commission for approval
- Contract approved by County Commission
- Contract Accepted by Authority

* - Management includes Torrance County Manager and Authority Manager

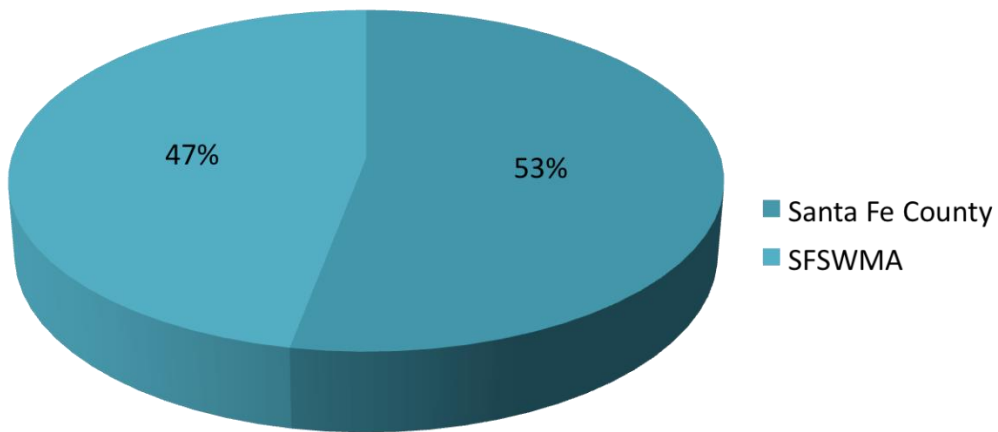
According to Section 13:B and D of the Torrance County Ordinance No. 94-12, the County Commission shall set fees for solid waste management based on the actual or projected cost to collect, transport and recycle or dispose of such solid waste. The solid waste management fee shall be established and adopted through resolution by the County Commission. The current fee set by the County Commission that is charged per household in Torrance County per year is \$154.44, which translates into \$12.87 per

month per household. The number of households that EVSWA currently collects on is approximately 4,000. Based on this number, the amount of revenue generated for EVSWA is approximately \$617,760 per year. In accordance to the Torrance County Ordinance, the fees associated with the services provided should cover the cost of these services. The 2013 budgeted expenses amount to \$1,577,146, and based on the level or services covered in above sections, the county would need to cover 39% of the costs incurred to provide the necessary service. This leaves the remaining 61% of the costs for EVSWA to absorb. Comparatively, Santa Fe County currently absorbs about 53% of Santa Fe Solid Waste Management Authority's operational costs through allocations from the general fund. To their defense, Santa Fe does have a larger population, so the county is able to provide more revenue to support their solid waste management's operations. Taking that into consideration, the options as to what percentage of EVSWA's costs the county wants to absorb may vary and should be decided based on the level of funding Torrance County is able and willing to absorb and contribute.

Torrance County



Santa Fe County



Additionally, SFSWMA receives \$62.80 in ESGRT per household per year compared to the \$37.50 in ESGRT that EVSWA receives. That's nearly double the amount that EVSWA receives, which leaves much room for improvement. Illustrating these costs

will help support the second objective of the Sustainability Phase-In Plan, which is: FY13 commitment by County to initiate remediation of system budget shortfall. Additionally, the strategy behind implementing this objective developed by EVSWA is as follows:

- Authority submits FY13 system budget to County Commission
- Request \$33,000 allocation by County for Authority Financial Assurance deposit
- Request \$16,605 allocation to cover indigent fund
- County allocates \$49,605 for Authority from remaining FY13 budget

In the industry of waste management, it's important to have certain available funds at your disposal for environmental security reasons. Addressing the second subset of the second objective of the sustainability plan, Financial Assurance is an important category of assets. According to EPA.gov, all owners and operators of facilities that treat, store or dispose of hazardous waste are obligated to supply proof that they have access to sufficient funds to pay for clean-up, closure and post-closure care of their facilities. They must also demonstrate that they have enough funds to pay for the cleanup of any unplanned or accidental releases of dangerous elements during the active life of their facilities. The regulations are found in the Code of Federal Regulations (CFR) at 40 CFR Parts 264/265, Subpart H Financial Requirements. Because this is federally regulated, it is a high priority item to address.

According to the State of New Mexico Independent Auditors' Report as of June 30, 2012 and Annual Financial Statements for EVSWA, "the most pronounced anomaly is the under-funding of the county contract. When the county solid waste management

system is redesigned to be financially viable, then appropriate funds can be reallocated to capital development at the Estancia Valley Regional Landfill.” Additionally, in an interview conducted with the Torrance County Manager, Joy Ansley, she mentioned that she would be willing to allocate no more than \$25,000 to EVSWA from the general fund, but that she would not be comfortable providing anything more than that (Appendix). The auditors’ report additionally states, “At the same time, efforts are being made to acquire state and federal grant funds to fund the next landfill cell construction, required to be completed in 4-5 years.” The sustainability plan developed by EVSWA is doing just that and addresses the following sustainability objective: Initiate grant resource development for Estancia Valley Regional Landfill (EVRL) Cell 4 construction. The specific strategies laid out by EVSWA to complete this objective are as follows:

- Submit Authority Infrastructure Capital Improvement Plan (ICIP) to New Mexico Department of Finance and Administration for inclusion in the Governor’s statewide priority of legislative capital outlay allocations.
- Obtain legislative support for ICIP by contacting state senators and representatives for region served by EVRL.
- Management monitors progress of capital outlay bills in legislature, enlisting support of commissioners and board members as needed.

Objectives four, five and six address specific long term strategies associated with the information already provided. Objective four has three main strategies for implementation developed by EVSWA. Those strategies are:

- Determine amount of capital outlay awarded for Authority ICIP.

- Management will collaborate on FY14 interim budget proposals for County and Authority.
- County to commit to covering \$75,000 of system shortfall in FY14.

Objective five has one main strategy for implementation. That strategy is:

- Submit Authority Infrastructure Capital Improvement Plan (ICIP) to DFA and legislators for reauthorization of legislative capital outlay allocations for FY15, FY16, and FY17.

Objective six has three strategies, and those strategies are:

- Determine amount of capital outlay awarded for Authority ICIP.
- Management will collaborate on interim budget proposals for County and Authority.
- County commitment increases to \$150,000 in FY15; \$225,000 in FY16; \$300,000 in FY17.

In addition to these six objectives established by EVSWA, this report will address further recommendations for possible revenue generation through increased political support.

These suggestions include:

- Seeking a County mandated monthly fee increase per household in Torrance County.
- Seek a legislatively funded trust that would provide interest at the state level. This would be in form of asking the legislature to enact surcharge on an identified item: per-ton fee sent to landfills or tax on plastic retail bags.

- Develop a comprehensive plan with county assessor and planning and zoning in order to account for properties that are not being accounted for.

Based on the amount of revenue that EVSWA generates, one viable option is to increase the \$12.87 monthly rate per household. The only way to effectively implement raising the monthly rate per household is to have the county commission mandate the increase. According to Section 15:C Powers of the County: In connection with the operation of a solid waste collection system, the Torrance County Board of Commissioners may establish, assess and collect fees directly or through its authorized agent from responsible parties in amounts designated herein. Introducing a cost increase is just one way to offset the costs incurred by Estancia Valley Solid Waste Authority.

A legislatively funded trust that would incur interest can be implemented and enacted on the state level based on the needs of solid waste management facilities in New Mexico. Solid waste trust funds are created to provide a permanent revenue source to provide grants and loans to political subdivisions in order to provide long-range planning and financing of small county or regional solid waste programs. Our suggestion, therefore, is for EVSWA to seek a legislatively funded trust to secure a permanent revenue source for their operations. One way to generate funds for this trust would either be to add a \$1 fee to each tire sold in the state, or to add a percentage of sales tax to some item that ends up in a landfill, such as plastic grocery bags, and use that extra revenue to add to the Solid Waste Trust Fund. This is a long-term option, and therefore should be considered as future, not current, revenue generation.

Our final recommendation concerning governmental support is for Estancia Valley Solid Waste Authority management to work with the Torrance County Assessor and Planning and Zoning to create a comprehensive review as to understanding if and why all properties in Torrance County are not being accounted for. We do understand that EVSWA works hand in hand with several divisions in the county to ensure that all residents establish an account and receive a bill from the Authority. Another issue is that some properties, like ranches, are only being charged one fee when there are more than one “parcels” on the land because they only have one tax bill number. Additionally, and as mentioned previously, there are liens on 1,049 properties. This represents the large lack of revenue created by the unfunded mandate and accounts for approximately 31% of the households that EVSWA is currently servicing. These are just a few items that need to be reviewed, but considering that EVSWA is only charging a disposal fee to a fraction of the properties in Torrance County there is much room for improvement. The county assessor and planning and zoning are two departments that EVSWA can work with to further develop this plan, and from this plan we believe that a sizeable amount of revenue may be generated.

SWOT Analysis

As dictated at the commencement of our project, the two key issues that we are being commissioned by EVSWA through the UNM SBI to evaluate are:

- What level of service is needed, and
- What resources should be used?

In order to adequately address these two issues, we determined that we must conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis in order to gain a better understanding of whether or not we can address these issues in an effective and efficient manner.

Strengths

The Estancia Valley Solid Waste Authority does an admirable job of providing practical waste management solutions for its population by integrating simple, yet fundamental, tools for the community to dispose of waste. To provide one example, the organization has decals for vehicles so that the customers do not have to carry their billing statement. The county also offers a low-income discount to mitigate the risk of illegal dumping by low-income households. Furthermore, household owners can make their quarterly payments conveniently over the phone or on-line if desired over mail.

Weaknesses

Currently, the Estancia Valley Solid Waste Authority does not have a sustainable funding mechanism for a comprehensive solid waste collection system to promote

necessary growth. The Estancia Valley Solid Waste Authority has also been reliant in the past on one-time grants to fund the needed capital to build a new Landfill Cell. With the sequestration in effect, the Estancia Valley Solid Waste Authority will have an even greater difficulty securing external funding for such capital expenditures. The time needed to foster and develop a relationship and obtain legislative support will add extra costs with no guarantee of success.

Opportunities

When our consulting group performed an initial site visit at the Estancia Valley Solid Waste Authority's collection sites, we found that there were at multiple occasions idle workers awaiting arrival of customers. We also noticed that many patrons threw recyclable material in the same containers as regular trash. The aforementioned represent two opportunities for both cost improvement and increased profit. The second option would be to have the employees segregate the recyclables from the main container. This would have a two-fold effect. It would reduce the amount of trash going into the landfill, and thus increasing the life of the cell. Also, this would generate recycling revenue, which the Estancia Valley Solid Waste Authority can use to earmark the construction of a new cell.

Threats

There are multiple threats that are possible at the Estancia Valley Solid Waste Authority. The first would be a private corporation such as Waste Management submitting a bid to own and operate the waste management of Torrance County. This is the case with Rio Rancho County. Private Corporations such as Waste Management

seem to have a lower cost of operations because of their large size and economies of scale and industry expertise. They also have the needed capital to pay for unexpected expenditures. This would pose a real problem the Estancia Valley Solid Waste Authority if a bid was to be submitted. In addition, a different threat under the current scenario is people illegally dumping trash on the side of the road. If community members began to illegally dump, the cost of cleaning the illegally dumped trash would pose a real threat to the Estancia Valley Solid Waste Authority financially.

Rate Parity: Torrance County vs. Lincoln County

	Annual Fee	Median Income	Ratio
Torrance:	\$154.44	\$33,000	1:214
Lincoln	\$250.00	\$45,000	1:180

To attain a rate that is consistent with peer counties, the fee in Torrance would need to be raised to \$183 annually. A \$28 increase spread over 4 years, then, would be \$7 per year. Plus whatever CPI would be applicable.

	2014	2015	2016	2017
Regular Accounts	\$161.44	\$168.44	\$175.44	\$182.44
\$154.44	\$510,634.72	\$532,775.72	\$554,916.72	\$577,057.22
3163 Accounts				

Low Income Account	\$80.66	\$84.16	\$87.66	\$91.16
\$77.16 (203)	\$16,373.98	17,084.48	\$17,794.98	\$18,505.48
Total	\$527,008.70	\$549,860.20	\$572,711.70	\$595,562.70
Current Total	\$504,157.20	\$504,157.20	\$504,157.20	\$504,157.20
Net Increase	\$22,851.50	\$45,703.00	\$68,554.50	\$91,405.50

The figures illustrated above demonstrate a total increase of about \$91,500 by year 2017 if all active accounts were to experience the determined increase in rate. The figures take into consideration the elasticity of the market and therefore assume that the number of the respective accounts will not realize a change. The figures likewise do not take into consideration partial accounts that receive further discounts such as residents that contract external curb-side services. These accounts could likewise be administered a rate increase as a potential source of revenue increase.

PEST Analysis

As to further develop and comprehend the influential forces revolving around Estancia Valley Solid Waste Authority, we deemed it crucial to develop a PEST analysis (Political, Economic, Environmental and Technological). The development of the PEST analysis would aid in identification of the greater influences, especially the involvement and role of the local government in the process. The analysis concludes as follows:

Political

Estancia Valley Solid Waste Authority is a separate government entity within Torrance County. Overall government involvement is crucial to adequately fund EVSWA. The local government establishes how much each entity receives annually, EVSWA included. For the first time in its operations, the county commissioner granted EVSWA with \$16,000 to compensate for the unfunded mandate this previous fiscal year – as previously mentioned, EVSWA is required to service all residents of the county regardless of income levels as to promote a healthy and habitable environment. The county government is also responsible for setting fees for the solid waste management based on actual or projected cost to collect, transport and recycle or dispose of solid waste. The county is considered the primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Being a fiscally independent government dictates that the county may, without the approval or consent of another governing body, determine to modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

Economic

- Rate for EVSWA services is \$154.44 per year
- Private hauler fees are \$51.48 per year
- Low Income fees are \$77.22 per year
- Vacant residence fee is \$40 per year

A question to consider is how much low income households are impacting the revenue stream of Estancia Valley Solid Waste Authority. Of approximately 5,600 households in Torrance County, EVSWA is only receiving fees from 4,000, despite that the remaining households are still contributing waste to EVSWA's operations and the landfill alike.

Once again, households will continue to generate trash regardless of the tax bracket to which they pertain and EVSWA is responsible to service all members alike. The greater majority of households not contributing funds to EVSWA have liens on their properties as to promote payment. Costs will continue to accumulate on these 1,000+ households not contributing to the funds of the firm and therefore EVSWA is losing out on a significant amount of revenue potential. A method for covering the unfunded mandate is crucial to developing a sustainability plan. Once this unfunded mandate is addressed, a great opportunity to increase the services offered, and thus realize an increase in the revenue stream becomes apparent.

Social

After meeting with and interviewing several employees of EVSWA, we have concluded that overall, employees are generally very satisfied with their positions and roles within the company. This dictates that management is carrying out its duties effectively and

the corporate culture is not tainted in a way as to limit employee outputs. Areas of improvement would include an update on landfill equipment, as well as the hiring of an additional employee to alleviate the workload of current employees. The additional employee would reduce the stress and extra duties interfering with the primary responsibilities of the current employees.

On the receiving end, customers expressed a general approval of the services provided by the Authority. As expected, most customers were opposed to the concept of a potential rate increase but were likewise approving of a curb-side service. After establishing economic sustainability, a hybrid model encompassing curb-side and collection station services can be considered.

Technological

In regard to the technological aspect, larger collection stations would be safer and offer a greater potential for generating revenue as illustrated by Mr. Ellis and verified by our team. Over \$30,000 is being allocated annually to maintenance and repair costs of old and worn equipment. Replacing the exhausted equipment would pose an initial setback but would benefit EVSWA in the long-term by generating a sustainable operation down the road therefore reducing maintenance/repair costs significantly. On our initial visit of the facilities, we witnessed that a backhoe at the Northern location was not functioning properly and therefore limiting the operation efficiency of the company. Until further revenue is generated, we concluded that Estancia Valley Solid Waste Authority is utilizing its technologies to the greatest extent feasible under current conditions.

Comparative Analysis

Level of Service

The levels of service were contrasted between Torrance, Santa Fe and Lincoln Counties to provide a basis for comparison. As previously mentioned, Torrance County services the waste management needs of its residents via collection stations operated by the Estancia Valley Solid Waste Authority. EVSWA serves the greater population through eight manned collection stations strategically located throughout the county. Torrance County is sparsely populated, with only 4.9 residents per square mile, which generally dictates collection stations a more appropriate method of waste collection than curbside pickup and therefore limits costs.

Santa Fe County offers waste management services to its non-municipal population through contracting with private haulers and operating seven manned collection stations. As opposed to Torrance County's billed service, Santa Fe County offers a 'Pay-as-You-Throw' service to its residential customers that wish to dispose of their waste at one of the stations. Customers have three permit options: a 24-punch card allowing for 24 collection station visits for \$75 (maximum 2 per year), a 1-time punch card for \$15 (unlimited purchases), or a bag tag to dispose of up to 30 gallons of waste for \$5 (a minimum of 5 bag tags must be purchased at one time). The county stated that it has no method of tracking whether or not multiple households use the same permit – for example someone could purchase a 24-punch permit and loan it to friends or neighbors without the county knowing. They also stated that they are uncertain as to how many residences are serviced by the 7 collection stations. This method is difficult

to measure and is worth mentioning that Santa Fe County has contacted Manager Joseph Ellis on the possibility of converting to a similar billing system seen in Torrance County.

Lincoln County provides waste management services to its population through Greentree Solid Waste Authority. The level of service that they provide is in the form of collection carts, large volume dumpsters and automated trash compactors placed along county roads. These containers represent an alternative solution to manned collection stations, which both Santa Fe and Torrance County operate. Containers can be used for general waste, construction and demolition debris and recyclables. Greentree also provides a 'Grapple Truck' service which travels to different regions of the county at different times to pick up waste (a schedule can be found on greentreeswa.org).

County Comparison – Level of Service			
County	Level of Service	% of County Households Served	Persons per Square Mile
Torrance	8 collection stations (billed service)	~91.2% (5,200 / 5,700)	4.9
Santa Fe	Private haulers, 7 collection stations (pay as you throw)	Unknown – issues ~7,000 pay-as-you-throw permits a year	75.5
Lincoln	Collection carts, large volume	~95% - Most towns	4.2

	closed dumpsters, and automated trash compactors (unmanned)	and villages within Lincoln County	
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Service Costs & Revenues

EVSWA’s cost of servicing the waste management needs of Torrance County is calculated at \$225 per household per year. The organization covers 69% of this cost by charging a service fee of \$154.44 per household per year and receives an additional 17% (\$37.50 per household per year) from environmental services gross receipts taxes (ESGRT’s). The remaining \$33.06 is currently transferred from the profits of the Estancia Valley Regional Valley Landfill to cover the deficit of the operation.

Santa Fe County’s cost of service is calculated at \$275.44 per household per year. The County covers 24% of this cost by generating \$67 in revenues per household per year. Santa Fe County receives an additional \$62.80 in ESGRT’s in comparison. The remaining \$145.64 is subsidized by the County’s General Fund. Lastly, Lincoln County covers 100% of its cost of service by charging \$250 in waste management fees.

County Comparison – Service Cost & Revenues			
County	Cost of Service (per Household per Year)	Revenue Generated from Fees (per Household per Year)	Other Sources of Revenue
Torrance	\$225	\$154.44	ESGRTs \$37.50 per household per year; landfill operations \$33.06
Santa Fe	\$275.44	\$67	ESGRTs \$62.80 per household per year; County General Fund \$145.64 per household per year
Lincoln	\$250	\$250	N/A

Waste Generation

There are 33 counties in the State of New Mexico. EVSWA operates in Torrance County and falls under the guidance of the New Mexico Environment Department Solid Waste Bureau. The SWB is charged with maintaining the integrity of solid waste management entities operating in New Mexico. The following chart contrasts Torrance

County's waste production and recycling rate with that of nearby counties according to SWB's latest 2009 analysis.

Waste Production and Recycle Rate Comparison				
County	No. Households <u>and</u> Avg. No. Persons per Household (2007- 11)	Waste Generation (tons)	Recycle Rate (tons)	Waste Generation per Household Member (tons)
New Mexico	762,002 / 2.62	1,953,643	14.62 (2,811,154)	0.98
*Lincoln	9,108 / 2.22	45,817	63.87% (29,262)	2.27
San Miguel	12,010 / 2.28	16,800	1.68% (282)	0.61
Santa Fe	60,594 / 2.30	133,610	11.05% (14,763)	0.96
Socorro	5,694 / 3.04	11,391	0.97% (110)	0.66
Torrance	5,691 / 2.74	17,084	6.97% (1,191)	1.09
Valencia	27,389 / 2.69	37,995	2.61% (990)	0.57

**Please see Lincoln County's section under 'Comparison of Recycling Services'*

***Based on statistics collected from nm.env.state.nm.us and quickfacts.census.gov*

These statistics demonstrate that, when contrasted with other counties, Torrance County residents are producing more trash per household member than most neighboring counties (with the exception of Lincoln County) and produce 1/10th more than the average household member in New Mexico. Furthermore, while Torrance County does recycle more than most surrounding counties, it recycles ~7.5% fewer materials than the state average of 14.62%.

Recycling Services

EVSWA provides recycling services for Torrance County residents at each of its collection sites. Some collection stations (Indian Hills, Northern, Central and Southern) offer more recycling services than others due to availability of space. Residents are allowed to recycle: aluminum and tin cans, plastics #1 and #2, corrugated cardboard, and mixed paper. In addition, scrap metal, e-waste, rechargeable batteries, tires, automotive fluids and appliances with Freon are also accepted and properly disposed of. Upon entering a collection station, customers are responsible for sorting their own recycling and placing them in the respective containers. The recycling service is offered at no additional cost to residents. When talking to one collection station customer, he/she stated that he/she found having to sort his/her own recycling to be a bit of a hassle, but that it was necessary in order to preserve the environment.

Santa Fe County also features a comprehensive recycling program at no additional cost to the customer. Each of the 7 collection stations accept mixed paper, corrugated cardboard, steel and aluminum cans, plastics #1 and #2 and glass containers (in addition to hazardous waste). Additionally, customers that opt to receive curb-side service from private haulers may have their recycling bins emptied for no additional charge. The county also operates the Rancho Viejo Collection Station, which only accepts recyclable materials. Solid Waste Utilities Manager Olivar Barela stated that all of the collection stations in Santa Fe County combined produce about 10,500 tons of waste and 2,500 tons of recycling a year. It is worth noting that Santa Fe County collection stations place their recycling bins at the entrance of each station. This allows customers to dispose of their recycling without it being counted against their permitted allotment.

Lincoln County has the highest recycle rate in the State of New Mexico at 63.87%, however much of this rate is attributed to the large amount of green waste generated in the county. In contrast to EVSWA's recycling service, Lincoln County's primary authority, Greentree Solid Waste Authority, sorts recyclable materials for its customers. They also maintain a large mulching operation which likely contributes to their high recycling rate. Their website, 'greentreeswa.org,' states that "recycling will keep waste disposal fees for Lincoln County residents to a minimum and continue to reduce the need for additional tax support." The authority recycles: batteries of all kinds, corrugated cardboard, computer equipment, household appliances, newspaper, plastic containers, old paint, scrap metal, tires and old water heaters. Depending on what the

customer is recycling, he/she may be charged a small fee for transporting the material[s] to Albuquerque.

Recommendations

Upon conclusion of our research and analysis on the operations of Estancia Valley Solid Waste Authority, we have drafted the following recommendations as to alleviate the financial pressures of the firm.

- Go paperless. The attempt to go paperless by not sending out physical bills can be overcome through the use of text alerts or email alerts when feasible. This would save \$14,400 per year in postage fees as well as an undetermined amount for office supplies (papers, toner, ink, etc.).
- Seek a County mandated monthly fee increase per household in Torrance County in the form of two basis points per year. This will generate enough revenue to cover a large portion of the deficit.
- A proposal for Torrance County to absorb a percentage of the costs incurred by EVSWA in order to cover the remainder of the deficit. By doing a comparative analysis with peer county, Santa Fe County, it became clear that a large reason why the solid waste operation in Santa Fe is able to stay afloat is due to the county's support. The county absorbs 53% of SFSWMA's costs, and therefore our recommendation is for Torrance County to look into what costs they would be able to and willing to absorb for EVSWA as large result of the unfunded mandate.
- Seek a legislatively funded trust that would provide interest (state level). This would be gone about by asking legislature to enact surcharge on identified items (per-ton fee sent to landfills/ tax on plastic retail bags). This is a long-term recommendation and would require state involvement over County support. This

option could potentially become a sustainable source of revenue generation for EVSWA in the future.

- Develop a comprehensive plan with county assessor and planning and zoning in order to account for properties that are not being charged. There are properties in Torrance County that are not being accounted for as well as a large number of lien properties that are not contributing to EVSWA revenues. This illustrates a large opportunity for EVSWA and should be a high priority item for the county assessor, planning and zoning and EVSWA to address.

The following recommendations are further regarded as long-term alternatives to creating financial sustainability and are to be enacted after the deficit is addressed as they will require an investment of funds which is not currently available.

- After the deficit is addressed, exhausted and expensed equipment should be replaced. Currently, EVSWA allocates \$32,000 annually to the cost of vehicle repairs and maintenance. If the organization were able to purchase newer equipment, it would free up more cash flow in the future.
- Hire an addition member to the EVSWA team to carry on excess workload. Employees surveyed commented that the operation is under-staffed. As a result, employees are required to fulfill unrelated job duties which distract them from their intended assignment. The addition of a staff member would allow EVSWA to expand its research efforts and grow as an organization.
- Expand recycling capabilities at all locations. Four out of eight collection stations offer reduced recycling services due to a lack of sufficient space. Not including

the Duran, Hills & Valleys, Punta de Agua and Tajique, collection stations receive 126 customers per operational day (1,380 per month). Larger collection stations would therefore support a more profitable recycling operation as well as divert material from landfill therefore expanding cell life.

- Consider a hybrid curb-side/collection station service model. The model could potentially drive efficiency and justify a further rate increase in more dense areas of the county, which on average generate a larger income per household in comparison to the county.

Conclusion

Estancia Valley Solid Waste Authority is operating under a large deficit which must be addressed immediately to create a sustainable model for years to come. If EVSWA was to receive full payment from all member entities, it would be sustainable on its own and would not require remedy, however this is not the case. Only about 71% of accounts are successfully contributing to the fund which creates an unfunded mandate due to the fact that services are not being neglected to individuals that are not making payments.

This report has established grounds for all six objectives of the Sustainability Phase-In Plan created by EVSWA as well as providing further recommendations for possible revenue generation. Based on the findings, a conclusion has been reached about the viability of this solid waste management system Sustainability Phase-In Plan. Not only is it feasible for EVSWA, but it's also feasible according to county standards and available budgeted funds projected FY13.

None of the aforementioned recommendations are able to fully withstand the weight of the deficit in its entirety. An acceptable combination of the expressed recommendations to be determined by County and EVSWA management will create a profitable operation. Once the unfunded mandate experienced by the facility is accounted for, success of the firm is highly attainable.

We hope that Torrance County and Estancia Valley Solid Waste Authority finds our research of high use in their decision making. We are also thankful for contracting the services of UNM SBI student consultants and await the success of EVSWA.

Progress Report #1

Date: 2/15/2013

Client(s): Joseph Ellis

Company Name: EVSWA

Number of Team Members Present: 5

Names of all those present:

1. Nayib Arvizo
2. Dowan Kim
3. Karli Jenkins
4. Jason Jones
5. Lesley Stephens

Elapsed Meeting Time: 3 Hours

PURPOSE OF MEETING WITH CLIENT: Introduction of team members, instructor and score mentor to client (Joseph Ellis, EVSWA). Mr. Ellis presented the case of EVSWA and discussed the areas of research needed.

AGENDA FOR THE MEETING:

- Introduce ourselves to the client.
- View a presentation of EVSWA and its current business model.
- Ask questions to better understand the needs of EVSWA and formulate a strategic plan to solve client's issues.

WHAT HAPPENED AND HOW: The team and client met at the University of New Mexico. We introduced ourselves and the client introduced himself. The client oversees the operations of the waste collection site as well as the landfill of Torrance County. EVSWA currently provides a very high level of service and the landfill is generating a healthy profit. The waste collection sites are running on a \$305,445 deficit. Mr. Ellis would like our consulting group to research potential ways to create a sustainable solution for this deficit that can be implemented over the course of the next four years. We asked a series of questions to clarify the underlying issues of this engagement.

DECISION/ACTION ITEMS:

Upon meeting with the client, we divided the areas of the project that each member could research. These areas included: Operation Efficiency (Jason & Nayib), Cost Allocation (Dowan), Competitive Analysis (All) and County Politics (Lesley & Karli).

NEXT STEPS: We will work on the Engagement Letter and allow adequate time for Dr. Mahto to review. We will also schedule a site visit of EVSWA. Furthermore, we will break down the sections and start addressing the issues that Mr. Ellis has identified.

Progress Report #2

Date: 2/28/2013

Client(s): Joseph Ellis

Company Name: EVSWA

Number of Team Members Present: 3

Names of all those present:

1. Nayib Arvizo
2. Dowan Kim
3. Jason Jones

Elapsed Meeting Time: 7 Hours

PURPOSE OF MEETING WITH CLIENT: Conducted a visit of the client's site. Interviewed employees and asked questions about the organization. Drove around to the various waste collection sites and observed the operations. We also conversed with community members concerning the level of service.

AGENDA FOR THE MEETING:

- Visit the client's site
- View a presentation of EVSWA and its waste collection sites
- Get overview on the financials (salaries, wages, benefits, operating costs, etc.) of EVSWA
- Interview with employees and community members

WHAT HAPPENED AND HOW: The team consisting of Nayib, Dowan and Jason met at the Estancia Valley Solid Waste Authority office in Torrance County to visit the client's operations. We met with Mr. Ellis and received a presentation on the operations of EVSWA, the locations of its waste collection sites and received an overview of the financials of the operations. After receiving the briefing of the operations, we began to drive around to the various collection sites to conduct interviews and meet with employees and community members. We observed first-hand how a patron comes into the waste collection site and how they utilize the service. We asked several clarifying questions to get a greater understanding of the work that the employees do and the perception of the level of service that customers were receiving.

DECISION/ACTION ITEMS:

After meeting with the client, we decided that we needed to analyze the financials that we received. We also wanted to analyze if the level of service provided currently is adequate to the needs of the community. We decided to review the financials and let the numbers guide our recommendations.

NEXT STEPS: Dowan will work on the cost allocation of the EVSWA. Jason will work on the Operations analysis of EVSWA. We will collaborate to create a fluid document that gives a recommendation of the inefficiencies that we witnessed during the site visit. We will follow up with Joseph upon completion of this task.

Progress Report #3

Date: 4/9/13

Company Name: Mid-Region Council of Governments

Client(s): MRCOG

Number of Team Members Present: 3

Names of all those present:

1. Karli Jenkins
2. Nayib Arvizo
3. Lesley Stephens

Elapsed Meeting Time: 2.5 hours

PURPOSE OF MEETING WITH CLIENT: To discuss MRCOG's view on the situation that EVSWA is in as well as their role in our project. Also to ask specific questions with regard to how other waste management operations in Albuquerque are run and how EVSWA runs its operations.

MEETING AGENDA

- Introductions
- Present our first set of questions
- Receive feedback from MRCOG
- Developed more specific questions to research and possible recommendations
- Formulated a timeline for the remainder of our project

WHAT HAPPENED AND HOW: We met at the office of the Mid-Region Council of Governments and had a 2.5 hour meeting concerning our project. We addressed all of the agenda items as previously stated above. Through the questions that we asked we were able to develop ideas for recommendations we would like to provide to EVSWA as well as how these ideas would be implemented.

DECISION/ACTION ITEMS: After receiving input from MRCOG we now have a framework from which to seek possible recommendations for EVSWA. One of the largest focuses of this conversation was to compare the level of service that EVSWA is providing with what level of service they are required to provide according to the MOU charter. We also received input from MRCOG concerning recycling practices, so we need to look into that operation. We also discussed the possibility of raising the monthly fee and how much revenue it would actually generate.

NEXT STEPS: Jason will research EVSWA recycling operations and the drop off station efficiency. Lesley and Karli will schedule a meeting with the County Manager, Joy

Ansley, to discuss budgetary items. Dowan will see how much revenue may be generated by a county mandated fee increase, based on information from MRCOG. Nayib will compile everyone's information in an organized format.

Progress Report #4

Date: 4/16/2013

Client(s): Joseph Ellis

Names of all those present:

1. Jason Jones

Elapsed Meeting Time: 5 Hours

PURPOSE OF MEETING WITH CLIENT: To inspect the landfill operation, interview employees with regards to the operational performance of EVSWA and to survey employees on job satisfaction.

AGENDA FOR THE MEETING:

- Inspect landfill operation
- Meet with office employees and at least one station attendant
- Have employees fill out a job performance questionnaire

WHAT HAPPENED AND HOW: Jason Jones and Professor Mahto arrived on site to the landfill. We were greeted by Manager Joseph Ellis and shown around the site. We then proceeded to travel to a collection station so that Professor Mahto could witness the operation. Then we went to the EVSWA office. At the office, Jason Jones discussed EVSWA's operational performance with four employees, including Mr. Ellis, and gave each of them a job questionnaire to fill out. Finally, Professor Mahto and Jason Jones visited the Northern Collection Station on our way out of town and Jason Jones talked to the station attendant on duty.

DECISION/ACTION ITEMS: Results from the questionnaire were tallied and employee responses were summarized.

NEXT STEPS: The results will be incorporated into the final report under the Operational Analysis section and schedule a meeting with County Manager Joy Ansley.

Progress Report # 5

Date: 4/25/13

Client(s): Joy Ansley

Company Name: Torrance County Manager

Number of Team Members Present: 2

Names of all those present:

1. Karli Jenkins
2. Lesley Stephens

Elapsed Meeting Time: 2 hours

PURPOSE OF MEETING WITH CLIENT: We met with Joy in order to have our questions answered concerning the deficit that EVSWA was experiencing as well as ask for her input on recommendations that she thinks would be fitting. We also wanted to see what kind of relationship that the county has with EVSWA and with Mr. Ellis and if they would be willing to allocate any more revenue for EVSWA from the general fund of Torrance County.

MEETING AGENDA

- Introductions
- Present our first set of questions
- Receive feedback from County Manager (Joy Ansley)
- Discussed level of funding that the county is willing to provide to EVSWA

WHAT HAPPENED AND HOW: We had a Skype meeting with the County Manager for two hours to discuss the agenda items listed above. We talked about the county's relationship with EVSWA as a member entity of Torrance County. We discussed the situation that EVSWA was in and what her opinion was as to why this was happening. We also received input from her that the county would be willing to contribute no more than \$25,000 to EVSWA from the general fund, and that they would need to find other ways to pay for their operations.

DECISION/ACTION ITEMS: After receiving input from Joy Ansley we now have an idea as to how much funding that the county is willing to provide. One of the largest focuses of this conversation was concerning revenue generation and how Joseph was going to achieve his goal. We now know that the county is willing to support EVSWA, but our job is to research other counties and see what level they contribute to their solid waste programs

NEXT STEPS: Karli will look into the level of funding provided to peer counties solid waste authorities from the counties themselves as well as come up with an estimate of

how much Torrance County should be contributing to EVSWA's funds. Lesley will create a PEST analysis for the report incorporating information received from Joy during this interview.

Progress Report #6

Date: 5/02/2013

Client(s): Joseph Ellis

Company Name: EVSWA

Number of Team Members Present: 5

Names of all those present:

1. Nayib Arvizo
2. Dowan Kim
3. Karli Jenkins
4. Jason Jones
5. Lesley Stephens

Elapsed Meeting Time: 3 Hours

PURPOSE OF MEETING WITH CLIENT: Presented a mock interview to the client and the class. Our group presented our findings and the research that we have conducted throughout the semester. We also synthesized our findings and made fact derived recommendations to increase revenue, reduce costs and create a sustainable model for the waste collection stations.

AGENDA FOR THE MEETING:

- Present to the client
- Receive feedback from Dr. Mahto
- Receive feedback from Mr. Ellis
- Reflect on recommendations and create a work plan for the next week

WHAT HAPPENED AND HOW: Our team made a presentation to the class and Mr. Ellis from Estancia Valley Solid Waste Authority. We addressed the two issues that we were commissioned to research: What level of service is required? And what resources should be used? We tailored our presentation to answer the two questions. In the presentation we created comparative analyses of Torrance County and peer counties (cost, level of service, etc.), county politics, SWOT analysis and made recommendations to address the two questions.

DECISION/ACTION ITEMS: After presenting to the client, our client made several suggestions on what other areas we should explore. Mr. Ellis stated that he would like us to look into having the county commissioner pay for the unfunded mandate, increasing fees for vacant residences and those who use private haulers.

NEXT STEPS: Dowan will create a visual timeline on how these changes will affect the balance sheet. Jason will address the operations and the impact on increasing fees. Karli and Lesley will research how to receive compensation for the unfunded mandate.

Nayib will compile all this information. We will meet in one week's time to review and compile all of the information to report to the County of Torrance and EVSWA on May 11th, 2013.

Time Log

Date	Activity	Members Involved	Number Members	Hours per Member	Total Hours
2/7/2013	Formation of Group	All	5	1	5
2/10/2013	Schedule Initial Meeting with Client	Nayib	1	1	1
2/14/2013	In-Class Meeting	All	5	1	5
2/15/2013	Meeting with EVSWA Manager	All	5	3	15
2/17/2013	Discussion of Project	All	5	1.5	7.5
	Engagement Letter	Nayib	1	2	2
2/19/2013	Research on County Politics	Karli	1	3	3
2/20/2013	Research on County Politics	Lesley	1	2	2
2/20/2013	Research on Cost Allocation	Do Wan	1	3	3
2/21/2013	In-Class Meeting	All	5	1	5
	Coordination of Meeting with Client	Nayib	1	1.5	1.5
2/24/2013	Sunday Meeting	All	5	2.75	13.75
	Delegation of Tasks	Nayib	1	2	2
2/25/2013	Research on County Politics	Karli	1	1.5	1.5
2/26/2013	Research County Demographics	Jason	1	1.5	1.5
2/27/2013	Collect Financial and Analyze Documents	Do Wan	1	3	3
2/28/2013	In-Class Meeting	All	5	1	5
	Facility Visit & Presentation of Engagement Letter	Nayib, Do Wan, Jason	3	7	21
3/2/2013	Research on County Politics	Lesley	1	2.5	2.5
3/3/2013	Sunday Meeting	All	5	3	15
3/3/2013	Research on Strengths, Weaknesses, Opportunities, Threats	Do Wan	1	3	3
3/5/2013	Research on County Politics	Karli	1	2	2
	Contact with EVSWA Manager	Nayib	1	0.5	0.5
3/6/2013	Review of Fund Financial Statements	Karli, Lesley	2	2	4
3/7/2013	In-Class Meeting	All	5	1	5
3/8/2013	Draft of Politics and Funding	Karli, Lesley	2	1.5	3
3/15/2013	Additions to Politics & Funding Draft	Karli	1	2	2
3/17/2013	Sunday Meeting	All	5	2	10
3/19/2013	Research on Grant Alternatives	Lesley	1	2	2
3/20/2013	Draft of Strengths, Weaknesses, Opportunities, Threats	Do Wan	1	2	2
3/20/2013	Contact with EVSWA Manager	Nayib	1	3	3
3/21/2013	In-Class Meeting	All	5	1	5
3/24/2013	Sunday Meeting	All	5	3	15
	Contact with EVSWA Manager	Nayib	1	0.25	0.25
3/28/2013	In-Class Meeting	All	5	1	5
	Separate Draft of Sources of County Funds	Karli	1	2	2
3/29/2013	Coordination of Meeting with MR COG	Nayib	1	1.5	1.5
3/30/2013	Operational Analysis	Jason	1	2	2
3/31/2013	Sunday Meeting	All	5	2	10
4/1/2013	Organization and Collection of Material	Nayib	1	3	3
	Operational Analysis & County Research	Jason	1	3	3
4/4/2013	In-Class Meeting	All	5	3	15
	Combine Sources of Funds with Research on Politics	Karli, Lesley	2	1.5	3
	Compiling of First Draft	Nayib	1	2	2
4/7/2013	Sunday Meeting	All	5	2	10
	Coordination of Facility Visit	Nayib	1	0.5	0.5
4/8/2013	Draft Questions for MRCOG Meeting	Lesley	1	1.5	1.5
4/8/2013	Research Annual Income for New Mexico Counties	Do Wan	1	2	2
4/9/2013	Meeting with MRCOG	Karli, Lesley, Nayib	3	2.5	7.5
4/9/2013	Phone Conference with Private Companies (WM, MTC, Roadrunner)	Do Wan	1	3	3
4/11/2013	In-Class Meeting	All	5	1	5
	Compiling Research on Operations	Jason	1	1.25	1.25
	Section Review	All	5	2.5	12.5
	Phone Conference with Manager	Nayib	1.5	0.5	0.75
4/14/2013	Sunday Meeting	All	5	2.5	12.5
	Review of County Ordinance	Karli	1	1	1
4/15/2013	Contact with MR COG	Nayib	1	1.25	1.25
4/15/2013	Financial Comparative Analysis	Do Wan	1	2	2
4/16/2013	Facility Visit with Professor & Stakeholder Interviews	Jason	1	5	5
4/17/2013	Gather Competitor Information	Jason	1	2.5	2.5
4/17/2013	Review of MOU Charter & Incorporation into Draft	Karli	1	2	2
4/18/2013	Review Financials to private corporations	Do Wan	1	1	1
4/18/2013	In-Class Meeting	All	5	5	25
	Review of EVSWA Audit	Karli	1	2.75	2.75
4/19/2013	Composition of Stakeholder & Competitor Analyses	Jason	1	6.25	6.25
	Edit Running Draft	Nayib	1	2.25	2.25

4/20/2013	PEST Analysis	Lesley	1	2	2
4/21/2013	Sunday Meeting	All	5	4	20
4/22/2013	Draft Questions for County Commissioner & Manager	Lesley	1	3	3
4/22/2013	Financial Recommendations	Do Wan	1	2	2
4/22/2013	Writeup & Recommendations	Jason	1	6	6
4/23/2013	Contact with EVSWA Manager	Nayib	1	2.25	2.25
4/24/2013	Update Running Draft	Nayib	1	2.5	2.5
4/25/2013	In-Class Meeting	All	5	1	5
	Interview with Torrance County Manager	Karli, Lesley	2	2	4
4/27/2013	Combination of Section for Draft	Karli, Lesley	2	3	6
4/28/2013	Integration of Sections	All	5	4	20
	Consolidation of Draft	Nayib	1	3	3
4/30/2013	Final Draft	Nayib	1	2.5	2.5
5/1/2013	Presentation Finalization	All	5	4	20
5/2/2013	Mock Presentation & Meeting with Client	All	5	2	10
	Report Overview	All	5	2	10
5/5/2013	Amendments to Draft	Nayib	1	3	3
5/11/2013	Presentation to County (Forecast)	All	5	5	25
Total Hours Dedicated					472.25

Appendices

ESTANGIA VALLEY SOLID WASTE AUTHORITY COLLECTION STATION INFORMATION

	CENTRAL	HILLS & VALLEYS	INDIAN HILLS	SOUTHERN MOUNTAINAIR	TAJIQUE	PUNTA DE AGUA	NORTHERN (MORIARTY)	DURAN
OPERATING HOURS	Tue.: 7am - 3pm Thurs.: 8am-5pm Sat.: 8am-4pm	Wed.: 7am - 3pm Fri.: 8am-5pm Sun.: 8am-4pm	Tue.: 7am-3pm Thurs.: 8am-5pm Sat.: 8am-4pm	Wed.: 7am-3pm Sat.: 8am-4pm	Tue.: 7am-3pm Fri.: 8am-5pm Sat.: 8am-4pm	Thursdays 7am - 3pm Sundays: 8am - 4pm	Mon-7am-3pm Tue-Fri.: 8am-5pm Sat.: 8am-4pm Sun.: 9am-3pm	2nd & 4th Saturdays of every month, 8 - 12
LOCATION	North 9th St Estancia	S. of Edgewood Waltrant's (Edgewood 7 turns into A059) West on Community Rd - South on A102 FOLLOW SIGNS	Exxon Rd. (A053) 3 miles south of NM332 Jct 601 at Mountainview Elm. 1/2 Mile N of Mendel Pk.	3.5 miles W of Mountainair on Hwy. 51 mile marker 202	Vista De Sol Community Center	Hwy. 55 & Mallinar Rd	Salt Mission Trail West of Highway Dept	Hwy 54, Duran
solid waste	yes	yes	yes	yes	yes	yes	yes	yes
construction	yes	yes	yes	yes	yes	yes	yes	yes
debris	yes	yes	yes	yes	yes	yes	yes	yes
wrecks & brush	yes	yes	yes	yes	yes	yes	yes	yes
branches*	NO	NO	NO	yes	NO	NO	yes	NO
white goods	yes	yes	yes	yes	yes	yes	yes	yes
tires	yes	yes	yes	yes	yes	yes	yes	yes
batteries	yes	yes	yes	yes	yes	yes	yes	yes
paint & thinners	In future	In future	In future	In future	In future	In future	In future	In future
waste oil*	yes	yes	yes	yes	yes	yes	yes	yes
anti-freeze	yes	yes	yes	yes	yes	yes	yes	yes
recycling items**	yes	In future	yes	yes	cardboard	In future	yes	In future
metal	yes	yes	yes	yes	yes	yes	yes	yes
E-waste	yes	yes	yes	yes	yes	yes	yes	yes

*See guidelines on back of this page.

** Recycling Items: Cardboard, Plastics #1 & #2, tin cans, aluminum cans, mixed paper

PLEASE BRING YOUR EVSWA PAYMENT STUB

ESTANCIA VALLEY SOLID WASTE AUTHORITY
ADDITIONAL COLLECTION STATION INFORMATION

- ❖ **Other Collection Station Sites:** Encino- contact the Village of Encino-584-2980
- ❖ **Out of County Residents:** Must have an EVSWA Account
- ❖ **Municipal & Commercial Customers:** Must have "Tip Tickets". Each load is assessed at \$5 per cubic yard; tickets are \$10 each plus tax. One level pickup load will be \$10. Purchase tip tickets at Har's Hardware, Broome's Foods or City Hall in Moriarty; EVSWA and Gustin Hardware in Esancia, Town Hall and Gustin Hardware in Mountainair, and Village Hall in Willard.

- ❖ **EVSWA Customers:** Are allowed to dispose of ONE level pickup load (full size, 2 x 8 x 4') per week with your current quarterly payment stub. Loads larger than a level load, but not exceeding 10 yards will be charged \$5 per additional cubic yard to their EVSWA account.

Loads that are 10 yards or more must be taken to the TC/BC Regional Landfill.
The landfill is open most weekdays. Call 705-5101 for hours and directions.

YOU MUST PRESENT YOUR EVSWA PAYMENT STUB OR WINDOW DECAL TO THE ATTENDANT EACH TIME YOU VISIT A STATION

We will accept the following fluids at all of our Collection stations in proper containers. (Heavy plastic bottles with tightly secured screw-on lids. No cracked or leaking containers, no milk jugs, and no containers larger than 5 gallon buckets).

STRAIGHT USED MOTOR OIL GEAR OIL ANTI-FREEZE
HYDRAULIC OIL TRANSMISSION FLUID

EACH FLUID MUST BE IN ITS OWN SEPARATE CONTAINER
NO GAS NO MIXES NO BRAKE FLUID
NO THINNERS NO SOLVENTS

TIRES- EVSWA customers can take up to 2 passenger or pickup truck tires at no extra charge to the Collection station, mingled with trash to equal your level pickup load. 1 or 2 extra tires are charged \$5 each. Municipal customers must pay for all tires disposed of at the rate of \$5 per tire. If you have more than 4 tires you must go to the TC/BC Regional Landfill, where the fee is \$3 per tire. Semi tires must go to the landfill @ \$15 each.

METAL- Residential - no charge for loads up to 10 yards per week. Larger loads go to landfill. Businesses: \$5 per cubic yard up to 10 yards per week. No appliances accepted at Hills & Valleys and Willard stations. \$15 charge for refrigerators and freezers if not certified evacuated.

BRANCHES- All branches (no smaller than 1" and no larger than 12") must be taken to Northern Collection Station on Hwy 41 south of Moriarty to be chipped. There is NO FEE for residents or businesses. Branches smaller than or larger than these dimensions will be taken at any station as part of the regular load.

ASHES-MUST BE AT LEAST 2 WEEKS OLD before disposal into our containers. NO WARM ASHES.

BATTERIES-Residential customers may bring in passenger and pickup truck batteries ONLY, that are not leaking. NO semi-truck sized batteries or solar energy collector batteries will be accepted.

Sharps- Will only be taken if they are in heavy plastic or metal containers with a screw-on or tightly secured lid. Do not use glass or clear plastic containers.

Office hours-

Our office at 515 Altan St. in Esancia is open weekdays 8am - 5pm.
Payments can be mailed to P.O. Box 736, Esancia, NM 87016
Phone number (505)-384-4270 Fax number (505)-384-3062

Interview with County Manager

by Karli Jenkins and Lesley Stephens

(Not full transcript but a summary of the entirety of our discussion in bullets.)

Questions to consider:

1. What is the relationship like between the county and EVSWA as a member entity?
2. What is your opinion as to why EVSWA is experiencing such a large deficit?
3. What are your personal recommendations for EVSWA to correct this deficit?
4. If you were to allocate funds from any part of the county's budget, where do you think you would allocate those funds from? How much would you be willing to provide?
5. Tell us about how this operation has grown over the years and how it looked in the beginning.

- EVSWA and the county have had a great relationship, and I personally have a great relationship with Joseph. I'm actually on the board so we work together all the time. He has a lot of support and we want to help him in any way that we can.
- A large item to consider is what level of service he is providing at the moment and what level of service that he can afford to provide.
- The largest concern is to conserve airspace in the landfill which means that we are opposed to letting other outside counties come in and join because we don't want to waste the airspace. That's the priority. So we do not recommend expanding into other counties based on that. A recommendation might be to look into attaching something to property taxes to generate revenue, allocating fees, and seeing how those recommendations work together. We want options.
- They got a community grant in 2008, they've received a series of recycling grants through the recycling coalition, and the ESGRT provides EVSWA 65,000- 80,000 per year from the county, and the county's budget gave them 17,000 so we would not feel comfortable committing to anything more than 25,000. The ESGRT is created mostly through i40 so I'm not sure how we would be able to increase that amount.
- From my understanding Joseph actually shut down one of his drop off stations because it was wasting too much of EVSWA's resources and money. They are pretty consistent in the level of service that they provide, but one big change was the addition of recycling services. Another consistently changing factor of those operations include the building of new cells every 4 or 5 years. Other than that he's pretty consistent in what he provides to the county.

EVSWA Employee Survey

This survey is designed to measure organizational behavior in the workplace. Your participation in this survey would be appreciated and would help the researchers gather important data. Your participation in this survey is strictly voluntary. This survey is anonymous. DO NOT write your name or other such information anywhere on the survey. If you agree to participate in this research, write your answers directly on the survey. There are no right or wrong answers to the questions, so please answer them as honestly as possible. When you are finished, fold the survey and place it in the box provided.

Instructions

Please indicate how you personally feel about your job. Each of the statements below is something that a person might say about his or her job. You are to indicate your own, personal feelings about your job by marking how much you agree with each of the statements.

To what extent do you agree with this statement: "I am satisfied with my job."

Strongly Disagree		Neutral			Strongly Agree	
1	2	3	4	5	6	7

Generally speaking, I am very satisfied with this job.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

I frequently think of quitting this job.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

I am generally satisfied with the kind of work I do in this job.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

My opinion of myself goes up when I do this job well.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

I feel a great sense of personal satisfaction when I do this job well.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

I feel bad and unhappy when I discover that I have performed poorly on this job.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

My own feelings are generally not affected much one way or the other by how well I do on this job.

Disagree Strongly	Disagree	Disagree Slightly	Neutral	Agree Slightly	Agree	Agree Strongly
1	2	3	4	5	6	7

The organization values my contribution to its well-being.

Strongly Disagree			Neither Agree Nor Disagree			Strongly Agree
1	2	3	4	5	6	7

The organization strongly considers my goals and values.

Strongly Disagree			Neither Agree Nor Disagree			Strongly Agree
1	2	3	4	5	6	7

I am likely to leave the organization in the near future

Strongly Disagree			Neither Agree Nor Disagree			Strongly Agree
1	2	3	4	5	6	7

The fundamental training provided by my employer was helpful to perform my job duties.

Strongly Disagree			Neither Agree Nor Disagree			Strongly Agree
1	2	3	4	5	6	7

Training would help you to release your level of stress at work.

Strongly Disagree			Neither Agree Nor Disagree			Strongly Agree
1	2	3	4	5	6	7

Training would be an essential tool to improve your job satisfaction.

Strongly Disagree			Neither Agree Nor Disagree			Strongly Agree
1	2	3	4	5	6	7

I feel confident in my ability to perform all of the tasks associated with the job for which I was trained.

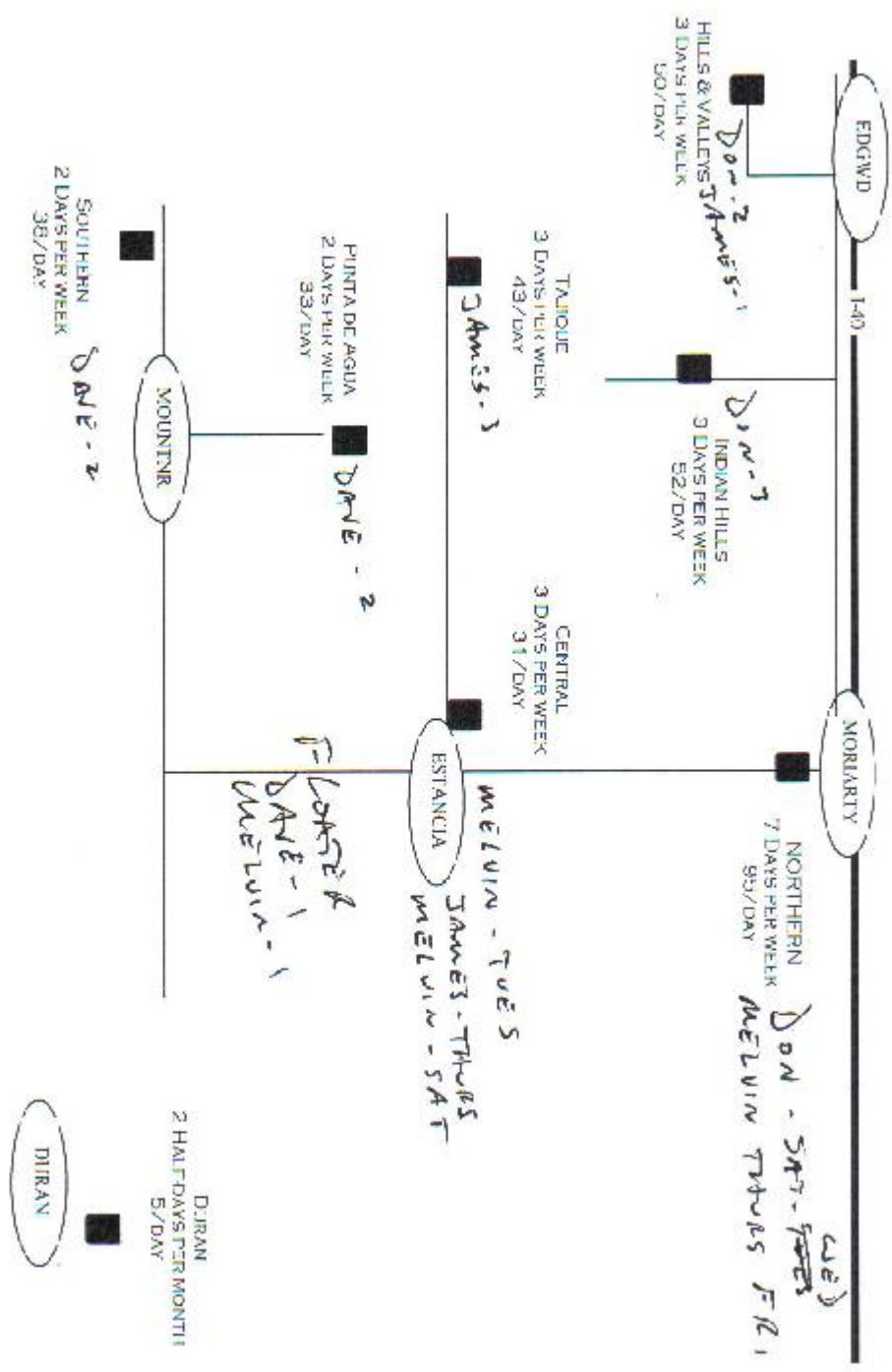
			Neither Agree Nor Disagree			
Strongly Disagree						Strongly Agree
1	2	3	4	5	6	7

The job training I received for my current position was helpful and thorough.

			Neither Agree Nor Disagree			
Strongly Disagree						Strongly Agree
1	2	3	4	5	6	7

I feel that additional job training would be beneficial to me and to my work productivity.

			Neither Agree Nor Disagree			
Strongly Disagree						Strongly Agree
1	2	3	4	5	6	7



Letter of Engagement



The University of New Mexico

February 14, 2013

Mr. Joseph Ellis
Estancia Valley Solid Waste Authority
P.O Box 736
Estancia, NM 87016
Re: Letter of Engagement

Joseph Ellis:

We would like to thank you for providing us with the opportunity to work with you as student consultants for your Estancia Valley Solid Waste Authority (EVSWA). A cooperative agreement between the Anderson School of Management (ASM) at the University of New Mexico (UNM) and the Small Business Institute Director's Association (SBIDA) allows us to serve you for a small fee of \$500.00. The views and opinions we will share and develop with you will not be the official position of ASM or SBIDA, but rather our own. These recommendations/opinions will be based on discussions, observations, investigations and analysis of your company's operations and environment. It is our hope that you will find our recommendations valuable, both now and in the future. We look forward to your response concerning our suggestions. The information you will provide concerning your company will be held with the utmost standard of confidence. Based on your presentation and our discussion with you, we have identified the following areas which we will explore.

- I. Operation Efficiency
- II. Cost Allocation
- III. County Politics

Analysis of these fields will allow us to address your primary concern of developing a long-term sustainable strategy for your company thus hopefully eliminating the \$300,000 plus annual deficit. In proposing a strategy, we will address the questions concerning required level of service as well as resource allocation.

We will visit your business a minimum of four (4) additional times during the coming weeks to work on the above propositions. At the conclusion of our academic term, you will receive a written final report, which will be discussed with you during our final presentation.

Regards,

Nayib Arvizo

Do Wan Kim

Karli Jenkins

Jason Jones

Lesley Stephens

I acknowledge the receipt of this letter and agree to its terms:

Joseph Ellis
Estancia Valley Solid Waste Authority

Reviewed and Approved by:

Ph.D. Rajankumar V. Mahto

COUNTY OF TORRANCE
ESTANCIA VALLEY SOLID WASTE AUTHORITY
SOLID WASTE MANAGEMENT SYSTEM
SUSTAINABILITY PHASE-IN PLAN

GOAL: Within four (4) years, the County of Torrance will have adequate sustainable funding mechanisms for comprehensive solid waste collection, hauling, and disposal services for residences in the unincorporated areas of Torrance County.

Objective 1: Review and update solid waste management contract between Torrance County (County) and the Estancia Valley Solid Waste Authority (Authority).

Strategy:

- Submit current contract to attorneys for legal review
 - Management* review of current waste management systems and funding mechanisms
 - Level of service recommendation submitted to County Commission for approval
 - Contract approved by County Commission
 - Contract accepted by Authority
- * - Management includes Torrance County Manager and Authority Manager*

Objective 2: FY13 commitment by County to initiate remediation of system budget shortfall.

Strategy:

- Authority submits FY13 system budget to County Commission
- Request \$33,000 allocation by County for Authority Financial Assurance deposit
- Request \$16,605 allocation to cover indigent fund
- County allocates \$49,605 for Authority from remaining FY13 budget

Objective 3: Initiate grant resource development for Estancia Valley Regional Landfill (EVRL) Cell 4 construction.

Strategy:

- Submit Authority Infrastructure Capital Improvement Plan (ICIP) to New Mexico Department of Finance and Administration for inclusion in the Governor's statewide priority of legislative capital outlay allocations.

- Obtain legislative support for ICIP by contacting state senators and representatives for region served by EVRL.
- Management monitors progress of capital outlay bills in legislature, enlisting support of commissioners and board members as needed.

Objective 4: Based on level of service contracted by County, and considering prospects of grant funding for landfill construction, develop FY 14 County budget participation.

Strategy:

- Determine amount of capital outlay awarded for Authority ICIP.
- Management will collaborate on FY14 interim budget proposals for County and Authority.
- County to commit to covering \$75,000 of system shortfall in FY14

Objective 5: Continue annual grant resource development for Estancia Valley Regional Landfill (EVRL) Cell 4 construction.

Strategy:

- Submit Authority Infrastructure Capital Improvement Plan (ICIP) to DFA and legislators for reauthorization of legislative capital outlay allocations for FY15, FY16, and FY17.

Objective 6: Based on level of service contracted by County, and considering prospects of grant funding for landfill construction, develop annual County budget participation.

Strategy:

- Determine amount of capital outlay awarded for Authority ICIP.
- Management will collaborate on interim budget proposals for County and Authority.
- County commitment increases to \$150,000 in FY15; \$225,000 in FY 16; \$300,000 in FY17.

SOLID WASTE MANAGEMENT SYSTEMS

Tarrant County

**Level of Service: Manned neighborhood Collection Stations
2 cubic yards per household per week**

Cost of service: \$225 per household per year

Revenue from fees: \$154.44 per household per year

Discounted fees: Private hauler customers \$51.48
Low Income customers \$77.22
Vacant residence \$40

Revenue from member ESGRTs \$37.50 per year

Revenue from landfill operations \$33.06 per year

Santa Fe County

**Level of Service: Manned neighborhood Collection Stations
Pay as you throw**

Cost of service: \$275.44 per household per year

Revenue from fees: \$67 per household per year

Revenue from general fund: \$145.64 per household per year

Revenue from ESGRT: \$62.80 per household per year

Lincoln County

**Level of Service: Unmanned containers on county roads
No limit, but full containers generate illegal dumping**

Cost of service: \$250 per household per year

Revenue from fees: \$250 per household per year

Discounted fees: None

EVSWA County Accounts

TYPE	ANNUAL ASSESSMENT	TOTAL
3,163 Regular Accounts	\$154.44	\$488,493.72
203 Low Income (1/2 rate)	\$77.16	\$15,663.48
304 Private Hauler (1/3 rate)	\$51.48	\$15,649.92
<u>323 Vacant Residence</u>	\$40	<u>\$12,920.00</u>
3,993 active accounts		
	Total assessed receivables	\$532,727.12
	FY12 Actual received	\$559,076.62
	Revenues collected from "excess loads:"	\$3,000/year
	Revenues collected from lien payoffs:	\$58,305.16
	Revenues from "tip tickets:"	\$10,000/year

We carry accounts on 1049 liened properties. When a lien is placed on an account, the property owner is sent one last payment stub, and is told that quarterly billing will be discontinued, although quarterly assessments are still added to the balance due. The property owner is still allowed to use the stations. When a lien is paid off, the residence is returned to regular billing.

P.O. Box 736
Estancia, New Mexico
87016



505-384-4270
505-384-3062 fax
TrashBilling.com

RESIDENTIAL CUSTOMER FEES

RESIDENTIAL QUARTERLY BILLS

All residential property owners will be assessed and billed a fee that is set by the Torrance County Commission. EVSWA bills each residence \$40.54 per quarter, which includes tax.

LOW INCOME DISCOUNT

The county ordinance provides for a 50% discount for residents with limited incomes. Guidelines for the New Mexico Low Income Home Energy Assistance Program (LIHEAP) establish the eligibility criteria. See <http://www.hsd.state.nm.us/isd/liheap.html> for current guidelines.

PRIVATE HAULER DISCOUNT

Residents who contract with a private hauler for weekly curbside pickups can qualify for this 66% discount. An annual payment of \$54.04 is made, and the resident can continue to use the neighborhood collection station to drop off recyclables and bulky items not picked up by the private hauler.

VACANT RESIDENCES

Solid Waste Management Fees are not assessed for unoccupied residences. However, since EVSWA is required to research, update, and maintain ongoing property ownership records on all residences, a \$3.50 monthly account maintenance fee is assessed and billed to each account. The property owner can use this specially-marked payment stub to occasionally dispose of cleanup waste on a pay-as-you-throw basis.

The property owner must make application for a vacant residence discount. Once the property is verified to be vacant, EVSWA will initiate the discounted assessment. This discount cannot be applied retroactively. See the "EVSWA Forms" link for an application form.

RENTER BILLING

A landlord can make arrangements for EVSWA to mail quarterly bills to renters or leaseholders, with the understanding that the property owner is ultimately responsible for all charges. See the "EVSWA Forms" link for the application form.

VEHICLE DECALS

If an account is in good standing, the customer is allowed to have a windshield decal that identifies the vehicle at the collection stations. This means the customer will not have to keep up with payment stubs. See the "EVSWA Forms" link for the application form.

County of Torrance • City of Moriarty
Town of Estancia • Town of Mountainair • Town of Vaughn
Village of Willard • Village of Encino

Printed on Recycled Paper

EVSWA Revenues & Expenses

GENERAL FUND REVENUES		COUNTY CONTRACT
	County Fees	536,000
	Grant Proceeds	80,000
	County Indigent Fund	16,000
	County General Fund Allocation	
	Miscellaneous	1,400
		617,400
GENERAL FUND EXPENDITURES		COUNTY CONTRACT
	Personnel Services, (Salaries and Benefits)	436,845
	Worker's Compensation Insurance	13,419
	Debt Service	17,272
	Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	15,960
	Office Supplies and Other Expenses	8,250
	Misc. Exp.	2,000
	Postage Expense	7,920
	Tools/Safety/cleaning supplies	2,750
	Ad/Publication/Dues	3,300
	Insurance	15,739
	Travel & Schools	1,100
	Professional Services	17,600
	Board Fees	3,000
	Equipment acquisition/lease	23,000
	Equipment repair & maintenance	4,800
	Building repair & maintenance	2,500
	Refunds & NSF	1,000
	Vehicle R&M	32,000
	Computer expense	4,000
	Credit card fees	7,600
	Fuel & Oil	79,200
	Uniforms	3,740
	Recycling expense	-
	Capital Outlay - Construction	35,750
	Capital Outlay - Equipment	22,500
	Tipping Fees	129,200
	Contract Hauling	13,000
	Contract Labor	7,200
	Property Lease	3,600
	Truck Tires	8,600
	Total General Fund Expenditures	922,845

Net Revenue

(305,445)

Memorandum of Understanding

This Memorandum of Understanding is hereby entered into between the Torrance County Solid Waste Authority ("Authority") and the County of Torrance ("County").

This agreement is pursuant to and in conformance with the provisions of the Joint Powers Agreement of December 16, 1993 ("JPA"), and Torrance County Ordinance 94-12, as amended April 24, 2002 ("Ordinance").

SOLID WASTE COLLECTION SERVICE – Solid Waste collection services for County residents shall be managed by the Authority, in compliance with regulations promulgated by the New Mexico Environment Department. These services will include the operation of manned convenience stations strategically located throughout the county. The Authority will collect and transport municipal solid waste for disposal at the TC/BC Regional Landfill. Recycling and diversion of certain materials, including but not limited to metal and white goods, waste oil, automotive batteries, and landscape green waste may be handled at the convenience stations, at the discretion of the Authority. The Authority retains the right to reject any materials that may cause a danger to health and safety, material not suitable for a neighborhood convenience station, or material that may be prohibited by law. The authority may also refuse service to individuals for cause, which may include:

- Inability to show proof of TCSWA account
- Abusive, belligerent or obnoxious behavior
- Refusal to follow instructions as posted or as given by the station operator

Revenues and expenditures generated by the collection/recycling/disposal operations shall accrue to the Authority.

SOLID WASTE MANAGEMENT FEE – All matters relating to the collection of the Solid Waste Management Fee, as established by resolution of the County Commission, shall be the responsibility of the Authority. Services include:

- Billing and collection of all accounts liable for the Solid Waste Management Fee as specified in the Ordinance
- Customer service, including making available information on services offered and account payment options
- Implementing collection measures for accounts in arrears, including but

FIDUCIARY RESPONSIBILITIES – Although not a component unit of the County as defined in GASB 14, the Authority shall submit to the County a copy of its annual audit on or about the first day of December of each year. Upon request by the County Manager, the Authority will make its financial records available for inspection by the County Manager and/or by the auditor currently retained by the County.

The Authority Board shall annually determine the rate to be charged to the County for services rendered for the coming fiscal year, and will make recommendations to the County Commission regarding the Solid Waste Management Fee that the County sets.

LIMITATION OF LIABILITY – The County shall not be liable for any claims of damage or injury due to negligence or malpractice by the Authority or any of its employees.

ADDITIONAL ARRANGEMENTS – The County shall make available, at no charge to the Authority, the property for the operation of the Indian Hills, Tajique, and Hills & Valleys Convenience Stations.

Official communication between parties to this agreement shall be between the County Manager and the Authority Manager.

The County Commission shall appoint three (3) representatives to serve on the Board of Directors of the Authority, as provided by the JPA. Term of office is two years, and is renewable.

This contract can be terminated by either party, giving six (6) months written notice.

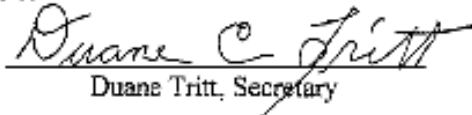
Agreed to by:

TORRANCE COUNTY SOLID WASTE AUTHORITY


Joe Barnes, Vice Chairman

06-20-2002
Date

ATTEST:


Duane Tritt, Secretary

06-20-2002
Date

TORRANCE COUNTY COMMISSIONERS



6-20-02

Choice Images of Operations



Image displays exhausted backhoe and roll-off containers Image taken by Jason Jones.



Image displays recycling container at Northern Location. Image taken by Jason Jones.



Image displays Northern Location facilities. Image taken by Jason Jones.



Image illustrates waste compactor with friendly reminder to recycle. Image taken by Jason Jones.



Image illustrates greeting sign for customers primarily stating that an active account with EVSWA is required. Image taken by Jason Jones.



Image illustrates consultant team members Jason Jones, Dowan Kim and Nayib Arvizo experiencing the operations and aiding a customer in the process. Image taken by Joseph Ellis.