



New Mexico Recycling and Solid Waste Conference | September 26, 2018

Solid Waste Asset Management – Critical Assets, Capital Improvement Plans and Rates



ECONOMICS

STRATEGY

STAKEHOLDERS

SUSTAINABILITY

www.newgenstrategies.net

Introduction

- **Mary Finney**, (*New Mexico Finance Authority*)
- **Charles Fiedler, PE**, (*Gordon Environmental / PSC*)
- **Dave Yanke**, (*NewGen Strategies and Solutions, LLC*)
- **Joseph Ellis**, (*Estancia Valley Solid Waste Authority*)

Agenda

- Introduction
- Overview
- State Perspective
- Engineering Perspective
- Financial Perspective
- Client Perspective
- Questions / Discussion

Overview

- Gordon Environmental / PSC and NewGen Strategies and Solutions, LLC completed an Asset Management Plan in January 2018 for the Estancia Valley Solid Waste Authority (funded by the New Mexico Finance Authority's Local Government Planning Fund.)
(The first of its kind!)
- The Study aligns with the requirements set forth by the New Mexico Environment Department (NMED), and asset management methodology as described in the "A.M. Kan Work!" manual prepared by Southwest Environmental Finance Center.



State Perspective

State Perspective

- The Local Government Planning Fund (LGPF) was created in 2002 to offer grants of up to \$50,000 to municipalities and local water authorities for planning vital water and wastewater projects. The New Mexico Finance Authority administers the program.
- In 2015, the Legislature broadened the eligibility requirements of the Fund to include:
 - Master Plans
 - Conservation Plans
 - Economic Development Plans
 - Asset Management Plans (AMPs)

State Perspective

- The New Mexico Finance Authority has closed and funded 30 Asset Management Plans since 2014, mostly for drinking water and wastewater systems. The Estancia Valley Solid Waste Authority applied to NMFA for a LGPF grant for an AMP, and it made sense to NMFA to have a solid waste authority do an AMP. It was the first one.
- The potential benefits of doing an AMP are considerable. A utility will identify all the assets owned, give each an ID #, rate the asset's current condition and criticality, and calculate the cost of the asset's life cycle.

State Perspective

- The A.M. Kan Work! Manual, prepared by the NM Environmental Finance Center, explains how to do an Asset Management Plan in plain, understandable language, and it describes some of the potential benefits as:
 - Ability to make better operational decisions
 - Greater ability to plan and pay for future repairs and replacements
 - Increased ability to justify needs and prioritize decisions
 - More efficient operation
 - Better communication with customers
 - Increased acceptance of rates by your customers and governing body
 - Ability to analyze what you should be charging for your service vs. what you currently charge

State Perspective

- An Asset Management Plan is an examination of what needs to be repaired, rehabbed, or replaced, and it can aid you in planning for the replacement of an asset, rather than simply reacting to emergencies. This helps utilities manage and run their facilities better, and puts them in a stronger financial position.
- From the state's perspective, the goal of awarding grants to fund AMPs is to support infrastructure and create stronger and better managed utilities. By using the A.M. Kan Work! Manual, any utility can benefit from writing an AMP and thoroughly documenting their assets. The A.M. Kan Work! Manual may be downloaded from NMFA's website for anyone to use. Thank you!



Engineering Perspective

Engineering Perspective

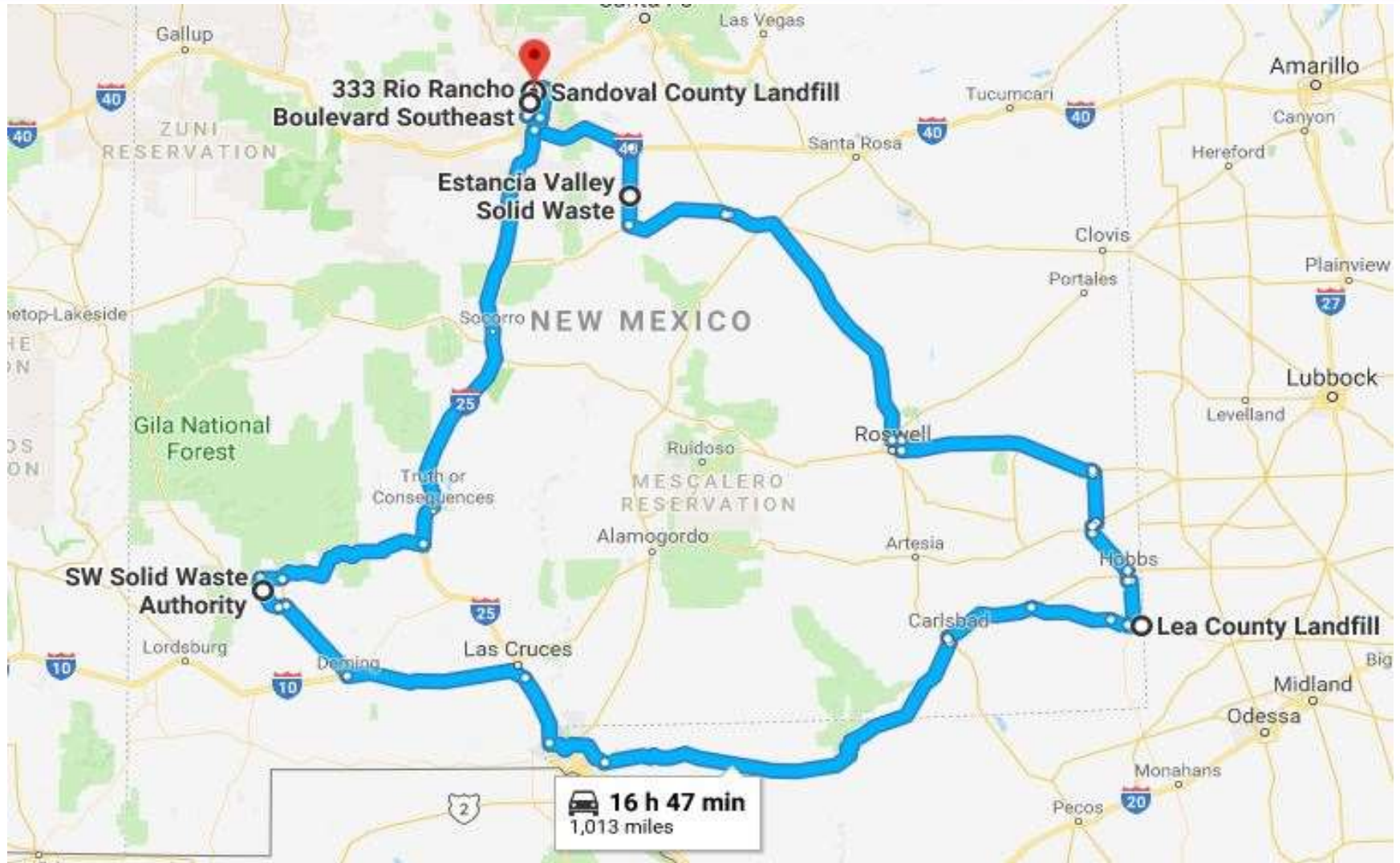
**For every “Engineering Problem”,
there is an “Engineering Solution”.**

**The only real question is,
How much Solution can you afford?**

Engineering Perspective



Engineering Perspective



Engineering Perspective



New Mexico
Environment Department

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



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



[Air](#) [Water](#) [Waste](#) [Health & Safety](#) [Cleanups](#) [Permits & Licenses](#) [Services & Assistance](#) [News](#) [...More](#)

Solid Waste Bureau

[SWB Home](#)

[About Us](#) ▼

[Public Hearings and Meetings](#)

[Programs](#) ▼

[Rules and Statutes](#)

[Guidance and Policies](#) ▼



Grant Programs

- [Recycling and Illegal Dumping \(RAID\) Fund](#)
- [Solid Waste Facility Grant Fund](#)



Financial Perspective

Financial Perspective – Key Objectives

- **Step 1 – Listen**

- Talk to client
- Understand current system
 - Operations
 - Financial situation
 - Revenues
 - Capital needs/ condition
(e.g., rolling stock, landfills, transfer stations)
- Talk to engineer
 - Condition of assets
 - Future capital needs (5-year, 10-year, beyond)
- Talk to state (understand goals and requirements)



Financial Perspective

- **Step 2 – Develop a five-year revenue requirement**

- Operating costs
- Capital costs
 - Cash capital outlays
 - Debt service

Less: Miscellaneous Revenues
Net Revenue Requirement

- Design rates to recover the net revenue requirement



Financial Perspective

- **Step 2 (cont.)**

Capital Improvement Plan

- Design 10-year capital needs plan
 - Engineer input
 - Client input
 - Landfill
 - Collection centers



Financial Perspective

- **Step 3 – Design Rates**
 - Tipping fees
 - Hauling fees
 - Residential rates *(if applicable)*
 - Commercial rates *(if applicable)*



Financial Perspective

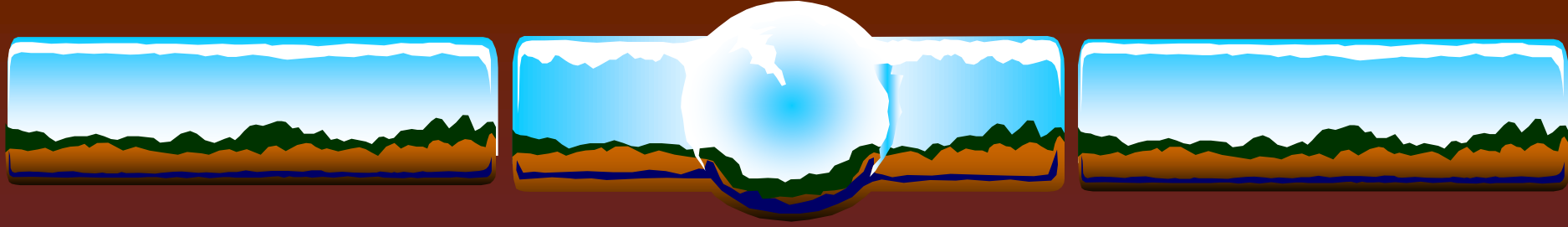
- **Step 4 - Issue Asset Management Plan**

- Description of system
- Critical assets
- Revenue requirement
 - * 10-year capital improvement plan
- Long-term funding strategy
- Policy recommendations
 - Rates
 - Reserves
 - Other





Client Perspective



County of Torrance

City of Moriarty

Town of Mountainair

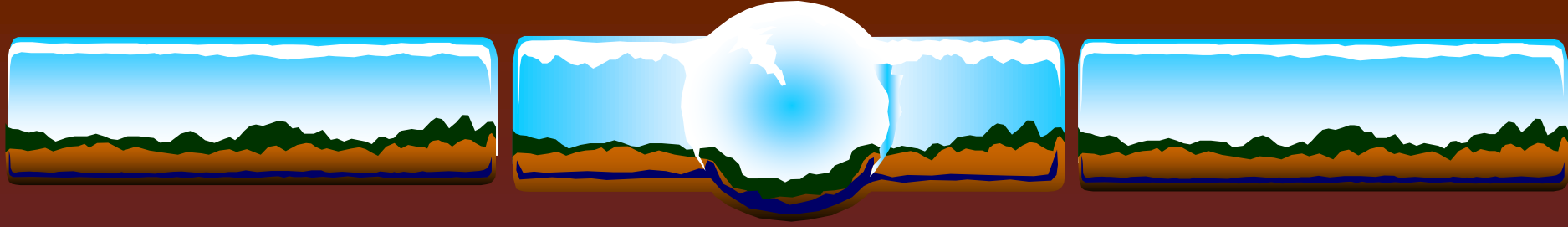
Town of Estancia



Village of Encino

Town of Vaughn

Village of Willard



Estancia Valley Regional Landfill

- ❖ Eastern Bernalillo County
- ❖ Western Guadalupe County
- ❖ Northern Lincoln County
- ❖ Southern Santa Fe County
- ❖ All of Torrance County

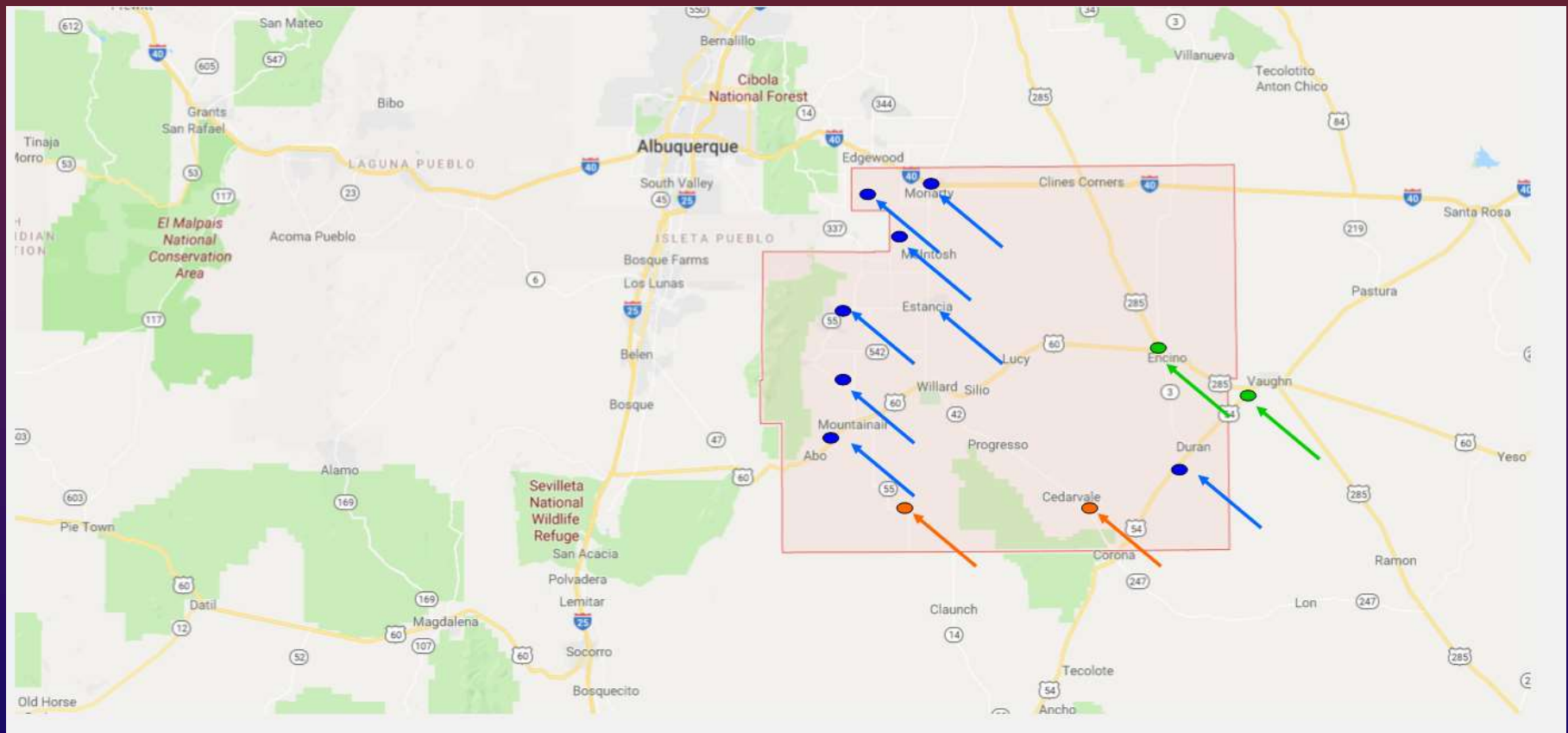


Estancia Valley Regional Landfill

Provides Vital Support
for

I-40 Corridor: Albuquerque to Santa Rosa

EVSWA Collection Stations



Questions / Discussion

Estancia Valley Solid Waste Authority

Joseph Ellis

EVSWA Board of Directors

Office: (505) 302-8905

Email: joseph@lobo.net

New Mexico Finance Authority

Mary L. Finney

Water Resources Administrator

Office: (505) 992-9658

Email: mfinney@nmfa.net

Gordon Environmental / PSC

Charles Fiedler, PE

Associate | Senior Practice Leader

Office: (505) 867-6990

Email: CFiedler@team-psc.com

NewGen Strategies & Solutions, LLC

Dave Yanke

President — Environmental Practice

Office: (512) 649-1254

Email: dyanke@newgenstrategies.net