

Board Members

**Nancy Stephens, Chairperson,
Grant County**
Eddie Flores Grant County
Darlene McBride, Hurley
Martha Salas, City of Bayard
Arnold Lopez, Santa Clara
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Southwest Solid Waste Authority

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City of Bayard
P.O. Box 728
Bayard, NM 88023

Dear City of Bayard,

The Southwest Solid Waste Authority (SWSWA) values the longstanding partnership we share with each of our member entities and appreciates your continued commitment to providing safe, reliable, and environmentally responsible solid waste disposal services for local residents and businesses within the municipalities and unincorporated areas of Grant County.

As part of the Authority's annual budget development process, the SWSWA administration and operating organization conducts a comprehensive evaluation of the actual costs required to operate and maintain a financially sound regional solid waste system. Like many public utilities, the Authority has experienced substantial increases in labor, employee benefits, fuel, equipment maintenance, replacement parts, insurance, utilities, construction materials, environmental compliance, and regulatory requirements.

To ensure the continued operation of the Authority and its facilities, member contributions must also provide sufficient funding to meet essential long-term financial obligations. These include debt service on capital infrastructure and equipment, local matching funds necessary to leverage state and federal grant opportunities, the one-twelfth operating reserve required under New Mexico financial management standards, dedicated capital reserves for the replacement of heavy equipment and other critical assets, and financial assurance requirements mandated by state and federal environmental regulations for the operation, closure, and post-closure care of solid waste facilities.

Effective September 1, 2026, your monthly member assessment will be \$22,516, inclusive of tonnage, haul fees, and Tri City Convenience Center operations.

This adjustment reflects the actual cost of responsibly operating the Authority while ensuring that adequate financial resources are available to maintain essential public infrastructure and comply with all regulatory requirements. Sound financial planning today protects the long-term viability of the Authority and reduces the likelihood of significant future rate increases or emergency funding needs.

It is important to recognize that without sufficient and sustainable funding, the Authority's ability to provide the level of service expected by its members and the public would result in minimized services, deferral of critical maintenance and equipment replacement, postponement of necessary

capital improvements, and limited operational capabilities. Over time, these reductions could negatively affect facility reliability, operational efficiency, regulatory compliance, and the Authority's ability to respond to the growing solid waste management needs of our member communities.

The Board of Directors remains committed to exercising sound fiscal stewardship while maintaining a regional solid waste system that protects public health, preserves the environment, and serves our communities well into the future. Beginning in Fiscal Year 2028, member assessments will be reviewed annually and adjusted based on the applicable industry Consumer Price Index, capped at six (6) percent, to provide smaller, more predictable adjustments that more accurately reflect changes in operating costs.

In the event of unforeseen economic conditions, significant inflationary pressures, regulatory changes, or substantial increases in operating costs, the Southwest Solid Waste Authority Board of Directors reserves the right to adjust member assessments or amend the terms of this Agreement as necessary to ensure the continued financial stability and operational sustainability of the Authority.

We appreciate your continued partnership and support of the Southwest Solid Waste Authority. Should you have any questions regarding your Fiscal Year 2027 member assessment or the Authority's financial planning efforts, please do not hesitate to contact our office.

Thank you for your continued commitment to ensuring the long-term sustainability of regional solid waste services.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Nancy Stephens', with a long horizontal flourish extending to the right.

Nancy Stephens, Chairperson
Southwest Solid Waste Authority Board of Directors