

**ADMINISTRATIVE CONTROL BOARD (ACB) – WASATCH FRONT WASTE AND RECYCLING DISTRICT (WFWRD)**  
**MONTHLY MEETING MINUTES**

DATE/TIME	LOCATION	ATTENDEES
January 22, 2018 9:00 a.m.  <hr/> <b>Next Board Meeting</b> February 26, 2018 9:00 a.m.	Public Works Building  604 W 6960 S Midvale, UT 84047	<u>Board Members:</u> Scott Bracken, Jim Bradley, Jim Brass, Sean Clayton, Kay Dickerson, Steve Gunn, Dwight Marchant, Robert Paine, Brint Peel, Jenny Wilson <b>EXCUSED:</b> Kelly Bush, Brad Christopherson, Kris Nichol, Sherrie Ohrn  <u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Rosemary Fasselin, David Ika, Cathy Jensen, Yael Johnson, Pam Roberts, Sione Tuione  <u>Public:</u> Rick Graham, Maryann Martindale

**AGENDA**

**Call to Order:** Steve Gunn, Board Vice Chair

**1. Introduction of All Board Members and Staff**

- 1.1. Oath of Office for New Board Members; Anthony Adams, District Clerk
- 1.2. Request Board Member Biographies, Anthony Adams

**2. Consent Items: (Approval Requested)**

- 2.1. November 16, 2017 Board Meeting Minutes (**Motion & Approve**)
- 2.2. Conflict of Interest Approval; Pam Roberts, Executive Director (**Motion & Approve**)

**3. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)

**4. Business Items**

- 4.1. Formal Transition of Board Vice Chair to Board Chair (**Motion & Approve**)
- 4.2. At the Board’s Option for January, or for the February Meeting, Elect a New Board Vice Chair (**Motion & Approve**)
- 4.3. Salt Lake Valley Transfer Station Closure Update; Rick Graham, Salt Lake County Deputy Mayor over Operations (**Informational**)

- Initial Report on Increased Costs for Weekly Curbside Garbage; Pam Roberts (**Informational**)

**5. Closed Session (If Needed)**

*The Administrative Control Board may temporarily recess the meeting to convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205.*

**6. Other Board Business**

This time is set aside to allow board members to share and discuss topics.

**7. Requested Items for the Next Board Meeting(s)**

- Elect a New Vice Chair if not Approved in January
- Open & Public Meeting Act – Required Training
- 2017 Accomplishments/Satisfaction Survey Results
- Human Resources and Policy Review

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
<b>1. Introduction of All Board Members and Staff</b>			
<p>1.1 Oath of Office for New Board Members; Anthony Adams, District Clerk</p> <p>1.2 Request Board Member Biographies; Anthony Adams</p>	<p>New board members were not in attendance. Oaths of Office will be conducted next month.</p> <p>Anthony requested biography sketches from board members for whom they are missing. He added that he would like to clarify the accuracy of the contact information we have, and invited all board members to check this information after the meeting.</p>	<p>Anthony will send out email notifications to all board members, requesting missing information.</p>	
<b>2. Consent Items</b>			
<p>2.1 November 16, 2017 Board Meeting Minutes</p> <p>2.2 Conflict of Interest Approval; Pam Roberts, Executive Director</p>	<p>Board Vice Chair Gunn requested clarification on the need to disclose outside service or employment that would not present a conflict of interest to WFWRD. Pam stated that it is up to the Board to determine if any employee’s outside service or employment is a conflict of interest with their role at WFWRD. These disclosures are renewed each year for the Board’s approval. Rachel Anderson, legal counsel, added that these disclosures are procedural and provide the Board with this information and can identify any potential red flags of any conflicting roles.</p>	<p><b>Motion to Approve the Minutes by:</b> Board Member Dickerson  <b>Seconded by:</b> Board Member Brass  <b>Vote: All in favor (of Board Members present)</b></p> <p><b>Motion to Approve the 2018 Conflict of Interest Disclosures, Recognizing No Conflicts of Interest by:</b> Board Member Bracken  <b>Seconded by:</b> Board Member Dickerson  <b>Vote: All in favor (of Board Members present)</b></p>	<p><b>Approved January 22, 2018</b></p> <p><b>Approved January 22, 2018</b></p>

<b>3. Meeting Open for Public Comments</b>	(Comments are limited to 3 minutes)		
	No Public Comments		
<b>4. Business Items</b>			
4.1. Formal Transition of Board Vice Chair to Board Chair ( <b>Motion &amp; Approve</b> )		<p><b>Motion to Approve Transition from Board Vice Chair to Board Chair:</b> Board Member Brass  <b>Seconded by:</b> Board Member Paine</p> <p><b>Vote: All in favor (of Board Members present)</b></p>	<p><b>Approved January 22, 2018</b></p>
4.2 At the Board’s Option for January, or for the February Meeting, Elect a New Board Vice Chair ( <b>Motion &amp; Approve</b> )	<p>Board Chair Gunn asked the Board if they would like to proceed with Vice Chair nomination at this meeting. It was decided to proceed with nominations. Board Member Bracken asked if there were any board members that would be interested in volunteering for the position. He then voiced his interest in having a representative from one of the metro townships serve as Vice Chair and nominated Board Member Peel, from Magna Metro Township. Board Member Peel accepted the nomination. There were no other nominations.</p>	<p><b>Motion to Close Nominations:</b> Board Member Wilson  <b>Seconded by:</b> Board Member Brass</p> <p><b>Vote: All in favor (of Board Members present)</b></p> <p><b>Motion to Approve the Nomination of Brint Peel to ACB Vice Chair for 2018:</b> Board Member Bracken  <b>Seconded by:</b> Board Member Bradley</p> <p><b>Vote: All in favor (of Board Members present)</b></p>	<p><b>Approved January 22, 2018</b></p> <p><b>Approved January 22, 2018</b></p>
4.3 Salt Lake Valley Transfer Station Closure Update; Rick Graham, Salt Lake County Deputy Mayor over Operations ( <b>Informational</b> )	<p>County Deputy Mayor Graham explained the situation and issues regarding the Salt Lake Valley Transfer Station and its proposed closure. He explained that the Transfer Station is part of an enterprise fund, which receives no general fund tax dollars, and is equally owned by Salt Lake County and Salt Lake City. The County operates the facility under an interlocal agreement, while Salt Lake City manages the engineering and capital project aspects of the facility. The facility accepts waste from public, private and commercial entities.</p>		

County Deputy Mayor Graham reviewed the history of the Transfer Station, beginning with its construction in 1999, with the perspective that Salt Lake Valley Landfill's lifespan had only 18-21 years. At that time, the intent was to collect waste and transfer it to the East Carbon Development Corporation (ECDC) facility, under contract. This strategy, however, did not last due to increased fees and rail restrictions. Currently, trucks are contracted to haul waste from the Transfer Station to the Salt Lake Valley Landfill. Recent technologies, zoning and processes have greatly extended the life of the Salt Lake Valley Landfill to 80-83 years.

The Transfer Station receives approximately 179,000 tons of waste annually, which is transported directly to the landfill. WFWRD and Salt Lake City contribute the majority of that waste, with WFWRD being the larger of the two. Board Member Marchant asked about the differing percentages between these two contributors. Deputy Mayor Graham indicated WFWRD delivered around 95,000 tons of waste last year, which is 53% of the 179,000 tons and that Salt Lake City contributes about half of what WFWRD delivers at roughly 40,000 tons.

In 2016 the total expenses of the Transfer Station were approximately \$8.5 million. Its revenues were only \$5.6 million. Only 67% of the expense of the Transfer Station was covered by its collected revenues. The deficit categories were in personnel and contract hauling expenses. This deficit is covered by disposal fees collected at the Salt Lake Valley Landfill. The deficit for 2017 was \$2.8 million. The other remaining fees from the Landfill's disposal costs, outside of the Landfill operational costs, cover Salt Lake County/Salt Lake City dividends and Health Department costs at the Landfill.

Starting this month, municipal disposal costs at the Transfer Station are \$32.85 per ton. For Commercial

haulers, those disposal costs are \$36.85. \$26 of this fee goes toward direct hauling and disposal costs to the Landfill. The County and Salt Lake City both receive \$1.75 per ton of this fee for their dividend.

Mr. Graham continued by stating that one option that has been reviewed would be to charge the necessary fees at the Transfer Station to cover the full cost to operate the Transfer Station. That fee would increase to \$47.86 per ton of waste, an increase of \$15 per ton.

One of the County's roles when the Transfer Station was built was to collect waste, which responsibility changed dramatically a few years ago and it has been transferred to WFWRD. The County's responsibility is now to dispose of waste, and not to collect or transport it. The County cannot continue to subsidize the Transfer Station's operations.

County Mayor McAdams proposed the immediate closure of the Transfer Station in the 2018 budget. The County Council allowed funding of the Transfer Station for the first six months of 2018 with the legislative intent to look at (1) the consequences of closing the Transfer Station, (2) the impacts, opportunities, and results if the fees were raised to cover expenses, and (3) what other options are available.

Board member Marchant asked about the third option of others operating the Transfer Station. Deputy Mayor Graham stated that one option of discussion is keeping the Transfer Station open, but allowing a different entity to manage its operations, but all options will be brought back to the County Council in the early part of the Spring.

County Deputy Mayor Graham indicated that one option could be to have WFWRD operate the Transfer Station, or Salt Lake City. Rick Graham stated that private haulers have voiced interest in taking over the management of the

facility if that option is advanced. He also stated that the County cannot make decisions without involving Salt Lake City since the City is a joint owner in both the Transfer Station and the Landfill.

Board Member Clayton asked if South Salt Lake would have to start paying to use the facility if ownership changed. County Deputy Mayor Graham stated that the cost to locate the Transfer Station in South Salt Lake was an agreement that South Salt Lake could bring in their municipal waste for free for 50 years as long as the facility stays open. If there is a change of ownership, it will be a topic that needs to be discussed.

Board Member Bradley stated that the Transfer Station should remain in public ownership to maintain a fair cost. He added that other concerns must be looked at in relation to closing the Transfer Station including any policy decision that impacts clean air and other environmental impacts. A comparison of a subsidy should be valued against any negative environmental consequences, and perhaps the County is justified in providing subsidies to the Transfer Station to support the broader picture.

Board Member Wilson confirmed that there are many factors in play. With the creation of new cities and metro townships, the County is switching more to a regional role. The County Council wants to ensure that a decision is made that makes sense and is done correctly. She challenged the WFWRD team to move as quickly as possible to collect pertinent data regarding the impact of this Transfer Station, and keep the Council and the Board updated. It is possible that bridge funding could be implemented to allow time to properly enact changes. The Council recognizes that the situation needs to be modified, but there is a consensus that the County's regional role will change regarding this facility.

WFWRD staff will collect impact information related to the closure of the Transfer Station and submit to the Board for approval to be forwarded to the County Council.

Board Chair Gunn added that if the County Council is making a decision within six months, this Board needs to decide quickly which direction to take. Many changes will need to be implemented at WFWRD, and there needs to be enough time for us and other affected entities to decide how they will adapt.

Pam confirmed that we would need at least three months to readjust our procedures, and the first step would be to be released from the 85% waste requirement to the Landfill. She added that Ace Recycling and Disposal would be able to initially accept most of our waste through their transfer station. However, they will begin collecting the waste for West Valley City beginning July 1, 2018, and initially take the garbage to the Salt Lake Valley Landfill.

Pam stated that from what she understands ACE will start transporting their waste to the Intermountain Regional Landfill, in Fairfield, through their transfer station on July 1, 2019 once their contract expires with the Salt Lake Valley Landfill. At that point, they may not be able to effectively manage our tonnages through their facility.

Board Member Bracken inquired about how long the East Carbon contract lasted. Deputy Mayor Graham stated that it lasted for six to seven years. Board Member Bracken followed by asking if the Salt Lake Valley Landfill has rail access, Deputy Mayor Graham confirmed that the facility does not have rail access directly to the facility. It was also determined that none of the local transfer stations have direct rail access at their facilities. Board Member Bracken also asked if there are municipalities that cannot use the Transfer Station. Deputy Mayor Graham replied that there are no municipal restrictions, though many municipalities have closer options available to them, or are involved in private contracts.

Board Member Wilson requested that the WFWRD team put together a list of challenges and a timeline on what is needed to adjust to this change, including driver and route changes. She added that the sooner the Salt Lake County Council could review that information, the better understanding they would have regarding the time frame to make any changes. Having something formal that is reviewed and approved by the ACB, and then submitted to the County Council, would be preferable. This information gives the County Council a better understanding of the facility's impact, and leverage with their colleagues. Deputy Mayor Graham concurred with this request.

Board Member Paine stated that there has been a lot of conversation of the cost, but little discussion of the benefit of the station to County residents. Air quality is an obvious benefit, along with fewer trucks on the road, but there are certainly other benefits in having this facility. A detailed listing of these benefits should be available to residents. Additionally, he requested disclosure on the annual dividend received by the County and Salt Lake City. Deputy Mayor Graham indicated that the annual dividend has historically been around \$650,000 - \$700,000 for each owner. Board Member Paine replied stating that it is odd to discuss a deficit when there is also a profit being made.

Board Member Wilson stated that it is possible that the Landfill is overcharging for its services, and there could be a rebate that is due to County residents or its contractors. She added that at the time all of these facilities were built, the County's role was much different than it is currently, and the responsibilities have been reallocated in recent years, including the creation of new cities and townships, changing the role the County serves.

Board Member Bradley indicated that six months goes by very quickly, and one month has already passed. Adequate

<p>Initial Report on Increased Costs for Weekly Curbside Garbage; Pam Roberts <b>(Informational)</b></p>	<p>time must be allowed for organizations to make the necessary changes and to inform/educate their customers. He also mentioned that the landfill director, Yianni had discussed the idea of closing the Transfer Station one day a week to reduce costs.</p> <p>Deputy Mayor Graham concluded stating that if the Transfer Station did close, that would also impact the Landfill and require additional operational enhancements to be able to accommodate additional trucks and traffic. Those changes would also take time to implement.</p> <p>Pam reviewed the waste tonnages that WFWRD delivers to both the Salt Lake Valley Transfer Station and the Salt Lake Valley Landfill. She displayed a map showing WFWRD's entire service area, and the facility to which waste is delivered. Again, we are strictly focused on garbage in this analysis.</p> <p>Pam indicated that she had heard from Yianni, the Salt Lake County Solid Waste Director discussing the possibility of closing the Transfer Station on Fridays, which would save around \$500,000 annually. Although this would accommodate Salt Lake City, it is not convenient for WFWRD, and would impact residents of certain communities, but we could and would adjust.</p> <p>Pam stated that Ace Recycling and Disposal's transfer station is currently our best option for cost. She added a thanks to WFWRD staff who researched and collected data and analyses for these costs.</p> <p>Board Member Wilson asked about the vehicles moving from the Transfer Station to the Landfill. Deputy Mayor Graham clarified that the Transfer Station contracts its transportation services hauling waste to the Landfill. These trucks can haul more tonnage per load, meaning fewer trucks on the road and fewer deliveries to the landfill. The closure of the Transfer Station means that</p>		
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more collection trucks from WFWRD and Salt Lake City, and other organizations, if they chose to use the Landfill, need to drive out to the Landfill. Currently, this will cause additional delays and trucks backing up to access the Landfill. He then stated that, to haulers, time is money.

David Ika, WFWRD Operations Manager, added that one of the Transfer Station's transfer trucks can haul the equivalent of five of WFWRD's collection trucks, which is about 40 tons.

Pam stated that there are many reasons that we do not want to haul the waste all the way to the landfill, including an increased carbon footprint, and roads not ready to handle additional trucks in traffic. She clarified that we currently run 16 routes each day in the affected areas. If we transport to the Landfill, we would need to increase to 21 routes per day. Additionally, the Landfill is not currently able to handle those 21 trucks travelling through the Landfill at least three times each day. If we utilize Ace's transfer station, we would only need to add one additional route at an annual increase of \$700,000 versus \$2.6 million to travel to the Landfill. If the Transfer Station were to increase their fees by \$15 per ton, this would equate to a \$1.5 million annual increase in costs.

Pam emphasized that any increase in costs will be absorbed by WFWRD as long as possible before we would recommend that the Board consider changing services, or raising fees to residents. Board Member Bracken confirmed that a \$1.5 million increase would essentially be a \$1.50 per home per month fee increase to residents.

Pam commented that our first priority is to be released from the requirement to deliver at least 85% of our waste to Salt Lake County facilities. We could then move forward to establish contracts with other facilities to accept our waste. Deputy Mayor Graham announced to

<p>4.4 2017 4<sup>th</sup> Quarter Financial Report; Cathy Jensen, District Controller <b>(Informational)</b></p>	<p>the Board that the County understands that the 85% requirement is difficult in a new scenario, and very open to discuss changing that requirement.</p> <p>Cathy reported that we received 91% of our budgeted revenues for 2017. Compressed natural gas (CNG) fuel rebates and recycling revenues are included in these amounts. We reached 94% of our personnel budget due to employee turnover. Expenditures reached 95% of budget. She added that the numbers shown in the current report will change slightly since we are still receiving some late invoices. Pam indicated that we budgeted for the use of \$1.2 million in our reserve funds, but will only need to use \$800,000 of those funds.</p> <p>Cathy showed that our programs' tonnages are following expected trends. Positive swings in the recycling commodity markets allowed us to save some money earlier in the year in recycling fees. We are now paying for recycling disposal.</p> <p>CNG fuel costs have been less than equivalent to diesel fuel. Using CNG allowed WFWRD to save \$287,000 over what we would have paid had we been using diesel fuel. Pam stated that the price of a CNG truck is roughly \$300,000 so we almost paid for one truck with fuel savings while helping with air quality.</p> <p>Workers Compensation claims decreased \$63,783 compared to 2016, and liability claims saw a \$138,000 reduction. Board Member Bradley asked why we have seen this reduction. Pam and Cathy explained that WFWRD has implemented effective safety training for employees, and the partnership with Utah Local Governments Trust, and their safety incentives, have been very beneficial.</p>		
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Cathy explained that we have \$302,000 in outstanding certifications left to collect. These certifications are for customers who allow their collection fees to be identified on their property taxes due to nonpayment. The District has authority to certify these properties, through the County Treasurer's office, and place a lien on the property owner's home to pay the outstanding fees. Pam added that we provide the certification information to the Utah Association of Special Districts each year to help lobby to retain this certification authority. Rachel Anderson confirmed that there is legislation in the works to close identified loopholes in this certification law, so that these payments are better insured.

WFWRD's diversion goal was 21%, and we obtained 18.9%.

Board Member Dickerson asked if we will be purchasing additional trucks if the Transfer Station closes. Pam replied that we are scheduled to sell six of our vehicles this year to replace six, and if the Transfer Station closes we would reduce the number of trucks to be sold so that we could retain the trucks needed.

Cathy showed the interest that has been received by WFWRD from our investment accounts through Zions Investments since 2014. Pam pointed out that there was a decrease in the funds in June, 2015. This was due, in part, to the fact that this was the time that we rolled out quarterly billing that resulted in a cash delay. This \$4 million draw from our investment account allowed us to purchase trucks and continue supporting operational expenses. This is the time that \$4 million was moved to Accounts Receivable rather than year-end cash in the bank.

Board Member Clayton asked if there was concern with the Utah Retirement System (URS) lowering their assumption rate. Cathy stated that URS is still awaiting

	their final audit, and until that is finished we are unsure of its impact.		
<b>5. Closed Session</b>			
	No closed session		
<b>6. Other Board Business</b>			
	Board Member Gunn proposed a short biographical sketch or employee spotlight of key WFWRD employees at each board meeting. He requested any feedback on this idea be given to him.		
<b>7. Requested Items for the Board Meeting on February 26, 2018.</b>			
	<ul style="list-style-type: none"> <li>• Oath of Office for New Board Members</li> <li>• Open &amp; Public Meeting Act – Required Training</li> <li>• 2017 Accomplishments/Satisfaction Survey Results</li> <li>• Human Resources and Policy Review</li> </ul>		
<b>ADJOURN</b>		<b>Motion to Adjourn:</b> Board Member Bradley <b>Seconded by</b> Board Member Paine  <b>Vote: All in favor (of Board Members present)</b>	<b>Approved</b> <b>January 22,</b> <b>2018</b>