

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

DATE/TIME	LOCATION	ATTENDEES
<p>April 23, 2018 9:00 a.m.</p> <hr/> <p>Next Board Meeting May 21, 2018 9:00 a.m.</p>	<p>Public Works Building 604 W 6960 S Midvale, UT 84047</p>	<p><u>Board Members:</u> Scott Bracken, Jim Brass, Kelly Bush, Brad Christopherson, Steve Gunn, Dwight Marchant, Kris Nichol, Sherrie Ohrn, Robert Paine (via phone), Brint Peel, Jenny Wilson EXCUSED: Jim Bradley, Kay Dickerson, Ron Patrick</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Rosemary Fasselin, David Ika, Cathy Jensen, Pam Roberts, Ken Simin</p> <p><u>Public:</u> Greg Christensen, Justin Edwards (Herriman), Steve Rowley (Keddington & Christensen)</p>

AGENDA

Call to Order: Steve Gunn, Board Chair

1. Consent Items: (Approval Requested)

1.1. March 26, 2018 Board Meeting Minutes (**Motion & Approve**)

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

3. Business Items

3.1. 2017 Independent Financial Audit Report; Steve Rowley, Keddington & Christensen (**Informational**)

3.2. Authorization to Withdraw Properties from Tax Sale; Pam Roberts, Executive Director (**Approval Requested**)

3.3. 2018 1st Quarter Financial Review; Cathy Jensen, District Controller (**Informational**)

3.4. Executive Director Reports; Pam Roberts (**Informational/Direction**)

- Request for Proposal for the District to Receive Transfer Station Services
- Update on Rocky Mountain Recycling and Contract

4. 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.

5. Schedule a Special Meeting in May if Needed Prior to the Regularly Scheduled Meeting on May 21st.

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)

- 2017 Customer Satisfaction Survey Results

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 March 26, 2018 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Christopherson Seconded by: Board Member Nicholl Vote: All in favor (of Board Members present)	Approved April 23, 2018
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments		
3. Business Items			
3.1. 2017 Independent Financial Audit Report; Steve Rowley, Keddington & Christensen (Informational)	<p>Steve Rowley, with Keddington & Christensen, introduced himself as a partner of the audit firm evaluating the District’s finances this year. Steve commended Cathy Jensen and Craig Adams for their work and efforts in creating the Comprehensive Annual Financial Report (CAFR). He clarified that his firm’s role was to audit the District’s financial statements to provide an opinion if they are materially correct and in accordance with generally accepted accounting principles.</p> <p>Steve indicated that the audit went smoothly and the auditors received full support from WFWRD staff. He confirmed that his firm issued a clean opinion on WFWRD’s financial statements, which are materially correct.</p> <p>As the District is a governmental entity, the auditors also looked at internal controls for any deficiencies or weaknesses, as well as state compliance testing. Steve stated that the auditors found no deficiencies, weaknesses</p>		

<p>3.2 Authorization to Withdraw Properties from Tax Sale; Pam Roberts, Executive Director (Approval Requested)</p>	<p>or noncompliance. He confirmed that this audit report is as good as can be received.</p> <p>Board Member Marchant inquired about the decrease in collection revenue compared to 2016. Cathy clarified that there was an audit entry, or book adjustment, that needed to be made to match our internal reports for the 2016 audit.</p> <p>Board Member Marchant commended Cathy and the District’s Finance Team for their timely reporting and internal controls that meet industry and accounting standards.</p> <p>Pam explained that the Salt Lake County Tax Committee meets each year to review properties that are delinquent in their property taxes and waste collection certifications that have occurred. The Tax Committee requested that the ACB release identified properties from tax sale to allow the homeowners to negotiate repayment terms and make payments. Pam clarified that the District’s liens on the properties remain, but they would be released from tax sale.</p> <p>Pam clarified that five properties are still remaining, with the homeowners making repayments. One property has been noncompliant, and the Tax Committee has informed the homeowner that the property will go back to tax sale. She added that, over the past three years, about \$3,000 worth of repayments have come to the District. She also emphasized that the District gets paid first when these repayments are collected by the County, even before the property taxes are paid.</p> <p>Pam requested approval from the ACB to release the properties from tax sale. She added that a listing of properties would be available after the Tax Committee meets and receives permission from the County Council.</p>	<p>Motion to Withdraw Properties from Tax Sale: Board Member Christensen Seconded by: Board Member Nicholl</p>	<p>Approved April 23, 2018</p>
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<p>3.3 2018 1st Quarter Financial Review; Cathy Jensen, District Controller (Informational)</p>	<p>Board Member Bracken stated that we do this process annually, and confirmed that we will receive the list of properties at a later date.</p> <p>Board Member Marchant asked what terms on repayment are given to the homeowners. Pam clarified that the Tax Committee makes those terms and arrangements, at its discretion, and approved by the County Council.</p> <p>Cathy reported on the finances during the 1st quarter of 2018. There was \$5,255,000 in revenue. She reminded the Board that this does not reflect cash coming in, but reflects the 1st quarter billing, which was sent out at the end of March. There was \$35,000 in secondary recycling can collections. This amount also reflects the new base fee increase that was implemented in January.</p> <p>Board Member Bracken requested that future reports include titles and identifiers to distinguish between revenues and expenditures.</p> <p>Cathy stated that we are close to our expected expenditures. Salary-related expenses will increase over the next several months, with the start of the Area Cleanup Program. Also, the “other post-employment benefit” (OPEB) expenditures are down due to the approved change in our OPEB policy.</p> <p>Board Member Bracken requested clarification on the personnel expenditures related to the number of employees at the District. After review, it was determined that the ratio reflected was not calculating correctly.</p> <p>Cathy pointed out that Landfill expenses were increasing in March, while also showing an increase in January due to the Christmas Tree Collections, with a diversion rate of 23.24% for the 1st quarter.</p>	<p>Vote: All in favor (of Board Members present)</p>	
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<p>3.4 Executive Director Reports; Pam Roberts (Informational/Direction)</p> <ul style="list-style-type: none"> Request for Proposal for the District to Receive Transfer Station Services 	<p>Cathy continued and stated that there were more than expected maintenance expenses in January due to a large trailer that required repairs. She also clarified that the price of compressed natural gas (CNG), used for our collection fleet, fluctuates by season throughout the year based on customer demand.</p> <p>We have received 98% of the revenues for certified accounts. The remaining 2% to be collected equates to approximately \$232,910. Board Member Bracken confirmed that these certified accounts are those that do not pay and then get placed on residents' property taxes for repayment. Cathy added that the properties generally get placed on tax sale after five years of nonpayment. Board Member Marchant asked if interest was charged on the certification fees. Cathy clarified that we charge interest. Also, the County charges interest on its side.</p> <p>Cathy mentioned that we have begun a pilot program with Area Cleanup, to separate and recycle metals. The money received from the recycled metals is expected to pay for the service. Board Member Ohrn asked if this service is for all areas. Pam confirmed it will be available district-wide during the Annual Area Cleanup Program.</p> <p>Board Member Ohrn requested that prior years' actual financial data be included in these reports for quick comparison.</p> <p>Pam announced that she is creating a Request for Proposals (RFP) for transfer station services. We already receive these services from Salt Lake County, but there are other transfer stations which would be more efficient to use in certain areas of the District. When ready, this RFP will be sent to all three local transfer station providers. Staff is continuing to analyze data to determine the most efficient location for disposal based on the area</p>		
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<ul style="list-style-type: none"> Update on Rocky Mountain Recycling and Contract 	<p>served, price per ton, mileage, and the location of the disposal facility, and to determine what tonnages would be available for each facility. Through this effort, we are seeking to be released from the requirement with Salt Lake County that 85% of our waste tonnage be delivered to its facilities. Clauses in our current agreement allow for this renegotiation.</p> <p>Pam stated that she, along with other District staff, met with Rocky Mountain Recycling (RMR) about amending the current contract. Pam requested that RMR submit an updated pricing index to include more commodity pricing, and to include a revenue sharing option to reduce our fees.</p> <p>Board Member Bracken asked, if we end up taking recycle materials to the landfill due to cost, could the landfill segregate that material in case the markets improve and we could then process them at the recycle facility? Pam confirmed that, once material is comingled with landfill waste, it becomes contaminated and unusable at the recycle facility.</p> <p>Pam proposed that the ACB begin policy discussions regarding the costs of recycling during the May Board meeting. It would be beneficial to have a policy in place to recognize a financial threshold that would move recycle materials to the landfill if processing fees at the recycling facilities become too high.</p> <p>With China's restrictions on accepting recycle materials, some local opportunities exist and may exist in the future for these materials.</p> <p>The most we have paid was in April, at \$37 per ton. This is higher than the \$32.85 charged at the Transfer Station, and the \$30 charged at TransJordan. So, it may be time for this discussion.</p>		
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	<p>Board Member Bracken voiced his concern about the investment we have made in recycling equipment and education. He asked, if we end up going to a single stream disposal, would it be a net savings in operation costs.</p> <p>Board Member Ohrn said that this evaluation may allow other options to be considered, including a proposed waste to energy plant for Herriman. Pam further explained that the company which approached Herriman also approached other cities in the valley, including Cottonwood Heights, Taylorsville, Millcreek, and Sandy, which are in the District. The company is Herhof, and is from Germany. She sat in on Herhof's presentation in Herriman, and proposed that Herhof attend the next Board meeting and present to the ACB.</p> <p>Board Member Bracken restated his concern about changing to a single stream collection when changes occurring in a few years could require a large financial impact to reinstate breaking out recycling from waste. Board Member Wilson agreed that technologies are coming that can help the waste collection industry, but we don't want to end up taking a step backwards. She voiced her support in partnering with the County and cities to identify local opportunities, and investing and fostering those entities.</p>	<p>Pam will schedule a Herhof presentation for the next board meeting.</p>	
<p>4. Closed Session</p>			
	<p>Closed session entered into for the purpose of discussing land acquisition.</p>	<p>Motion to move to Closed Session: Board Vice Chair Peel Seconded by Board Member Christopherson</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to return to Open Session: Board Vice Chair Peel Seconded by Board Member Brass</p>	<p>Approved April 23, 2018</p> <p>Approved April 23, 2018</p>

		Vote: All in favor (of Board Members present)	
5. Schedule a Special Meeting in May if Needed Prior to the Regularly Scheduled Meeting on May 21st.			
	Through discussion, it was determined that a special meeting before the next scheduled ACB meeting was not needed at this time.		
6. Other Board Business			
	Board Vice Chair Peel asked if we have heard any follow up from Sandy on the exchange of services for the annexed areas. Pam indicated that she is still working with Sandy's Public Works Director, and will get more information to report back.		
7. Requested Items for the Board Meeting on May 21, 2018.			
	<ul style="list-style-type: none"> • 2017 Customer Satisfaction Survey Results • Alternative Waste Disposal Presentation from Herhof • Policy Discussion on Recycling Fees for Processing 		
ADJOURN		Motion to Adjourn: Board Vice Chair Peel Seconded by Board Member Ohrn Vote: All in favor (of Board Members present)	Approved April 23, 2018