

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

DATE/TIME	LOCATION	ATTENDEES
<p>August 27, 2018 9:00 a.m.</p> <hr/> <p>Next Board Meeting September 24, 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 Bradley, Brad Christopherson, Kay Dickerson, Steve Gunn, Dwight Marchant, Kris, Nicholl, Robert Paine, Ron Patrick, Brint Peel. Participating via phone: Jenny Wilson Excused: Jim Brass, Kelly Bush, Sherrie Ohrn</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, David Ika, Cathy Jensen, Pam Roberts, Ken Simin, Sione Tuione</p> <p><u>Public:</u> Scott Burnett (Zions Capital Advisors), Rick Graham (Salt Lake County), Beth Holbrook (Waste Management), Mark Hooyer, (Trans-Jordan Cities), Terry Warner (HDR)</p>

AGENDA

- Call to Order:** Brint Peel, Board Vice Chair
- 1. Consent Items: (Approval Requested)**
 - 1.1.** June 25, 2018 Board Meeting Minutes (**Motion & Approve**)
 - 2. Meeting Open for Public Comments:** (Comments are limited to 3 minutes)
 - 3. Business Items**
 - 3.1.** Year-to-Date Investment Account Report; Scott Burnett, Director of Fixed Income, Zions Capital Advisors (**Informational**)
 - 3.2.** 2018 2nd Quarter Financial Report and 2018 Year-to-Date Performance Measures Report; Cathy Jensen, District Controller (**Informational**)
 - 3.3.** WFWRD June 2018 Liability Claims Report; Pam Roberts, Executive Director, and Cathy Jensen (**Informational**)
 - 3.4.** Salt Lake County Property Deferral Notice; Pam Roberts (**Informational**)
 - 3.5.** Herriman City’s Request of Information on WFWRD Services for Service Comparisons; Pam Roberts (**Informational**)
 - 3.6.** Request Approval to Enter Into Multiple Contracts for Transfer Station Services; Pam Roberts (**Approval Requested**)
 - 3.7.** Letter to County Council Requesting Outlined Amendments to the Current Interlocal Agreement for Landfill Services; Pam Roberts and Rachel Anderson, Legal Counsel (**Approval Requested**)

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, or other legally applicable reasons as provided by Utah Code Annotated §52-4-205.

5. Other Board Business

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

6. Requested Items for the Next Board Meeting(s)

- 2019 Budget Proposal
- Report on the Interlocal Amendment Requests
- Report on Herriman City's Review of Services

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 June 25, 2018 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Dickerson Seconded by: Board Member Christopherson Vote: All in favor (of Board Members present)	Approved August 27, 2018
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments		
3. Business Items			
3.1. Year-to-Date Investment Account Report; Scott Burnett, Director of Fixed Income, Zions Capital Advisors (Informational)	Pam Roberts introduced Scott Burnett from Zions Capital Advisors (ZCA), who began by explaining interest rates over the past year, and stated that more interest rate hikes are expected before the end of the year. ZCA is trying to stay ahead of the pool and can reposition WFWRD funds if the Board felt it was prudent to move further out on the yield curve, but his recommendation is to wait until the rate hikes have taken place and the Federal Reserve has leveled out. WFWRD’s current portfolio is at about 46% in floating corporate notes, adjusting quarterly. The remaining funds are in smaller separate securities. He believes WFWRD’s portfolio is well positioned with a credit risk rating of AA.		
3.2 2018 2 nd Quarter Financial Report and 2018 Year-to-Date Performance Measures Report; Cathy Jensen, District Controller (Informational)	Cathy presented the 2018 Financial Report, as of June 30, 2018. She reported that we are at about 47% of budget for the year, if we leave in the “use of fund reserves”. If we take those reserves out, we are at about 51% of budget. She clarified that the use of fund reserves is a balancing amount to ensure that we have a balanced budget each		

year. This means that we will plan on using some of these reserves this year. We are on track for our 2018 budget.

Board Member Bracken requested that this report have an additional column to show the percentages in addition to amounts.

Board Chair Gunn asked if we are on budget for the disposal fees. Cathy stated that we expect to go over our budget for recycling disposal fees this year. We are currently at 58% of budget for County Landfill disposal fees, and 44% of budget for Trans-Jordan disposal fees. Board Chair Gunn further asked if a rate increase is anticipated. Pam confirmed that Trans-Jordan's fees increased \$1.00 as of July 1st. She also stated that the landfill rate increases have been calculated into the budget, but it is the amount of tonnage that is in question.

However, we budgeted only \$25 per ton, maximum, for recycling. There is a possibility that municipal solid waste tonnages will decrease in October once the Area Cleanup program ends.

Cathy reviewed the District's funds in each of the District's bank accounts. Board Member Marchant asked about the feasibility of moving our funds around to get higher rates on our investments. Pam clarified that our advisors have recommended that we keep our investments in the accounts and let them ride out fluctuations. The philosophy is that there will be a higher return over time. Cathy added that the Utah Public Treasurers' Investment Fund (PTIF) accounts are more flexible to move funds around than our investment accounts.

Cathy mentioned that we experienced higher maintenance costs in May. A few of our vehicles seem to be the cause, but we are researching to get more information.

<p>3.3 WFWRD June 2018 Liability Claims Report; Pam Roberts, Executive Director, and Cathy Jensen (Informational)</p>	<p>Board Member Christopherson inquired about what the sideload vehicles are used for. Pam answered that they are for residential curbside collection for recycle and garbage. Board Member Christopherson also asked for clarification on the new contracts for sideload vehicles. Pam clarified that we currently use sideload vehicles for residential collections, and that it is a new contract and vendor to purchase trucks and confirmed that there were multiple mechanical issues with the previous vendor that she and the team feel will be remedied with the different truck body vendor.</p> <p>Board Chair Gunn asked if WFWRD identified any red flags in this financial report. Cathy indicated that recycling is the big unknown. The next report will also provide an update to the Other Post-Employment Benefits (OPEB) evaluation.</p> <p>Board Vice Chair Peel asked when we could expect an answer to May's increase in maintenance costs. Pam replied that she and other team members will meet with Salt Lake County Fleet Services tomorrow to discuss this issue and gain more insight.</p> <p>Pam reported that we have seen a big improvement in our claims, both with Workers Compensation and Property. Our team has been focusing on safety and loss prevention to reduce the number of claims and the associated costs.</p> <p>David Ika, WFWRD Operations Manager, confirmed a drop in claims. He attributes this to improved time management. He has noticed that an increase in overtime relates to an increase in liability claims.</p> <p>Board Member Dickerson stated that a spike in claims seems to occur in April every year. David confirmed that this relates to the start of the annual Area Cleanup Program.</p>		
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<p>3.4 Salt Lake County Property Deferral Notice; Pam Roberts (Informational)</p>	<p>Board Member Marchant asked what can be done regarding scavenging in the Area Cleanup containers. Pam stated that the best course of action would be to contact the Unified Police Department, or the local policing agency. David added that we are collecting metals separately, which reduces the opportunity for successful scavenging. This tactic has also provided almost \$15,000 in revenue for the District. Pam added that the police chief in Taylorsville is very proactive with Area Cleanup scavenging and requests daily maps to know where the containers will be so that they can monitor illegal activity. David confirmed that the metals are collected the same day as the Area Cleanup collections</p> <p>Board Member Christopherson inquired if the metal collection program was financially self-sustaining. Pam replied that it is a pilot program this year, and we will ascertain its viability at the end of this year's program and report back in October or November. She added that if metals are identified in the containers, and it is safe for crews to retrieve the materials, they will do so.</p> <p>Board Member Paine asked if liability claims are related to weather, particularly heavy snow years. Pam and David confirmed that there are noticeable trends, but the strongest trend still relates to how long drivers need to be in their trucks to complete their daily work assignments.</p> <p>Pam reviewed the listing of properties that the Board approved to be released from tax sale back in April. She confirmed that the property liens remain in place. She presented updated information on these properties, including parcel numbers and previous deferrals. Pam confirmed that, in all cases, WFWRD will receive the funds due for services.</p>		
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Board Member Dickerson inquired if this is directly related to the minimum requirements we currently have to deliver waste to County facilities. Pam confirmed that it is related to that requirement and the unknowns related to the County facilities, which will be discussed in the next agenda topic. Board Member Christopherson asked if one agreement is contingent upon the other. Pam stated that they are not contingent upon each other, and she would like the Board's approval to enter into multiple contracts. Rachel Anderson clarified that having established contracts would allow billing and service procedures to already be in place when we want to use these other vendors. So, even if nothing changes with the County contract, we would still have these other options in place.

Pam indicated that this action was initiated in 2016 and again in 2017 when the Salt Lake Valley Landfill Council contemplated closing the Transfer Station one day per week to save money. With that potential scenario, she realized that we need alternatives in place to decrease the inefficiencies from taking waste all the way to the Landfill. She requested changes from the Salt Lake Valley Landfill Council previous to the announcement of closing the Transfer Station.

Board Chair Gunn asked what deadline we are working with in regard to management of the Transfer Station. Pam asked Rick Graham, Salt Lake County Deputy Mayor, to come from the audience and report to the Board. Rick confirmed that the County has approved the budget to maintain the Transfer Station through the end of the year. He also confirmed that they are close to releasing an RFP, which will be issued by Salt Lake City, the County's equal partner in the Solid Waste Facility. The plan is to release the RFP in the next few weeks and then close the procurement and review the proposals by the end of October or beginning of November. This RFP will only be for managing operations of the Transfer Station. Board Member Bradley indicated that the County will not be

<p>3.7 Letter to County Council Requesting Outlined Amendments to the Current Interlocal Agreement for Landfill services; Pam Roberts, and Rachel Anderson, Legal Counsel (Approval Requested)</p>	<p>obligated to accept any proposal and may decide to retain operational control.</p> <p>Board Vice Chair Peel recommended that the Board allow Pam to proceed with entering into multiple contracts for Transfer Station Services.</p> <p>Board Member Bracken asked if these contracts would come forward at the next Board Meeting for signatures or approval. Pam clarified that Interlocal Agreements are required to come before the Board, and she prefers to keep the Board informed of high-value contracts, but she has the executive authority to enter into these types of contracts. Rachel confirmed Pam’s authority for these types of contracts. Rachel added that Pam or the Board can cancel the contract if needed. She added that these contracts do not include any minimum tonnage requirements, unlike our Interlocal Agreement with Salt Lake County. Each of the vendors gave a fee per ton with no tiered pricing based upon tonnages.</p> <p>Board Member Christopherson stated that we cannot go into a closed session to discuss RFPs because this issue is not directly identified on the Agenda as an applicable reason to enter a closed session. Rachel clarified that this could be a legally acceptable reason, even though it is not specifically identified on the meeting agenda.</p> <p>Pam stated that we are approaching the 5-year point of our 10-year agreement with Salt Lake County. Rachel confirmed that our agreement has an automatic 5-year renewal beginning in 2019. We have been discussing desires to amend the terms of the contract since 2016, and not just as a result of recent issues with the Transfer Station. We are primarily working to remove the minimum percentage requirements on refuse and green waste tonnages. It was confirmed that the vast majority of our waste will be delivered to County facilities, due to</p>	<p>Motion to Approve Staff to Enter into Multiple Contracts for Transfer Station Services: Board Member Dickerson Seconded by: Board Chair Gunn</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved August 27, 2018</p>
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	<p>efficiencies, but it is difficult to quickly adjust to changes and other factors with these tonnage requirements if and when needed. Allowing us to be released from these requirements will allow us to take refuse to wherever it is most economical for WFWRD.</p> <p>Past efforts to change the Interlocal Agreement have not borne fruit. Rachel has reviewed the agreement and made edits for the County to consider, so that there is a more concrete document indicating our desired changes. Pam clarified that she made a third request, in May, to the Landfill Council. They confirmed that the Salt Lake County Council is the appropriate body to make that request. Our efforts will hopefully make it easier for the desired changes to be discussed and approved.</p> <p>Rachel pointed out some specifics on the proposed changes, including termination clauses, service level adjustments, clarifying the process of requesting changes, and scope of services.</p>		
		<p>Motion to Grant Approval to Send Letter to Salt Lake County Council: Board Member Christopherson Seconded by: Board Member Nicholl</p> <p>Vote: All in favor (of Board Members present, with Board Members Bradley and Wilson abstaining)</p>	<p>Approved August 27, 2018</p>
4. Closed Session			
	No Closed Session		
5. Other Board Business			
	No other Board business		
6. Requested Items for the Board Meeting on September 24, 2018.			
	<ul style="list-style-type: none"> • 2019 Tentative Budget Proposal • Report on the Interlocal Amendment Requests • Report on Herriman City’s Review of Services 		
ADJOURN		<p>Motion to Adjourn: Board Chair Gunn Seconded by Board Member Nicholl</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved August 27, 2018</p>