

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

DATE/TIME	LOCATION	ATTENDEES
<p>November 19, 2018 6:00 p.m.</p> <hr/> <p>Next Board Meeting January 28, 2019 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, Kay Dickerson, Steve Gunn, Dwight Marchant, Kris Nicholl, Sherrie Ohrn, Robert Paine (via phone through agenda item 3.9), Ron Patrick, Brint Peel, Patrick Schaeffer, Jenny Wilson (via phone through agenda item 3.6) Excused: Jim Bradley, Brad Christopherson</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Rosemary Fasselin, David Ika, Cathy Jensen, Brooke Pirtle, Pam Roberts, Ken Simin</p> <p><u>Public:</u> Jennifer Brass, Renee Roberts</p>

AGENDA

Call to Order: Steve Gunn, Board Chair

1. Consent Items:

1.1. October 22, 2018 Board Meeting Minutes (**Motion & Approve**)

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

3. Business Items

3.1. Review the 2019 Budget, Fee Schedule and the 2019 Budget Presentation; Pam Roberts, Executive Director and Cathy Jensen, Financial Controller (**Informational**)

3.2. Public Hearing

- 3.2.1. Open the Public Hearing on the Tentatively Adopted 2019 Tentative Budget and the Public Hearing on the Proposed Fee Increase for Trailer Rental Service; Steve Gunn
- 3.2.2. Citizen Public Input (Public Comments are Limited to 3 Minutes)
- 3.2.3. Board Comments
- 3.2.4. Close of the Public Hearing

- 3.3.** If There is No Public Comment on the 2019 WFWRD Budget, the Board Has the Option to Adopt Resolution 4387 and Exhibit “A”, 2019 Budget; and Exhibit “B”, 2019 Fee Schedule Including Fee Increases; Pam Roberts (**Adoption Requested**)
- 3.4.** Pending the Outcome of Tonight’s Public Hearing, Confirm or Cancel the Date for the 2019 Budget and Fee Schedule Adoption: Monday, December 10, 2018; Pam Roberts (**Board Action Requested**)
- 3.5.** Resolution 4388, Trans-Jordan Interlocal Agreement for Municipal Solid Waste (MSW) Disposal and Green Waste Processing Services; Pam Roberts (**Adoption Requested**)
- 3.6.** Executive Summary and Recommendations for the Request for Proposal (RFP) from Salt Lake City for Transfer Station Operations; Pam Roberts (**Informational/Approval**)
- 3.7.** Information About the Key Differences Between Special Service Districts and Local Districts; Rachel Anderson, Legal Counsel (**Informational**)
- 3.8.** Executive Director’s Report; Pam Roberts (**Informational/Direction**)
- Update on the Granite Community
 - Update on Herriman City Billing Request
 - Formal Announcement of Cathy Jensen, District Controller, Accepting Employment Opportunity as Chief Financial Officer (CFO) with the Municipal Services District (MSD)
 - General Liability and Worker’s Compensation Improvements
 - Contract Renewals with Waste Management and Rocky Mountain Recycling
 - Negotiations for the Salt Lake County Interlocal Agreement for Landfill Services
- 3.9.** Information on the Process for Nominating and Appointing the 2019 Board Vice Chair; Pam Roberts (**Motion & Approve**)
- 3.10.** Board Tentative Adoption of the 2019 Board Meeting Schedule; Pam Roberts (**Approval Requested**)
- 4. Requested Items for the Next Board Meeting(s)**
- If Board Desires to Hold the December 10th Meeting: Adoption of the 2019 District Budget and Fee Schedule
 - Monday, January 28, 2019 Meeting:
 - WFWRD Orientation for New Board Members and Returning Board Members

○ 2018 Year-End Financial Report (Informational)

- Agenda Item for the January or February Meeting: Succession of the 2018 Board Vice Chair Appointment as the 2019 Board Chair, and Appoint the 2019 Board Vice Chair

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 October 22, 2018 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Marchant Seconded by: Board Member Dickerson Vote: All in favor (of Board Members present)	Approved November 19, 2018
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments		
3. Business Items			
3.1. Review the 2019 Budget, Fee Schedule and the 2019 Budget Presentation; Pam Roberts, Executive Director and Cathy Jensen, Financial Controller (Informational)	<p>Pam recognized Cathy for her work at the District for the past two and one-half years, including the training she provided to management regarding budget development and monitoring expenses.</p> <p>Pam reviewed the details of the 2019 Budget, which has been discussed in previous ACB Meetings. She highlighted the work accomplished by our new Human Resources Manager, Andrea Murdock who successfully reduced the increase of our 2019 insurance premium rates down to 5.8%.</p> <p>She also expressed gratitude to the Board, on behalf of WFWRD employees, for the approved 1% COLA (cost of living allowance) and 2% merit salary increase.</p> <p>Cathy explained that we are required to complete a new actuarial analysis every two years to recognize the organization’s liability with other post-employment benefits (OPEB). This is the first year that all organizations are required to recognize the full liability.</p>		

She is hopeful that she can work to have this liability only impact our balance sheet rather than also impacting our revenue statement. Regardless, this liability is a non-cash transaction.

Pam continued explaining steps staff have taken to reduce expenses, including reducing a full-time employee allocation and retaining a sideload collection truck from replacement to assist in collection service and efficiencies without increasing our planned capital expenses.

Cathy confirmed that no changes have been made since last month's budget presentation. Although funds have been moved between accounts, the bottom line is not affected. She further reviewed the budget and the expected expenses, along with the Capital Purchasing Plan.

Pam provided an overview of the proposed fee increase for the Trailer Rental Program. This is the only fee increase we are proposing this year. We are proposing an increase for bulk waste trailers from \$125 to \$145 and green waste trailers from \$40 to \$45. These new prices are still lower than it costs WFWRD to provide the services.

Board Member Dickerson commented about the challenges we have been having with the arms of the sideload trucks as the highest maintenance items. He asked if the supplier is considering a redesign to address the problem. Pam confirmed that the collection arms experienced a design flaw which is being addressed by the manufacturer. WFWRD is not being held financially responsible for repairs due to the design flaw of the arm. She added that the arms on the new trucks we have purchased, from a different vendor, are much better.

Vice Chair Peel voiced his concern of the depletion of our fund balance/cash reserve. The projected numbers for 2020 and beyond are scary, and this board will need to make some difficult decisions.

<p>3.2. Public Hearing; Steve Gunn</p> <p>3.2.1 Open the Public Hearing on the Tentatively Adopted 2019 Tentative Budget and the Public Hearing on the Proposed Fee Increase for Trailer Rental Service; Steve Gunn</p>	<p>Pam confirmed that the WFWRD Board policy is to have 20% at year's end, and fee increases imposed when we reach 5% to target the next fee increase.</p> <p>Board Chair Gunn inquired if there is a state requirement for a minimum balance. Cathy confirmed that there is a requirement for a minimum balance, but only in the general fund equivalent of 5% to 20%. It is not required in the other funds. Pam stated that WFWRD is an enterprise fund, which has no minimum, or maximum requirement.</p> <p>Board Member Brass stated that repeated surveys have told us that residents do not want any services cut or eliminated. We are striking a balance by subsidizing some of our programs, but at some point, we will reach a tipping point on our fees and residents may start to question the relevance of the District. However, when we raise fees, our competitors also raise fees so the differential never becomes greater. The best we can do is watch our fixed costs and when it becomes necessary, we raise our fees or go back to our citizens and ask what services they want to eliminate.</p> <p>Board Member Ohrn also expressed her interest in the results of the pending Fleet Services Request for Proposal (RFP) to see if we can gain additional efficiencies with those vendor services.</p>	<p>Motion to Open the Public Hearing by: Board Vice Chair Peel</p> <p>Seconded by: Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved November 19, 2018</p>
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3.2.2 Citizen Public Input	No public comments.		
3.2.3 Board Comments	Board Member Bracken stated that if we are looking for a 5% reserve before raising fees, we should discuss that. It seems too low. Board Vice Chair Peel agreed. Board Member Bracken suggested we discuss this during the 1 st quarter of next year. Pam stated that we will include this on the agenda for January or February.		
3.2.4 Close of Public Hearing		<p>Motion to Close the Public Hearing by: Board Vice Chair Peel</p> <p>Seconded by: Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved November 19, 2018</p>
3.3 Adopt Resolution 4387 and Exhibit “A”, 2019 Budget; and Exhibit “B”, 2019 Fee Schedule Including Fee Increases (Adoption Requested)		<p>Motion to Adopt Resolution 4387 with Exhibits A and B by: Board Member Brass</p> <p>Seconded by: Board Member Patrick</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved November 19, 2018</p>
3.5 Adopt Resolution 4388, Trans-Jordan Interlocal Agreement to Accept Municipal and Green Waste. (Adoption Requested)	Pam clarified that this resolution allows WFWRD to continue delivering municipal solid waste (MSW) and green waste to the Trans-Jordan Landfill. Our current five-year agreement expires at the end of 2018. Trans-Jordan’s Board met in October and adopted a resolution to allow WFWRD to continue delivering waste to their facility. Resolution 4388 allows us to enter into a new five-year agreement for continued services.	<p>Motion to Adopt Resolution 4388 by: Board Member Marchant</p> <p>Seconded by: Board Member Ohrn</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved November 19, 2018</p>
3.6 Executive Summary and Recommendations for the RFP from Salt Lake City for Transfer Station Operations; Pam Roberts (Informational/Approval)	Pam confirmed that Salt Lake City released the RFP for Transfer Station Operations, but it was a “game changer.” When WFWRD started looking into accepting operations of the Transfer Station, it was under different conditions than stated in the RFP. WFWRD originally replied to Salt Lake County’s request on “what it would take for		

<p>3.7 Key Difference Between Special Service Districts and Local Districts; Rachel Anderson, Legal Counsel (Informational)</p>	<p>WFWRD to run the facility”. The RFP does not allow for the terms and conditions originally anticipated and that we would need to successfully operate the Transfer Station and make it cost effective.</p> <p>The RFP is designed for the Transfer Station to be operated by experts in transfer station operations. This is outside the scope of WFWRD. We would have to provide the start-up costs, and the County would still remain in control of the scale house and the fees. Pam recommended that we send the RFP selection committee a letter indicating that we are not submitting a proposal, but we would be willing to discuss options if the city and county are not satisfied with the RFPs submitted to them.</p> <p>Vice Chair Peel stated that a courtesy letter would be appropriate, but he does not want to see any additional funds or efforts spent by WFWRD on this, including time spent on an alternate RFP to submit. The Board agreed.</p> <p>Vice Chair Peel prefaced this discussion by stating that he requested this topic to help clarify some confusion between the two types of entities. The confusion was recognized by the recent inquiries from Herriman City to accept billing responsibilities.</p> <p>Rachel confirmed that her specialty is in serving and representing Special Service Districts and Local Districts in Utah. Rachel provided a handout, which was obtained by the Office of Legislative Research and General Counsel. She described the unique attributes of Local Districts, using Unified Fire Service Area (UFSA), Kearns Improvement District, and Municipal Service District (MSD) as examples. The primary difference between Local and Special Services Districts are the Local Districts are completely independent governmental organizations, created by other entities or by a petition by residents or voters, which has power over their service area, but only for the services they provide.</p>	<p>Pam accepted the Board’s direction and will write and send a letter to Salt Lake City and Salt Lake County.</p>	
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Special Service Districts are created only by a county or municipality to provide a specific service. There are overlapping laws for both types of Districts. However, an administrative control board of a Special Service District cannot impose taxes and cannot bond—only the entity that created the district can do so on the district’s behalf. Additionally, the creating entity of a Special Service District, can revoke authority of an administrative control board at any time.

WFWRD was created as a Special Service District back in 1977 but was still part of and run within the County, without a separate Board. Partial control authority was delegated to a separate Administrative Control Board, by the County, which was effective January 1, 2010. The purpose of creating the Board was to provide representation from the incorporated cities within the District. However, the Board did not have total governing authority over the personnel and the associated budget. Full control and authority that is allowed for special service district boards was granted to the ACB in 2013 when the District was established as its own organization.

In order for neighborhoods, municipalities, or areas to withdraw from a Local District, the residents can petition to withdraw, or the District can pass a resolution to adjust boundary areas. For Special Service Districts, there are no voter petitions that can withdraw an area and etc. Only the creating entity can authorize withdrawal and adjust boundary areas for the services provided.

Rachel also discussed Interlocal Entities. Unified Fire Authority (UFA) is an example of this type of entity, created by multiple governmental agencies contracting to share services and create a new board to manage the entity.

3.8 Executive Director's Report; Pam Roberts

- Update on the Granite Community

Pam stated that she attended the Granite Community Council meeting on November 7 to discuss options regarding the Sandy City annexed properties, and the remaining 409 homes still within WFWRD's service boundaries. The remaining unincorporated residents prefer that WFWRD contract with an alternate service provider directly to provide waste and recycling collection services rather than contracting through Sandy City.

The Community Council wants to send out a letter to all 812 affected residents to educate them on what is happening and allow them to provide input. Pam stated that WFWRD should also send out a letter to the affected residents explaining the changes to their collection services.

Board Vice Chair Peel asked if we know what it will cost to contract out the collection services. Pam stated that we are in the very early stages and do not yet know the costs to subcontract these services. We are hoping to use a sole source provision to utilize the same vendor being used by Sandy City to maintain efficiencies.

Board Member Nicholl indicated that this has become quite political, so it would be good to send a letter explaining the reasons for the changes. Rachel reclarified that an area does not leave the WFWRD service area if a city annexes them. The area would still need to petition to Salt Lake County Council, and be approved to be released from the WFWRD service area.

The affected changes would only be curbside waste and recycling collection. WFWRD will still collect green waste and glass recycling for the WFWRD homes. Discussions with residents would need to clarify other services provided by WFWRD but not through a contracted vendor.

Pam will work with colleagues at Sandy City to compose a letter to residents to explain this situation and maintain transparency.

<ul style="list-style-type: none"> ● Contract Renewals with Waste Management and Rocky Mountain Recycling 	<p>this is approximately \$144,000 improvement in claims paid.</p> <p>Pam indicated that we have been having challenges renewing the contract for our final two years with Rocky Mountain Recycling (RMR). We currently have a contract in place and are negotiating the last two-year renewal with them, which began in the fall of this year.</p> <p>Both RMR and Waste Management are dealing with the same challenges with the ban in China. Both facilities are slowing down their lines to capture more recycling and reduce materials sent to the landfill. Waste Management has not changed their pricing index, which has remained at around \$28-\$40 per ton. RMR has slowly increased their pricing index. The most recent index they provided shows a minimum of \$52 per ton. With price escalation, it can go as high as \$62 per ton or more depending on the market. This price exceeds our expenditures and would “bust” our budget for 2019.</p> <p>Pam requested direction from the Board to return to RMR and set a firm price limit, not accept their pricing index, and not accept tonnage thresholds. RMR will still get the lion share of our recycling simply due to proximity.</p> <p>Board Member Marchant inquired how much of our business we provide to RMR. Pam answered that we give RMR around 1,600 to 1,900 tons per month. Board Member Bracken asked if they change their index based on what they can charge for the various commodities. Pam confirmed that RMR does do this, called a revenue share. However, ever since we implemented a revenue share with RMR, it has not been beneficial to us. Waste Management does not have a revenue share and we pay less to Waste Management. Accepting the higher pricing index from RMR will go against what we have told our residents that it will only cost \$1 more per home per month.</p>		
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<ul style="list-style-type: none"> ● Negotiations for the Salt Lake County Interlocal Agreement for Landfill Services 	<p>Board Member Bracken asked if Waste Management could accept all of our recycling. Pam confirmed that they could not at this time. We need RMR in the game for at least the next 18 months. Board Member Bracken commented that if we can't negotiate with RMR, we can take what we can to Waste Management – as much as they'll take, but the only other alternative would be to take the remainder to the landfill.</p> <p>Board Chair Gunn confirmed that we have strong support for recycling in all of our communities, but there is some limit beyond which we cannot go.</p> <p>Board Member Brass commented that Trans-Jordan Landfill has opened up their last cell. It is alarming how quickly a cell can fill up. When this cell fills up, Trans-Jordan is done and closed. Our next option is hauling to Utah, Tooele, or Carbon County because Salt Lake County will not allow anymore landfills. It is easy to figure the cost of maintenance and fuel for transporting waste out of Salt Lake County. Yes, recycling is expensive, but not as expensive as exporting it out of the county.</p> <p>Pam confirmed that she wants to continue the Recycling Program and continue to provide what was promised to our residents, but she needs RMR to be flexible.</p> <p>Pam reported that she and Rachel met with Salt Lake County Deputy Mayor Rick Graham, Salt Lake City Sustainability Director Vicki Bennet, Salt Lake County Public Works Director Scott Baird, and Salt Lake County's Legal Counsel to discuss the minimum tonnage requirements to County facilities in our current agreement. It was a good discussion; they heard what we want, and they came back with suggestions.</p>	<p>The Board directed Pam to move forward with sending RMR a best and final offer of what we can do in 2019, and then start work with them early on with the understanding that they can't change the terms in the middle of the contract.</p>	
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<p>3.9 Information on the Process for Nominating and Appointing the 2019 Board Vice Chair; Pam Roberts</p>	<p>Rachel added that they want some type of guarantee to help with their own budgets and expectations. The conversation shifted when discussion of the Transfer Station ensued, and the deadline of the RFP on December 6. Everyone recognized all of the changes and uncertainty occurring.</p> <p>One of the concerns is that the Agreement is written so that any renewal negotiations can only occur during a very small window. The proposal, for now, is to amend the current agreement to remove some of the negotiation restrictions, and establish that the topic of minimum tonnage will be discussed by the end of 2019.</p> <p>Rachel reiterated that it was a very collegial meeting and everyone is on the same page for the desires to be able to amend the agreement. The County has basically agreed to talk about it, but with the possible changes in County leadership coming up we are hoping that the accomplishments made so far are not erased by possible new participants.</p> <p>Board Vice Chair Peel asked if we have no agreement at the beginning of the year, until this is resolved. Pam replied that the agreement will exist in its current status, and any amendment will take effect upon mutual agreement. Pam and Rachel both stated that they feel good that progress will be made. Rachel added that the County's request to delay was merely a timing issue and not a posturing move.</p> <p>Pam explained the process of succession of Board officers. Each year a board member is elected to serve as Vice Chair for one year and will automatically move to the Chair position the following year. Current Board Vice Chair Peel will move to Board Chair for 2019 and a Vice Chair will need to be elected. Nominations can be given to Pam, the current Board officers or Anthony, Board Clerk.</p>		
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<p>3.10 Board Tentative Adoption of 2019 Board Meeting Schedule; Pam Roberts</p> <p>3.4 Pending the Outcome of Tonight’s Public Hearing, Confirm or Cancel the Date for the 2019 Budget and Fee Schedule Adoption on December 10, 2018; Pam Roberts</p>	<p>Pam briefly reviewed the tentative 2019 Board Meeting Schedule, clarifying that it typically remains on the fourth Monday of each month except in November and December for our tentative Public Hearings. Board Member Dickerson asked if the July meeting would be more advantageous a week earlier due to the July 24th holiday. After brief discussion it was determined to keep it as currently scheduled and determine if the date needs to be changed at the June 2019 meeting.</p> <p>Board Chair Gunn asked if there are any items that need to be discussed in December. Pam stated that she believes we have everything we need to move forward.</p>	<p>Motion to Adopt the 2019 Board Meeting Schedule by: Board Member Nicholl Seconded by: Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion to Cancel the December 10, 2018 Board Meeting by: Board Member Bracken Seconded by: Board Member Marchant</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved November 19, 2018</p> <p>Approved November 19, 2018</p>
<p>4. Requested Items for the Next Board Meetings</p>			
	<ul style="list-style-type: none"> • WFWRD Orientation for New Board Members and Returning Board Members • 2018 Year-End Financial Report • Succession of the 2018 Board Vice Chair Appointed as the 2019 Board Chair and Appoint the 2019 Board Vice Chair • Discuss 5% Reserve for Raising Fees. 		
<p>ADJOURN</p>		<p>Motion to Adjourn: Board Member Ohrn Seconded by Board Vice Chair Peel</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved November 19, 2018</p>