

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

DATE/TIME	LOCATION	ATTENDEES
<p>January 28, 2019 9:00 a.m.</p> <hr/> <p>Next Board Meeting February 25, 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 Bradley, Jim Brass, Brad Christopherson, Kay Dickerson, Steve Gunn, Dwight Marchant, Kris Nicholl (via phone), Sherrie Ohrn, Robert Paine, Ron Patrick, Brint Peel, Patrick Schaeffer, Jenny Wilson (beginning with Agenda Item: 3.4)</p> <p>Excused:</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, David Ika, Paul Korth, Andrea Murdock, Pam Roberts, Ken Simin, Sione Tuione</p> <p><u>Public:</u> Greg Christensen (Kearns Metro Township), Justin Edwards (Herriman City), Rick Graham (Salt Lake County), Yianni Ioannou (Salt Lake County), Keith Zuspan (Brighton)</p>

AGENDA

Call to Order: Steve Gunn, Board Chair

1. Consent Items:

- 1.1. November 19, 2018 Board Meeting Minutes (**Motion & Approve**)
- 1.2. Conflict of Interest Approval; Pam Roberts, Executive Director (**Motion & Approve**)

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

3. Business Items

- 3.1. Formal Transition of Board Vice Chair to Board Chair; Steve Gun (**Motion & Approve**)
- 3.2. At the Board’s Option for Today or the February Meeting, Elect a New Vice Chair; Brint Peel, Board Chair (**Motion & Approve**)
- 3.3. Introduce and Approve Appointment of New District Controller, Paul Korth; Pam Roberts (**Motion & Approve**)
- 3.4. Preliminary 2018 4th Quarter Financial Report; Pam Roberts; Craig Adams, Assistant Controller; Paul Korth (**Informational**)
- 3.5. Clarification on the 5% Reserve for Raising District Service Fee; Pam Roberts (**Informational**)

3.6. Amendment to the Salt Lake County Interlocal Agreement for Landfill Services; Rachel Anderson, Legal Counsel; Pam Roberts (Informational/Approval Requested)

3.7. Executive Director’s Report; Pam Roberts (Informational)

3.7.1. Response Letter to Salt Lake City’s Request for Proposal for Solid Waste Transfer Station Operations, Maintenance and Transfer Services

3.7.2. Update on Contracts to Receive Transfer Station Services

3.7.3. Recycling Processing Contract Renewals

3.7.4. Status on Services for Granite Community

3.7.5. WFWRD’s Contract Award to Salt Lake County Fleet for Fleet Repair & Maintenance

3.7.6. Wasatch Resource Recovery Open House on February 7th, 10:00 a.m. – 2:00 p.m.

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)

- Open & Public Meeting Act – Required Board Training
- 2018 Accomplishments and Satisfaction Survey Results
- Human Resources and Policy Review

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
<p>1.1 November 19, 2018 Board Meeting Minutes</p> <p>1.2 Conflict of Interest Approval; Pam Roberts, Executive Director (Motion & Approve)</p>	<p>Pam presented names of WFWRD staff, who have identified outside employment to disclose that their work does not present a conflict of interest with their employment at WFWRD. She clarified that Board Members are requested to submit a similar form if they have outside employment, outside of their role as an elected official.</p> <p>Pam highlighted her role on the Board at the Utah Local Government Trust. The service stipend she receives goes to WFWRD, and she does not accept mileage reimbursement, or life insurance benefits offered to their board members.</p>	<p>Motion to Approve the Minutes by: Board Member Christopherson Seconded by: Board Vice Chair Peel</p> <p>Vote: All in favor (of Board Members present)</p> <p>Motion that the Board Received the Disclosures and See No Conflicts of Interest by: Board Member Brass Seconded by: Board Member Patrick</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved January 28, 2019</p> <p>Approved January 28, 2019</p>
2. Meeting Open for Public Comments			
	(Comments are limited to 3 minutes)		
	No public comments		
3. Business Items			
<p>3.1. Formal Transition of Board Vice Chair to Board Chair; Steve Gunn (Motion & Approve)</p>		<p>Motion to Approve Brint Peel as 2019 Board Chair by: Board Member Ohrn Seconded by: Board Member Paine</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved January 28, 2019</p>

<p>3.2. At the Board’s Option for Today or the February Meeting, Elect a New Vice Chair; Brint Peel, Board Chair (Motion & Approve)</p>	<p>Board Chair Peel opened the floor for nominations for the 2019 Board Vice Chair. Board Member Bracken nominated Board Member Christopherson. No other nominations were received.</p>	<p>Motion to Approve Brad Christopherson as the 2019 Board Vice Chair by: Board Member Bracken Seconded by: Board Member Bradley Vote: All in favor (of Board Members present)</p>	<p>Approved January 28, 2019</p>
<p>3.3 Introduce and Approve Appointment of New District Controller, Paul Korth; Pam Roberts (Motion & Approve)</p>	<p>Pam introduced Paul Korth as the new District Controller. Paul has 23 years’ experience in budget and financing. Paul also served for about four years with the State of Utah in the Health and Human Services’ Substance Abuse Division as an Administrative Service Director and Chief Financial Officer.</p> <p>Paul expressed his gratitude for the opportunity and is looking forward to the future with WFWRD.</p>	<p>Motion to Approve the Appointment of Paul Korth as District Controller by: Board Vice Chair Christopherson Seconded by: Board Member Patrick Vote: All in favor (of Board Members present)</p>	<p>Approved January 28, 2019</p>
<p>3.4 Preliminary 2018 4th Quarter Financial Report; Pam Roberts; Craig Adams, Assistant Controller; Paul Korth, Controller (Informational)</p>	<p>Pam praised the work of Craig Adams to prepare the finances for this 4th Quarter Report. She also clarified that this is a preliminary report, and we will have our annual independent audit conducted during the last week of February. The final report will be included in the audit report, expected to be delivered to the Board in April.</p> <p>This is the first time we are booking the Governmental Accounting Standards Board (GASB) requirement regarding other post-employment benefits (OPEB) liabilities in the amount of \$1,282,634 for 2018. This is not required for reporting in 2019, or the future. This will actually show that we are in a better cash position since we do not have to record this in 2019.</p> <p>Our independent auditors will help provide guidance in proper reporting since this will be our first experience with this process. Board Member Bracken asked if we could reserve this amount for future OPEB liabilities. Pam indicated that we could, but the staff desire is to not set it</p>		

aside since we are a cash-oriented organization. We have set aside approximately \$900,000 to fulfill our obligations and this will show in our cash balance report. Craig further clarified that this will be a balance sheet entry so that the public can know that there is a future obligation. There is not a current cash impact, but we will recognize it on our financial statement when it occurs. It is important to disclose this future liability.

Pam reflected on the Capital Budget Adjustment back in October to increase those funds to purchase six side-load collection trucks, and a light-duty truck, to keep us within the budget amount.

Craig stated that we have done better with our interest and investment accounts. He also clarified the multiple sources that are identified in the “other” income category including dividends, administration fees, and tax certifications. For 2018, we are slightly above revenues, from a budget perspective.

Board Vice Chair Christopherson asked if we would be using our fund reserves. Craig indicated that our cash reserves in 2019 will be better than anticipated because we were under budget due to personnel vacancies. This, with other operational savings, allowed us to underspend by \$1.2 million. We currently have \$9.9 million cash balance as of the beginning of the year.

Board Member Marchant stated that paying extra on overtime to compensate for being understaffed seems to have worked. Pam and Craig clarified standard overtime versus premium holiday pay, which is associated to worked holidays. Pam added that team morale is high, and she commended operations management. She stated that we have 55 drivers out of 88 total employees, but over 80% of our staff are front line service providers and most of our staff is part of the Operations Team. Board member Marchant commended our team.

<p>3.5 Clarification on the 5% Reserve for Raising District Service Fees; Pam Roberts (Informational)</p>	<p>Board Member Dickerson inquired about the property insurance claims. Craig stated that it was caused by an oversight with 2019 insurance premiums coming in December. He will correct this by moving \$117,000 to the 2019 budget as an expense.</p> <p>Craig reported that we are over budget on maintenance. He briefed the Board on this issue a few months ago as the extra expense was due to a faulty grabber arm on some of the collection trucks, which were very costly for repair. \$84,000 were directly related to these repairs. Our new truck contract is with a different vendor and the collection arms are engineered differently and are working much better.</p> <p>Pam, again, praised Craig for his work in preparing this report and for providing the needed financial assistance in the absence of a Controller. Board Chair Peel also commended Craig for his work in this regard.</p> <p>Pam addressed this topic in response to inquiries during the last Board Meeting. The question focused on how we came to the policy of having a 20% year-end balance, and when we hit the 5% balance to trigger a fee increase.</p> <p>We are an Enterprise Fund, under State statute. There is no regulation on a minimum or maximum on our cash reserve. The Administrative Control Board indicated that we should not drop below 5%, because that would be detrimental to our operations. We bring in about \$4.5 million each quarter, but we expend slightly more than that each quarter. This means we are drawing down our cash reserves as we go.</p> <p>Pam provided previous ACB discussions regarding this topic, through ACB meeting minutes. We would like to have at least three to six months of operating cash. A 20% balance is stretching that desire.</p>		
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We have implemented fee increases about every four years since 2007, and the Board has elected for larger increases at less frequent times rather than a smaller increase annually.

Board Chair Peel indicated that we really need to keep an eye on that cash reserve to ensure it doesn't drop too low, if we plan for fee increases only every four years. We need to make sure we do not have an extensive draw on our reserves.

Pam clarified that it does not appear that we will need to draw down on our cash reserves at this time due to the under-expenditures from 2018. She reviewed the actual and projected cash reserve balances, and stated that we are still on target for 2022 or 2023 for the next fee increase. She proposed that the Board consider a fee increase for 2023, and to begin the process early in 2022. She stated that it takes time to visit all 13 municipalities and get all the information out to the public. She reminded the Board that the majority of the municipalities have to approve before we can implement the fee increase.

Board Chair Peel confirmed that our last fee increase was implemented in 2018. He suggested that we look at a fee increase a year earlier to avoid a strenuous cash situation. The Board should just keep that in mind as we review the financial numbers over the next couple of years.

Board Member Ohrn added that varying factors could impact this, including changes in recycling. Pam indicated that there are some uncertainties with our recycling contracts and vendors, but we are working for stability in pricing. She also stated that the Salt Lake Valley Landfill is introducing tiered pricing, which should be beneficial for our operations with a \$3.00 per ton price break for any tonnages we take directly to the Landfill as long as we meet the tonnage level for that fee, which we feel we can do.

<p>3.6 Amendment to the Salt Lake County Interlocal Agreement for Landfill Services; Rachel Anderson, Legal Counsel & Pam Roberts (Informational/Approval Requested)</p>	<p>Pam confirmed that we have had very positive conversations with our colleagues at Salt Lake County, whose team is spearheaded by Deputy Mayor Rick Graham.</p> <p>Rachel re-emphasized that all parties are waiting to continue discussions until some of the uncertainties with the Transfer Station are resolved. The only minor amendment that was agreed upon was to allow flexibility for changes to the Interlocal Agreement with 30 days' notice from either party. Progress is moving forward, but there is no set date for the next meeting. We are seeking approval from the Board to accept this current amendment to allow more flexibility for additional amendments.</p> <p>Pam clarified that once the Board approves, she will sign the amendment, and then it will go to the County for review, approval, and signatures. Salt Lake County Deputy Mayor Rick Graham voiced his support of this amendment.</p>	<p>Motion to Approve the Current Amendment to the Salt Lake County Interlocal Agreement for Landfill Services by: Board Member Gunn Seconded by: Board Vice Chair Christopherson Vote: All in favor (of Board Members present)</p>	<p>Approved January 28, 2019</p>
<p>3.7 Executive Director's Report; Pam Roberts (Informational)</p>			
<p>3.7.1 Response Letter to Salt Lake City's Request for Proposal (RFP) for Solid Waste Transfer Station Operations, Maintenance and Transfer Services</p>	<p>Pam announced that the Board-directed response to the Salt Lake City RFP for Transfer Station Operations has been sent and has been received by the evaluation committee.</p>		
<p>3.7.4 Status on Services for Granite Community</p>	<p>Pam thanked the Board officers and Board Member Nicholl for their input to clarify the information in the letter before it was distributed to the Granite community. The letter has been delivered to residents and she has received some feedback from two residents which live in Granite, and two residents outside of Granite but have been annexed by Sandy City. The two residents outside of</p>		

Granite also expressed a desire to withdrawal from the WFWRD District boundaries because they annexed into Sandy by choice and should be serviced by Sandy City. The main point of confusion from the Granite residents is clarification if their property was one that is annexed by Sandy City.

Pam explained that the properties that are still in unincorporated areas remain WFWRD's responsibility. We desire to contract with the same collection provider as Sandy City to provide curbside waste and recycling collection services to the unincorporated Granite area homes. This would improve efficiencies for both WFWRD and the private vendor servicing Sandy City. These properties would still be WFWRD customers, they would still contact our offices with any collection issues, and still receive all other District services.

Area Cleanup will occur before the July 1 implementation date, so all of Granite will receive the Area Cleanup service this year, which occurs for them in June.

There was not any pushback from Granite residents, though one resident was disappointed that they will lose Green Waste services since that is not offered by Sandy City at this time. Pam passed the concern on to Sandy City representatives.

Board Vice Chair Peel inquired how we will contract with a vendor, if it will through RFP or direct-source. Pam stated that she will be working with Rachel to determine the best procurement process. The desire would be contract with the vendor that is already servicing Sandy City. Board Chair Peel also stated that we want to monitor this to ensure we don't get financially upside down with this agreement. Board Member Bracken concurred that it would be more efficient to have Sandy City's vendor to collect these other properties in Granite.

<p>3.7.2 Update on Contracts to Receive Transfer Station Services</p>	<p>Pam confirmed that we originally accepted three vendors to contract for transfer station services. One contract has been signed, one vendor has withdrawn, and the third vendor is pending. Pam will reach out to this third vendor, today, with a deadline for an answer on which way they want to go. Prices and the identification of the vendors cannot be released until everything is finalized.</p>		
<p>3.7.3 Recycling Processing Contract Renewals</p>	<p>Pam indicated that she has worked with Board officers regarding locking in prices for recycling processing, with our vendors. After reviewing several scenarios, and with outside professional input, we have locked in a price of \$47 per ton for processing with Rocky Mountain Recycling. This may mean that we expend more than the market dictates, or save more than anticipated, due to the unpredictable markets. Board Chair Peel clarified that the price which we agreed to is within our set budget for 2019. He added that we will track this very closely this year to determine if we made the correct decision. He voiced his support of this decision.</p> <p>Pam stated that Waste Management surprised her with raising their processing costs from \$95 per ton to \$101 per ton, without prior notice. They also added \$5 per ton for contamination. Through discussion, the contamination fee has been waived. Luckily most of our recycling is delivered to Rocky Mountain Recycling. Board Member Bracken confirmed that Waste Management’s fees are two and one-half times more than disposing at the landfill. Pam clarified that the actual amount for recycling is less than double that of landfilling the recycling.</p>		
<p>3.7.5 WFWRD’s Contract Award to Salt Lake County Fleet for Fleet Repair & Maintenance</p>	<p>Pam announced that Salt Lake County Fleet provided the best proposal for fleet maintenance, and they have received the contract award beginning in 2020. Our current agreement for these services expires at the end of 2019. A Letter of Intent was sent to Greg Nuzman, Division Director at Salt Lake County Fleet Management,</p>	<p>Pam Roberts will send the Interlocal Agreement with Salt Lake County for Administrative Services including Fleet Services. She will also send more details on the justification for awarding the new contract to Salt Lake County.</p>	

<p>3.7.6 Wasatch Resource Recovery Open House on February 7th, 10:00 a.m. – 2:00 p.m.</p>	<p>to inform him of the decision. Board Member Ohrn requested a copy of the Interlocal Agreement. Board Chair Peel also requested a summary of Salt Lake County’s proposal and why we decided to stay with them.</p> <p>Board Member Bracken asked how much our service contributes to their workload. Pam replied that WFWRD is one of their largest customers. They also service other agencies within Salt Lake County Government and outside, such as University of Utah and Salt Lake Community College Shuttles. The larger the customer pool, the more we as their customer benefit with pricing.</p> <p>Pam commented that Wasatch Resource Recovery (WRR), which specialized in food waste, is holding an open house for their new facility on February 7. Everyone is welcome to attend. The downtown restaurants are some of the biggest contributors to WRR.</p> <p>Board Member Brass commented that WRR originally wanted to establish on Central Valley Water Reclamation’s property. He further explained the process of converting food to methane gas and that Central Valley is exploring the possibility of opening their own digester system.</p>		
<p>4. Closed Session</p>			
	<p>No Closed Session</p>		
<p>4. Other Board Business</p>			
	<p>Board Member Gunn congratulated Board Member Wilson on her election to Salt Lake County Mayor.</p> <p>Board Member Wilson expressed her appreciation for serving on this Board to better understand some of the issues within the County. Garbage is not an issue that she encountered when speaking with the public, which means</p>		

	we are doing our job. She added that she looks forward to working with all of the communities and addressing issues such as growth management and air quality. She indicated that Board Member Bradley will spearhead finding her successor to this Board.		
4. Requested Items for the Next Board Meeting			
	<ul style="list-style-type: none"> • Open & Public Meeting Act – Required Board Training • 2018 Accomplishments and Satisfaction Survey Results • Human Resources and Policy Review 		
ADJOURN		Motion to Adjourn: Board Member Bracken Seconded by Board Member Wilson Vote: All in favor (of Board Members present)	Approved January 28, 2019