

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

DATE/TIME	LOCATION	ATTENDEES
<p>April 22, 2019 9:00 a.m.</p> <hr/> <p>Next Board Meeting May 20, 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 (through Agenda Item 3.3), Brad Christopherson, Kay Dickerson, Steve Gunn, Dwight Marchant, Sherrie Ohrn, Robert Paine, Ron Patrick, Brint Peel, Patrick Schaeffer Excused: Jim Brass, Kris Nicholl</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, Rosemary Fasselin, David Ika, Yael Johnson, Andy King, Paul Korth, Andrea Murdock, Pam Roberts</p> <p><u>Public:</u> Justun Edwards (Herriman), Rick Graham (Salt Lake County), Yianni Ioannou (Salt Lake County), Dan Knopp (Brighton)</p>

AGENDA

Call to Order: Brint Peel, Board Chair

1. Consent Items:

1.1. March 25, 2019 Board Meeting Minutes (**Motion & Approve**)

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

3. Business Items

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

3.2. 2019 1st Quarter Financial and Performance Review: Paul Korth, District Controller (**Informational**)

3.3. Follow-up Discussion on Employee Turnover Ratio: Andrea Murdock, Human Resources Manager (**Informational**)

3.4. Executive Director’s Report: Pam Roberts (**Informational/Direction**)

3.4.1. Delivering Municipal Solid Waste (MSW) to Ace’s Transfer Station

3.4.2. Update on Process for Granite Withdrawal

3.4.3. Negotiations with Salt Lake County Landfill

3.4.4. Update on Recycling and the Contracts for Processing

3.5. Area Cleanup Overview: Pam Roberts (Informational/Direction)

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)

- 2018 Independent Financial Audit Report: Ron Stewart, Gilbert & Stewart

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 March 25, 2019 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Ohrn Seconded by: Board Vice Chair Christopherson Vote: All in favor (of Board Members present)	Approved April 22, 2019
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments		
3. Business Items			
3.1. Authorization to Withdraw Properties from Tax Sale: Pam Roberts, Executive Director (Approval Requested)	<p>Pam introduced this subject matter as an annual matter which identifies residents who are delinquent in the collection fees. The Salt Lake County Property Tax Committee discuss and work with residents to pay their outstanding taxes and fees. Homeowners have five years to pay these taxes and fees. If payments are not current after that time, the properties are put up for tax sale. The Property Tax Committee comes to us each year to request that we release these properties from tax sale to allow the homeowners an extension to make their required payments.</p> <p>The District does have lien authority over these properties, and the lien does not go away by releasing these properties from tax sale.</p> <p>Currently there are no properties on this list, but the Property Tax Committee has asked for this release on any properties that may be identified before their May 22nd deadline. Pam indicated that if any properties are</p>	Motion to Authorize to Withdraw Properties from Tax Sale by: Board Member Bradley Seconded by: Board Member Paine Vote: All in favor (of Board Members present)	Approved April 22, 2019

<p>3.2. 2019 1st Quarter Financial and Performance Review: Paul Korth, District Controller and Pam Roberts (Informational)</p>	<p>identified in the next month, she will bring that listing before the Board for review.</p> <p>Paul reminded Board members that this is a 1st Quarter overview, and that revenue or expenses can fluctuate quarter to quarter.</p> <p>Pam reported on many of the accomplishments of the WFWRD Teams. One of our focuses has been on recycling education efforts at elementary schools.</p> <p>We have added 320 households to our service area, primarily in the southwest area of the county. This area continues to grow rapidly.</p> <p>We began participating in a tiered pricing structure at the Salt Lake County Landfill on January 1st. We get a price break based on the quantity of tonnage we take directly to the Landfill over the Transfer Station. The new structure moved the tipping fee from \$32.85 per ton to \$31.50 per ton, with additional savings based on the amount of tonnage committed. WFWRD has committed at least 10,001 tons in 2019 to the Salt Lake County Landfill, which has resulted in a \$28.50 tipping fee per ton. If we deliver more than 20,000 tons, we will receive an additional credit going in to 2020.</p> <p>Board Vice Chair Christopherson asked if our 85% minimum waste requirement is only to the Landfill. Pam confirmed that the commitment is to both county facilities.</p> <p>Board Member Paine asked if the cost, time, and mileage savings balanced out with the savings at the Landfill. Pam confirmed that we are currently seeing improved efficiencies. She also confirmed that this process could increase the possibility of overtime for drivers, but usually it balances out throughout the week so many drivers will not exceed 40 hours. Pam stated that we will conduct a</p>		
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thorough analysis on savings and efficiencies in July, including loads taken to Ace's transfer station.

Paul reviewed the 2019 1st quarter financial report. He indicated that we are close to what was budgeted for revenues for the 1st quarter of 2019. He explained some differences in invoice timing mainly related to the bill to Salt Lake County Parks and Recreation. This accounted for much of the differences in revenue compared to the 1st quarter of 2018. Overall, we are in a good financial position at this point in the year.

Board Member Bracken requested some additional calculations on financial totals to the report. Board Chair Peel confirmed that some incoming non-residential payments have not yet been received and are not reflected on this report. Pam added that Salt Lake County Parks and Recreation is our largest non-residential account.

Paul provided an overview of personnel and operating expenses. Personnel expenses have decreased in the 1st quarter of 2019 compared to the 1st quarter of 2018 due in part to the vacant equipment operator positions.

Equipment maintenance expenses are up from the 1st quarter of 2018, but are still within the current budget. This is primarily due to aging equipment and additional vehicle use related to additional customers. We will continue to monitor maintenance expenses to determine if extending the lifespan of our fleet is worth the cost of maintenance. Over the past few years, parts and maintenance labor has increased.

Board Chair Peel inquired about obtaining enough data to determine if extending the truck life is beneficial. Paul stated that there are several staff members analyzing the data to obtain enough information to make a determination. Pam offered to bring back the report on WFWRD's analysis on extending the life of the trucks. The analysis showed favorable results. Board Member

Paul will add requested totals to the financial overview spreadsheets.

Paine inquired as to the average downtime for our trucks. Andy King, WFWFD Asset Manager, stated that over the past three years we have gone from an average of four down trucks per day to 4.5 down trucks per day. We are still in the 10% range. He confirmed that this is still a manageable number. Pam added that attaching down time to a specific truck is tricky. Paul confirmed that we track maintenance costs per truck.

Paul indicated that fuel costs for the 1st quarters of 2016, 2017, and 2018 were stable. Fuel costs decreased in the 1st quarter of 2019 compared to the 1st quarter of 2018 primarily due to a 32¢ per gallon cost decrease of CNG (compressed natural gas).

He also stated that recycling tons have decreased over the past few years. The hope is that educational efforts are working and residents are more selective on what they recycle. The recycling market has not been financially favorable for us lately. He reviewed our recycling costs and savings. Pam indicated that it was a calculated risk to lock in a \$47 per ton rate with Rocky Mountain Recycling (RMR), but based on the market it was a beneficial decision for us. Paul added that we want RMR to be successful, but are concerned with the sustainability of our current rate considering Waste Management charged us close to \$67 per ton for March 2019.

Paul reviewed WFWRD's financial and cash balance statements and explained the causes for the fluctuations throughout the year. The capital expenditures for 2019 were reviewed. Board Member Bracken asked how many trucks we have in our fleet. Pam answered that we have 47 sideload collection vehicles.

Certification numbers were reviewed and defined. Paul indicated that properties become "certified" when residents do not pay their regular waste collection bill, and it then gets attached to the homeowner's property tax to obtain payment for services. Rachel Andersen, legal

<p>3.3 Follow-Up Discussion on Employee Turnover Ratio: Andrea Murdock, Human Resources Manager (Informational)</p>	<p>counsel, stated that this is related to the tax sale discussion at the beginning of this meeting. The certification process is a great benefit to acquire the service fees that are due to the District.</p> <p>Andrea provided employee turnover information from 2018 and the 1st quarter of 2019. In 2018, WFWRD's turnover ratio was 30.6%, which included four retirements, and both voluntary and non-voluntary separations. Pam confirmed that we have 87 full-time employees, overall, and six vacant Equipment Operator positions at this time.</p> <p>Board Member Bradley asked about the number of employees separated, but those numbers were not immediately available. Board Member Ohrn added that knowing how many employees left voluntarily could provide insight if their salary was a primary factor.</p> <p>During the 1st quarter of 2019, the employee turnover rate was 11.1%. For the Equipment Operator position, specifically, the rate was 16.1%. Pam added that the Equipment Operator turnover rate in 2018 was 39%. She indicated that the 1st quarter turnover rate was high for Equipment Operators. Andrea confirmed that we conduct exit interviews with departing employees. Pam estimated that around five employees have left during the first quarter. At least three were voluntary. This is not a confirmed number, but an estimate based on memory.</p> <p>Pam stated that it is challenging to find qualified drivers. We have strengthened our new-hire training program, which is now two weeks instead of one week long. Much of that training is active simulation practice in the vehicle. Board Member Bracken asked if there is on-the-road training. Pam confirmed that new drivers shadow trainers, and then either Lead Equipment Operators or Supervisors will shadow and coach the new driver. Part of their</p>	<p>Andrea will follow up with specific statistics on voluntary and involuntary separated employees.</p>	
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training also includes learning how to map and navigate their individual routes.

Board Vice Chair Christopherson mentioned that our drivers are leaving for other higher paying opportunities. Pam confirmed that there is a nation-wide driver shortage for all driving industries. She added that it is difficult to compete with companies offering a \$1,500 signing bonus to drivers with additional financial bonuses at the end of their job for up to \$70,000/year. We are working with our human resources consultant and looking at salary market options through 2020 and beyond.

Board Member Paine asked if these challenges are seasonal. Andrea confirmed that we see drivers leave for other driving opportunities, typically in the spring – especially in construction industries. Board Member Bracken commented that construction jobs are also cyclical whereas waste collection is consistent. Board Vice Chair Christopherson asked if we pay for commercial driver’s license (CDL) training. Pam indicated that we are exploring that option, but the concern is keeping those drivers once they are trained.

Pam added that we have a generous benefits package besides the health and retirement, which includes a four-day workweek with a rotating day off that allows each driver a four-day weekend every month. There is also an efficiency incentive program which pays drivers a full 40 hours, even if they work less than 40 hours, as long as they meet minimum daily performance eligibility requirements.

Board Member Bracken asked about our collection hours. Pam stated that drivers leave the yard shortly after 7:00 a.m. and start their collections as soon as they get to their areas. The end collection time is typically 4:45 p.m., but the drivers keep going until all the routes are collected. Pam also reviewed several safety-related financial awards and benefits offered to our drivers.

3.4 Executive Director’s Report; Pam Roberts
(Informational/Direction)

3.4.1 Delivering Municipal Solid Waste (MSW) to Ace’s Transfer Station

Pam stated that we began taking MSW to Ace’s transfer station on Thursday, April 4th. Eight refuse routes were involved, out of the total 16 routes in Taylorsville. We are only currently testing this option on Thursday and evaluating cost savings by using Ace’s transfer station. We also took six loads from Magna on April 15th due to weather conditions and challenges at the Landfill. So far, 330 tons have been delivered to Ace. The cost savings is around \$450 in tipping fees.

Board Chair Peel asked how much tonnage Ace can accept from us. Pam stated that they are currently happy to take what we are delivering. However, beginning July 1, they will be accepting all of the waste from West Valley City. This could impact what we can deliver to Ace. We will also want to monitor any impact on time efficiencies as well. She added that Ace takes their waste, from their transfer station, via truck, to Intermountain Regional Landfill (IRL) in Fairfield.

Board Chair Peel asked how much tonnage West Valley has each year. Pam asked Yianni Ioannou, Salt Lake County Solid Waste Division Director, to answer. He stated that it is about 50,000 tons of MSW per year.

Board Member Gunn asked if this agreement with Ace would present any contractual conflicts with our 85% annual commitment to the County facilities. Pam replied that it has that potential, but it is not currently being affected.

3.4.2 Update on Process for Granite Withdrawal

Pam reported that Sandy City has annexed approximately 398 homes from the Granite area. We are planning to start

the withdrawal process of these homes from the District in May so that the timing can be effective around July 1. She has been coordinating these efforts with County policy advisors and Reid Dennam, County Surveyor. Rachel added that she has been working with one of the County Attorneys and everything is processing smoothly. We are waiting to start the process in May because once the ball is rolling, there are deadlines that must be met and we don't want the approval before our July 1 goal date.

Board Member Bracken asked if annexations can only happen on specific dates. Rachel indicated that annexations can happen any time. Pam confirmed our last planned day of collection to these annexed residents will be Wednesday, June 26th.

Pam indicated that in an effort to reduce confusion for the remaining 397 Granite residents within WFWRD, she is proposing that we delay subcontracting sideload collection services to allow time for more evaluations. She is finding that all Granite residents are still confused about this change, and who will be collecting their waste. Board Chair Peel concurred and added that it will help with public relations with those we will continue to service, and it would not cost any more to evaluate for six months.

Board Vice Chair Christopherson asked if negotiations with Waste Management (WM) were not going well and this is the reason for the extended evaluation. Pam replied that this was discussed with WM last year, but there were different WM players at the time. There is a new WM Regional Public Sector Representative.

Board Chair Peel echoed that evaluating for six months will give us hard numbers to compare options. Board Vice Chair Christopherson asked if this change is related to our recycling contract with WM. Pam confirmed they are not related. Pam also confirmed that any arrangement is only for curbside waste and recycling. WFWRD is still responsible for all other services to these non-annexed

3.4.3 Negotiations with Salt Lake County Landfill

residents. Board Chair Peel requested this to be factored in to the six-month evaluation.

Pam reported that there is a new Deputy Mayor (Catherine Kanter) who is working with our contract negotiations. On April 17, 2019, she and Rachel presented a revised percentage, which would be acceptable to WFWRD, in the hopes of opening dialogue.

Board Chair Peel clarified that the number we presented was not what we desired, but one we felt comfortable could be obtained. We would like a zero percent requirement to the County facilities. Board Vice Chair Christopherson added that we are ultimately trying to get the best deal for our constituents. Our constituents are the same as the County's constituents.

Pam also stated that we have 300,000 customers that we are responsible for servicing, which reside in the over 85,000 homes in the District. Pam confirmed that a reduction in waste to the County facilities would be a reduction to Salt Lake County's and Salt Lake City's annual revenues. Board Chair Peel countered that this would only be a reduction to their revenues if they made it unbeneficial for us. If it is financially beneficial for us, we would give them more.

Pam indicated that she and Rachel were informed that it could take months to come back with a determination. No follow-up is currently scheduled. Deputy Mayor Kanter stated that she will take our proposal to Mayor Wilson for further discussion and get back with Pam.

Rachel stated that the County is still working with the request for proposal (RFP) on their Transfer Station Operations, with many unknowns at this time. The County has expressed a need to have a minimum percentage for their own planning purposes, and our proposal hopefully reflected this need.

<p>3.4.4 Update on Recycling and the Contracts for Processing</p>	<p>Board Member Bracken requested disclosure of our proposed amount. Pam stated that we proposed 75%, which is a 10% reduction in our required minimum to County facilities. Board Chair Peel stated that it is not unreasonable and is an effort to delay a fee increase to our residents as long as possible.</p> <p>Board Member Paine asked how much of the total tonnage, received at the Transfer Station, comes from WFWRD. Pam stated that WFWRD provides about 51% of the tonnage to the Transfer Station. She added that we need flexibility to be as efficient as possible. Deputy Mayor Rick Graham confirmed that WFWRD delivers around 90,000-100,000 tons each year to the Transfer Station. Salt Lake City delivers 43,000-45,000 tons to the Transfer Station, which is the majority of their MSW.</p> <p>Pam reminded the Board that we have locked in a recycling rate with Rocky Mountain Recycling (RMR) at \$47.00 per ton, through the end of 2019. So far, we have recognized over \$50,000 in savings with RMR versus pricing based on the market.</p> <p>Due to the increasing costs for recycling processing at WM, we started taking all recyclable materials to RMR. WM understood our decision and chose to cancel our contract, effective June 11, 2019. Even with the additional mileage from the southwest areas to RMR, it is a financially beneficial decision with the current fees. We will continue to monitor this situation for efficiencies.</p> <p>Pam mentioned, as a side note, that WM is building a materials recovery center (MRF) in Salt Lake City. They have been saying that they were hoping for support from WFWRD, but we have not been feeling a mutual support with their approach during the contract renewal process and their decision to cancel our contract without discussion.</p>		
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<p>3.5 Area Cleanup Overview: Pam Roberts (Informational/Direction)</p>	<p>Board Vice Chair Christopherson asked about partnering with the private sector to create a recycling processing facility in the valley. Pam stated that we would support that initiative, but we would need to find the money to support it. She mentioned Renewlogy, in North Salt Lake, which takes certain plastic materials and turns it into fuel.</p> <p>Pam provided requested information regarding the Area Cleanup Program (ACU). She emphasized that this program is a supplementary program to our curbside collections. It is not meant to serve as the only means for residents to get rid of large bulky items. The Trailer Rental Program and the Landfill Voucher Program allows residents to take a truckload or trailer load of waste to the Landfill, and WFWRD will cover the cost or disposal for that load. There has been a huge increase in usage of this. Anthony Adams, District Clerk, confirmed that usage of the Voucher Program has tripled, overall, over the past few years.</p> <p>We currently rent 16 hook-lift trucks from Salt Lake County Public Works to operate this program, which has not changed. These trucks are used for snowplowing during the winter months. We pay for all maintenance during our use, and cover most of the lease cost because we use them more than the County does during the winter. We also have three hook-lift trucks of our own that we purchased in 2011 and 2012 to expand the program and we use these for leaf bag services in the off season.</p> <p>Pam indicated that we have explored several options with the ACU due to increased resident demand for the program. Any addition to service will mean a cost increase. We also only have six months out of the year to run this program. We have looked at different sized containers, but that would include a cost for new vehicles to haul the containers, and the purchase of the new</p>		
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containers themselves. Our current containers cost around \$5,000 each and we use approximately 120 per day.

Board Vice Chair Christopherson stated that one of the big issues is that some residents can't use the containers because they are full by the time they get home from work. A resident has suggested a centralized location for collections.

Pam indicated that labor is a challenge to supplement any additional changes to the program. This year we have a labor shortage for the program, which is impeding our efficiencies with the program. We have supervisors and other staff being pulled from their regular duties to cover vacancies with the ACU. We are definitely running into overtime issues and some residents may get their container delivered after 5:00 p.m., but we will get them delivered on their scheduled day.

Board Vice Chair Christopherson asked for the possibility of analyzing the program and reviewing different options to operate the program for 2020. He clarified that our current option is not wrong, but wanted to see if there are other options. Pam requested direction on what options were desired. Board Vice Chair Christopherson suggested a centralized location, or how we can prevent other non-District residents using our containers.

Board Chair Peel confirmed that all of the District containers are being used from April through September for this program. Anything we do, additionally, will increase costs. Board Member Marchant commented that if a city wanted an additional container or location, then that city should pay for that additional cost. Pam stated that she could bring back options that we provide to cities within the District.

Board Member Bracken stated that Cottonwood Heights was the city that originally requested a rotating schedule because they were always scheduled in July and during

the holidays, and they wanted the containers earlier or later. He also confirmed that Emigration Canyon's ACU consists of a free trailer rental, per resident, each year. He asked if this would be feasible on a larger scale.

Pam indicated that we have evaluated that option. One key element is that we would not drop the trailers off in the street. The trailer must be placed in the resident's driveway. She indicated that we can look deeper into this option.

Board Vice Chair Christopherson added that if there are four to five neighboring residents, in Taylorsville, who want to rent a trailer, the city will cover the rental cost. One of the residents would simply need to be the responsible party to host the trailer. Pam indicated that Millcreek has a similar program for its residents for code violations. Yael Johnson, WFWRD Customer Service Manager, clarified that trailers are left on the property for three or four days, depending upon the day of week it is delivered. Pam also clarified that the quarterly fees help subsidize the Trailer Rental Program, but there is an additional rental fee for the trailer.

Board Member Paine asked if the ACU containers are uniformly full each day. Pam stated that it varies, and one container could be overfilled, but the one down the street could be empty. Board Vice Chair Christopherson commented that it has appeared that ACU containers have been delivered in his circle when they are already half-filled. Pam clarified that this should not be happening and that there are residents who are waiting for the containers to hit the ground and start filling it up immediately.

Pam commended Taylorsville's police and their efforts to curb scavengers. Chief Wyatt obtains copies of the ACU maps, and sends officers to patrol those areas. Board Member Bracken indicated that Cottonwood Heights does this as well.

	<p>Board Chair Peel commented on the satisfaction rating of the program. He indicated that the bad ratings are not reflective of the program itself, but that residents cannot utilize it when they want. Pam commented that if a resident calls and indicates that they were not able to use the container because it was full, we will send a rear-loader or a trailer back to collect the waste. They just need to let us know.</p> <p>Board Member Marchant asked about the piles of tree limbs from the recent storms, and if they will be picked up automatically with this program. Pam stated that we need to know about them. Yael added that we need the resident to call and notify us so that a work order ticket can be created for the ACU crews. David Ika, Operations Manager, stated that we will always try to collect them, but it is not guaranteed without that phone call to schedule the pick-up. Pam stated that if it is a large pile, then the resident needs to rent a trailer.</p>		
4. Closed Session			
	No Closed Session		
5. Other Board Business			
	No Other Board Business Discussed		
6. Requested Items for the Next Board Meeting			
	<ul style="list-style-type: none"> • 2018 Independent Financial Audit Report • Employee Turnover Details • Additional Cleanup Options for Municipalities 		
ADJOURN		<p>Motion to Adjourn: Board Member Bracken Seconded by Board Member Gunn</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved April 22, 2019</p>