

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

DATE/TIME	LOCATION	ATTENDEES
<p>June 24, 2019 9:00 a.m.</p> <hr/> <p>Next Board Meeting August 26, 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 (via phone), Sherrie Ohrn, Robert Paine (beginning with Agenda Item 3.7), Ron Patrick, Brint Peel, Patrick Schaeffer Excused: Jim Bradley, Brad Christopherson, Shireen Ghorbani,</p> <p><u>District Staff:</u> Anthony Adams, Craig Adams, Rachel Anderson, David Ika, Yael Johnson, Andy King, Paul Korth, Pam Roberts</p> <p><u>Public:</u> Marla Kennedy (Salt Lake County), Mike Reberg (Salt Lake County), Keith Zuspan (Brighton)</p>

AGENDA

Call to Order: Brint Peel, Board Chair

1. Consent Items:

1.1. May 20, 2019 Board Meeting Minutes (**Motion & Approve**)

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

3. Business Items

- 3.1.** Follow-up Questions and Discussion on the 2018 Comprehensive Annual Financial Report (CAFR): Paul Korth, District Controller (**Informational**)
- 3.2.** Inquiry About Reorganization Process of Special Services District to a Local District: Board Chair Peel (**Informational/Direction**)
- 3.3.** Utah State Treasurer Public Treasurers' Investment Fund (PTIF) Resolution for the Addition of Paul Korth Authorization on WFWRD Account: Pam Roberts, Executive Director (**Approval/Adoption Requested**)
- 3.4.** Status on the Withdrawal of the Sandy City Properties and the Next Steps: Rachel Anderson, Legal Counsel and Pam Roberts (**Informational/Direction/Approval**)
- 3.5.** Compliance with the New Utah State Lieutenant Governor’s Website: Rachel Anderson and Pam Roberts (**Informational**)
- 3.6.** Negotiations on Amending the Interlocal Agreement with Salt Lake County for Landfill/Transfer Station Services: Rachel Anderson and Pam Roberts (**Informational/Direction**)

- 3.7. WFWRD Side-Load Truck Replacement Schedule Review: Pam Roberts and Paul Korth (**Informational/Direction**)
- 3.8. Proposed 2019 Recycling Survey for WFWRD Residents: Pam Roberts (**Informational/Direction**)
- 3.9. Recycling Contracts Update: Pam Roberts (**Informational**)
- 3.10. Confirm or Cancel the Administrative Control Board Meeting Schedule for Monday, July 22, 2019: Board Chair Peel (**Discussion/Decision 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 on July 22, or August 26, 2019

- WFWRD 2019 2nd Quarter Financial Report
- Report on the Results of the 2019 Recycling Survey
- Report from Legal Counsel, Reorganization Process to Local District
- Status and Updates from the Executive Director
 - Report on Efficiencies Using the Transfer Station at Ace Recycling and Disposal

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
1. Consent Items			
1.1 May 20, 2019 Board Meeting Minutes		Motion to Approve the Minutes by: Board Member Gunn Seconded by: Board Member Bracken Vote: All in favor (of Board Members present)	Approved June 24, 2019
2. Meeting Open for Public Comments	(Comments are limited to 3 minutes)		
	No public comments.		
3. Business Items			
3.1. Follow-up Questions and Discussion on the 2018 Comprehensive Annual Financial Report (CAFR): Paul Korth, District Controller (Information) 3.2. Inquiry About Reorganization Process of Special Services District to a Local District: Board Chair Peel (Information/Direction)	Paul reviewed the visit from WFWRD’s external auditor last month and the associated 2018 CAFR information provided to Board members. At the May Board meeting it was determined to allow time to review the 2018 CAFR and bring back any questions or comments for discussion. There were no questions or further discussion. As part of WFWRD’s long-term evolutionary direction, Board Chair Peel requested for this item to obtain input from Board members on any desire to look into and consider reorganizing WFWRD into a Local District. Board Chair Gunn inquired how the change in status would benefit WFWRD. Rachel Anderson, legal counsel, indicated that the County would need to adopt a resolution to convert the District from a Special Service District to a Local District entity. Public hearings by the County Council would be involved, and each municipality’s council must concur with the action. The makeup of the ACB should not change, though the representation of the		

County could be reduced to one representative, instead of up to two.

One of the changes would be related to the issues of the Sandy City property withdrawals. Currently, Salt Lake County must make all the approvals. As a local district, we would have full autonomy to take these actions. Local Districts could also impose property taxes and issue bonds, though those are things we have never done and would likely not consider in the future. It would also solidify our independence for the future without the possibility that the County Council could dissolve the ACB and take back operational control.

Board Member Marchant requested a white paper or a listing of pros and cons to each type of status, and a recommendation from staff, before the Board makes a decision. Board Chair Peel confirmed that this discussion was to determine if the ACB wanted to take the step to get more information so that a decision can be made in the future.

Board Member Bracken asked about appointed versus elected board members. Rachel confirmed that both are options with a Local District, and do not need to be created by a vote.

Board Member Ohm voiced her support in self-directing our interests, without County oversight. Board Member Gunn echoed his support to obtain more information. Board Chair Peel directed Rachel to obtain more information and report back.

Board Member Brass added that he would like to see the unintended consequences of reorganizing, such as needing to obtain our own building and other services currently obtained through the County. Rachel confirmed that we would talk all of these issues out with the County before we would make any decisions or take any actions.

Rachel will research needed steps, and pros/cons on reorganizing WFWRD as a Local District, and report back at the next meeting.

<p>3.3 Utah State Treasurer PTIF Resolution for the Addition of Paul Korth Authorization on WFWRD Account: Pam Roberts, Executive Director (Approval/Adoption Requested)</p>	<p>Pam stated that a new Public Treasurers' Investment Fund (PTIF) Resolution must be adopted whenever there is a change to authorized personnel who can access the PTIF accounts. A new resolution was presented, which adds Paul Korth to the authorized individuals in place of Cathy Jensen. Paul added that this is standard procedure, and Board authorization is required for these updates.</p>	<p>Motion to Authorize Paul Korth to the access WFWRD's PTIF Accounts by: Board Member Marchant Seconded by: Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved June 24, 2019</p>
<p>3.4 Status on the Withdrawal of the Sandy City Properties and the Next Steps: Rachel Anderson, Legal Counsel and Pam Roberts (Information/Direction/Approval)</p>	<p>Pam commented that there was a further review of the Granite properties that were annexed into Sandy, and it was discovered that additional parcels not previously identified were included, totaling 500. These are attached or vacant parcels and do not affect the total number of homes being annexed.</p> <p>The final letter, from WFWRD, has been sent to the affected residents. Pam stated that her understanding is that Sandy City also sent these residents a letter welcoming them into the city and explaining their services last week. Additionally, Waste Management sent these residents information on waste collection services and dates.</p> <p>The process to collect WFWRD cans from these residents will begin on Wednesday, June 26th, after that day's collections. She also stated that Waste Management's plan is to deliver their cans so that residents will have consistent access to a curbside cart. Momentum Recycling will continue to provide curbside glass recycling collections to these residents in Sandy.</p> <p>Pam stated that the County Surveyor, Reid Demman, wants to ensure that all authorizations are covered, in case the ACB needs to approve the new plat map of our service boundaries. Rachel added that the County is the entity that will be approving these related documents, but the County Surveyor would like the District's approval as well. She recommended a motion to authorize Board Chair Peel to</p>	<p>Motion to Authorize Board Chair Peel to Sign the District Plat Map, if Necessary by: Board Member Patrick Seconded by: Board Member Ohrn</p>	<p>Approved June 24, 2019</p>

<p>3.5 Compliance with the New Utah State Lieutenant Governor’s Website: Rachel Anderson and Pam Roberts (Informational)</p> <p>3.6 Negotiations on Amending the Interlocal Agreement with Salt Lake County for Landfill/Transfer Station Services: Rachel Anderson and Pam Roberts (Informational/Direction)</p>	<p>sign and approve the plat map, if necessary, when it is completed later this week.</p> <p>Pam indicated that the State Lieutenant Governor’s Office has created a website to store governmental entity information. Information includes creation documentation, board members, and operational information. Rachel added that all information has been submitted to this website except our plat map. Once the plat map is submitted we will be completely compliant.</p> <p>Rachel clarified that the compliance date is July 1st, and emphasized that compliance is essential or the entity’s accounts will be frozen.</p> <p>Pam introduced Mike Reberg, Salt Lake County Associate Deputy Mayor of Regional Operations. She stated that Mike had requested formal and written answers to questions regarding the need to conduct negotiations on the Interlocal Agreement. Pam informed the Board that the current County representatives in these negotiations, including Mike and Deputy Mayor Catherine Kanter, do not know of the history of where WFWRD has been and why we are requesting negotiations.</p> <p>Pam explained the need to be flexible with our current requirements due to changes in the valley. A cost benefit analysis is being conducted to use the transfer station operated by Ace Recycling and Disposal. The catalyst of needing negotiations occurred with the announcement of the closure of the Salt Lake Valley Transfer Station, effective in 2018, and only having a couple of months’ notice given at the end of October 2017.</p> <p>She stated that she did not answer the question regarding the County’s estimated \$30,000 loss in revenue for each percentage point of municipal solid waste (MSW) that we did not deliver to County facilities.</p>	<p>Vote: All in favor (of Board Members present)</p>	
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Rachel confirmed that our next negotiation meeting will be held on Wednesday, June 26th. Rachel added that our original request was to have a permanent reduction in the required MSW delivered to County facilities, but considering the current staffing/advisory needs at the County we are currently only requesting an amendment for 2019. A more permanent resolution could be made later.

Board Member Dickerson inquired about green waste requirements. Pam stated that the city and county are not concerned with any minimum tonnage requirements for green waste. She added that we do have less expensive and more efficient disposal options for green waste.

Board Member Bracken addressed the owner dividends, and stated that as long as the County facilities remained viable and an efficient option, we would have no need to take our MSW to other facilities. Sometimes factors in the market change quickly, but we can't always adjust at the same speed.

Board Member Gunn asked for clarification on specific terms in our agreement. Rachel and Pam clarified that the changes referred to allows us to request amendments based on fluctuations of waste collections within the District. Pam noted, as examples, the growth in the southwest region, which would go to the Trans-Jordan Landfill, and also the withdrawal of 400 homes in the Granite community which also reduces the amount of MSW going to the County facilities. Board Chair Peel added that we are trying to be fiscally responsible to our constituents.

Board Member Brass commented that we did not anticipate the recycling challenges and how quickly it fluctuated. Our costs are fixed, as a service-oriented organization. As the west side continues to grow, if we have a fixed tonnage, we have to take the materials further

Approval

<p>3.7 WFWRD Side-Load Truck Replacement Schedule Review: Pam Roberts and Paul Korth (Information/Direction)</p>	<p>which increases labor costs, wear and tear on the trucks and roads, and time. This could result in a reduction of services that our customers want because we can't afford them anymore. It will take a couple of years for the recycling markets to settle down and we figure out what we can do with all the materials, but in the meantime we need the ability to be flexible. We certainly don't want to have to increase customer fees unless it is necessary.</p> <p>Pam reviewed a chart that was created to determine the optimal time to sell our used collection trucks, at the point where WFWRD would get the most return based on anticipated depreciation and maintenance costs. There are still unknown factors since we have extended the lifespan of each of our trucks to save purchasing costs. She introduced Andy King, WFWRD's Asset Manager, to help explain and answer questions regarding our truck purchasing schedule.</p> <p>Paul Korth indicated that Craig Adams (Assistant Controller) has tracked maintenance costs, per year, on our collection trucks. The costs for the past 48 months are actual, and beyond that are estimated maintenance costs. The cost to purchase a new truck is currently \$313,000. Truck values can change over time, and maintenance costs are not always associated with the age of the truck.</p> <p>Andy stated that the resale value, indicated on the chart, is reflective of what we have seen in the past. We have sold our trucks after approximately 48 months of use in the past, so extending the life of our trucks beyond that creates several unknown factors. Also, trucks sold in the past have been diesel-fuel trucks, not compressed natural gas (CNG), which composes our entire residential collection fleet at this time. He voiced his confidence in the estimated calculations for anticipated maintenance costs, because maintenance costs have shown to be similar for diesel and CNG trucks in the past.</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">Approved</p>	
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Pam commented that we currently have five of our CNG collection trucks at auction. Paul stated that we are hopeful they will sell as organizations prepare for the July fiscal/budget year.

Board Chair Peel asked if truck expectations would be the same since maintenance costs do not change for diesel or CNG trucks. Andy stated that CNG trucks are approximately \$30,000 more expensive to purchase than diesel trucks, so the depreciation takes a little longer to come down to the same level for diesel trucks. Pam added that the CNG trucks must be used for three years to make up for the additional CNG purchase costs. We are hoping to obtain at least the same value for the CNG trucks, at auction, as we have seen in the past with the diesel trucks. Board Member Bracken suggested keeping the CNG trucks one or two years longer to capitalize on the fuel cost savings.

Board Member Brass cautioned against keeping trucks beyond their valuable lifespan, and shared the situation Murray City experienced by holding on to police vehicles during the 2008 recession. It will result in needing to purchase more vehicles at one time.

Paul indicated that we are waiting to see what happens with the current auction over the next couple of months. Additional options can be looked into at that time if the trucks are not sold. Andy stated that one option is to offer the truck(s) with special features we would add at a low cost and increase buyer interest to hopefully sale a little quicker.

Pam stated that the current course of action is to set six sideloads for purchase in 2020, but with growth and trying to balance aging trucks, we may propose seven trucks for rotation. She reminded the Board that the proposed 2020 budget will be presented in September and the tentative adoption is in October.

3.8 Proposed 2019 Recycling Survey for WFWRD Residents: Pam Roberts **(Information/Direction)**

Pam commented that WFWRD conducted a Recycling Survey in 2018 to get an understanding of residents' acceptance of a potential fee increase to keep the recycling program active.

The survey clarified that costs will still increase, even if recyclable materials are sent to the landfills. At that time, we estimated approximately \$1.00 per home, per month to maintain recycling services, versus \$0.75 to take the materials to the landfills. Over 70% of respondents supported continuing recycling and a fee increase.

The proposed 2019 survey is very similar to last year's survey. Updated cost estimated will be included, which could be up to \$1.50 per home, per month for recycling based upon current year projections. We added a question to determine how often residents are recycling.

There was discussion on how questions were worded, and asking clear questions. Pam added that the survey is also intended as an education tool, which is why there is so much information included in the survey. However, we don't want to make the sole intent to educate residents. We can also conduct additional educational efforts based on the results of this survey. Board Chair Peel agreed that education efforts should not be part of this survey, but should be conducted afterwards.

Board Member Paine suggested clarifying the value of recycling in this survey, since there is so much negative press lately. Clarifying the value of recycling, and how it stays out of the waste stream, may be helpful. Board Member Bracken suggested adding a one-line comment: Our recycling goes to processing facilities. This may help clarify that we are not sending our recyclables to the landfill.

Pam clarified that this survey does not ask for names or addresses, and the survey will be completely anonymous.

Pam will update the survey with the discussed recommendations.

<p>3.9 Recycling Contracts Updates: Pam Roberts (Information)</p>	<p>Board Chair Peel stated that we don't want to modify this survey too much, and just want to get the feedback we are seeking. We can then use that data to create informational outreach. Board Members Ohrn and Bracken agreed. Board Chair Peel requested that all board members return to their respective councils and encourage residents to participate in this survey.</p> <p>After discussion, it was decided to release this survey from July 8 through July 29.</p> <p>Board Member Gunn asked if the Board was prepared to act if the majority of residents desire to take recyclables to the landfill. Pam confirmed that this would be a policy decision to be determined by the Board, and this survey can be used as a tool to help determine that policy. Board Chair Peel indicated that the Board would be ready to act, but it may be an action to conduct an analysis of long-term costs associated with different choices. It may also be an indication that we are not educating enough or in the correct way. Board Member Marchant indicated that it is always best to keep the public informed, and ask for their input, before decisions are made.</p> <p>Board Member Ohrn inquired how we will notify residents about the survey. Anthony Adams, Board Clerk, stated that we will send emails to all customers, if we have their email address. We will also announce the survey on our social media sites and our website. We will not be sending out postcards to all of WFWRD customers.</p> <p>Pam announced that Waste Management (WM) has rescinded their contract cancellation. The cancellation was scheduled to take place on June 11th, and WFWRD was notified on the 10th that WM would not cancel the contract. This keeps two recycling facilities in the valley which WFWRD can use.</p>	<p>WFWRD Staff will administer the Recycling Survey as directed with recommended changes by the Board.</p>	
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<p>3.10 Confirm or Cancel the Administrative Control Board Meeting Scheduled for Monday, July 22, 2019: Board Chair Peel (Discussion/Decision Requested)</p>	<p>Pam stated that Salt Lake City Sustainability Department will be hosting a recycling summit tomorrow for municipal leaders, elected officials, and public administrators. She indicated that she will be presenting, and her message will be on continued recycling.</p> <p>Board Chair Peel recommended to cancel the July 22nd meeting.</p>	<p>Pam will forward the invitation and information to Board Members. She will report on this summit at the next Board Meeting.</p> <p>Motion to Cancel the July 22, 2019 Board Meeting by: Board Member Brass Seconded by: Board Member Marchant</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved June 24, 2019</p>
<p>4. Closed Session</p>			
	<p>No Closed Session</p>		
<p>5. Other Board Business</p>			
	<p>No Other Board Business Discussed</p>		
<p>6. Requested Items for the Next Board Meeting</p>			
	<ul style="list-style-type: none"> • WFWRD 2019 2nd Quarter Financial Report • Report on the Results of the 2019 Recycling Survey • Report from Legal Counsel, Reorganization Process to Local District • Status and Updates from the Executive Director <ul style="list-style-type: none"> ○ Report on Efficiencies Using the Transfer Station at Ace Recycling and Disposal • Report of the Salt Lake City Recycling Summit 		
<p>ADJOURN</p>		<p>Motion to Adjourn: Board Member Gunn Seconded by Board Member Brass</p> <p>Vote: All in favor (of Board Members present)</p>	<p>Approved June 24, 2019</p>

Pending Board Approval