WASATCH INTEGRATED WASTE MANAGEMENT DISTRICT

Minutes of the meeting of the Administrative Control Board of Wasatch Integrated Waste Management District held June 6, 2018 at 5:00 p.m. in the large conference room, Wasatch Integrated Waste Management District Administrative Offices, 1997 East 3500 North, Layton, Utah.

Conducting: Board Chair, Mayor Bob Stevenson

ADMINISTRATIVE CONTROL BOARD PRESENT:

Board Chair, Mayor Bob Stevenson, Layton  Council Member Ned Mecham, Morgan County
Vice Chair, Mayor Len Arave, North Salt Lake  Mayor Howard Madsen, Sunset
Secretary, Council Member Tony London, Morgan  Councilmember Mike Gailey, Syracuse
Council Member Vern Phipps, Clearfield  Council Member James Bruhn, West Bountiful
Mayor Jim Talbot, Farmington  Mayor Erik Craythorne, West Point
Mayor John Pohlman, Fruit Heights  Council Member Wally Larrabee, Woods Cross
Mayor Katie Witt, Kaysville

ADMINISTRATIVE CONTROL BOARD MEMBERS EXCUSED FROM ATTENDING:

Mayor Clark Wilkinson, Centerville  Commissioner Bret Millburn, Davis County
Mayor Mitch Adams, Clinton  Commissioner Jim Smith, Davis County
Commissioner Randy Elliott, Davis County  Mayor Jo Sjoblom, South Weber

STAFF PRESENT:

Nathan Rich, Executive Director
David Van De Graff, Controller
Kathy Hammerle, Scale Manager
Preston Lee, Landfill Manager
Todd Quinley, Purchasing Manager
Chad Staples, Project Manager
Juli McIntosh, Recorder

VISITORS:

Larry Jenkins, Kirton McConkie

Notice of time, place, and agenda of the meeting was sent to the Salt Lake Tribune, Deseret News, Morgan County News, and Standard Examiner newspapers on June 1, 2018. Notice of time, place, and agenda of the meeting was sent to each member of the Administrative Control Board via e-mail and posted at Wasatch Integrated Waste Management District Administrative Offices on June 1, 2018.
Welcome
Board Chair, Mayor Bob Stevenson welcomed board members, staff, and visitors to the meeting.

Minutes Approval
Chairman Stevenson presented minutes of the May 2, 2018 board meeting to the board for approval.

Upon motion duly made and seconded, minutes for the May 2, 2018 board meeting were approved. Voting in favor of said motion was unanimous.

Public Comment
There was no public comment.

Public Hearing
Chairman Stevenson opened a public hearing to allow public comment on the 2019 Tentative Budget.

Mr. David Van De Graff reviewed the 2019 Tentative Budget, including increased landfill operating expenses, the capital budget, shifting landfill capital projects from the 2018 to the 2019 budget year, and a slight increase in transfer station construction costs.

There was no public comment and the public hearing was closed.

Director’s Update
Mr. Rich reminded board members about WASTECON 2018, the week of August 20, 2018 in Nashville, Tennessee, the Solid Waste Association of North America’s annual waste convention. He invited all interested board members to attend.

Committee meetings were last held in May 29 and 30, 2018. Committee meetings are scheduled for and will next be held on August 28 and 29, 2018. There are no committee meetings scheduled for June or July.

The Davis Energy Recovery Facility permanently ceased operation one year ago and the Administrative Control Board approved the updated 20-year Solid Waste Management Plan (Plan) at that time.

A petition for Annexation and Rezone of the parcel upon which the new transfer station and mixed waste processing facility will be located has been submitted to Layton City for consideration. The Layton City Council will hear the petition on Thursday June 7, 2018 at 7:00 p.m. Annexing property into the city will allow development of solid waste management and recycling facilities at the site as a specifically listed use rather than applying for a new conditional use permit from the county whenever we make changes to the facility. Also, annexation will allow for connection to the Layton City water system which will simplify fire protection at the new facilities.

Design of the receiving building and transfer station is complete and Stout Construction, Centerville, Utah, has been selected as the preferred contractor for the project. Construction of the facility should be complete by February 2019. Mr. Rich attached renderings and a site plan for the project to the Director’s Update.

Geocycle/LaFargeHolcim continue to express a strong interest in partnering with the District to provide an engineered fuel feedstock to the Devil’s Slide Cement Plant. The District has signed a Memorandum of Understanding (MOU) as a basis for engineering efforts. A meeting last month was very productive.

The Devil’s Slide Cement Plant has the thermal capacity to consume up to 70,000 tons per year of an engineered fuel made from solid waste and recycling rejects. The District is now working in partnership with Geocycle/LaFargeHolcim to investigate processing mattresses to produce an engineered fuel on an interim basis. The site is currently unused and assisting Geocycle through an interim period would further develop the relationship and trust.
Chairman Stevenson discussed the various project scenarios, which were presented to the board in April, and concluded that the fourth scenario is the most cost effective and environmentally sound option.

Mr. Rich said that recent discussion with Geocycle have focused on providing them with interim fuel until construction of the mixed waste processing facility is completed.

RRT has begun work on detailed design report for the proposed mixed waste processing equipment and related improvements. The resulting work will provide an improved cost estimate and form the basis of documentation used for equipment procurement as well as support the planned work with our financial advisor and underwriter.

An RFP for bond underwriter has been prepared and is planned to be issued this Friday with a due date of June 29, 2018. It is anticipated that the underwriter will work with our financial advisor to assist us preparing the appropriate plan and documentation for a potential bond issue for construction of the mixed waste processing facility.

Mayor Jim Talbot recommended Zion’s Public Finance and Bank of Utah because a recent successful city project in which both banks were involved.

GBB has prepared a Development Plan Outline for implementing the transfer station and mixed waste processing infrastructure. The outline does a good job describing the project and the steps that will need to be taken to complete it. Mr. Rich attached a copy of the draft document to the Director’s Update.

Mr. Rich explained that the District has used GBB for broader planning but is using RRT for this project due to the technical and engineering aspects. He provided to board members a copy of the Development Plan Outline draft.

He added that RRT may be qualified to bid on the construction of the mixed waste processing portion of the project because engineering will be complete.

Mayor John Pohlman asked if the project could be completed more quickly than the current schedule.

Mr. Rich said possibly, if financing began in September, funds could be available by January 2019.

Operational Reports for May 2018 summarize key operational numbers:

District wide waste acceptance in January totaled 17,125 tons. Waste diverted to the Green Waste Facility in May totaled 2,625 tons.

Total waste delivered to the District during May 2018 has rebounded nicely after first quarter 2018 numbers were trending slightly below waste receipts during the same period in 2017. The following chart displays primary waste streams over a 37 month period.

Financial Report

Mr. David Van De Graff presented disbursements for May 2018. Disbursements for the month of May totaled $232,783.84. Checks over $1,500, for the month of May totaled $192,271.98 comprising 84 percent of disbursements.

Resolutions

Chairman Stevenson presented Resolution 18-12, Adopting a Fiscal Year 2019 Budget.

Mr. Van De Graff reviewed the 2019 budget, discussing the $4.7 million has been budgeted for the transfer station construction. He also reviewed Title 9, discussing the three-month balance in the revenue fund, no debt service requirement, closure, the extension and repair fund, which is being reduced to $500,000 to $1.5 million, and was expected with the closure of the waste to energy facility.
That fund may be increased at some point with completion and operation of the mixed waste processing facility.

Upon motion duly made and seconded, Resolution 18-12, Adopting a Fiscal Year 2019 Budget was approved. Voting in favor of said motion was unanimous.

Chairman Stevenson presented Resolution 18-13, Authorizing a Contract with Stout Construction for the construction of a transfer station.

Upon motion duly made and seconded, Resolution 18-13 Authorizing a Contract with Stout Construction for the construction of a transfer station was approved. Voting in favor of said motion was unanimous.

Chairman Stevenson presented Resolution 18-14, Authorizing a Mixed Waste, Materials Recovery, and Transfer Station Project and Declaring the Official Intent of the District to Issue Bonds to Finance the Project.

Mr. Rich explained that approving this resolution does not obligate the District to bond the project but if a bond is secured, allows any funds spent on the project to be considered as bond funds, from passage of the resolution forward. It also allows studies, bond counsel, and underwriters to move forward. He added that the bond will likely be a revenue bond which may require the District to raise rates, if necessary, in order to pay off the bond.

Council Member Vern Phipps said that in the interest of full disclosure, he works for Zion’s Bank, however not in the Public Finance Division.

Upon motion duly made and seconded, Resolution 18-14, Authorizing a Mixed Waste, Materials Recovery, and Transfer Station Project and Declaring the Official Intent of the District to Issue Bonds to Finance the Project was approved. Voting in favor of said motion was unanimous.

Chairman Stevenson presented Resolution 18-15, Authorizing an Equipment Lease and Supply Agreement with Geocycle LLC.

Mr. Rich explained that in order to help Geocycle reach their internal recycling goals, the District will partner with Geocycle to provide them shredded mattresses as alternative fuel for their cement plant. The equipment lease is at no cost to Wasatch, except for maintenance and repairs to the shredder that Geocycle has provided.

In response to a question, Mr. Rich said that Wasatch will provide the power and labor but Geocycle will pay for hauling.

Council Member Tony London recused himself because he is an employee of Geocycle/LafargeHolcim.

Upon motion duly made and seconded, Resolution 18-15 was approved. Voting on said motion was unanimous, with the exception of Council Member London who did not vote.

Chairman Stevenson presented Resolution 18-16, Authorizing the Board Chair to Execute a Public Entity Resolution for the Office of the State Treasurer Regarding the Utah Public Treasurers’ Investment Fund.

This resolution designates the Executive Director and Board Chair as authorized individuals to set up the account and to transfer funds. Individuals within the company who reconcile bank accounts should not have signature authority on accounts, per the Utah Office of Legislative Auditor General’s Review of Best Practices for Internal Control of Limited Purpose Entities.

Upon motion duly made and seconded, Resolution 18-16 Authorizing the Board Chair to Execute a Public Entity Resolution for the Office of the State Treasurer Regarding the Utah Public Treasurers’ Investment Fund was approved. Voting in favor of said motion was unanimous.
Other Business

There was no additional business.

Adjournment

Upon motion duly made and seconded, the Administrative Control Board meeting was adjourned at 5:54 p.m. Voting in favor of said motion was unanimous.

Mayor Bob Stevenson, Board Chair

Nathan Rich, Executive Director