WASATCH INTEGRATED WASTE MANAGEMENT DISTRICT

Minutes of the meeting of the Administrative Control Board of Wasatch Integrated Waste Management District held February 6, 2019 at 5:00 p.m. at 1997 East 3500 North, Layton, Utah 84040.

Conducting: Vice Chair, Mayor Mike Gailey

ADMINISTRATIVE CONTROL BOARD PRESENT:

Vice Chair, Mayor Mike Gailey, Syracuse
Secretary, Council Member James Bruhn, West Bountiful
Council Member Vern Phipps, Clearfield
Mayor Mitch Adams, Clinton
Commissioner Randy Elliott, Davis County (via telephone)
Commissioner Lorene Kamalu, Davis County
Mayor John Pohlman, Fruit Heights
Mayor Katie Witt, Kaysville
Council Member Mike Newton, Morgan County
Council Member Tony London, Morgan
Mayor Len Arave, North Salt Lake
Mayor Howard Madsen, Sunset
Mayor Erik Craythorne, West Point
Council Member Wally Larrabee, Woods Cross

ADMINISTRATIVE CONTROL BOARD MEMBERS EXCUSED FROM ATTENDING:

Board Chair, Commissioner Bob Stevenson, Davis County
Mayor Clark Wilkinson, Centerville
Mayor Jim Talbot, Farmington
Mayor Jo Sjoblom, South Weber

STAFF PRESENT:

Nathan Rich, Executive Director
Preston Lee, Landfill Manager
Todd Quinley, Purchasing Manager
Chad Staples, Project Manager
Juli McIntosh, Recorder

VISITORS:

Mayor Scott Freitag, Layton*
Larry Jenkins, Kirton McConkie
Ryan Bjerke, Chapman and Cutler
Jon Bronson, Zions Bank Public Finance

*As of February 6, 2019, a board member had not yet been appointed to the Wasatch Integrated Waste Management Administrative Control Board from Layton City.

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 February 1, 2019. 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 February 1, 2019.
Welcome

Vice Chair, Mayor Mike Gailey welcomed board members, including new Morgan County Council Member, Mike Newton, staff, and visitors to the meeting.

Minutes Approval

Vice Chairman Gailey presented minutes of the January 16, 2019 board meeting to the board for approval.

Upon motion duly made and seconded, minutes for the January 16, 2019 board meetings were approved. Voting in favor of said motion was unanimous. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Mayor Katie Witt, Council Member Mike Newton, Council Member Tony London, Mayor Len Arave, Mayor Howard Madsen, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea.

Public Comment Period

There was no public comment.

Director’s Report

Mr. Rich presented the Director’s Update to board members. He said that construction of the receiving building and transfer station, awarded to Stout Construction of Centerville, Utah, is proceeding according to budget and schedule. The building should be complete by March 2019 and final completion of site paving will be completed when warm weather returns in early spring. All concrete within the building has been completed with the floor pour this past week. Erection of the steel building has now started. Residing the old tipping floor building has been completed.

Proposals for the construction of the Mixed Waste Processing Facility were due on January 30, 2019. Five proposals were received and are currently being evaluated and scored. There are several very strong proposals by qualified contractors within our cost estimates. Staff anticipates selecting a contractor within the month and finalizing a contract so that work can begin as soon as financing has been received.

Design of the Employee Facilities and Education Center are nearing completion. The project is being handled by RRT and will be procured as a design-bid-build project with 100 percent complete design to control pricing. We anticipate the project going out to bid before the end February. The main floor of the building contains offices, locker rooms, and a break room, while the second floor will function as a large open area for tours and training. The second floor will overlook the transfer station floor and will connect to a second level walkway into the mixed waste processing facility. Mr. Rich referred board members to the Director’s Update where an architectural rendering shows how the building fits into the overall project.

In response to a question, Mr. Rich said, depending on the bids received, different contractors could be awarded the transfer station and the mixed waste processing facility work.

Project financing is on schedule with approval of the master and supplemental bond resolutions scheduled for approval at today’s meeting. The financing team is scheduled to make a presentation to the rating agency, Standard and Poor’s, on Monday, February 11, 2019 in San Francisco.

Delivery and installation of the new backup Landfill Gas Flare is scheduled for late March 2019. The project will increase total capacity to safely combust landfill gas as production rates increase and also provide an improved overall reliability of the landfill gas collection system by adding redundancy to the system.

Committee Meetings were last held on January 29th and 30th, 2019. Committee meetings are next scheduled for February 26th and 27th, 2019.

Mr. Rich reported on operations. Overall waste receipts were down one percent in 2018 as compared to calendar year 2017. The reduction in total waste is attributable to green waste and construction
waste while residential waste is up about three percent over the year. Commercial waste remained flat.

The District landfill diversion (recycling) rate dropped from 21 percent to six percent with 2018 being the first full year following closure of the energy recovery facility.

Self-haul visits at the landfill decreased by about 3,000 visits in 2018, as a result of our new $25 out-of-District minimum fee, which was implemented in 2017, for a total reduction of about 9,000 visits from 2016. This policy change has had the desired effect of reducing traffic resulting in an approximately nine percent decrease in self haul visits.

Green waste recycling numbers were down as a result of the rate increase which went into effect on July 1, 2017. Also, green waste number were unusually high in 2016 as a result of two large windstorms. This program continues to provide an excellent local waste recycling opportunity that is valued by the community. Participation in city sponsored curbside green waste programs continues to increase.

Financial Report

Mr. Rich gave the financial report, including the Disbursement Review, which included checks from November and December 2018. Checks over $5,000 represented 94 percent of disbursements, totaling $1,892,059.08. Total disbursements totaled $2,021,928.10.

Upon motion duly made and seconded, disbursements were approved. Voting in favor of said motion was unanimous. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Mayor Katie Witt, Council Member Mike Newton, Council Member Tony London, Mayor Len Arave, Mayor Howard Madsen, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea.

Mr. Rich presented financial statements through December 31, 2018. There were no questions.

Resolutions

Mr. Ryan Bjerke, Chapman and Cutler, presented Resolution 19-02 Providing for the Issuance of Solid Waste Management Revenue Bond. He explained that the resolution provides for authorization, issuance, and repayment of solid waste management revenue bonds.

In response to a question, Mr. Rich explained that insurance will cover up to $30 million for property and equipment and up to $10 million in liability. Mr. Bjerke added that the coverage mirrors the 1993 bond coverage.

In response to another question, Mr. Bjerke explained that revenue less operation and maintenance costs must remain not less than 125 percent of the annual debt service cost. If revenues fall below that amount, the District must raise rates or reduce operation and maintenance costs.

Upon motion duly made and seconded, Resolution 19-02 Providing for the Issuance of Solid Waste Management Revenue Bond Resolution was approved. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Mayor Katie Witt, Council Member Mike Newton, Mayor Len Arave, Mayor Howard Madsen, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Mayor Mitch Adams and Council Member Tony London voted nay.

Vice Chairman Gailey presented Resolution 19-03, Authorizing the Issuance and Sale of up to $20,000,000 of Solid Waste Management Revenue Bonds, Series 2019. Mr. Jon Bronson explained that the resolution provides for issuance of up to $20,000 in municipal solid waste revenue bonds. It also includes delegating authority, which allows one person, likely the board chair, to approve final sale of the bonds.

Mr. Bronson added that he expects the bonds to sell at a rating of A or AA. The District dictates the call provisions (a clause in the bond’s indenture granting the issuer the right to buy all or part of an issue prior to maturity date, at a price higher than the face value of the bond). A call provision of 10
years is common for corporate and municipal bonds. The District could choose a shorter call provision, however, he said there are better ways to decrease debt, for example, lowering tip fees or creating a designated account for excess funds.

Upon motion duly made and seconded, Resolution 19-03, Authorizing the Issuance and Sale of up to $20,000,000 of Solid Waste Management Revenue Bonds, Series 2019 was approved. The vote was 10-4 in favor of the motion. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Mayor Katie Witt, Mayor Howard Madsen, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Mayor Mitch Adams, Council Member Tony London, Council Member Mike Newton, and Mayor Len Arave voted nay.

Vice Chairman Gailey presented Resolution 19-04 Appointing a Financial Officer (the Executive Director), a Clerk (the Executive Assistant), and an Accounting Manager (the Accounting Manager). The resolution also designates Mr. Adam Hacker as Accounting Manager.

Mayor John Pohlman commented that the resolution provides for adequate separation of duties regarding the daily financial operations of the District. Mr. Larry Jenkins agreed, stating it is just as Utah Code prescribes.

Upon motion duly made and seconded, Resolution 19-04 Appointing a Financial Officer (the Executive Director), a Clerk (the Executive Assistant), and an Accounting Manager (the Accounting Manager) was approved. Voting in favor of said motion was unanimous. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Council Member Mike Newton, Council Member Tony London, Mayor Len Arave, Mayor Howard Madsen, and Council Member Wally Larrabee voted yea.

Vice Chairman Gailey presented Resolution 19-05 Amending Title 2 of the District Code, Personnel Policies.

Upon motion duly made and seconded, Resolution 19-05 Amending Title 2 of the District Code, Personnel Policies was approved. Voting in favor of said motion was unanimous. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Council Member Mike Newton, Council Member Tony London, Mayor Len Arave, Mayor Howard Madsen, and Council Member Wally Larrabee voted yea.

Vice Chairman Gailey presented Resolution 19-06 Amending Titles 1, 3, 4, 7, 8, and 9 of District Code.

Mr. Rich explained that most code titles required amending to remove references to the District Controller. He also reminded board members that the increase in the household use fee is necessary to move forward with bonding. He explained that the rate increase will not affect curbside greenwaste recycling fees and curbside recycling collected through a city-wide program will not be processed at no charge through the mixed waste processing facility.

Mayor Mitch Adams commented that he is not sure it’s a good idea but hadn’t had an opportunity to think it through completely.

Council Member James Bruhn commented that tipping fees at District facilities have been very stable, with little fluctuation while curbside recycling fees have continually increased in recent years. He concluded that to pay $7.20 for one garbage can with no fee for recycling processing could result in a cost savings to residents. Mr. Rich added that it is less expensive and a better environmental choice for residents to choose one garbage can and one recycling can rather than pay for two garbage cans.

Mayor Pohlman added, that an argument could be made for all recyclables to be processed through curbside waste pick up (garbage service only) to reduce emissions from two trucks picking up at each residence.

In response to a question, Rich said that he does not foresee an advantage to every city providing curbside recycling, although it does make an excellent feed stock for Geocycle.
Upon motion duly made and seconded, Resolution 19-06 Amending Titles 1, 3, 4, 7, 8, and 9 of District Code, was approved. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Council Member Mike Newton, Council Member Tony London, Mayor Len Arave, Mayor Howard Madsen, and Council Member Wally Larrabee voted yea. Mayor Mitch Adams voted nay.

Vice Chairman Gailey presented Resolution 19-07 Appointing a Representative to the Board of the Northern Utah Environmental Resource Agency. Board members nominated Mayor Mike Gailey and Council Member Wally Larrabee to the board of the Northern Utah Environmental Resource Agency. Nominated as Alternate Board Members were Council Member James Bruhn and Mayor Len Arave.

Upon motion duly made and seconded, presented Resolution 19-07 Appointing a Representative to the Board of the Northern Utah Environmental Resource Agency was approved. Voting in favor of said motion was unanimous. Vice Chair Gailey, Secretary Council Member James Bruhn, Council Member Vern Phipps, Commissioner Randy Elliott, Commissioner Lorene Kamallu, Mayor John Pohlman, Mayor Katie Witt, Council Member Mike Newton, Council Member Tony London, Mayor Len Arave, Mayor Howard Madsen, and Council Member Wally Larrabee voted yea.

**General Business**

There was no other business

**Adjournment**

Upon motion duly made and seconded, the Administrative Control Board meeting was adjourned at 6:29 p.m. Voting in favor of said motion was unanimous.

\[signature\]
Commissioner Bob Stevenson, Board Chair

\[signature\]
Nathan Roia, Executive Director