Minutes of the meeting of the Administrative Control Board of Wasatch Integrated Waste Management District held November 7, 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  
Vice Chair, Mayor Len Arave, North Salt Lake  
Secretary, Council Member Tony London, Morgan  
Council Member Vern Phipps, Clearfield  
Mayor Mitch Adams, Clinton  
Commissioner Randy Elliott, Davis County  
Commissioner Jim Smith, Davis County  
Mayor Jim Talbot, Farmington  
Mayor John Pohlman, Fruit Heights

Mayor Katie Witt, Kaysville  
Council Member Ned Mecham, Morgan County  
Mayor Howard Madsen, Sunset  
Mayor Jo Sjoblom, South Weber  
Mayor Mike Gailey, Syracuse  
Council Member James Bruhn, West Bountiful  
Mayor Erik Craythorne, West Point (via telephone)  
Council Member Wally Larrabee, Woods Cross

**ADMINISTRATIVE CONTROL BOARD MEMBERS EXCUSED FROM ATTENDING:**

Mayor Clark Wilkinson, Centerville  
Commissioner Bret Millburn, Davis County

**STAFF PRESENT:**

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

**VISITORS:**

Larry Jenkins, Kirton McConkie  
Jon Bronson, Zions Bank Public Finance  
Alyson Price, Zions Bank Public Finance  
Steve Rowley, Keddington Christensen CPAs  
Scott Rogers, Wasatch Resource Recovery

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 November 2, 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 November 2, 2018.
Welcome

Board Chair, Mayor Bob Stevenson welcomed board members, staff, and visitors to the meeting.

Minutes Approval

Chairman Stevenson presented minutes of the September 5, 2018 board meeting to the board for approval.

Upon motion duly made and seconded, minutes for the September 5, 2018 board meeting were approved. Voting in favor of said motion was unanimous. Chairman Stevenson, Vice Chair, Mayor Len Arave, Secretary, Council Member Tony London, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Jim Smith, Mayor Jim Talbot, Mayor John Pohlman, Mayor Katie Witt, Council Member Ned Mecham, Mayor Howard Madsen, Mayor Jo Sjoblom, Mayor Mike Gailey, Council Member James Bruhn, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea.

Public Comment

There was no public comment.

Fiscal Year 2018 Audit Presentation

Mr. David Van De Graff presented the Management Discussion and Analysis portion of the auditor’s report. He also discussed the Solid Waste Management Plan, Financial Highlights, Financial Analysis, and revenues.

Mr. Steve Rowley, Keddington & Christensen, presented the Auditor’s Report to the Board, which found no weaknesses or deficiencies in the system, or in internal controls, and the Auditor’s Opinion, which found that Wasatch complied in all material respects, per the compliance requirements contained in the Government Auditing Standards issued by the Comptroller General of the United States, and the State Compliance Audit Guide.

Mr. Rowley said that staff provided requested information quickly and professionally.

Upon motion duly made and seconded, the board accepted the audit as presented. Voting in favor of said motion was unanimous.

Mixed Waste Processing Facility Update

Mr. Nathan Rich introduced Mr. Jon Bronson and Ms. Alyson Price from Zions Public Finance. Mr. Bronson presented a schedule of debt service, a pricing summary, and a schedule of events for the financing of the proposed mixed waste processing facility for board member review. He presented the Debt Service Coverage Table, which explains expenses, new revenue streams, payoff timetable, and interest, as well as the cost, which is estimated to be $19,570,000. He also explained debt service ratio; that a larger debt service ration will lower the interest rate and raise the District’s bond rating. He added, flexibility in coverage is wise because future recycling revenue is unknow and many not be consistent.

The District’s past bond rating was A plus.

Mr. Bronson advised against a debt service reserve fund but suggested that a surety bond insurance would be a reasonable investment as it increase the bond rating and lower interest rates.

Mr. Rich explained that the proposed two dollar per can increase would be a one-time increase and would protect the District against variables in the recycling market. He added that this project greatly increases the Districts options and flexibility regarding solid waste management.

In response to a question, Mr. Bronson said that the information provided to the board includes depreciation and equipment replacement costs.

Mr. Rich introduced Mr. Scott Rogers, Wasatch Resource Recovery. Mr. Rogers explained that the new facility, located in North Salt Lake, is expected to be operational in the next few months. He the
anaerobic digestion process and facilities to the board. He said that organic material produced by the project will qualify as a higher value feedstock for production of renewable natural gas.

Also discussed was the U.S. Renewable Fuel Standard (RFS2) which promotes the use of biofuels in road transportation fuel (i.e., gasoline and diesel fuel mixtures) and Renewable Identification Numbers (RINs) through which refiners and blenders show that they’ve met their annual renewable volume obligation. When a gallon of biofuel is produced and reported to the EPA, it is assigned a RIN. RINs are divided into categories with different monetary values.

There was additional discussion regarding the benefit versus cost of recycling among board members. Most agreed that recycling will continue to grow as a commodity and in value and that a mixed waste processing facility is an excellent way to honor the District’s mission statement.

Board members also discussed equipment depreciation, which will be spread over 30 years (but with a 15 year payback on the cost of the project and equipment), the two dollar increase in the household use fee, which makes financial sense when considering cities with curbside recycling are currently paying three to four dollars for that service, and the benefit of the partnerships with Wasatch Resource Recovery and Geocycle.

Commissioner Jim Smith made a motion supporting an increase of two dollars in the household use fee as required for the issuance of up to $20 million in revenue bonds for the construction and operation of the proposed mixed waste processing facility.

The motion was seconded. The motion passed 14-2. Chairman Stevenson, Council Member Vern Phipps, Commissioner Randy Elliott, Commissioner Jim Smith, Mayor Jim Talbot, Mayor John Pohlman, Mayor Katie Witt, Council Member Ned Mecham, Mayor Howard Madsen, Mayor Jo Sjoblom, Mayor Mike Gailey, Council Member James Bruhn, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Vice Chair, Mayor Len Arave, and Mayor Mitch Adams voted nay. Secretary, Council Member Tony London left the meeting and was unable to vote.

**Resolutions**

Chairman Stevenson presented Resolution 18-17, Appointing Board Officers for 2019. The nominating committee submitted their recommendations for board officers to the board; Mayor Bob Stevenson to continue as Board Chair, Mayor Mike Gailey to be appointed Vice Chair, and Council Member James Bruhn to be appointed Secretary.

Upon motion duly made and seconded, Resolution 18-17, Appointing Mayor Bob Stevenson as Board Chair, Mayor Mike Gailey to be appointed Vice Chair, and Council Member James Bruhn to be appointed Secretary was approved. Voting in favor of said motion was unanimous. Chairman Stevenson, Vice Chair, Mayor Len Arave, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Jim Smith, Mayor Jim Talbot, Mayor John Pohlman, Mayor Katie Witt, Council Member Ned Mecham, Mayor Howard Madsen, Mayor Jo Sjoblom, Mayor Mike Gailey, Council Member James Bruhn, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Council Member Tony London, Secretary, left the meeting and was unable to vote.

Chairman Stevenson presented Resolution 18-18, Adopting a Meeting Schedule for 2019.

Upon motion duly made and seconded, the board passed Resolution 18-18, Resolution Setting a Meeting Schedule for 2019, agreeing to meet on February 6, 2019, May 1, 2019, June 5, 2019, September 4, 2019, and November 6, 2019. Voting in favor of said motion was unanimous. Chairman Stevenson, Vice Chair, Mayor Len Arave, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Commissioner Jim Smith, Mayor Jim Talbot, Mayor John Pohlman, Mayor Katie Witt, Council Member Ned Mecham, Mayor Howard Madsen, Mayor Jo Sjoblom, Mayor Mike Gailey, Council Member James Bruhn, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Council Member Tony London, Secretary, left the meeting and was unable to vote.

Chairman Stevenson presented Resolution 18-19, Adopting a Reduction in Force Plan. Mr. Rich explained that three employees qualified for the Reduction in Force Plan; those 55 years old and older and those with 20 years’ service with the District. Any qualifying employee choosing to accept the
plan will receive two weeks’ pay per year of service, up to 52 weeks, and the cost equivalent of 18 months insurance.

Upon motion duly made and seconded, the board passed Resolution 18-19, Adopting a Reduction in Force Plan. The motion passed 14-1. Chairman Stevenson, Vice Chair, Mayor Len Arave, Council Member Vern Phipps, Mayor Mitch Adams, Commissioner Randy Elliott, Mayor Jim Talbot, Mayor John Pohlman, Mayor Katie Witt, Council Member Ned Mecham, Mayor Jo Sjoblom, Mayor Mike Gailey, Council Member James Bruhn, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Mayor Howard Madsen voted nay. Council Member Tony London, Secretary, and Commissioner Jim Smith left the meeting and were unable to vote.

Financial Report

Mr. David Van De Graff presented financial statements through September 30, 2018.

He also presented disbursements for September and October 2018. Disbursements for the months of September and October totaled $2,573,571.43. Checks over $6,000, for the months of September and October totaled $2,408,986.71 comprising 94 percent of disbursements.

Upon motion duly made and seconded, the board approved disbursements. Voting in favor of said motion was unanimous. Chairman Stevenson, Vice Chair, Mayor Len Arave, Council Member Vern Phipps, Mayor Mitch Adams, Mayor Jim Talbot, Mayor John Pohlman, Mayor Katie Witt, Council Member Ned Mecham, Mayor Howard Madsen, Mayor Jo Sjoblom, Mayor Mike Gailey, Council Member James Bruhn, Mayor Erik Craythorne, and Council Member Wally Larrabee voted yea. Council Member Tony London, Secretary, Commissioner Jim Smith, and Commissioner Randy Elliott left the meeting and were unable to vote.

Director’s Update and Report to the Board

Mr. Rich suggested that, in order to not extend the board meeting any longer, board members review the Director’s Update and Report to the Board at their leisure.

He invited board members to attend the Christmas Party scheduled for Monday, December 10, 2018 at the Timbermine Steakhouse in Ogden.

General Business

There was no general business

Adjournment

Upon motion duly made and seconded, the Administrative Control Board meeting was adjourned at 6:52 p.m. Voting in favor of said motion was unanimous.

Mayor Bob Stevenson, Board Chair

Nathan Rich, Executive Director