

**SPECIAL MEETING OF THE BOARD OF TRUSTEES – WASATCH FRONT WASTE AND RECYCLING DISTRICT (WFWRD)**  
**MEETING MINUTES**

DATE/TIME	LOCATION	ATTENDEES
<p>Monday, October 21, 2024, 9:00 a.m.</p> <p><b>Next Board Meeting</b> Monday, October 28, 2024, 9:00 a.m.</p>	<p>Public Works Building 604 West 6960 South Midvale, UT 84047</p>	<p><u>Board Members:</u>  Anna Barbieri (Chair)-City of Taylorsville, Greg Shelton (Vice Chair)-White City (<i>arrived at 9:10 a.m.</i>), Sherrie Ohrn-Herriman City, Emily Gray-City of Holladay, Keith Zuspan-Town of Brighton, Laurie Stringham-Salt Lake County, Matt Holton-Cottonwood Heights, Mick Sudbury-Magna City (<i>excused at 10:19 a.m.</i>), Robert Piñon-Emigration Canyon (<i>excused at 9:59 a.m.</i>)</p> <p><u>Participating Electronically:</u> Brett Hales-Murray City (<i>excused at 10:25 a.m.</i>), Patrick Schaeffer-Kearns City (<i>arrived at 10:08 a.m.</i>), Tessa Stitzer-Town of Copperton (<i>arrived at 9:28 a.m.</i>), Thom DeSirant-Millcreek City (<i>arrived at 9:11 a.m.</i>)</p> <p><u>Excused:</u> Rachel Anderson-Legal Counsel, Aaron Dekeyzer-Sandy City</p> <p><u>District &amp; Support Staff:</u>  Pam Roberts, General Manager/CEO  Helen Kurtz, Finance Director/CFO  David Ika, Operations Manager  Matt Ferguson, Controller/Treasurer  Renee Plant, Administrative Manager  Sione Tuione, Residential Recycling Collection &amp; Sustainability Manager (<i>Webex</i>)  Justin Tuft, Residential Refuse &amp; Special Services Collection Manager  Lisa Kelly, HR/Payroll Specialist  Lori McAllister, Payroll Technician  Catarina Garcia, Executive Assistant/Board Clerk</p> <p><u>Public:</u> Suzie Becker, Zions Public Finance (<i>excused at 10:32 a.m.</i>), Japheth McGee, Zions Public Finance (<i>arrived at 9:18 a.m.</i>), John Taylor-Taylorsville City (<i>9:13 a.m.-9:55 a.m.</i>)</p>

## THE WASATCH FRONT WASTE AND RECYCLING DISTRICT BOARD OF TRUSTEES MEETING AGENDA

To be held Monday, October 21, 2024 at 9:00 a.m. at the District Offices located at 604 West 6960 South, inside the Salt Lake County Public Works Administration Building Training Room. This meeting will also be held electronically via Webex. Public login is:

<https://slco.webex.com/slco/j.php?MTID=m1a51bfd51de9d6f74e84dd44ee2fed78>

Reasonable accommodations (including auxiliary communicative aids and services) for individuals with disabilities may be provided upon receipt of a request within five working days' notice. For assistance, please call V/385-468- 6332; TTY 711. Members of the Board may participate electronically.

**Call to Order:** Anna Barbieri, Board Chair  
**Roll Call:** Catarina Garcia, Board Clerk

### **1. Consent Items (*Approval Requested*)**

1.1. September 23, 2024, Board Meeting Minutes

### **2. Meeting Open for Public Comments**

*(Comments are limited to 3 minutes) Public wishing to submit a comment to the Board of Trustees may do so by submitting their comment to the Board Clerk at [cgarciaw@wasatchfrontwaste.org](mailto:cgarciaw@wasatchfrontwaste.org) before Monday, October 21, 2024, 8:00 a.m. All comments must include the name and address of the individual making the comment. These comments will be read at the meeting as if the individual were present. Public comments can also be made in person or via Webex during this time.*

### **3. Discussion**

3.1. Review of the 2025 Tentative Budget Including Fee Increases: Pam Roberts, General Manager, and Helen Kurtz, Finance Director (***Direction Requested***)

- a. Recommendations from Japheth McGee and Susie Becker from Zions Financial Advisory Services
  - i. Fee Increase Scenarios
  - ii. Options to Incur Debt with Lease-to-Own Truck Purchases
- b. Program Cost Accounting and Related Revenues
- c. Service Fee Comparisons

**4. Other Board Business**

*This time is set aside to allow Board Members to share and discuss topics.*

**5. Requested Items for the Regular Board Meeting Monday, October 28, 2024, 9:00 a.m.**

- Adopt Agreement with the Bingham Creek Park Authority (storing roll-off containers)
- 2024 3<sup>rd</sup> Quarter Financial Report
- Tentative Adoption of the 2025 Tentative Budget and Fee Schedule
- Confirm the Date and Time for the Public Hearing to Allow Public Comment on the 2025 Budget and Fee Schedule currently scheduled for Monday, November 18<sup>th</sup> at 6:00 p.m.
- General Manager's Report

**6. Adjourn**

TOPICS/ OBJECTIVES	KEY POINTS/ DECISIONS	ACTION ITEMS WHO – WHAT – BY WHEN	STATUS
<b>Call to Order / Roll Call</b>			
	Board Chair Barbieri called the meeting to order at 9:07 a.m. and Catarina conducted the roll call.		
<b>1. Consent Items (<i>Approval</i>)</b>			
1.1 September 23, 2024, Board Meeting Minutes	There were no comments on the minutes.	<b>Motion to Approve:</b> Board Member Gray <b>Second:</b> Board Member Stringham  <b>Vote: All in favor (no opposing or abstaining votes).</b>	<b>Approved October 21, 2024</b>
<b>2. Meeting Open for Public Comments (<i>Comments are limited to 3 minutes.</i>)</b>			
	There were no public comments.		
<b>3. Discussion</b>			
3.1 Review of the 2025 Tentative Budget Including Fee Increases: Pam Roberts, General Manager, and Helen Kurtz, Finance Director ( <b><i>Direction Requested</i></b> ) a. Recommendations from Japheth McGee and Susie Becker from Zions Financial Advisory Services i. Fee Increase Scenarios ii. Options to Incur Debt with Lease-to-Own Truck Purchases b. Program Cost Accounting and Related Revenues c. Service Fee Comparisons	Pam welcomed and introduced Suzie Becker with Zions Public Finance.  Suzie showed a list of the District’s current rates and reviewed the following highlights from their rate analysis: <ul style="list-style-type: none"> <li>Operating costs are projected to increase by 3-5% annually through 2026; 3% per year thereafter. Looking at inflationary costs such as fuel.</li> <li>No bonding is used in the analysis.</li> <li>Capital costs range between \$3M and \$5.9M per year.</li> <li>Beginning fund balance is nearly \$6.2M.</li> </ul> Key Metrics used: <ul style="list-style-type: none"> <li>Days Cash on Hand.</li> <li>Debt Service Coverage Ratio.</li> </ul>		

Baseline Scenarios with no fee increases included Net Revenues before Debt Service, Capital Costs, and Days Cash on Hand (fund balances) that reduce very quickly. We are short (negative) 19 days in 2025 and then that negative grows without a rate increase. Suzie explained that most utilities generally like to have 150-180 days cash on hand, which is related to a bond rating.

She then reviewed rate options with the information from staff for a regular can [per home per month] noting that the most favorable outcome for your fund balance is with Option 1:

	2025	2026	2027
Option 1	\$26	\$27	\$28
Option 2	\$26	\$26	\$28
Option 3	\$25	\$27	\$28

Increases Under All Options for One-Time Increase in 2025 are:

- Green Cart Can - \$12.00.
- Additional Green Cart Can - \$3.50.

Option 1 does not go below 48 days cash on hand out to 2030 which may seem low, but it depends on WFWRD's comfort level. The cash balance does grow and then reduces over time without another rate increase. A lot of their clients are increasing 3% every year to keep up with inflation. However, you may want to do that.

- 2025 Fee Increase \$6.50, Monthly Fee \$26.00, Days Cash on Hand: 49.
- 2026 Fee Increase \$1.00, Monthly Fee \$27.00, Days Cash on Hand: 57.
- 2027 Fee Increase \$1.00, Monthly Fee \$28.00, Days Cash on Hand: 65.

Option 2 with no fee increase in 2026 and a \$2.00 increase in 2027 lowers the days cash on hand as follows:

- 2025 Fee Increase \$6.50, Monthly Fee \$26.00, Days Cash on Hand: 49
- 2026 Fee Increase \$0.00, Monthly Fee \$26.00, Days Cash on Hand: 47
- 2027 Fee Increase \$2.00, Monthly Fee \$28.00, Days Cash on Hand: 53

Option 3:

- 2025 Fee Increase \$5.50, Monthly Fee \$25.00, Days Cash on Hand: 39.
- 2026 Fee Increase \$2.00, Monthly Fee \$27.00, Days Cash on Hand: 44.
- 2027 Fee Increase \$1.00, Monthly Fee \$28.00, Days Cash on Hand: 53.

She explained there is not a lot of difference in the options across the board although there is more cash on hand with Option 1.

Regular Can	2025	2026	2027
Option 1	\$26	\$27	\$28
Option 2	\$26	\$26	\$28
Option 3	\$25	\$27	\$28

Days Cash on Hand:

	2024	2025	2026	2027	2028	2029	2030
Option 1	85	49	57	65	64	49	48
Option 2	85	49	47	53	52	36	36
Option 3	85	39	44	53	52	37	36

Board Member Gray asked what the historical cash on hand has been. Pam replied, roughly 40% in the past. The Board set a policy in 2015 to have a desired 20% year-end cash and to raise fees when projections show 5%. She said that 20% would be roughly around three months [depending on expenditures]. Year-end projections for this year show roughly 40%, which is five months, again depending on the bills we need to pay and the timing.

Pam explained that she and Helen Kurtz [Finance Director] are looking at is how can we increase the cash flow throughout the year. Because we bill in arrears for three months [quarterly] there is a big delay in our cash coming in. One thing is to consider monthly or every other month billing. It would drive up costs, but we could manage those through the fee increases as we go.

Board Member Ohrn clarified that none of the options get us to the previous Board policy of 20%. Board Member Stringham recalled it being three to four months of cash on hand. Pam commented that 20% is for all expenditures, not just operating costs. Next year we are looking at \$31 million in operating expenses plus \$5 million of capital expenditures.

Board Member Gray asked about the major decline between 2024 and 2025 and was reminded that it is the capital expenses. Pam reminded everyone there were two years of delay drawing down cash to purchase trucks, and the prices increased over \$100,000 per truck. Another consideration would be to purchase seven trucks instead of eight.

Pam said the other thing that happened is that we haven't experienced the turnover with new trucks coming in and old trucks going out. Instead of maintaining 56 side load trucks,

there were 66 as 10 trucks were being decommissioned. There is a 30-day delay in a new truck going into service.

Board Member Stringham asked if that is part of the estimate when we bring on a new truck. Pam responded that it comes out of the maintenance line item. It's the rate of maintenance and the number being serviced. These are things that we need to plan for in the future.

Suzie stated we can get to having enough cash on hand with Option 1. Instead of going \$26.00, \$27.00, \$28.00, we could go \$26.00, \$27.50 and \$29.00 which would get us to 93 days cash on hand for 2028.

She replied to Board Chair Barbieri that we can do \$26.50, \$27.50 and hold at \$29.00. Susie pointed out the \$26.00 in 2025, and a \$1.50 in 2026 and 2027. Board Member Gray said to do it if that's the level we need to be. 39 days cash on hand is not smart.

Pam replied to Board Member Holton that this is all based on a three-year increase. Board Member Ohrn noted that this is the assumption based on projected costs. Board Member Holton and Gray asked how every year increases would work in passing the annual budget. Pam stated that when Rachel, our legal counsel, looked into the rate increases over more than one year, and the Board can adopt increases in the future but there is still the requirement for a tentative adoption of the tentative budget and a public hearing each year. Board Member Ohrn noted that the process may not be binding for future boards due to the adoption each year.

Board Member Zuspan asked to clarify the options are strictly based on fee increases with no leasing or bonding, and if we did attempt to bond, what the maturity would be



on that bond. When the MSD [Municipal Services District] did a bond it is a very small cost based on the dollars collected. The bond that would go out was purchased for one individual so to speak. So, their guaranteed rate of return seems good, but as we [WFWRD] see the future cost of vehicles, can we capture that cost? Looking at the cash on hand as we draw down on it.

Pam found this a perfect segway to invite Japheth to review the introduction and baseline scenario that Suzie presented.

Japheth reported that the cash position is expected to decline each year from 2027 on in our baseline assumptions. Included in those assumptions are rate increases in 2025 and 2027. In the different reporting agencies perspectives, the top-rated, triple A rated utility-type districts are going to have 150 days cash on hand. A little less than six months of operating expenses primarily to have operating cash should something come up; emergency expenditures. An example he uses a lot is three or four years ago Payson City had an emergency with replacing a burst water main and needed \$3 million dollars of operating costs to finance it during the six weeks it took to get a bond in place. Operating cash can get you through emergency situations depending on what the organization looks like with the level of cash. It looks like WFWRD has a policy of 20% with a minimum of 5%.

He went on say that one option is to utilize debt financing with bonding. There's usually not much of a difference with bonding and leasing. They are functionally the same and some statutory requirements are different, but in both cases, you are issuing a debt instrument, you purchase your assets, and you own them. In the case of a bond, there would be a lien on revenues. In the case of a lease, there would be a lien on the property. Otherwise, they are functionally the

same. A bond attorney would be an additional cost, and for vehicles and rolling stock it would be uncommon to have bonds be the security for that type of financing. It's much more common to see a lease purchase which is with a single financier, typically a large bank, such as Bank of America, Wells Fargo, or Capital One. The benefit is spreading the financing over a number of years, but investors don't want financing out on an asset longer than the life of the asset. If the replacement cycle is seven years and the asset becomes functionally useless, or depreciated to zero, an investor is not going to want to take on financing beyond the point the asset has any value to us, because it has no value to them as well.

This is important because of the short funding cycle on equipment, we are matching payments exactly with the useful life of the vehicle. Big buildings at the county could last for 40-50 years and if financed over 20 years, there is still potentially 30 years where it is not being paid for but are getting use for it. We don't have that benefit because we are matching up the useful life of the building with the term of the financing, each of the payments would have to line up effectively. If we finance every year, after seven years we're back to the exact same payment amount, or paying for effectively the same thing, but now there's interest costs on top of it. For short-term assets with short useful lives, it doesn't make a ton of sense to use debt to finance them unless there is residual value at the end.

We tend to sell the vehicles at the end of their useful life and get a little bit from them. One thing we could potentially do to get a little more value is to say okay, we're only going to finance and pay principle on the portion we don't think we can get that we are using up to the amount we can sell it for. At the end of the term, you pay off the lease with the value of those vehicles. They have seen a lot

of cities do that and get bitten by that practice. The values aren't the same and they have to come up with the difference when they sell them. It would be a cash cost to estimate the value of something seven years from now.

Debt financing is not a good long-term solution for making cash go farther for our vehicles. It can be a good short-term measure to increase cash levels and allow time to increase rates to levels that put us on a more sustainable level long-term. What the different scenarios have modeled is what debt financing in 2025 for capital needs amortized over five years, it shows what it does to the cash position by doing these financings. We can extend to seven years if that is what you would like. If we do 2025 capital needs and determine it will get us through this year without having to pay cash and building up a slightly larger cash balance, which would get us almost to 150 days which is the threshold that the rating agencies see as triple A rated entities. Doing a single financing in 2025 would get us to almost 150 days but it would decline over time in your cash values.

We could use a combination of debt financing and rate increases to get us on a more sustainable footing for the long haul.

He concluded that he doesn't suggest doing debt financing long-term is a viable solution for someone who's assets are so short-term. Debt financing is a long-term instrument. It can be something to help us ease into resident rate increases for your residents.

Board Member Stringham asked if we know what the next big bond would have to be for buildings or larger things beyond seven years. Pam replied that the only thing we own is the Truck Barn and land just to southeast. The Truck Barn

is all depreciated and it would be nice to have our own administrative building over there and possibly bond for something like that, but it is a long-term view and maybe future planning. For right now, what do we do now?

Board Member Stringham said as far as policy, if we are going to bond something large down the road, we would probably want to do that. If we do, we want to be a triple A rating to get to that point and have 150 days of cash on hand. She is unsure how many years you must have that to keep that triple A rating but if we are not going to be bonding any time soon, less cash on hand doesn't matter if we're not bonding. This is where the policy comes in and we need to determine how soon we think we are going to need a long-term bond for this organization, what does it look like, and when does it have to hit and make sure we are planning ahead to have the triple A rating by the time we go into that. We do not want to be paying high interest rates. We want to be able to make sure we have 150 days to be able to keep that rating. We will want to do that for a couple years before hand which means we have to be thinking ahead about what we do to manage our fund balances during that time. She wants to make sure we are aware of what are long-term goals are and what we need to rebuild. Right now, we are leasing this building which makes it easy, but we will probably need to rebuild sooner than later.

Pam said it depends on the purpose. The way it is being utilized now works but we don't know how long it will work. We would have to hire experts to look at the structure.

Board Member Stringham asked what kind of maintenance it takes right now. Pam responded that it is pretty low right now, we did upgrade the fire suppression system for just over \$40,000 which is a shared cost; our cost was fairly

minimal since we are not using it right now. There are upgrades or improvements that may have to take place in the future as well.

Board Member Holton commented that the Truck Barn is really old. Pam guessed it was built in the late 1960's or early 1970's. Board Member Holton stated that it is less about what it is used for now, and what it could be used for. Pam agreed.

Board Member Stringham believes that is a discussion we really need to have because if we are not taking that into consideration now, we are not having the full conversation.

Pam stated that the full conversation is what each Board Member views as long-term for WFWRD. One is trying to get a sense from every Board Member and what their goals are for their respective cities. Some cities are understanding this need for a fee increase and others are not.

Board Member Stringham replied that is why she believes this conversation needs to be part of that. Trucks are short-term capital, leasing when we can actually use cash doesn't make sense to her, nor does bonding and paying interest. Really what you do when you're looking at that, we lease, we put money away for the next one as we are doing it, there's upfront costs for that. Or we are always a little bit behind, or we cover the costs upfront. Either way we will pay for it one way or another. Are we going to pay for it now or pay a little bit more later? The only way we can cut services is to say we no longer want to do this much service. If we want to keep the current service levels, increases are there. If we don't want to do that and want to change services, that is when we start talking about cutting services. She wants to make sure we are talking about the fees to keep services at the level we are now, and if we are

not going to increase fees, we are going to cost ourselves the money down the road, so the jump is bigger which is what we often see but we are also putting us in a bond situation if we needed to bond down the road for larger capital expenses which is another issue. These are all things she has to balance when thinking about special districts.

Board Member Ohrn said we have had the conversation a little bit about the land and building our own building instead of continuing to lease from the county. That would be a bigger discussion that we all can agree on. It would be forward thinking.

Japheth replied to Board Member Ohrn regarding Model 1 – Lease Financing in 2025 that it assumes rate increases just in 2025 and 2027 up to \$26.00 and up to \$28.00. No increases were assumed after 2027. To his point, if we want to stretch the financing out seven years, we can build in additional rate increases to keep cash levels high, which would be the valuable scenarios to use for lease financing.

She asked if Model 1 – Lease Financing in 2025 assumes a \$5.50 increase and truck lease to get to 142 days cash on hand. Japheth replied yes, it is just the capital costs from 2025. The second model is the capital costs from 2025 go into a lease and another lease in 2026 to get the capital costs in 2026 put into it, in addition to the rate increase.

Japheth clarified to Pam that it includes Option 2, \$26.00 in 2025 and leasing options going to \$28.00 in 2027.

Board Chair Barbieri restated that it is just the rate increases with no lease options to get our cash on hand up to 53 days. With a lease option we can get to 142 days cash on hand. She asked if we need 142 days if we are not going to bond.

Board Member Ohrn stated that is the question, we were between 20% and 5% year-end cash which is a pretty big gap. In her mind she always thought we tried to stay around three months and in reality, we would be half of that.

Board Chair Barbieri said that when she came on board we talked about 90 days [cash on hand].

Board Member Gray believes we do not have enough information to discuss bonding. Is it a five-year or 10-year plan. We need to determine what the long-term goals are but today we are just talking about the rate increases. We need to continue to discuss bonding when we have more information but today, we need to focus on the rate increases.

Pam replied that the idea was to give the Board some options to say that is a big rate increase to go straight to \$26.00 per month with a \$6.50 increase. Even \$5.50/\$25.00 per month is a big increase. It is the largest increase we have ever requested, and then we will get into the program cost accounting discussions. Hindsight is always 20/20. Five years was too long to wait for a rate increase especially with everything that was hitting us, and the inflation. The \$2.50 per month that we raised in 2023 was not enough. We knew we needed \$3.50 but staff and the Board agreed to \$2.50, and we were hopeful it would go longer than two years, but it didn't and now we are behind the eight ball which is why it is a larger chunk.

Board Member Gray believes Option 1 makes the most sense. It's not great, it is our biggest increase, but it puts us in a better position long-term.

Board Member Stringham talked about the two theories of rate and tax increases which are nibbles versus bites. Do you nibble at it every year so that you're not having these

giant increases, or do you wait several years, and you take a big bite on it? Either way, you're increasing because you are always going to have to increase because inflation never goes down. Everything is always growing up and because of that, you've got to determine if you want services the same it's either a nibble or a bite. That's just how government works and there are times that increases are needed. She understands maybe we don't feel like we need it, or we want to change our services that's when you get into alright then, maybe we don't need all the services.

Board Member Ohrn stated that she does not disagree. Our mission is to provide sustainable quality integrated waste and recycling collection services for the health and safety of our community because everything doesn't fit in the can. So that's our mission. Our job is to pick up people's trash, and to make healthy safe communities. Do we have a lot of fluff because we like some services and people like those? Are we in an economy where we have to scale back a little on fluff because people can't afford it?

Board Member Gray asked which programs were fluff.

Board Member Ohrn said she is not suggesting that any of these are not great services, they all are. It's not like extra whipped cream, they are great services, but how much do they cost? We talked about this the last meeting. How much are they truly costing us, for example, Christmas tree pick up. How much is the cost compared to the value that we're actually providing, and can we scale back a little bit? Are we subsidizing so much in these other things that we're not covering our costs well enough?

Pam asked if there were more questions and requested to move on to the staff reports that outline the program costs and answer some of the questions.



Board Member Stringham stated that one person's fluff is another person's need. She hears it all the time with county services, and we have to determine what's in the best interest of our community we serve. She is out in the west, and they just want us to come pick up anything. "Please pick it up and take all of the extra stuff with it." Half our people don't care where it goes. If it's recycled or if it's just going to the landfill, they just need it gone. Because there's a lot of hoarders in her area, they want that gone too. There's a lot of that going on and we're seeing a lot of that getting cleaned up. Glass recycling, green waste pick-up, and all those programs are so important to them.

Board Chair Barbieri agreed those are really important issues to consider as far as what services we want to provide. Today we really want to focus on the summary and what option we need to go to in order to keep this sustained system. She wants to have that discussion, staff have broken out the different programs, and asked Pam to move on to that information.

Board Member Piñon stated that he needed to be excused from the meeting and wanted to express his support for Option 1. He would rather see the District have enough cash to be in a healthy position. He does appreciate and thinks that the leasing option for the equipment is the better way to go and is in favor of that as well. He wanted to express his support of Option 1 as a way to get us into the right place, and that keeping the current level of service is very important. He expressed his thanks on behalf of Emigration Canyon and was excused.

Pam continued with the 2023 Residential Services and Program Costs as requested at the last Board Meeting. She explained that leaves and Christmas trees are all rolled-up into the trailer program. She thanked David Ika, Helen, and

Matt for diving into the data and separating those costs. We look at where we allocate employees in garbage and recycling collections as well as administrative overhead. She asked Helen to explain the methodologies.

Helen described taking the budget for each program and using percentages for the overhead costs and assigned the costs for each program.

Pam noted that this is how it has been done in the past as well. The \$22 million in program revenues includes the base fee of \$19.50 per home per month, and fees for approximately 8,000 second cans. She said she is proposing to keep the second can fee for 2025 as a consideration of the needs for larger families. [That second garbage can fee went up significantly in 2007 when bi-weekly recycling rolled out district wide. The intent from the County Council at that time was to motivate residents to recycle.]

- Costs for Garbage Collections: Close to \$12 million.
- Recycling: almost \$8 million
- SCRP: \$1.1 million
- Side Load and Front Load Can purchases: \$1 million. For can replacements and new homes.
- Cans Revenues: \$119,000. We charge \$70.00 per can, \$140.00 for a new home. Pam explained that particular fee came about in 2017 and was spearheaded by Board Member Ohrn's predecessor, former Board Member Tischner. He saw that most the growth was in Herriman, and he thought of that fee to cover can purchase costs for the District. We also charge for second cans and a smaller fee for curbside glass cans because those are a lesser cost to purchase, and \$70.00 for green waste cans. We charge for front load services that are used for city halls, county facilities, libraries, and recreation centers and we charge separately for the services themselves,

	<p>and not included in this illustration. Front load services are also used for the canyons.</p> <ul style="list-style-type: none"> <li>• Trailer rentals: \$661,972, Revenues: \$147,000, Difference (\$514,972). A portion of this is the “free” trailer reservation for canyon residents. We have not been able to drill those costs down, but it would not be a large part of the \$600,000 but would lower that cost from rentals. Valley residents get SCRP (\$1.1 million cost).</li> <li>• Leaves (which are happening now): \$93,515. Pam went by the ballpark on 1300 East and 4500 South to see the piles are manageable but anticipates there will be larger piles, of not just leaves.</li> <li>• Curbside Christmas Tree Pick Up: \$26,000</li> </ul> <p>Pam explained these programs came about through public and political will. The idea was to capture reasonable materials for recycling, green, and glass. The cost for landfill vouchers is rolled-up into tipping fees, and the QR code has driven the costs down. Landfill vouchers, the trailer rental, and the SCRP program are because “...not everything fits in the can.”</p> <p>She replied to Board Member Holton’s question that yes, we subsidize the \$0.50 per home per month for the trailer rental program. He said for the most part, most people got a SCRP container in his area and asked if we should reduce the price of a trailer rental. She noted we have looked at increasing trailer rental fees understanding that it is \$190.00 per trailer that includes two tons of waste. Two tons of waste can be anywhere from \$29.00 per ton for the northwest, to \$41.00 for the southwest, and \$37.00 for the majority. We are looking at if we can cover some of the tonnage costs through an increased rental fee.</p>		
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There were comments about price and proximity and guiding people to a trailer rental. Pam said it is easier to raise the base fee for trailers to \$240.00 than for staff to go back and bill. We are lean on staff, including Customer Service, who also help with billing and SCRP inquiries.

She replied to Board Member Holton that the cost for trailers is \$662,000 for 1,071 total reservations. 845 Bulk = \$190.00 per, 226 Green = \$55.00 per, noting that the costs for canyon “SCRP” has not been broken out of the \$514,000 deficit, but it is a smaller percentage. The cost per trailer is roughly \$660.00 based on the straight calculation of the costs by the number of rentals.

Board Member Holton finds it reasonable to say if the District were to cover half of the cost because he does not see it as a complete, essential service. It’s nice to have and helpful for the people who cannot get SCRP, but if the District is going to pay for half of the cost, he does not find it unreasonable. If people are using it less and less, it is not costing the District money if the trailers aren’t going out as frequently.

Board Chair Barbieri stated that she is not sure WFWRD should be subsidizing people’s clean-ups to this level. There are private sectors who should be cleaning up areas and is not sure her neighbor should subsidize someone else’s trash when they could call an independent, for-profit company to pick it up. She does not believe it is the job of government entities to compete with independent businesses, especially at this level. For people in Taylorsville who really cannot afford anything else, the City has a way to help them with the trailers and trash and dumping fees. As a Taylorsville resident, it is a sounder way to provide a service so it gets exactly to the people who absolutely need it, absolutely can’t afford it rather than

everyone supporting something that could be turned over to a private entity.

Board Chair Barbieri replied to Board Member Gray that she is not suggesting to end the program, but to bill people for what it's worth.

Board Member Stringham commented that maybe there are vouchers for canyon residents that the city puts out. Board Chair Barbieri thinks we need to think outside the box.

While Board Member Gray finds this a really good discussion, ultimately, she does not feel that it will affect whether or not we need to raise rates. It is a very small percentage of our overall budget, and we always need to look at ways to be cost-effective.

Board Member Holton added that we all know we need a fee increase but we are being smart and asking questions such as do we need to prepare for a bond. How can we cut in other places to be smarter, so the increases are going a bit further. The hardest part of the job sitting on multiple boards is seeing increases everywhere. If we can save half a million dollars, he'd snag that.

Board Member Gray reiterated that she is considering the timing and the need to get the budget approved. These other discussions need to happen, but we need more information to continue as what would be the ultimate benefit of not subsidizing programs, looking at future bonding needs, but we have a week to get the budget in. She feels like we need to put them on the agenda.

Board Chair Barbieri expressed appreciation for Board Member Gray's comments. We need to wrap up what we are going to do with the tentative budget for the next couple

of years. We asked Pam to bring all this information, and we can continue these other discussions at a future meeting.

Board Member Ohrn stated that she has to be accountable to people that elected her and explain the whys of a rate increase because it is only one of a gazillion others.

Pam agreed and apologized for the timing. Several Board Members said no apologies are necessary because they asked her to present the information and that it is helpful.

Helen interjected that the trailer rental revenues are less than 1% of the revenues, and roughly .029% of expenditures.

Pam expressed her understanding and respect for the Board's policy decisions and changes they deem fit. In the past the thought and policy were that it is okay to pay the monthly subsidy in this case, \$0.50 per month to have access to a trailer if needed. We talked about cities paying the costs but there will still be a subsidy for municipalities that need to have dilapidated properties cleaned up. We have had those requests from Taylorsville and Kearns. Kearns has been funding four trailers for one particular property. Mayor Bush has approved the payments. We are willing to put it up for that price, but that would change the policy. If the trailer rental prices increase to \$240.00 or \$250.00, to help offset that subsidy, the cities would bear that as well.

Vice Chair Shelton stated that it would be very helpful to understand how our trailers cost competitively to the private sector haulers. We may be subsidizing way more than we need to, or if someone were to have to pay the actual cost still may be significantly cheaper than someone going to one of the private companies. He is okay paying

some of the subsidy if it helps people be able to utilize it more often. It's not that you or you or you are the only ones that use it, but the opportunity is there. That's what you are paying for. Sure, it could be less of a subsidy but comparing to a private company, ton per ton, what are we looking at competitively?

Board Member Holton asked if staff would be willing to prepare a comparison to the open market.

Board Chair Barbieri went back to Board Member Gray's comment that we really have to deal with the budget. As there is no vote today, she would love to continue discussions on each one of these and get feedback from her fellow Council Members in Taylorsville. She also shared a funny anecdote of her private collector at her business.

Board Chair Barbieri wrapped up the discussions for the issues and asked if there were any additional comments on the budget.

Board Member Stringham asked if staff would bring back the full cost of a trailer rental and what the fee would be.

At this point of the meeting, Board Member Sudbury asked to be excused.

Pam said that she didn't want to speak for Board Member Sudbury, and she spoke with him on the phone last Thursday to make sure he could attend this meeting because he has missed a couple of crucial meetings to get the information of why we are raising rates. She knows that Magna City is intending to go out for bid for services from a private company, which is totally understandable. Pam replied yes to Board Member Holton, the concern is that is this proposal the highest amount we have done. The answer

is yes. There is a sense that we have curved back services with the change to the SCRP and there is no doubt we saved money by the change, but it was out of the desperate need of not being able to get CDL drivers.

Pam noted she will further explain wages, salaries, and overtime increases, and wanted everyone to understand that 2023 was close to a “breakeven” primarily because we had budgeted \$5.3 million to purchase trucks, and we couldn’t. We “saved” money but the \$2.50 per home per month increase would have been eaten up significantly if those purchases happened.

Looking at cost increases over time, Pam wanted to ensure to show the illustration that includes the possible tentative 2025 budget. She pointed out that the total increase is close to \$6 million over six years, which equates to \$6.00 per home per month.

Pam thanked Herriman City Council Member Henderson who asked the question why wages and overtime have increased past inflation. She replied that we added 10 FTEs, and they are included in the costs. Five FTEs were reclassified for the Equipment Operator Apprentice Program. We added the administrative positions of Safety & Emergency Preparedness Coordinator, Administrative Manager, Data & Program Specialist, and the HR/Payroll Specialist to support the additional number of drivers.

Pam noted that the average driver wage from 2019 went from \$19.12 to \$21.02 per hour in 2020 after the big salary market adjustments. In 2021 and 2022 we added pay for experience for drivers. Through 2024, the average driver wage has increased \$10.00 per hour, which is now \$29.21. The starting wage has increased \$6.00 per hour. That wage is for drivers that come in with one year of CDL experience.



We started paying for work experience to recruit and retain more experienced CDLs and it paid off, but there's a price.

Pam further reported that other considerations are that starting in 2025, there will be new storage costs for the 110 roll-off SCRP containers located at the Bingham Creek Park Authority in South Jordan. It is a 10-year agreement, \$10,000 annual with a 2% escalation. She will ask the Board to adopt the interlocal agreement next week. We have been lucky by not having to pay those over past years. There is a new shared paving cost for the road going back to the south yard estimated at \$72,000. Many have seen photos of the dilapidated and decayed asphalt. There will be a shared cost in 2026 for paving the parking lot on land we own. We have already upgraded a big portion with cement.

Pam also provided a fee increase history. In 2023 we went from \$17.00 per home per month to \$19.50 per home per month. There has been a three to four year maximum between fee increases. We know that five years was too long to wait for an increase and \$2.50 per month was not enough.

She showed the Updated Cash Projections with No Fee Increase prepared by Zions Public Finance, and the fee comparisons of other municipalities.

Renee had looked online and asked to report that a 10-yard trailer rental from a private company is \$741.00. Board Member Ohrn added that you can get a big 30-yard for about \$400.00.

Board Member Holton asked if \$13.00 was Riverton City's monthly cost. Pam replied that is the fee they charge but she doesn't know the cost. Board Member Ohrn said they

charge every resident that amount, and some of it is subsidized. She said the biggest thing to notice on the chart is the Trans-Jordan members. What is the difference in our tipping fee in comparison? Pam replied that ours are twice as much. Board Member Ohrn said that is what is killing us and why Trans-Jordan members can keep their prices lower. They are facing changes and will have to start shipping waste out which will cost them money. The only one that is not a Trans-Jordan member that is lower than us is West Valley. She doesn't know how they can keep their prices so low, and they would be \$10.00 per home per month lower than WFWRD.

Pam said they have different service levels; their dumping fees are different. She talked about what Salt Lake City did with their green can; they have three cans at \$33.20 per home per month. Salt Lake City raised their fees \$7.00 per month for their first year of the three-year increases to \$12.00. Our green can is currently \$10.50 per month, and we are proposing a \$1.50 increase [to \$12.00]. Based on David Ika's analysis, the green subscription is paid for by the fees we collect. She agreed with Board Member Ohrn's calculation that our fee with a green can would be \$37.00 per home per month. Every Salt Lake City resident has a green can while ours is a subscription service, so we do not have the same economies and efficiencies of scale. To Pam's knowledge, WFWRD is the only organization with a landfill voucher. Last year it cost \$92,000 which is included in the tipping fee. This year will be closer to \$40,000. The price has dropped as we have reigned in the abuse of the vouchers, and the per voucher cost is \$15.00.

With no further questions or comments, Pam continued on with the 2025 proposed budget with a \$5.50 per home per month fee increase scenario, Zions' Option 3. She noted that all scenarios get us to \$28.00 per home per month by

2027. She has stated in several meetings that if the Board wants to reduce recycling, we would survey the residents. Going to bi-weekly recycling would be the “largest cost savings” of about \$1.50 per home per month. Her concern is that if the Board starts dropping the fee increase, based on the cash balances, it will take time to recoup any savings. We have surveyed residents in the past and even with a \$1.50 per home per month increase to keep weekly recycling, the majority, well over two-thirds of residents said to keep it. Magna and Kearns were still above two-thirds.

Pam went on to say that she is not hearing any desire to cut services in any of her council meeting visits. She believes Magna’s intent is to see if they can get the same service level for a lower cost. She respects and understands that and hopes we don’t lose the economy to scale.

As previously mentioned, an increase to \$240.00 for a trailer rental would cover some of the fee and will be adjusted if directed by the Board. Green waste is \$25.00 per load at Diamond Tree. That covers the tipping fee but not the full cost. The green trailer has always been a reduced rate in efforts to divert waste from the landfills to reuse and save landfill space. If the Board would like to see the true costs increase, it can be proposed as part of the tentative budget. She is hearing that we need to prepare a couple different scenarios.

Board Member Gray reiterated her support of the \$6.50 per home per month increase scenario. In the past we haven’t raised rates sufficiently and we waited too long. It happens in government because she knows they are accountable to their residents but ultimately, we end up with bigger problems in the future. She feels rather than kicking the can

down the road and creating a problem for future Boards, let's address it now to be in a stronger position.

Board Member Ohrn commented that her experience is that the Board has not been kicking the can down the road. They have been receptive to all staff recommendations. We looked at our budget differently after Paul came on and bumped it to 98% of budget expenditures to 94% to stretch money out farther and look at creative ways instead of increasing rates. Her perception is that we continue to look at ways to avoid fee increases. Four years ago, no one assumed we would have the type of increases we've had.

Pam stated that we had projected cash at 98% expenditures and adjusted to 94% of expenditures which we learned was too low. That's why she wanted cash projections expending 98% of the budget and thinks we need to include capital expenses in that. That's the kicker on our cash right out the door.

Board Chair Barbieri stated that hopefully in the future we won't have a crisis hit that makes everything nearly impossible to predict on a budget basis. She is comfortable with Option 1.

There is a new 14-yard roll-off container included that would be part of the trailer rental arsenal, and Pam asked the Board if that is something they want her to take off the table or just look at total costs. This particular type of container can be placed in front of the home whereas the other trailers can't because of the gooseneck and safety issues.

	<p>Board Member Ohrn asked if we have those trailers available and it's the cost of placing them in homes or if it's something that we are incurring additional costs to purchase.</p> <p>Pam said it would be subsidized at the rate, other than she did bump it up to \$170.00, so if they want her to look at true costs, it could be more. Board Member Ohrn said we do have to look at true costs, and back to Board Chair Barbieri's point, she doesn't think we need to be competing with the private market with government money. Cities can look at code enforcement, we already offer a benefit to help cities with those types of issues that maybe a government safety net type of thing, but other than that, she thinks that the private market offers options. Board Member Stringham added the only exception would be your canyons and asked Pam to bring the information before taking it off the table.</p> <p>Board Member Holton thinks its fine to provide it. It's smaller so it would be cheaper so residents would have two options depending on their needs. Either not subsidize it as much, or just do it at cost.</p> <p>Board Member Ohrn's concern is if we are incurring capital outlay, would it take more drivers? Pam replied that we have one additional FTE. If we raise trailers up to the cost, she anticipates we may not get as many rentals (Board Member Gray is sure we won't) so we may not need to add an FTE.</p> <p>It makes sense to Board Member Holton to determine actual needs, increase the fee for that level of service, don't incur debt unless we really need to for legitimate generational projects. He believes that leasing is the best path, but he doesn't completely understand, maybe someone could walk</p>		
		<b>Staff to bring back the costs for trailers and containers for the meeting on October 28, 2024.</b>	

him through that. Cottonwood Heights leases all their police cars and turn them over every three years. They are sold to another department somewhere else around the country. Their maintenance line item doesn't exist. If there was a scenario, we would lease these things, it wouldn't get rid of the maintenance, but it sounded like it was lease-to-own. He is unsure if he would be super comfortable with that. It doesn't make a ton of sense, if we increase the fee, we have the cash, pay cash for trucks. If it was a program, we could get it in, turn it over, other municipalities are buying three-year old garbage trucks and we had no maintenance, he would do that for sure. He wants to make sure he is understanding it correctly.

Pam stated that she doesn't know how we could avoid maintenance entirely, even if we were to lease in a perfect world and we sold them. Board Member Holton said the only reason why the lease is avoided in those scenarios are those are who you're buying them from, those are warrantied for three years, which is why the turnover is a three-year turnover.

Pam went on to say that our warranties are mainly a year, there are some that might be a little longer, but really, after that first year, the majority is under our belt.

Board Chair Barbieri asked Pam if she feels like some of these issues she brought up are going to impact the decision of what option we did today?

Board Member Holton said we did have this presentation earlier and they were giving us these financial options and how it would impact the bottom line. Unless he's understanding it incorrectly, he would be in favor of that fee increase.

	<p>Board Chair Barbieri is comfortable with 90 days [cash on hand] and asked Pam which option would take us to 90 days, and what fee, and let's see what people feel about that decision.</p> <p>There were discussions about the 90 days [cash on hand] not being on the list, it would be an Option 4 which would be in 2025 we go to \$26.00 [per home per month], \$27.50 in 2026, and \$29.00 in 2027.</p> <p>It was agreed that Pam would bring that option to the next meeting on Monday. She wants to make sure that every municipality speaks up because this is a long-term financial decision, and everything's going up; police, fire, etc.</p> <p>Board Member Ohrn fully disclosed that Herriman will probably go out for RFP, and that when she first came on the Board they did also, even though they couldn't [change providers]. She feels it is her responsibility to make sure we're in line with what's going on in the industry. They have a lot of HOAs in their community that have a lot of private haulers. She thinks that this District is run well, Pam and the team do a great job, and this has no reflection on any of that. We need to make sure we are staying in the ballpark. That's from her view as a private citizen. From the WFWRD Board side, it validates that we're doing a good job showing the true costs associated with what is going on.</p> <p>Pam replied to Board Member Holton's question that other municipalities going out to bid are Magna. Board Member Stringham believes they were going to anyway, they are a new city and are looking at all of those things right now. She doesn't blame them, she would as well.</p>	<p><b>Staff to bring the fee scenario the Board chose for the Board Meeting on Monday, October 28<sup>th</sup> for considerations on the Tentative 2025 Budget.</b></p>	
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Board Member Ohrn added that even as policy internally at her city, even with lawnmowing and those kind of services, they are always checking every few years to make sure they are staying in line, do we bring this in house, those kind of things.

Board Chair Barbieri said that they all wear two hats. They represent WFWRD, they represent their city, and they walk that line. She doesn't have a problem doing both.

Board Member Stringham feels like Salt Lake County is in a weird position because they had a house bill pass that is shrinking their unincorporated areas. They will be going from 12,000 people in unincorporated county by the end of 2026 to 1,200. She doesn't know what that means for the long term over the next two years. Their costs will go down because they won't be serving as many but those will actually be absorbed into some of the other's cities. The problem is how they make it work because they are part of WFWRD. The question is, the way Special Districts work, they're still in the boundary, so Sandy doesn't automatically get to give them services. They are going to have to figure that out. It's not an automatic thing.

Pam said there is a legal process to withdraw from WFWRD services. Now that we are a Special District, the Board has the authority to say yay or nay whereas before it was under Salt Lake County. [There are other stipulations as well]

Board Member Stringham wants the Board to understand where she's coming from on her position because again, they [the County] are changing drastically right now, and it will affect WFWRD.



<b>4. Other Board Business</b>			
	There was no other Board business.		
<b>5. Requested Items for the Board Meeting Monday, October 28, 2024, 9:00 a.m.</b>			
	<p>Board Chair Barbieri reviewed items for the Board Meeting:</p> <ul style="list-style-type: none"> <li>• Adopt Agreement with the Bingham Creek Park Authority (storing roll-off containers)</li> <li>• 2024 3<sup>rd</sup> Quarter Financial Report</li> <li>• Tentative Adoption of the 2025 Tentative Budget and Fee Schedule</li> <li>• Confirm the Date and Time for the Public Hearing to Allow Public Comment on the 2025 Budget and Fee Schedule currently scheduled for Monday, November 18<sup>th</sup> at 6:00 p.m.</li> <li>• General Manager's Report</li> </ul> <p>Pam added that WFWRD has received the interlocal agreement with Salt Lake County for us to continue servicing their county facilities, including a price increase going forward. She will have Rachel look at it. Right now, everything looks amenable, but she wants a legal review when Rachel returns.</p> <p>Board Member Gray asked how long the public hearings last. Pam replied that it just depends. With this high of a fee increase we might have some people come, but in the past, there has been maybe one.</p>		
<b>6. Adjourn</b>			
	With no further business, Board Chair Barbieri entertained a motion to adjourn.	<p><b>Motion to Adjourn:</b> Board Member Zuspan</p> <p><b>Second:</b> Board Member Stringham</p> <p><b>Vote: All in favor (no opposing or abstaining votes).</b></p>	<p><b>Approved</b> <b>October 21, 2024</b></p> <p><i>Meeting end time:</i> <i>10:50 a.m.</i></p>

