



Board Meeting September 20, 2018

Meeting Location: Murray City Public Works, Murray, UT

Attending:

Kane Loader, Chair – Midvale City (arrived 9:00 a.m.) Dave Newton, Vice Chair – West Jordan City
Mike Gladbach – Sandy City (until 8:30 a.m.) Jason Rasmussen – South Jordan City
Russ Kakala – Murray City Trace Robinson – Riverton City
Steve Siddoway – Draper City

Tim Peters – West Jordan City

Jaren Scott – Treasurer & Deputy Director Brenda Bingham - Secretary

Also Attending:

Mark Hooyer - Executive Director Craig Hall – Counsel
Dwayne Woolley - Citizen Eric Michaels - SLCOH
Olivia Resendez – Scalehouse Supervisor, TJ Jordan Hensley – Accountant, TJ
Ron Stewart – Auditor, Gilbert & Stewart

Absent

N/A

1, 2, & 3 Welcome, Roll Call and Public Comment

Dave Newton called the meeting to order and welcomed those in attendance. A verbal roll call was taken and those in attendance are listed above.

The meeting was opened for public comment. No public comments were made.

4 Approval of June 2018 Meeting Minutes

Trace Robinson made a motion to approve the June 21, 2018 meeting minutes and *Russ Kakala* seconded the motion. The motion passed unanimously.

Steve Siddoway made a motion to approve the June 22, 2018 meeting minutes and *Mike Gladbach* seconded the motion. The motion passed unanimously.

5 Audit Report

Ron Stewart from Gilbert & Stewart CPA (Trans-Jordan’s Auditors) gave a report on the year end audit. Trans-Jordan received the best audit “opinion” that we can receive. One area that is reviewed is internal controls. Through tests and observations he can report that Trans-Jordan’s controls are working and effective. State compliance issues are also reviewed. The State gives set forms and procedures to ensure that are followed to ensure we are in compliance. There is one finding regarding posting of the board meetings minutes. The minutes need to be put posted to the PMN website within a certain number of days. This is new and not everyone knows about it yet. This is the most minor finding that we could get. Craig asked Ron if he knows how other landfills fund their post closure accounts. Ron noted that he knows that there are other mechanisms that can be used but he is most familiar with how we fund our account.

40 **6 Treasurer's Report**

41 Jaren Scott reported on the following:

42 *Year End Financial Report* – Jaren showed a PowerPoint presentation with a fiscal year highlights. The
43 presentation is attached. Highlights that were discussed:

- 44 • We have seen more visits from residential customers but the tonnage for this segment is lower than the
45 previous year. This is a function of residential customers bringing less tonnage per visit.
- 46 • The number of transactions run through the Scalehouse is up 6% from the previous year. This may not
47 seem large but when it is concentrated on certain days (i.e. Saturdays) it is a big impact on operations.
- 48 • Craig noted that landfills in Utah County are seeing lower commercial tonnages but we are had an
49 increase from the previous year. Craig asked Jaren if we are concerned that we may see a decrease in
50 the future. Jaren said that the other landfills have been affected by private landfills such as ACE. One
51 benefit we have is our convenient location. Jaren noted that when we look at Transfer Station locations
52 we need to keep that in mind.

53 *July 2018 & August 2018 Financials* –Jaren spoke to Craig's question regarding funding of post closure accounts
54 (asked during the Audit Report above). The other two landfills that Jaren managed funded their post closure
55 accounts through bonding. Craig noted that the reason that he asked the question was to look at the possibility
56 of using the funds from the post closure to help with cash flow for transfer stations, or other asset purchases,
57 and we can look at bonding for the post closure liability. Jaren noted that the post closure liability decreases as
58 we close out open waste cells.

59 Jaren reviewed revenues and expenses for the first two months of the fiscal year. We are finishing moving the
60 last section of old waste which we hope will help with tire repair and replacement costs going forward. Recently
61 we found out that our gas meter at greenwaste has been malfunctioning by reading low for the last five years.
62 By law they can only back bill us for six months, so we have had our bill adjusted by \$3,600 for this year. This
63 line item will be over budget this year due to this situation.

64 **7 Resolution 18-07, PTIF Authorization**

65 The individuals who will be authorized that can make changes in the PTIF will be the Chairman of The Board
66 (Kane Loader), Executive Director (Mark Hooyer) and Treasurer / Deputy Director (Jaren Scott).

67 *Trace Robinson* made a motion to approve Resolution 18-07, PTIF Authorization, and *Mike Gladbach* seconded
68 the motion. The motion passed.

69 **8 Resolution 18-06, Approval of Surplus Property**

70 Jaren spoke about the Surplus Property resolution. The exhibit gives details about the items that we have for
71 surplus this year. We will use TNT auction for most of our surplus. We will be donating some of the old office
72 furniture to Bayview. Other smaller items we will look at placing on KSL or holding our own auction. The
73 estimated surplus revenue amount is \$397,275.00

74 *Jason Rasmussen* made a motion to approve Resolution 18-06, Approval of Surplus Property, and *Russ Kakala*
75 seconded the motion. The motion passed unanimously.

76 **9 Legal Report**

77 Craig Hall reported on the following:

78 *NUERA* – There is an issue regarding out of county waste going to Bayview. Craig reviewed the issues and the
79 steps they are taking to overcome this problem. Wasatch Integrated's Legal Counsel will be working with Craig
80 on this issue.

81 *E-Scrap* – Craig spoke about the progress that has been made with regard to E-Scrap legislation. The bill will
82 cover the entire state and not just focus on the Wasatch Front.

83 *Tire Recycling Fee Audit* – Craig has been updating the board with regard to the audit that he requested on the
84 Tire Recycling Fee account. They state that they will have it done in the next 30 – 60 days.

85 Kane Loader joined the meeting at 9:00 a.m.

86 **10 Executive Directors Report**

87 Mark Hooyer turned the time over to Jaren Scott for the Operations Report

88 *Operations Report* – Jaren Scott reported on the following:

- 89 • *Litter Fence Update* – Jaren spoke about the test sections of the litter fence that have been installed.
90 We are testing two different anchor systems. The test sections will be part of phase one. Once we
91 determine which anchor system is best we can proceed with the bid for phase one.
- 92 • *Entrance Gate Rebid* – Per board directive the project was tabled until this fiscal year. The bid gives the
93 contractors the option to do the work as soon as possible or next spring.
- 94 • *Compactor Bid* –The bid is currently out for a new compactor.
- 95 • *Compactor Transmission Warranty Update* –The clutch packing on our newest compactor went out in
96 July. It was down for about three weeks. The bid specs specify that the machine has to be up and
97 running within 48 hours or a penalty will apply. The work was covered 100% under warranty and since
98 they did not supply a loaner machine a daily fee applies. To cover this fee they are giving us a rebate on
99 other repairs. The reason we keep three compactors is to have the backup always available. Each day
100 we run two compactors so if one is out of commission we need to have a backup immediately available.
- 101 • *Greenwaste Operator Swap*– We did an operator swap again with Wasatch Integrated. This time we
102 swapped a Greenwaste Operator and Supervisor. This was another good experience and those who
103 participated came back with good feedback.
- 104 • *Wheeler Machinery Demo Day* –Wheeler will be hosting a machine demo day here at Trans-Jordan next
105 week and everyone on the board is invited to attend. The focus is on greenwaste machinery.
- 106 • *Customer Appreciation Day* – We held our Customer Appreciation Day last week. This year we decided
107 to give away compost. There was no limit on the amount a customer could take. We have a surplus of
108 over 10,000 tons and we were able to give away 822 tons (in 240 vehicles).
- 109 • *Odors from Danon* - Craig spoke about questions he receives about odor that people believe is from the
110 landfill. He lets people know the odor is not from the landfill. When Craig gets complaints he will do
111 better to find out the day it happens so we can pull wind direction from our weather system and show
112 that the smell is not coming from the landfill. The odor is coming from Danon and is a distinctively
113 different smell than what comes from the landfill.

114 *Building Remodel Update* – Mark showed pictures of renovated areas. The 1st floor is nearly complete. Work on
115 the 2nd floor will begin next week. We are looking at mid to late November completion date.

116 *Legislative Breakfast Scheduled* – Mark your calendars for December 13, 2018 for our yearly Legislative
117 Breakfast.

118 *Bayview Manager Update* – Mark Lamoreaux has been hired as the Bayview Landfill Manager. Mark is an
119 accountant with a master's degree in public administration. The candidates with solid waste experience who
120 applied were out of state and their salary requirements did not match with what we want to pay. We felt that
121 we could move forward with a person that has management experience and learn the solid waste side of the
122 business.

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124 *Mattress Fee Discussion* – The following was discussed:

- 125 • New fee has been in place since July 1, 2018.
- 126 • Mark knows that we are changing public behavior with this fee. The intent of the fee is to encourage
127 people to take their mattresses to a recycling facility (Spring Back Recycling) and not to the landfill.
- 128 • Salt Lake Valley Solid Waste Management Facility (SLVSWMF) matched our fee starting September 1st.
- 129 • Mark noted that he and Jaren disagree on the value of this fee and have a difference of opinion.
- 130 • Mark spoke about the numbers we have since the fee began. The numbers were shared with the board
131 on a PowerPoint presentation attached for the file. Mark noted that we don't have enough of a trend
132 line to show what is really happening with mattresses from the member cities, commercial accounts,
133 and residents.
- 134 • A majority of the mattresses we have received come from residents. Jaren noted that about 25% - 30%
135 of the public come in with mattresses are refusing to pay the fee and leave with their mattresses. We
136 don't know where the mattresses are going. They may be going into commercial loads or on the side of
137 the road.
- 138 • Mark spoke about the education information that were given to the cities. Most of the cities have not
139 yet distributed the information. Mark said that we will do a full PR campaign on this issue only when the
140 policy is discussed.
- 141 • The question was asked if we are seeing more or less mattresses. We are at least static maybe a little
142 less but we don't really have the data yet to show. The residents may be putting mattresses in their
143 bulky waste pickup rather than bring them to Trans-Jordan.
- 144 • Kane said that he has heard that many cities have been noticing more mattresses on the side of the
145 road. This has increased the amount that the public works departments have had to deal with.
- 146 • Mark spoke about the numbers received from Spring Back recycling and the capacity that they have
147 been receiving. The numbers that they provided show only 200 units received per month. We need to
148 speak with them and find out what their capacity level is and can they handle the volume that we
149 receive at Trans-Jordan daily (TJ averages 70 mattresses per day)
- 150 • Jaren said that in the 15 years of managing landfills it has been the worst item that he has had to deal
151 with and questions what the point / reason when it wasn't a problem in the first place. Jaren stated that
152 he does not know why we need the \$15.00 fee. Our densities have always been fantastic, over industry
153 average, so there isn't a reason to charge the fee. Industry averages for compaction is around 1,200 –
154 1,250 pounds per cubic yard. We are consistently 1,700 pounds (or higher) per cubic yard, with
155 mattresses included.
- 156 • Jaren reached out to Leon Ford (Supervisors at SLVSWMF) to find out how the fee is working at
157 SLVSWMF.
 - 158 ○ Leon said that 1/3 – 1/2 of all the mattresses that they take to Spring Back are rejected.
 - 159 ■ Mark noted that SLVSWMF does not run a very tight operation with regard to sending mattresses
160 to Spring Back so it is not a surprise that they are having units rejected because they are not
161 consistent in their delivery of mattresses to Spring Back.
 - 162 ○ SLVSWMF has already stopped tracking the one and two units dropped in their waste cell because of
163 the hassle. This happened after the fee has been in place for only three weeks.
 - 164 ○ Leon also told Jaren that this fee implementation has increased the radio traffic (10 times what it was
165 prior to the mattress fee implementation) to the point that he feels it is a safety concern.
- 166 • The operations hassle at Trans-Jordan has been a large problem. It has increased radio traffic and the
167 tracking of the units that come down to the cell is nearly impossible.
 - 168 ○ The cell and PCC are busy and now have to deal with tracking mattresses, where did they come
169 from, what truck it was, and calling this information into the scalehouse. The scalehouse then must
170 modify the original ticket to include the mattresses. It seems nearly impossible to keep up with it at
171 various times. We certainly do not catch them all.

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- Jaren is concerned that customers are getting double-charged with this fee. They are getting charged for the weight of the mattress in their load as well as the per unit fee.
 - It has more than doubled our complaints at the scalehouse. This is an issue not just for those who complain but other customers because of the time spent on the scale with the complaints (holds up the line and we are already busier than we have ever been).
 - Customers are very upset with the perceived high cost. If a customer comes in with trash and 3 mattresses their bill is now \$55.00 when it was \$10.
 - Jaren spoke about options: Shredding, Recycling, and Landfill. Details on options are on the PowerPoint slides shown in the meeting and attached for the file.
 - Shredding
 - Pros for shredding – if we shred all the mattresses we receive for the next 13 years the life of the landfill will increase by one month. Keeps mattresses out of the landfill which reduces damage to machines (Jaren has only experienced this damage once in 15 years.)
 - Cons for shredding – the cost of shredding is approximately \$400,000 to run the program annually (personnel, fuel, equipment, maintenance). Yearly revenue from mattress fee is estimated at \$234,000 and air space savings of approximately \$64,000. Altogether this is a net loss of over \$100,000 per year. Another large program to run when we already need to focus on excavation and main landfill operations. There are some safety concerns with having an additional machine in the cell. Requires handling mattresses three times. Storage issues. Increase of at least 1.5 FTE's to handle this program.
 - Recycling
 - Justification for the fee. Many customers are asking what we are doing with the mattresses if they are paying an additional fee and are irate that we are landfilling them.
 - Cons – must handle mattresses multiple times. Spring Back does not accept all mattresses. They cannot get wet so storage becomes a huge issue. Concern that the recycler cannot handle our volume. Can't use heavy equipment to handle the mattresses because it ruins them for the recycler. Must be loaded by hand. In Summit County the employees had to put the mattresses in a container and it was the number one complaint from employees and the largest reason for employee turnover. Increased safety concerns and worker's comp claims. Employees are already concerned that they may have to handle mattresses as well as supervisors who do not want to ask employees to do something that they don't want to do themselves.
 - Leave the fee and continue to deal with the problems
 - Go back to the original fee (first 3 included in the price and \$15.00 for each piece after). If we do away with our fee will SLVSWMF also do away with their fee? This would be a concern if they keep their fee.
 - Reduce the fee on the first three mattresses. Can reduce to \$5 per piece rather than \$15.00 per piece if we can't do away with the fee.
 - Mark spoke about the fact that one of the main concerns of landfills is dealing with mattresses. Mark believes that it takes time to implement change to a program, and time to change public behavior; we have only been at this for two months, and have only have two months of data. He would rather look at modifying the program and allowing it to go forward. We don't even have enough data collected yet to identify whether the fee is creating diversion.
 - Dave voiced his concern that right now there is no good option to deal with the mattresses. Since we have no real alternatives to landfilling, we are just adding a fee. Mark said that the math shows that we are subsidizing the cost for mattresses. Dave understands that point of view but we already subsidize residential disposal with commercial. We are all paying for it. If all we are doing is trying to subsidize the cost then we could increase the fee coming through the gate. Mark noted that it isn't a revenue issue in the sense that we don't need the incoming revenue, rather, it is about the need to change public

220 behavior. Once we start transferring waste to Bayview mattresses will be a much larger loss of
221 efficiency and that will show up as an increased cost to the cities.

222 • Kane expressed concern over the double and triple billing of the customer. Mark said that we can say it
223 is part of the fee. It is already happening with tires. Steve noted that we aren't landfilling tires so the
224 fees goes toward the removal of the tires from the landfill and sent to a recycler.

225 • Haulers have said that they aren't taking them to the recycler because they have trash to dispose of as
226 well so it is not worth their time to take it to Spring Back.

227 • Russ asked if are really losing that much airspace if we are already getting high densities. Jaren said that
228 there is only one other landfill that he knows of that gets a better density. Russ said he would not want
229 to deal with the headaches that this fee has brought. In addition, Russ said that after going to the
230 shredding demonstration at SLVSWMF he doesn't think that the headache and maintenance on a
231 shredder is something that we want at Trans-Jordan.

232 • Russ suggested going back to the original fee structure and landfill the mattresses. Dave agreed with
233 Russ' suggestion. He has looked into this with NUERA, SWANA, and others and since we do not have a
234 viable alternative he believes that we should just go back to the previous fee structure.

235 • Tim asked if we should coordinate with SLVSWMF. The board agreed that we do need to make sure we
236 coordinate because we don't want to get all the mattresses if SLVSWMF maintains their fee.

237 • Kane said that he doesn't like that we have created a problem where some people are illegally dumping
238 mattresses. Mark disagreed in the sense that we shouldn't be responsible for people's choice to break
239 the law, and the landfill cannot be responsible for people's behavioral choices in their home
240 communities.

241 • Mark is not opposed moving away from the fee but his opinion is that he doesn't feel that we have all
242 the necessary data that suggests that the problem is greater than just the initial public reaction in
243 responding to a new change. It takes a long time to change people's behavior. The question is, can we
244 change people's behavior and have a positive change for landfill? Or is it too much of a headache?
245 Mark noted that he does understand it is a headache for operations and staff, and is concerned about
246 that as well.

247 • Mark will meet with Spring Back and talk to them about the numbers they provided to us and ask them
248 about their true capacity.

249 ○ Jason asked where Spring Back is located. Mark noted that they are located near 3200 West and the
250 U-201 Freeway. Jason noted that it is a problem with how far it is for our residents to have to go to
251 get rid of their mattresses. It is not convenient for our residents and we need to have something at
252 the south end of the valley.

253 ○ Jaren added that he is concerned on the operations end. If Spring Back said they will take everything
254 that we can send them how are we going to get the mattresses to their facility? How do we safely
255 handle 70 mattresses a day when it can't be done with heavy equipment? Dwayne Woolley said that
256 he always felt that the handling of mattresses by employees was always the unsolvable issue that he
257 didn't feel was worth the hassle.

258 • Mark asked for a week to look over the numbers that were presented today. He would like to look at
259 our fee structure and look at maybe charging a smaller fee, or looking at other options. But before a
260 decision is made Mark would like speak to Spring Back.

261 • Steve feels that the big issue is how this is affecting our people and operations.

262 • Jaren said that he feels that his job is to provide the cheapest most efficient way for our member cities
263 and residents to get rid of their waste, and mattresses are an issue to this, in his opinion.

264 • Kane said that he agrees that when we start transferring waste to Bayview mattresses will make a
265 difference. We need to figure out an alternative in the next eight years (when we start looking at
266 transferring waste) but for our current facility it hasn't been a problem.

267 The board gave direction to staff (Mark and Jaren) to speak with SLVSWMF and Spring Back regarding the issues
268 discussed and make recommendations going forward before the next meeting.

269 *Strategic Planning* – We have two studies happening now. One is a joint study with North Pointe to explore the
270 possibility of partnering on a transfer station. The other study is for our own transfer station. Preliminary
271 reports are almost complete and the findings will be shared with the board.

272 *Investment Changes* – We have changed how our money is invested. Recently we took money out of CD's and
273 placed the money into the PTIF. This change will net an *increase* of \$11,000 in interest income, even after
274 paying penalties for early withdrawal. The movement of the money was discussed earlier with and approved by
275 our Chairman.

276 **11 Executive Session**

277 *Dave Newton* made a motion to enter an Executive Session for the acquisition and disposition of property and
278 *Russ Kakala* seconded the motion.

279 Roll Call Vote:

280 Midvale City -	Yes
281 Draper City -	Yes
282 Riverton City -	Yes
283 Murray City -	Yes
284 South Jordan City -	Yes
285 West Jordan City -	Yes
286 Sandy City -	Absent

287 **12 Chairman's Items**

288 *October Board Meeting* – The October meeting will be moved to October 25, 2018.

289 *WASTECON Report / Recycling* – Kane spoke about the recycling information that was shared during WASTECON.
290 Russ noted that the discussion in the session that he attended was that a lot of material is being landfilled rather
291 than recycled. Mark spoke about a West Jordan survey that showed that 98% of the residents said they would
292 pay \$6 more a month to recycle. Jason said that South Jordan is going to do a survey as well. Russ feels that one
293 of the questions should be asked is if they would still recycle if 30 – 50% is going back to the landfill because
294 people don't understand that is what is happening. Steve noted that we are basically paying \$50 a ton for a
295 transfer station because they are bringing so much of the recycling to the landfill, and Rocky Mountain wants to
296 add another fee on top of that. Jaren noted that the information projected from the keynote speaker at SWANA
297 is that the recycling market should get about 10-15% better than it is right now after the new manufacturers in
298 the United States come on line.

299 Mark noted that education alternatives to WASTECON are SWANApalooza and Waste Expo. SWANApalooza is a
300 more technical conference with a smaller trade show floor. Waste Expo has more trade show vendors and
301 fewer educational options.

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303 No other business was discussed. The meeting was adjourned.