

**SOLID WASTE SPECIAL SERVICE DISTRICT #1 (SWSSD1)**

**Streamed Online via the Solid Waste Special Service District #1 Facebook Page:**

<https://www.facebook.com/SolidWasteSSD1/videos/310998873489446>

Per Executive Order 2020-5 issued by Governor Gary R. Herbert on March 18, 2020, this meeting was conducted electronically, and an anchor location was not provided.

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**MINUTES: REGULAR MEETING OF THE  
SWSSD1 ADMINISTRATIVE CONTROL BOARD**

**MONDAY, AUGUST 31, 2020, 2:00 PM**

**BOARD MEMBERS PRESENT:** Kalen Jones (Chair), Kevin Fitzgerald (Vice Chair), Mary McGann (Treasurer), Chad Harris (Member), and Diane Ackerman (Member).

**Others present:** Evan Tyrrell (District Manager), Jessica Thacker (District Program Manager/District Clerk), Chris Scovill (District Facilities Supervisor), and LJ Blackburn (District Administrative Assistant/Bookkeeper).

These minutes are presented in the order of the agenda and not necessarily in the order of discussion. The board packet is available on the District's website located here:

<https://swssd1.org/board-meetings-and-minutes/>.

**REGULAR MEETING - CALL TO ORDER (2:00 pm)**

Kalen Jones called the meeting to order at 2:06 p.m.

**CITIZEN'S INPUT (RECEIVED VIA EMAIL)**

No public comments were received.

**APPROVAL OF MEETING MINUTES**

**A. JUNE 25, 2020 REGULAR MEETING**

**MOTION:** Mary McGann motioned/Kevin Fitzgerald seconded to approve the draft minutes for June 25, 2020 as written in the August 31, 2020 Board packet. Roll call vote: Diane Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.

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<b>TREASURER/FINANCIAL</b>
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**B. ACTION ITEM: APPROVAL OF EXPENDITURES FOR THE PERIOD OF JUNE 6 TO JULY 5, 2020**

Evan Tyrrell briefly provided a summary of the expenditures for the period of June 6 to July 5, 2020 and stated they contained standard District expenditures, payment of Grand County benefits, the remaining balance on the 279 skidsteer, the D6 dozer rental, and three (3) two-week payroll periods.

**MOTION: Mary McGann motioned/Kevin Fitzgerald seconded to approve the expenditures for the period of June 6, 2020 to July 5, 2020 in the amount of \$145,763.54. Roll call vote: Diane Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.**

**C. ACTION ITEM: APPROVAL OF EXPENDITURES FOR THE PERIOD OF JULY 6 TO JULY 31, 2020**

Evan Tyrrell briefly provided a summary of the expenditures for the period of July 6 to July 31, 2020 and stated they contained standard District expenditures and the cost of green waste reclamation mulching through Lance Excavating Inc. Evan Tyrrell also stated that in an effort to be more consistent with accounting timeframes, future expenditure report periods would contain the full month rather than partial month cut-offs.

**MOTION: Mary McGann motioned/Diane Ackerman seconded to approve the expenditures for the period of July 6, 2020 to July 31, 2020 in the amount of \$132,899.95. Roll call vote: Diane Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.**

**D. REVIEW OF JANUARY THROUGH JULY 2020 DISTRICT WORKLOADS AND REVENUES**

Evan Tyrrell provided an explanation of District workloads and percentage variations in facility revenue in comparison with the 2020 forecasts. He provided a percentage breakdown between 2019 and 2020 along with an explanation of these percentage changes. Kalen Jones stated that these forecasts vary seasonally and possibly in a predictable manner while asking Evan Tyrrell if this is a possibility that had been considered in generating the forecasts. Evan Tyrrell replied that by routinely developing the District workloads and revenues, the numbers should normalize, and a potential pattern emerge. Evan Tyrrell also acknowledged a typo on the District workload, incorrectly stating the timeframe for the generated 2020 workload. Following the end of the January through July 2020 District Workloads and Revenues, Evan Tyrrell introduced the newest District staff member, LJ Blackburn (*District Administrative Assistant/Bookkeeper*), to the Board.

## **E. REVIEW OF UPDATED 2020 DISTRICT WORKLOADS AND REVENUE PROJECTIONS**

Evan Tyrrell provided an explanation of the updated 2020 District Workloads and Revenue projections as a method of assisting with finding trends used to more accurately re-forecast workloads. He also stated that a comparison to the original workload was not included in the attachment intended for this discussion item. The updated 2020 District workload provided a breakdown of current conditions and their revised revenues projections. Evan Tyrrell also pointed out that both mineral lease revenues and interest rates on District PTIF Account Balances are drastically low, possibly due to poor stock market rates. Evan Tyrrell demonstrated that with the cancellation of anticipated recycling contracts, overall loss of revenue at all solid waste facilities, and decreased supplemental revenue sources such as the Transient Room Tax and Mineral Lease Revenue, the District is projecting an overall -18% change in 2020 revenue (approximately \$305,777.20) based on the original 2020 projections.

## **F. REVIEW OF DISTRICT ASSETS AND LIABILITIES AS OF JULY 31, 2020**

Evan Tyrrell provided an overview of all District assets and liabilities and stated that these numbers were presented to the Grand County Council as part of a data request for annual District financial reports and 2021 funding requests. He stated there has been a large decline in liquid assets due to the down payment of the Bomag 772 Compactor, the purchase of the 279 skidsteer, the green waste reclamation mulching project cost, and the \$80,000 PTIF transfer to cover costs exacerbated by COVID-19 revenue losses. Evan Tyrrell stated that the remaining liquid assets could potentially “float” the District for the remainder of the year, pointing out that the District had \$628,894.90 in liquid assets as of July 31, 2020. Kalen Jones inquired to Evan Tyrrell’s opinion on the nature of the forecasted budget. Evan Tyrrell stated that although cutting non-critical expenses and reallocating them to 2021 was not ideal, it was feasible.

## **G. REVIEW AND DISCUSSION OF THE DISTRICT’S DEPRECIATION SCHEDULE**

Evan Tyrrell provided an explanation on the depreciation schedule for all District assets by Operational Centers (Admin, Shop, Community Recycle Center, Klondike Landfill, and Moab Landfill). Each listed asset by operational center demonstrated a depreciation basis (e.g., original cost), total depreciation as of July 31, 2020, remaining amount, and the monthly depreciation cost. Evan Tyrrell also pointed out that historic activities and equipment continue to be depreciated despite lack of use or equipment that is no longer operable. He explained the depreciation schedule for the new Bomag 772 Compactor as having a fifteen (15) year lifespan with an approximately \$3,349.79 monthly depreciation. In conclusion, the estimated depreciation for all District assets for Fiscal Year 2020 is approximately \$205,520.17 and is currently built into the amended 2020 budget.

Due to the large scale excavation that is ongoing to recover cover material and airspace at the Moab Landfill, Evan Tyrrell discussed the potential of adding these non-routine costs to a new depreciation item similar to how the Klondike Landfill has depreciation items for past excavations and cell developments. This information would be presented at a later meeting and would remove direct expenditures from the District’s profit and loss statements and be placed

into a 20- or 30-year depreciation schedule. Evan Tyrrell discussed that if the Moab Landfill had 30 years of usable airspace remaining, this excavation would result in roughly \$9,000,000 in revenues over the timeframe of a 30-year depreciation schedule.

## **H. JANUARY THROUGH JULY 2020 REVENUES AND EXPENDITURES (UNAUDITED)**

Evan Tyrrell provided an explanation of District profit & loss report that indicates the current financial situation as an overall approximate loss of \$202,077.05 from January through July 2020. However, July 2020 presented an outlier factor with higher-than-normal expenditures such as three payroll periods (normally only two fall in each month), major equipment acquisitions, and substantial one-time purchases (e.g., green waste reclamation bill for tub grinder). Evan Tyrrell also provided a brief description of the percentages developed on the profit and loss statement as they relate to the original 2020 budget and how they were used as tools to develop and update the draft amended 2020 budget. Evan Tyrrell pointed out that the District may need to increase the price per cubic yard for tires. Following the recent waste tire removal from the Moab Landfill through Liberty Tire Recycling, it was determined the cost to collect versus remove the waste tires is disproportionate. Kevin Fitzgerald expressed appreciation at the detail presented in the profit and loss statement.

## **I. UPDATED DRAFT 2020 AMENDED BUDGET**

Evan Tyrrell provided an explanation of the updated draft 2020 amended budget and how the numbers were revised. Evan Tyrrell stated that payroll, taxes, and benefits had been re-forecasted for the amended budget and that he felt confident in the presented numbers, but that they did not reflect major equipment repairs, if necessary. He also explained an 11% cut to payroll such as the removal of part-time employees, no bonuses, and prevention of overtime hours for non-salary employees. Evan Tyrrell indicated a forecasted net income loss of \$135,579.72 with a range of +/- \$15,000 for the year. However, if excess equipment was not sold then net income loss is projected at approximately \$181,000.00. Due to the late cuts to TRT funding and other projected revenue losses in 2020, it is not possible for the District to fully recover from these revenue losses, but the amended budget made several cuts to recover from the estimated loss of revenues for the year totaling approximately \$306,000.

Kalen Jones inquired on what Evan Tyrrell based the TRT numbers on. Evan Tyrrell stated that those numbers were recently approved by Grand County as part of their amended 2020 budget. Kalen Jones asked for confirmation from Mary McGann. Mary McGann stated that the TRT numbers were projected conservatively on purpose and that Grand County was hopeful the numbers would increase. Kalen Jones expressed appreciation at Mary McGann's response and asked Evan Tyrrell if equipment that is not necessary at this time be removed and replaced once financials have improved. Evan Tyrrell indicated that some might need to be replaced and others can be accommodated without such as the Ford Edge. Kalen Jones asked if there was feedback from the Board being sought for this agenda item and Evan Tyrrell responded that this agenda item was for presentation purposes.

<b>OLD BUSINESS</b>
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**J. *POSSIBLE ACTION ITEM: REVIEW AND APPROVAL OF ADDITIONAL MOTOR GRADER FINANCE AND RENTAL OPTIONS***

This agenda item was not discussed due to Zoom technical issues.

**K. *POSSIBLE ACTION ITEM: CONSIDERATIONS FOR CANCELLING THE 2020 HOUSEHOLD HAZARDOUS WASTE COLLECTION EVENT***

Evan Tyrrell stated he understood that the Household Hazardous Waste (HHW) Collection Event is beneficial to the community, but has determined that it is not financially feasible at this time due to revenue shortfalls related to COVID-19. He stated that the District needs to cut items and programs that do not receive revenue, specifically for 2020 due to COVID-19. Evan Tyrrell stated the options are to either move forward as usual, charge a usage fee, or cancel the event altogether. Chad Harris voiced support for cancellation of the event but inquired if any alternatives had been considered. Evan Tyrrell responded that alternatives could be considered. Mary McGann asked what the cost of the event for the 2019 collection event was and Evan Tyrrell stated that it cost approximately \$11,000 for the previous event. Mary McGann agreed with Chad Harris in support of cancelling the event and suggested potentially reaching out to local advertising publications seeking donations or sponsors and informing the public of the current situation. Evan Tyrrell stated that the District has already postponed the event twice this year and pointed out that we have indicated the need for financial support for this event and no one has come forward at this time. Kalen Jones indicated strong opposition to the cancellation of the event and stated the benefits outweigh the cost. Kevin Fitzgerald inquired if the materials could be stored. Evan Tyrrell stated that the District does not have the infrastructure in place to properly store household hazardous waste and Chad Harris pointed out that there is also Resource Conservation and Recovery Act (RCRA) limitations on hazardous waste storage, accumulation timeframes, and disposal. Chad Harris inquired how many residents utilized the event in 2019 and Evan Tyrrell responded that 48 residents participated. Chad Harris stated that although it is a community benefit, it does not appear that the event was properly utilized in 2019. Evan Tyrrell stated that this may be due to the lack of advertising prior to the event. He agreed that this year might have more participants, but the costs still do not match. Kevin Fitzgerald suggested the District collect the HHW and transport the materials to the proper facility. Evan Tyrrell stated this was not currently possible as it requires 40-hour HAZWOPER training and valid transportation credentials (i.e., HazMat endorsement). Discussion between the Board on the individual cost per participant determined that even flat rate charges would not be enough to cover the cost of the event.

**MOTION: Mary McGann motioned/Diane Ackerman seconded to cancel the 2020 household hazardous waste collection event due to budget shortfalls related to COVID-19. Roll call vote: Diane Ackerman, Chad Harris, Mary McGann, and Kevin Fitzgerald each voted yes. Kalen Jones voted no. Motion passed four to one.**

**L. POSSIBLE ACTION ITEM: UPDATED CONSIDERATIONS FOR A COMMUNITY RECYCLE CENTER MEMBERSHIP PROGRAM**

Evan Tyrrell stated that additional progress had not been made on the development of a Community Recycle Center membership program since the previous Board meeting. Mary McGann expressed eagerness to move forward with development of the membership program and to use the preliminary plan as a “jumping off” point for further plan development. Kalen Jones pointed out that the current plan does not read as a voluntary program and does not feel comfortable moving forward with the language currently presented since it would reflect a change to the District’s fee schedule that would need to be approved in a public hearing. However, Kalen Jones did express support in further development and refining of the general idea of a recycling membership program. Mary McGann sought clarification whether the program was intended as mandatory or voluntary. Evan Tyrrell explained that the program was not intended as mandatory. Chad Harris expressed concern over one-off and non-local users and how they were affected by recycling center usage costs. Evan Tyrrell stated that public opinion could be collected via a survey and that the District would prefer to move forward after community input was received to obtain as much community support as possible.

**MOTION: Mary McGann motioned/Kevin Fitzgerald seconded to have staff use this preliminary plan as a jumping off point and develop a plan to charge for recycling. AMENDED MOTION: Mary McGann amended their motion to state the staff will create a preliminary plan for January 1, 2021. Roll call vote: Diane Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.**

**NEW BUSINESS**

**M. POSSIBLE ACTION ITEM: CONSIDERATIONS FOR DECLARING DISTRICT INVENTORY ITEMS AS EXCESS OR SURPLUS**

Evan Tyrrell explained that by declaring District inventory as excess or surplus would allow the District to sell the below mentioned equipment as an additional source of revenue to offset costs.

**MOTION: Mary McGann motioned/Kevin Fitzgerald seconded to declare the Caterpillar 938 Front End Loader as surplus or excess inventory and sell at a price no less than \$30,000; Mary McGann motioned/Kevin Fitzgerald seconded to declare the Caterpillar 950 Front End Loader as surplus or excess inventory and sell at a price no less than \$30,000; Mary McGann motioned/Kevin Fitzgerald seconded to declare the JCB Load-All Telescoping Forklift as surplus or excess inventory and sell at a price no less than \$10,000; Mary McGann motioned/Kevin Fitzgerald seconded to Motion to declare the 2013 Ford Edge as surplus or excess inventory and sell at a price no less than \$10,000; Mary McGann motioned/Kevin Fitzgerald seconded to declare the 1988 Dodge truck as surplus or excess inventory and sell at a price no less than \$2,500; and Mary McGann motioned/Kevin Fitzgerald seconded to declare 30 of the District’s self-tipping metal bins as surplus or excess inventory and sell at a price of no less than \$300 per bin. Roll call vote: Diane**

Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.

**N. *POSSIBLE ACTION ITEM: CONSIDERATIONS FOR SUPPORTING THE RESCHEDULED 2020 CASTLE VALLEY CLEANUP EVENT***

Evan Tyrrell stated that the District needs to reconsider waiving tipping fees for this event as originally agreed upon in February 2020 since the District is removing all other in-kind donations from the 2020 budget due to revenue shortfalls related to COVID-19. He stated although there is no need for formal motion, Evan Tyrrell asked for support from the Board regarding this decision. Mary McGann agreed stating that it has been a tough year, and everyone has had to make difficult decisions. Kalen Jones suggested that there may potentially be some misconception regarding the District's financial status and ability to tax for services. He suggested further community outreach and education could assist in this. Diane Ackerman disagreed and stated they believe the cost is worth the benefit. Evan Tyrrell stated that the District has donated a sizable amount of services to the community and was concerned that moving forward with the Castle Valley cleanup and cancelling other events could reflect negatively on the District. Diane Ackerman argued that Castle Valley residents obviously utilized the Castle Valley cleanup program more consistently than the HHW collection event. Evan Tyrrell agreed that the Castle Valley cleanup was well-attended and provided countless benefits, but the District should be consistent. Mary McGann stated that 2020 is an unprecedented year and events will not be cancelled forever. She indicated these events can potentially come back the following year when finances have recovered. Kalen Jones declared since no motions were made, discussion should move to the next agenda item.

**O. *POSSIBLE ACTION ITEM(S): CONSIDERATIONS FOR REVISED HOURS OF OPERATIONS AT THE DISTRICT'S SOLID WASTE MANAGEMENT FACILITIES DUE TO BUDGET SHORTFALLS RELATED TO COVID-19***

Evan Tyrrell stated that he personally does not advocate for facility hours of operation changes or believe it is necessary but received indication that this agenda item should be brought forward for discussion. Mary McGann stated the discussion should be postponed and is not necessary at this time. Both Kevin Fitzgerald and Kalen Jones agreed. Diane Ackerman stated they would rather the hours remain the same to avoid confusion.

**REPORTS FROM BOARD AND STAFF**

**P. DISTRICT STAFF REPORTS**

Evan Tyrrell provided a brief staff report in which he stated that the proposed resolution to the Grand County Council was adopted with full County Council support and that he had shared the same resolution with Moab City representatives for future adoption, all District staff had attended first-aid/CPR classes through the Grand County EMS District, landfill surveys had been completed by Red Desert Land Surveying, and that the District was awaiting the final data and figures. He also discussed several meetings that he attended since the last Board meeting such as with the Lionsback Resort Developer and the City Manager on potentially installing water

hookups at the Moab Landfill and developing a collaborative relationship with respect to the Moab Landfill. Last, Evan Tyrrell announced that the 2019 Audit has been completed and the final report was shared with the Board and has also been uploaded to the District's website.

Jessica Thacker stated that she had been carefully monitoring any available COVID-19 state and federal funding but due to legal definitions of "special service districts", funding has been very difficult to qualify for. However, she was able to apply for the LISC Small Business Grant and should be notified if award by September 18<sup>th</sup>, 2020. Last, Jessica Thacker stated that her article "Reclaiming the Green Waste Lifecycle" was published in the Sustainable Happenings section of the September 2020 Moab Happenings publications.

No other staff reports were presented.

#### **Q. BOARD REPORTS**

Mary McGann reported on the financial difficulties Grand County has experienced and stated that several employees had either been furloughed or laid off along with budget cuts in eleven (11) departments. No other board member reports were presented. The Board agreed to a five (5) minute break from 4:45 to 4:50pm and the meeting resumed at 4:51pm.

**MOTION: Mary McGann motioned/Kevin Fitzgerald seconded to enter into closed session to discuss the character, professional competence, or physical or mental health of an individual and to hold a strategy session to discuss pending or reasonably imminent litigation in accordance with Utah Code 52-4-205. Roll call vote: Diane Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.**

The closed session began at 4:53pm.

<b>CLOSED SESSIONS</b>
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**R. DISCUSSION OF THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL IN ACCORDANCE WITH UTAH CODE 52-4-205(1)(A)**

**S. STRATEGY SESSION TO DISCUSS PENDING OR REASONABLY IMMINENT LITIGATION IN ACCORDANCE WITH UTAH CODE 52-4-205(1)(C)**

**MOTION: Mary McGann motioned/Kevin Fitzgerald seconded to exit the closed session. Roll call vote: Diane Ackerman, Chad Harris, Kalen Jones, Mary McGann, and Kevin Fitzgerald each voted yes. Motion passed unanimously.**

The closed session ended at 5:21pm.



<b>CLOSING ACTIONS / ADJOURNMENT</b>
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**T. FUTURE CONSIDERATIONS**

The next Regular ACB meeting will be held on September 17, 2020, beginning at 4:00 pm.

**U. ADJOURNMENT**

**MOTION: Kevin Fitzgerald motioned/Mary McGann seconded to adjourn the meeting.**

Kalen Jones adjourned the meeting at 5:22 p.m.

Respectfully submitted to the Board,

Jessica Thacker

District Clerk, Solid Waste Special Service District #1