



DAN KARLESKINT, LINCOLN, CHAIR
ROBERT WEYGANDT, PLACER COUNTY
PAULINE ROCCUCCI, ROSEVILLE
BONNIE GORE, PLACER COUNTY
BILL HALLDIN, ROCKLIN
KEN GREHM, EXECUTIVE DIRECTOR

MEETING OF THE BOARD OF DIRECTORS AGENDA

April 14, 2022 5:30 PM

Materials Recovery Facility Administration Building
3013 Fiddymment Road, Roseville, CA 95747

The WPWMA Board of Directors April 14, 2022 meeting will be open to in-person attendance. Individuals may also participate in the meeting via Zoom at <https://placer-ca-gov.zoom.us/j/96370773190>

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection by emailing the Clerk of the Board at info@WPWMA.ca.gov. The Western Placer Waste Management Authority is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations please contact the Clerk of the Board at (916) 543-3960 or at info@WPWMA.ca.gov. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk three business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated if time permits.

1. Call Meeting to Order
2. Pledge of Allegiance (Director Halldin)
3. Roll Call
4. Statement of Meeting Procedures (Clerk of the Board)
5. Public Comment
This is a time when persons may address the Board regarding items not on this Agenda. It is requested that comments be brief, since the Board is not permitted to take any action on items addressed under Public Comment.
6. Announcements & Information
 - a. Reports from Directors ----
 - b. Report from the Executive Director (Ken Grehm) ----
 - c. Auditor's Report (Andy Sisk) ----
Supplemental on file documents associated with Item 6c are available with the Clerk of the Board at the WPWMA's Administrative Offices and online at <https://www.wpwma.ca.gov/wp-content/uploads/2022/04/6cS1.pdf>
 - d. Financial Reports (Eric Oddo) Pg. 3
 - e. Monthly Tonnage Reports (Eric Oddo) ----
7. Consent Agenda
 - a. Minutes of the Board Meeting held March 10, 2022 Pg. 5
Approve as submitted.

- b. Support for the SWANA Legislative Task Force (Stephanie Ulmer) Pg. 9
Authorize payment of \$2,000 to the Solid Waste Association of North America Legislative Task Force.
Supplemental on file documents associated with Item 7b are available with the Clerk of the Board at the WPWMA's Administrative Offices and online at <https://www.wpwma.ca.gov/wp-content/uploads/2022/04/7bS2.pdf>
8. Action Items
- a. Draft Minutes of the April 4, 2022 Special Board Meeting (Eric Oddo) Pg. 11
Provide any necessary clarifications or edits to the draft April 4, 2022 Special Board Meeting minutes.
- b. Solid Waste Flow Commitment Agreements (Ken Grehm) Pg. 15
Authorize the Chair to sign separate Flow Commitment Agreements with the cities of Lincoln and Rocklin and the County of Placer for delivery of solid waste to the WPWMA's facility.
Supplemental on file documents associated with Item 8b are available with the Clerk of the Board at the WPWMA's Administrative Offices and online at <https://www.wpwma.ca.gov/wp-content/uploads/2022/04/8bS3.pdf>
- c. Facility Improvements Financing Framework (Ken Grehm) Pg. 17
Approve the framework for structuring and obtaining financing for the modification and upgrade of the Materials Recovery Facility, Construction and Demolition Debris Processing Area, Organics Management Area.
- d. Bond Reimbursement for Costs Associated with Facility Improvements (Jenine Windeshausen) Pg. 21
Adopt Resolution 22-02 authorizing the WPWMA to recover certain expenditures from debt proceeds associated with the cost modifying and upgrading the WPWMA's facility.
- e. MRF Design/Build Agreement with FCC (Kevin Bell) Pg. 25
Receive and update and provide direction to staff on the Design/Build Agreement with FCC Environmental Services, LLC for the modification and upgrade of the Materials Recovery Facility, Construction and Demolition Debris Processing Area, Organics Management Area, and related facility infrastructure, consistent with FCC's September 24, 2021 proposal, for a maximum cost of \$119,967,185 and contingent on the WPWMA's ability to secure the necessary financing.
- f. Fiscal Year 2021/22 Budget Amendment (Eric Oddo) Pg. 27
Approve a FY 2021/22 Budget Amendment (AM-00630) of \$30 million using funds from reserves for the initial payment towards purchase of new Materials Recovery Facility processing equipment.
9. Upcoming Agenda Items
Identification of any items the Board would like staff to address at a future meeting.
10. Adjournment

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WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Minutes of March 10, 2022

The meeting of the Western Placer Waste Management Authority Board of Directors was called to order at 5:00 PM by Chairman Karleskint in the WPWMA Administration Building at the Materials Recovery Facility.

Directors Present:

Dan Karleskint
Robert Weygandt
Pauline Roccucci
Bonnie Gore
Bill Halldin

Staff Present:

Ken Grehm
Kevin Bell
Eric Oddo
Rob Sandman
Maggie Tides

Will Scheffler
Ryan Schmidt
Keith Schmidt
Heather Wilden
Becky Correa (virtual)

1. Call Meeting to Order: Chairman Karleskint called the meeting to order at 5:00 PM.
2. Pledge of Allegiance: Director Roccucci led the Pledge of Allegiance.
3. Roll Call: All Directors were present.
4. Statement of Meeting Procedures: Heather Wilden read the procedures for in-person and virtual meeting participation.
5. Public Comment: No one from the public addressed the Board in-person or virtually.
6. Announcements & Information:
 - a. Reports from Directors: None.
 - b. Report from the Executive Director: Ken Grehm presented the outgoing Chairman plaque to Director Halldin and thanked him for his service.
 - c. Financial Reports: Eric Oddo summarized the financials. There were no questions from the Board.
 - d. Monthly Tonnage Reports: Eric Oddo summarized the tonnage reports. There were no questions from the Board.
 - e. Quarterly MRF Operator's Report: Paul Szura of Nortech indicated that the Fire Marshall visited the facility and provided a waiver to continue operating the fire damaged section of the MRF with the guarantee that Nortech is working with Johnson Controls to repair the fire suppression system that was damaged by the fire on November 10, 2021. Paul answered questions from the Board.
 - f. Quarterly Landfill Operator's Report: Paul Szura of Nortech provided a summary of the report. There were no questions from the Board.
 - g. WPWMA Operations and Engineering Report: Will Scheffler and Keith Schmidt summarized the report and answered questions from the Board.
 - h. Sunset Area Landowner Updates: Ken Grehm invited the largest adjacent landowners to provide updates on their proposed development included in the Sunset Area Plan.

Sheridon Evans from Buzz Oates Construction, Inc. provided an overview of their proposed project.

Tania Nunez from CSUS provided a summary of the proposed Sac State extension campus project.

7. Consent Agenda:

a. Minutes of the Board Meeting held January 13, 2022:

Staff recommended approving as submitted.

b. First Amendment to the Agreement with Geo-Logic Associates for North Compost Pond Expansion Design and CQA:

Staff recommended authorizing the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign the First Amendment to the North Compost Pond Expansion Design and CQA Services Agreement with Geo-Logic Associates, authorizing an additional \$51,205 in project management and construction services, increasing the total not-to-exceed cost of the Agreement to \$302,552.

c. Concrete Inert/Soil Stockpile Screening and Processing:

Staff recommended authorizing the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign the First Amendment to the North Compost Pond Expansion Design and CQA Services Agreement with Geo-Logic Associates, authorizing an additional \$51,205 in project management and construction services, increasing the total not-to-exceed cost of the Agreement to \$302,552.

MOTION TO APPROVE THE CONSENT AGENDA:

Gore/Weygandt

ROLL CALL VOTE:

Halldin:	YES	Karleskint:	YES
Roccucci:	YES	Gore:	YES
Weygandt:	YES		

Vote: 5 In Favor, 0 Opposed – Motion Passed

8. Action Items:

a. Sixth Amendment to the Agreement with SCS Field Services for Landfill Gas Operation and Maintenance Services:

Staff recommended authorizing the Chair to sign the Sixth Amendment with SCS Field Services to provide landfill gas operations and maintenance services for the Western Regional Sanitary Landfill extending services for an additional year and authorizing additional related services for a total of \$1,592,458 increasing the total not-to-exceed cost of the Agreement to \$5,454,902.

Will Scheffler summarized the report and answered questions from the Board.

**MOTION TO APPROVE ITEM 8a:
Roccucci/Weygandt**

ROLL CALL VOTE:

Halldin:	YES	Karleskint:	YES
Roccucci:	YES	Gore:	YES
Weygandt:	YES		

Vote: 5 In Favor, 0 Opposed – Motion Passed

b. MRF and WRSL Operating Agreements:

Staff recommended the Board:

1. Authorize the Chair to sign the following agreements with FCC Environmental Services, LLC, contingent on receiving flow commitment agreements from Member Agencies:
 - a. Operating Agreement and Addendum #1 for the Materials Recovery Facility; and
 - b. Operating Agreement and Addendum #1 for the Western Regional Sanitary Landfill.
2. Provide direction to staff related to flow commitment negotiations with Member Agencies and conducting flow commitment discussions with non-Member Agencies.

Ken Grehm summarized the report and answered questions from the Board.

The Board provided direction regarding continued discussions with the Member Agencies to establish flow commitments. Further, the Board directed staff to work with Member Agencies staff experienced in project financing to explore options that may be economically beneficial to both the WPWMA and the Member Agencies.

**MOTION TO APPROVE ITEM 8b1a and 8b1b:
Weygandt/Halldin**

ROLL CALL VOTE:

Halldin:	YES	Karleskint:	YES
Roccucci:	YES	Gore:	YES
Weygandt:	YES		

Vote: 5 In Favor, 0 Opposed – Motion Passed

c. MRF Equipment Repair:

Staff recommended the Board authorize the Executive Director to take all necessary actions, including but not limited to entering into a sole source agreement with Van Dyk Recycling Solutions or other qualified contractors to make repairs to the Materials Recovery Facility processing equipment

damaged during the November 10, 2021, fire, up to a maximum cost of \$2.5 million.

Kevin Bell summarized the report and answered questions from the Board.

**MOTION TO APPROVE ITEM 8c:
Gore/Roccucci**

ROLL CALL VOTE:

Halldin:	YES	Karleskint:	YES
Roccucci:	YES	Gore:	YES
Weygandt	YES		

Vote: 5 in Favor, 0 Opposed - Motion Passed

9. Timed Items:

a. Tipping Fee Increase for FY 2022/23

Staff recommended that the Board, after conducting a public hearing

1. Adopting Resolution 22-01 that increases tipping fees effective July 1, 2022; and
2. Find this action exempt from CEQA pursuant to Section 21080(b)(8) of the Public Resources Code.

Eric Oddo summarized the report and answered questions from the Board.

CHAIR OPENED THE PUBLIC HEARING AT 6:48 PM

No one addressed the Board regarding the proposed tip fee adjustments.

CHAIR CLOSED THE PUBLIC HEARING AT 6:49 PM

**MOTION TO APPROVE ITEM 9a1 and 9a2:
Weygandt/Gore**

ROLL CALL VOTE:

Halldin:	YES	Karleskint:	YES
Roccucci:	YES	Gore:	YES
Weygandt:	YES		

Vote: 5 In Favor, 0 Opposed – Motion Passed

10. Upcoming Agenda Items: None.

11. Adjournment: Meeting was adjourned at 6:58 PM.

Respectfully Submitted,



Heather Wilden, Clerk of the Board
Western Placer Waste Management Authority

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 14, 2022**
FROM: **KEN GREHM / STEPHANIE ULMER** *SU*
SUBJECT: **SUPPORT OF THE SWANA LEGISLATIVE TASK FORCE**

RECOMMENDED ACTION:

Authorize payment of \$2,000 to the Solid Waste Association of North America (SWANA) Legislative Task Force (LTF).

BACKGROUND:

SWANA is a trade organization primarily serving local governments that provide solid waste services. The LTF was established to track and influence state legislation and regulations affecting the solid waste industry. The WPWMA has held membership in the LTF for several years and continues to serve as a voting member and officer on the LTF.

Notable priorities of the LTF's 2022 Workplan include: organics recycling and funding for related infrastructure; single-use plastics; waste conversion technologies; recyclable market impacts; special wastes such as lithium-ion batteries, solar panels, and treated wood waste; and continuing to promote Extended Producer Responsibility to relieve local governments of the sole responsibility of managing problematic wastes.

Considering the significant impacts to the WPWMA's operation from recent and pending legislation and regulation, and the LTF's role in helping shape this legislation, staff believes it benefits the WPWMA to continue involvement with the LTF.

ENVIRONMENTAL CLEARANCE:

The recommended action is not considered a "project" under the California Environmental Quality Act.

FISCAL IMPACT:

The \$2,000 level of funding recommended is consistent with previous contributions and SWANA's assessment based on the WPWMA's service area size. Sufficient funding for this expenditure was included in the FY 2021/22 Budget.

ATTACHMENT: SWANA LTF 2022 WORKPLAN (ON FILE WITH THE CLERK AND ONLINE AT WPWMA.CA.GOV)

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 14, 2022**
FROM: **KEN GREHM / ERIC ODDO**
SUBJECT: **DRAFT MINUTES OF THE APRIL 4, 2022 SPECIAL BOARD MEETING**

RECOMMENDED ACTION:

Provide any necessary clarifications or edits to the draft April 4, 2022 Special Board Meeting minutes.

BACKGROUND:

Due to a technical issue, the April 4, 2022 Special Meeting of your Board was not recorded.

Staff have recounted and summarized the discussions that occurred at the meeting. However, to ensure the most accurate record, staff request your Board review the attached draft meeting minutes and provide any clarification necessary.

Upon receiving requested edits and clarifications from your Board, staff will revise the draft minutes and present them for consideration of approval at the next scheduled meeting.

ATTACHED DRAFT APRIL 4, 2022 WPWMA BOARD SPECIAL MEETING MINUTES

WESTERN PLACER WASTE MANAGEMENT AUTHORITY
Special Meeting

Minutes of April 4, 2022

The meeting of the Western Placer Waste Management Authority Board of Directors was called to order at 4:04 PM by Chairman Karleskint at the WPWMA Administration Building at the Materials Recovery Facility.

Directors Present:

Dan Karleskint
Robert Weygandt
Pauline Roccucci
Bonnie Gore
Bill Halldin

Staff Present:

Ken Grehm
Kevin Bell
Jenine Windeshausen
Eric Oddo
Robert Sandman
Heather Wilden

1. Call Meeting to Order: Chairman Karleskint called the meeting to order at 4:04 PM.
2. Pledge of Allegiance: Director Gore led the Pledge of Allegiance.
3. Roll Call: All Directors were present.
4. Statement of Meeting Procedures: Heather Wilden read the procedures for in-person and virtual meeting participation.
5. Public Comment: No one from the public addressed the Board in-person or virtually.
6. Announcements & Information:
 - a. Reports from Directors: None.
 - b. Report from the Executive Director: None.
7. Action Items:
 - a. Flow Commitment Agreements:

Staff requested the Board provide direction regarding the current Flow Commitment Agreement negotiations with the Member Agencies.

Ken Grehm summarized the history of the procurement process to hire new MRF and landfill operators, the planned facility upgrades and the need for flow commitment agreements to support financing for the upgrades, potential financing options, and the current status of flow commitment negotiations with the Member Agencies. Ken also discussed the concept of establishing a Technical Advisory Committee comprised of Member Agency staff to provide for more dialog and engagement related to ongoing operations and the possibility of revising the WPWMA Board voting structure to incorporate weighted voting based on material flows delivered by each agency to the facility.

Jenine Windeshausen, WPWMA Treasurer, explained that the WPWMA is in the initial analysis phase of obtaining bond financing and noted that past financing required the need for a specific revenue source to repay bonds which the flow commitment agreements provide.

Devin Whittington, City of Roseville, stated that Roseville has been conducting an analysis for the last two years and believes converting to a 3-bin collection system may be a better alternative for Roseville in meeting the SB1383 organic diversion requirements.

Discussion ensued on the history of the WPWMA and its perceived value, the pros and cons of a 3-cart collection system, and the desire to preserve the WPWMA's regional partnership model. The Board also discussed and generally supported the concept of establishing a new Technical Advisory Committee and provided their individual thoughts on revising the WPWMA's voting procedures.

Staff was instructed to continue discussions with City of Roseville representatives on a possible flow commitment agreement.

8. Adjournment: Meeting was adjourned at 5:37 PM.

Respectfully Submitted,



Heather Wilden, Clerk of the Board
Western Placer Waste Management Authority

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 14, 2022**

FROM: **KEN GREHM / ERIC ODDO** 

SUBJECT: **SOLID WASTE FLOW COMMITMENT AGREEMENTS**

RECOMMENDED ACTION:

Authorize the Chair to sign separate Flow Commitment Agreements with the cities of Lincoln and Rocklin and the County of Placer for delivery of solid waste to the WPWMA's facility.

BACKGROUND:

At the March 10, 2022 meeting, your Board authorized the Chair to sign the Material Recovery Facility (MRF) and Western Regional Sanitary Landfill (WRSL) operating agreements with FCC Environmental Services, LLC, (FCC) contingent on entering flow commitment agreements with the Member Agencies.

FCC's MRF proposal includes a new state of the art facility intended to meet various operational goals including a 75% diversion rate of organics. The FCC proposal included a cost of \$110M, however with the significant inflation that has occurred since the proposal was submitted and the delay in awarding the agreement the cost has been revised to \$120M. As this level of capital investment exceeds the WPWMA's current reserves, financing of these improvements will be necessary. The WPWMA Treasurer has advised staff that, consistent with the WPWMA's previous bond issuance, flow commitment agreements between the WPWMA and the Member Agencies will be a requirement of the financing institutions to demonstrate the WPWMA's ability to repay the debt. Member Agencies entered into similar flow commitment agreements with the WPWMA during previous facility construction/upgrades that required financing.

On March 22, 2022, the Lincoln City Council and the Placer County Board of Supervisors approved continued delivery of solid waste to the WPWMA; through those separate actions, Lincoln's City Manager and Placer County's County Executive Officer were authorized to negotiate and execute flow commitment agreements with the WPWMA. The Rocklin City Council is scheduled to consider a similar action at its April 12, 2022 meeting. The staff reports and associated Flow Commitment Agreements from the cities of Lincoln and Rocklin and County of Placer are attached as Exhibits A, B and C, respectively. To date, the Roseville City Council has not taken action on flow commitment with the WPWMA. If the WPWMA and the City of Roseville do not establish a flow commitment agreement, the costs of financing the improvements will be borne by those agencies that have committed their flows to the WPWMA. Staff will continue to meet with City of Roseville staff to discuss potential flow commitment options.

As noted by staff at the April 4th Special Meeting, failure to execute flow commitments this evening puts the WPWMA and FCC at risk of further escalating capital costs, insufficient operational transition time (including acquiring staff, trucks, heavy equipment

and other operational rolling stock), and could result in a situation where the WPWMA is unable to provide services on and after July 1st.

If your Board approves and authorizes the Chair to sign the Flow Commitment Agreements with Lincoln, Rocklin and Placer County, the MRF and WRSL Operating Agreements can also be executed (consistent with your Board's March 10, 2022 action). This will allow FCC to immediately begin the transition process, order MRF processing equipment, and ensure uninterrupted facility operations beginning July 1st.

Additionally, execution of the recommended Flow Commitment Agreements will allow staff to proceed with securing financing for facility improvements. In the absence of a flow commitment agreement with the City of Roseville, the financing plan necessitates exclusion of waste materials delivered by the City of Roseville from the financial proforma. Staff estimate that this reduced guaranteed tonnage will require significant increases to the tipping fee structure. Staff anticipate returning to your Board at the next meeting with a recommendation to modify the tipping fee structure for Fiscal Year 2022/23, which was approved by your Board at the March 10, 2022 meeting.

Staff will continue to work with the City of Roseville in an attempt to establish a mutually agreeable flow commitment agreement and will return to your Board as appropriate.

ENVIRONMENTAL CLEARANCE:

Approving the Flow Commitment Agreements is exempt under Section 15061(b)(3) of the CEQA Guidelines. Staff has determined the action would not have a significant effect on the environment.

FISCAL IMPACT:

While there is no direct fiscal impact associated with executing the Flow Commitment Agreements in and of themselves, doing so along with approval and execution of the proposed design agreement and final execution of the MRF and WRSL Operating Agreements will allow FCC to place the order for the MRF equipment. FCC has advised the WPWMA that an initial payment of approximately \$30 million will need to be made at the time the equipment order is placed. The WPWMA has sufficient reserves to cover this initial amount. Item 8f of this agenda addresses the necessary budget revision to allow for the cancellation of these reserves.

ATTACHMENTS: EXHIBIT A – CITY OF LINCOLN STAFF REPORT AND FLOW COMMITMENT AGREEMENT
EXHIBIT B – CITY OF ROCKLIN STAFF REPORT AND FLOW COMMITMENT AGREEMENT
EXHIBIT C – COUNTY OF PLACER STAFF REPORT AND FLOW COMMITMENT AGREEMENT

(NOTE: EXHIBITS A, B AND C ON FILE WITH THE CLERK AND ONLINE AT WPWMA.CA.GOV)

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 14, 2022**

FROM: **KEN GREHM / ERIC ODDO** 

SUBJECT: **FACILITY IMPROVEMENTS FINANCING FRAMEWORK**

RECOMMENDED ACTION:

Approve the framework for structuring and obtaining financing for the modification and upgrade of the Materials Recovery Facility, Construction and Demolition Debris Processing Area, Organics Management Area (referred collectively to as the “MRF”).

BACKGROUND:

As noted elsewhere in this agenda, FCC currently estimates the capital cost of the MRF improvements is approximately \$120 million. As staff begin working with bond counsel and the bond underwriters, staff believe it is important to establish and obtain your Board’s approval of the primary elements associated with financing the improvements.

Bond Amount, Rate and Term

As noted in Item 8d, staff estimate that the maximum amount that may need to be financed is \$130 million. This amount includes the estimated capital cost, costs associated with obtaining the financing, and additional costs that may be required by any bond covenants (e.g., establishing a reserve fund equal to 125% of the annual debt services, etc.)

In discussions with the WPWMA Treasurer, staff understand that the state of the current bond market would suggest that the most favorable interest rate for the WPWMA may be achieved with a longer bond term (e.g., 20 years). Staff recommend the WPWMA apply for financing for a term not to exceed 30 years but structure its operational financial plan to pay off the debt in approximately 15 years to better align with the estimated useful life of the MRF equipment.

For the purposes of estimating future tipping fees, staff have assumed a 20-year term at 3.50%.

Because of the time that may be required to secure long-term financing and the need for near-term expenditures of significant capital, staff understand that some form of “bridge financing” may be necessary. Staff are working with the WPWMA Treasurer to identify potential near-term sources of capital to meet the payment schedule identified by FCC.

Flow Commitments and Assumed Material Flows

For the purposes of identifying the estimated future material flows to the facility that will generate the necessary annual revenues as noted above, staff assume that:

- The WPWMA executes flow commitment agreements with the cities of Lincoln and Rocklin and the County of Placer for the duration of the financing term.

- The City of Roseville and WPWMA do not agree on flow commitment however Roseville continues to deliver approximately 18,300 tons per year of mixed waste and 2,600 tons per year of organics.
- The City of Auburn and the Town of Loomis continue to have their materials delivered to the WPWMA's facility. Staff will initiate discussions with these two agencies regarding flow commitments similar to those of Lincoln, Rocklin and Placer County.
- The City of Colfax initially continues to have their materials delivered to the WPWMA's facility but may reconsider if it becomes more cost effective for them to resume sending their material to the Eastern Regional Materials Recovery Facility near Tahoe.
- The WPWMA is unable to secure additional sources of material from other, non-Placer County agencies.

Exhibit A summarizes the estimated mixed waste and organics tonnages received at the facility over the next 15 years.

Estimated Tipping Fee Structure

Based on the following assumptions, the estimated mixed waste and organics tipping fee structure over the next 15 years is summarized in Exhibit B.

- Debt financed over 20 years at 3.50%; debt fully paid off after 15 years
- Future mixed waste and organics tonnages as noted in Exhibit A
- MRF processing fee structure in accordance with the proposed First Amendment to the MRF operating agreement (Item 8f).

Use of Annual Revenue Surpluses

Staff anticipate that in the first several years of the financing term it may be necessary to utilize a portion of reserves to augment annual tipping fee revenues and balance the budget.

Staff estimate that after approximately five years, surplus revenues will be available to help pay off the bonds early. Based on the approximate tipping fee structures shown above and conservative estimates of continued waste stream growth, staff estimate that 20-year bonds can be paid off after 15 years. As staff work with the WPWMA Treasurer and bond underwriters, staff will endeavor to identify a financing model that reduces the potential for significant tip fee increases and provides favorable terms for accelerate repayment of the debt.

EXHIBIT A
Estimated Future Mixed Waste and Organics Tonnages

Fiscal Year	MSW	C&D	Greenwaste
FY 2021/22	288,612	119,931	65,739
FY 2022/23	188,871	131,404	51,374
FY 2023/24	189,652	132,462	52,016
FY 2024/25	190,507	133,536	52,666
FY 2025/26	191,288	135,211	53,345
FY 2026/27	193,271	136,428	53,973
FY 2027/28	195,476	137,978	54,634
FY 2028/29	197,654	139,424	55,294
FY 2029/30	199,969	141,359	55,978
FY 2030/31	202,396	143,566	56,693
FY 2031/32	204,874	145,639	57,435
FY 2032/33	207,331	147,625	58,185
FY 2033/34	209,816	149,574	58,942
FY 2034/35	212,297	151,445	59,706
FY 2035/36	214,801	153,311	60,485
FY 2036/37	217,251	155,022	61,265

EXHIBIT B
Estimated Future Mixed Waste and Organics Tip Fees

Fiscal Year	MSW and C&D	Greenwaste
FY 2021/22	\$88	\$66
FY 2022/23	\$103	\$88
FY 2023/24	\$116	\$99
FY 2024/25	\$126	\$107
FY 2025/26	\$132	\$113
FY 2026/27	\$136	\$116
FY 2027/28	\$140	\$120
FY 2028/29	\$141	\$121
FY 2029/30	\$142	\$121
FY 2030/31	\$143	\$122
FY 2031/32	\$144	\$123
FY 2032/33	\$145	\$124
FY 2033/34	\$146	\$125
FY 2034/35	\$147	\$126
FY 2035/36	\$149	\$127
FY 2036/37	\$150	\$128

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 14, 2022**
FROM: **KEN GREHM / JENINE WINDESHAUSEN**
SUBJECT: **BOND REIMBURSEMENT FOR COSTS ASSOCIATED WITH FACILITY IMPROVEMENTS**

RECOMMENDED ACTION:

Adopt Resolution 22-02 authorizing the WPWMA to recover certain expenditures from debt proceeds associated with the cost modifying and upgrading the WPWMA's facility (the "Project").

BACKGROUND:

The proposed resolution does not bind or obligate the WPWMA in to go forward with the Project, or to incur debt to finance the Project. The proposed resolution allows WPWMA to be reimbursed from debt proceeds for certain expenditures made prior to the issuance of tax-exempt debt financing without incurring possible federal tax implications.

Allowable expenditures made during the period 30 days preceding the adoption of the proposed resolution and the date of the issuance of debt can be included in the amount of debt issued. This allows WPWMA to be reimbursed with debt proceeds for expenditures made during this period. Otherwise, debt proceeds can only be spent on expenditures made after debt has been issued. Such expenditures may include planning, design, architectural work, site preparation and other expenditures related to the Project.

ENVIRONMENTAL CLEARANCE:

The recommended action is not considered a "project" under the California Environmental Quality Act

FISCAL IMPACT:

There is no direct or immediate fiscal impact. The proposed resolution gives WPWMA the flexibility to finance acquisition and construction of the Project in a way it deems fiscally advantageous any time between the period 30 days prior to adoption of the proposed resolution and sometime after completion of the Project.

ATTACHMENT: RESOLUTION 22-02

Before the Board of Directors

Western Placer Waste Management Authority

In the matter of:

Resolution No. 22-02

DECLARING THE INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF OBLIGATIONS TO BE ISSUED BY THE WPWMA AND DIRECTING CERTAIN ACTIONS

The following **RESOLUTION** was duly passed by the Board of Directors of the Western Placer Waste Management Authority at a regular meeting held April 14, 2022, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Western Placer
Waste Management Authority

Attest:

Clerk of said Board

WHEREAS, the Western Placer Waste Management Authority (WPWMA) proposes to undertake the project referenced below, to issue debt for such project and to use a portion of the proceeds of such debt to reimburse expenditures made for the project prior to the issuance of the debt; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the WPWMA declare its official intent to reimburse the expenditures referenced herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Western Placer Waste Management Authority as follows:

1. The WPWMA intends to issue obligations (the "Obligations") for the purpose of paying the costs of construction of improvements to its waste disposal and recycling facilities to,

among other things, to support current and future population and development; provide enhanced material recycling infrastructure and operations to comply with applicable law; increase operating capacity, efficiency and material diversion; maintain competitive rates; maintain safety and convenience; and reduce traffic congestion (the "Project").

2. The WPWMA hereby declares that it reasonably expects (i) to pay certain costs of the Project prior to the date of issuance of the Obligations and (ii) to use a portion of the proceeds of the Obligations for reimbursement of expenditures for the Project that are paid before the date of issuance of the Obligations.
3. The maximum principal amount of the Obligations is \$130,000,000.

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 14, 2022**
FROM: **KEN GREHM / KEVIN BELL**
SUBJECT: **MRF DESIGN/BUILD AGREEMENT WITH FCC**

RECOMMENDED ACTION:

Receive and update and provide direction to staff on the Design/Build Agreement with FCC Environmental Services, LLC (FCC) for the modification and upgrade of the Materials Recovery Facility, Construction and Demolition Debris Processing Area, Organics Management Area (referred collectively to as the “MRF”), and related facility infrastructure, consistent with FCC’s September 24, 2021 proposal, for a maximum cost of \$119,967,185 and contingent on the WPWMA’s ability to secure the necessary financing.

BACKGROUND:

As noted elsewhere in this agenda package, a core element of FCC’s proposal to operate the MRF and achieve the organics diversion requirements of SB 1383 is a facility modification and upgrade.

As part of their September 24, 2021 proposal, FCC committed to designing, building, and managing construction of the MRF upgrades. At the time of their proposal, FCC estimated a cost of approximately \$110 million and was able to guarantee this cost through the end of 2021 (when, in accordance with the WPWMA’s September 2020 Request for Proposals, the WPWMA anticipated awarding and executing the MRF operations and design/build agreements). FCC notified the WPWMA that, as a result of increases in steel, oil, and labor-related costs and other inflationary pressures impacting the cost from its equipment supplier, the estimated cost to upgrade the facility has increased to approximately \$120 million. Furthermore, FCC indicated that its suppliers can only guarantee this cost through the end of April after which the price would likely increase further.

Staff are currently negotiating the design/build agreement with FCC which requires them to “provide, furnish, and perform all necessary planning, architectural, engineering, and all other design services of any type, procurement, permitting and support services, construction, clean-up, and all other construction services of any type, provide and furnish all necessary supplies, materials and equipment (except those to be provided by WPWMA, if any) and all necessary supervision, labor, and services required for the complete engineering, design, procurement, quality assurance, construction and all necessary installation, start-up and testing associated with the [MRF modification] and as required for a complete, operational, and fully functional [MRF]...” Approval of this agreement is critical to proceed with the planned facility improvements.

ENVIRONMENTAL CLEARANCE:

Construction of the proposed facility improvements is categorically exempt from further environmental review under California Environmental Quality Act Guidelines, Article 19, Section 15301 “Existing Facilities”, which includes minor alteration to an existing facility involving negligible or no expansion of the existing use Section 15302 “Replacement or Reconstruction” where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.

FISCAL IMPACT:

As noted above, the cost of the MRF modification is approximately \$120 million. As this amount exceeds the WPWMA’s current reserves, financing of these improvements will be necessary. Staff have met with the financing teams of the Member Agencies and is currently working with the WPWMA Treasurer to obtain the necessary financing under the best terms for the WPWMA.

When your Board approved an increase in facility tipping fees for FY 2021/22 at the March 11, 2021 meeting, staff noted that the increase was intended, in part, to generate additional revenues that could be used towards the cost of the anticipated facility improvements. Consistent with this approach, staff recommend the use of approximately \$30 million in reserves associated with placing and securing the order of the proposed MRF equipment. Funding for the balance of the costs will come from revenue bonds (or similar financial mechanisms) issued by the WPWMA in the coming months.

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 14, 2022**

FROM: **KEN GREHM / ERIC ODDO**

SUBJECT: **FISCAL YEAR 2021/22 BUDGET AMENDMENT**

RECOMMENDED ACTION:

Approve a FY 2021/22 Budget Amendment (AM-00630) of \$30 million using funds from reserves for the initial payment towards purchase of new Materials Recovery Facility (MRF) processing equipment.

BACKGROUND:

As noted elsewhere in this agenda, should your Board approve 1) the Flow Commitment Agreements with the cities of Lincoln and Rocklin, and the County of Placer, 2) the MRF Design/Build Agreement with FCC and 3) the First Amendment to FCC's MRF Operating Agreement, FCC will be in a position to place the order and lock in pricing for the MRF processing equipment.

FCC has indicated that in order to secure the current equipment pricing, an initial payment of approximately \$30 million will be necessary. The WPWMA has sufficient funds for this expenditure; however, since it was not explicitly identified in the FY 2021/22 Budget approved by your Board at the October 14, 2021 meeting, a budget amendment will be necessary to release the funds for this purpose.

Should your Board approve the recommended budget amendment, the Auditor can authorize release of the funds to FCC.

ENVIRONMENTAL CLEARANCE:

Approval of the proposed budget amendment is not considered a project under CEQA.

FISCAL IMPACT:

There is no direct fiscal impact associated with reallocating funds within the budget. Sufficient funding is available in the WPWMA's discretionary reserve accounts for the initial equipment payment to FCC. Staff estimate, based on current revenue and cost trends, that the WPWMA will realize between \$8 and \$10 million at the end of the current fiscal year which can be used to replenish these reserve accounts.