



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

## SPECIAL MEETING

### AGENDA

**April 22, 2022 4:00 PM**

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

*The WPWMA Board of Directors April 22, 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/94908511178>*

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](mailto: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](mailto: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 Gore)
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) ----

7. Action Items
  - a. Minutes of the April 4, 2022 Special Board Meeting Pg. 3  
Approve as submitted.

b. Solid Waste Flow Commitment Agreements (Ken Grehm) Pg. 5

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

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/2022/04/7bS1.pdf>

c. MRF Design/Build Agreement with FCC (Kevin Bell) Pg. 7

1. Authorize the Chair to execute 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.

2. Authorize the Executive Director, upon review and approval by WPWMA Counsel, to execute the First Amendment to the Design/Build Agreement, as necessary, to increase the total contract price up to an additional \$2,500,000 for costs related to securing a construction performance bond.

Supplemental on file documents associated with Item 7c 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/2022/04/7cS2.pdf>

d. First Amendment to the MRF Operating Agreement with FCC Environmental Services (Eric Oddo) Pg. 9

Authorize the Chair to sign the First Amendment to the Materials Recovery Facility Operating Agreement between the WPWMA and FCC Environmental Services, LLC formalizing an agreement to amend the Municipal Solid Waste processing fees paid to FCC should the quantity of MSW delivered to the MRF fall below 200,000 tons per year.

8. Upcoming Agenda Items

Identification of any items the Board would like staff to address at a future meeting.

9. Adjournment

**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

**MEMORANDUM  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 22, 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, Rocklin, Roseville, and the County of Placer (Member Agencies) 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 in late March 2022, FCC notified the WPWMA hat with the significant inflation that has occurred since the proposal was submitted and the delay in awarding the agreement the cost has increased to approximately \$120M. As this level of capital investment exceeds the WPWMA's current reserves, financing of these improvements over the useful life of the assets is appropriate and will provide for a level of ratepayer equity where those receiving the benefit of the improvements will be supporting the debt service. The WPWMA's financing team 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 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 each 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 finalize and execute flow commitment agreements with the WPWMA. On April 12, 2022, the Rocklin City Council approved continued delivery of solid waste to the WPWMA and authorized its City Manager to finalize and execute a flow commitment agreement with the WPWMA. The Roseville City Council is scheduled to consider a similar action at its April 20, 2022 meeting. Copies of the Member Agency staff reports and flow commitment agreements are on file with the WPWMA Clerk and are available on line at [WPWMA.ca.gov](http://WPWMA.ca.gov).

The recommended flow commitment agreements with each of the Member Agencies are substantially the same with the exception of the provision that provides the City of Roseville the flexibility to deliver only a portion of its materials to the WPWMA.

Additionally, a condition of approval in the agreements with the cities of Lincoln and Rocklin and the County of Placer is that tipping fees remain at or below \$103 per ton in the first year of the flow commitment agreements. Staff have determined that the current tipping fee of \$88 per ton approved by your Board at the March 10, 2022 is sufficient to meet the WPWMA's financial obligations for FY 2022/23. At this time, staff does not intend or foresee the need to adjust the FY 2022/23 tipping fee structure unless additional revenues are required to support the project financing. The FY 2023/24 tipping fee structure will need to be adjusted to fully pay the debt service required for the facility upgrades.

If your Board approves and authorizes the Chair to sign the Flow Commitment Agreements with Member Agencies, 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 1<sup>st</sup>.

Additionally, execution of the recommended Flow Commitment Agreements will allow staff to proceed with securing financing for facility improvements.

**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 to the WPWMA associated with executing the Flow Commitment Agreements in and of themselves, doing so along with approval and execution of the proposed Design/Build 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 in accordance with the MRF Design/Build Agreement being considered under Item 7c of this agenda. The WPWMA has sufficient reserves to cover this initial amount; at the April 14, 2022 Board meeting, your Board approved the necessary budget revision to allow for the transfer 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 – CITY OF ROSEVILLE STAFF REPORT AND FLOW COMMITMENT AGREEMENT  
EXHIBIT D – COUNTY OF PLACER STAFF REPORT AND FLOW COMMITMENT AGREEMENT

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

**MEMORANDUM  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 22, 2022**

FROM: **KEN GREHM / KEVIN BELL**

SUBJECT: **MRF DESIGN/BUILD AGREEMENT WITH FCC**

**RECOMMENDED ACTION:**

1. Authorize the Chair to execute 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.
2. Authorize the Executive Director, upon review and approval by WPWMA Counsel, to execute the First Amendment to the Design/Build Agreement, as necessary, to increase the total contract price up to an additional \$2,500,000 for costs related to securing a construction performance bond.

**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). In late March 2022, 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 have negotiated 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. A copy of this agreement is on file with the WPWMA Clerk and online at [WPWMA.ca.gov](http://WPWMA.ca.gov).

During negotiations, WPWMA and FCC discussed a requirement that FCC secure a

construction performance bond. As this item was not specifically identified in the September 2020 MRF Request for Proposals, FCC did not include funding for a performance bond in their construction cost estimate. Staff believe that, given the magnitude of the facility improvements, a performance bond is appropriate and in the best interest of the WPWMA. To avoid further delay in executing the agreements with FCC, staff recommend your Board authorize the Executive Director to execute an amendment to the Design/Build Agreement, as necessary, to compensate FCC up to an additional \$2,500,000 to secure a suitable construction performance bond.

### **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, inclusive of the recommended construction performance bond, will be approximately \$122.5 million. As this level of capital investment exceeds the WPWMA's current reserves, financing of these improvements over the useful life of the assets is appropriate and will provide for a level of ratepayer equity where those receiving the benefit of the improvements will be supporting the debt service. Staff have met with finance representatives 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. Further, the reimbursement resolution adopted by your Board at the April 14, 2022 meeting will provide additional flexibility in optimizing the financing, including the reimbursement of reserves if required or more cost effective.

Based on the payment schedule identified in the Design/Build Agreement, by mid-September 2022 the WPWMA will be obligated to pay FCC a total of approximately \$45 million. Staff estimate that sufficient funds will be available through use of reserves and available cash to cover this initial cost. If the ability to issue bonds appears to be delayed beyond mid-September, staff will return to your Board with a recommended plan for obtaining bridge financing as appropriate.



**MEMORANDUM  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 22, 2022**

FROM: **KEN GREHM / ERIC ODDO** 

SUBJECT: **FIRST AMENDMENT TO THE MRF OPERATING AGREEMENT WITH  
FCC ENVIRONMENTAL SERVICES**

**RECOMMENDED ACTION:**

Authorize the Chair to sign the First Amendment to the Materials Recovery Facility (MRF) Operating Agreement (Agreement) between the WPWMA and FCC Environmental Services, LLC (FCC) formalizing an agreement to amend the Municipal Solid Waste (MSW) processing fees paid to FCC should the quantity of MSW delivered to the MRF fall below 200,000 tons per year.

**BACKGROUND:**

On September 25, 2020, the WPWMA issued its Request for Proposals (RFP) for future operations of the MRF. As part of the RFP, the WPWMA provided estimates of the future quantity of materials that may be received for processing at the MRF and requested unit pricing for MSW quantities between 200,000 and 350,000 tons per year.

At the March 10, 2022 meeting, your Board approved the Agreement with FCC to operate the MRF consistent with their September 2021 proposal which included MSW pricing tiers that addressed scenarios where the annual tonnage delivered to the MRF was as low as 200,000 tons. As a result of the flow commitment negotiations between the WPWMA and the City of Roseville, there is the possibility in the early years of the FCC agreement that less than 200,000 tons of MSW will be received at the WPWMA's facility.

FCC has advised the WPWMA that their pricing model did not contemplate a situation where MSW tonnages drop below 200,000 tons per year and that if this situation were to occur, the pricing structure in the Agreement would be insufficient for FCC to remain profitable. Staff agreed that it would be appropriate to amend the MSW processing fee schedule in the Agreement should this situation occur. To avoid further delays with executing the agreements with FCC, the parties agreed to address this situation in the future should it be necessary. The proposed First Amendment formalizes this understanding between FCC and the WPWMA.

**ENVIRONMENTAL CLEARANCE:**

Approving the proposed First Amendment 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:**

There is no direct fiscal impact associated with executing the First Amendment. Should future MSW tonnages fall below 200,000 tons per year, staff will negotiate a revised pricing structure with FCC and return to your Board for consideration of the amended pricing structure.

ATTACHMENT: FIRST AMENDMENT

## FIRST AMENDMENT TO MRF OPERATING AGREEMENT

This FIRST AMENDMENT TO MRF OPERATING AGREEMENT (“**Amendment**”), by and among the **WESTERN PLACER WASTE MANAGEMENT AUTHORITY**, a joint powers authority organized under California law (“**WPWMA**”), and FCC Environmental Services, LLC (“**Contractor**”). All capitalized terms not herein defined shall have the meaning ascribed to them in the Agreement (as defined below). The WPWMA and Contractor are hereinafter referred to jointly as “**the Parties**” and singularly as a “**Party**”.

### RECITALS

A. The Parties have entered into that certain OPERATING AGREEMENT FOR THE WESTERN PLACER MATERIALS RECOVERY FACILITY (the “**Original Agreement**”).

B. The Parties previously amended the Original Agreement as set forth in that certain First Addendum (collectively, the “**Agreement**”).

C. The Parties wish to further amend the Agreement as set forth in this Amendment to clarify Processing Fees owed to Contractor in the event that tons do not meet certain minimum thresholds.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the Parties hereby agree as follows:

1. Recitals. The above Recitals are true and correct and form a substantive part of this Amendment.
2. Defined Terms. All capitalized terms shall have the meaning ascribed to them in the Agreement unless otherwise noted.
3. Minimum Tonnage. Section 6.9 is added to the Agreement to read in full as follows:

#### **“6.9 Minimum Tonnage**

Both Parties agree that the original request for proposals issued by WPWMA, in relation to the Agreement as set forth in Recital #5, requested pricing for Processing Fees based on annual Tons of Municipal Solid Waste received at the Materials Recovery Facility starting at no less than 200,000 Tons per Operating Year. Consequently, the pricing offered by Contractor included a fee schedule that did not consider pricing not reaching the 200,000 Tons per Operating Year threshold.

Due to the current volumes committed by Participating Agencies in their respective flow commitment agreements for the Facility Expansion not meeting initial expectations, the Parties acknowledge the possibility that annual Tonnage volumes of Municipal Solid Waste may fall below the initially proposed Processing Fee tiers.

The Parties agree that should the annual Tons in any given Operating Year of the Agreement be less than 200,000 Tons per year, the Parties shall mutually discuss and agree to a new pricing tier for Tons below 200,000 for the Processing Fees, to be added to Section 6.2.A of the Agreement. Such tier shall apply to previously billed Tons in the current Operating Year and future Operating Years in which the annual amount of Municipal Solid Waste received is less than 200,000. Processing Fees in such future years shall be adjusted to include or exclude the tier as applicable and previously billed Tons shall be adjusted as applicable. The pricing tier shall be reasonably agreed to by the Parties and reflect the additional costs on Contractor due to lower than expected Tons.”

4. Interpretation with the Agreement. This Agreement is an amendment to the Agreement as set forth in Section 10.5 of the Agreement. Except as set forth in this Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed effective as of the date next to their signatures.

WESTERN PLACER WASTE  
MANAGEMENT AUTHORITY, a joint  
powers authority organized under California  
law

CONTRACTOR

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
President

APPROVED AS TO FORM

\_\_\_\_\_  
WPWMA Counsel