



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 4, 2022 4:00 PM
Materials Recovery Facility Administration Building
3013 Fiddymment Road, Roseville, CA 95747

The WPWMA Board of Directors April 4, 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/92606553834>

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 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. Flow Commitment Agreements (Ken Grehm) Pg. 3
Provide direction to staff regarding the current Flow Commitment Agreement negotiations with the Member Agencies.

8. Upcoming Agenda Items

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

9. Adjournment

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**
FROM: **KEN GREHM / ERIC ODDO**
SUBJECT: **FLOW COMMITMENT AGREEMENTS**

DATE: **APRIL 4, 2022**

RECOMMENDED ACTION:

Provide direction to staff regarding the current Flow Commitment Agreement negotiations with the Member Agencies.

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, contingent on receiving flow commitment agreements from Member Agencies.

FCC's MRF proposal will provide a new state of the art facility that will meet various diversion goals including 75% diversion of organics when the new facility is operational. FCC has estimated a cost of approximately \$110 million to upgrade the MRF and composting facilities. As this level of capital investment exceeds the WPWMA's current reserves, financing of these improvements will be necessary. Flow commitment agreements between the WPWMA and the Member Agencies are anticipated to be a requirement of the financing institutions to demonstrate the ability to repay the debt. Member Agencies previously provided these flow commitment agreements during past facility construction/upgrades that required financing.

On September 24, 2021, staff sent a letter to the Member Agency City Managers and County Executive Officer (attached) that included previous versions of flow commitment agreements between the Member Agencies and WPWMA. Since that time, WPWMA and Member Agency staff have endeavored to negotiate and structure new flow commitment agreements that ensure continued deliver of materials to the WPWMA's facility and the WPWMA's commitment to meet the "high diversion organic processing facility" requirements of SB 1383.

On March 22, 2022, the Lincoln City Council and the Placer County Board of Supervisors each approved the continued delivery of the solid waste to the WPWMA and authorized the City Manager (Lincoln) and County Executive Officer (Placer County) to negotiate and execute flow commitment agreements with the WPWMA. Staff understands that the Rocklin City Council intends to consider a similar action at its April 12, 2022 meeting.

In discussions with City of Roseville staff, they have expressed interest in having the flexibility to implement a 3-bin (source separated recyclables) program, deliver materials to a facility other than the WPWMA's and to investigate constructing and operating their own "clean" MRF in the future. As a result, City of Roseville staff have requested provisions be included in their flow commitment agreement that would allow for their

ability to direct a portion of their waste flows to other facilities. Staff have identified several possible scenarios associated with different financing and commitment options for your Board's review which will be presented to your Board for review at the meeting. Additionally, the WPWMA's Treasurer will be available to address financing options and implications of the various scenarios.

Staff intend to present the proposed final Flow Commitment Agreements to your Board for consideration at the April 14, 2022 meeting.

ENVIRONMENTAL CLEARANCE:

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

FISCAL IMPACT:

There is no Fiscal Impact associated with the recommended action.

ATTACHMENT: SEPTEMBER 24, 2021 FLOW COMMITMENT LETTER



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

September 24, 2021

Mr. Dominick Casey
Roseville City Manager
311 Vernon Street
Roseville, CA 95678

Mr. Mark Scott
Lincoln Interim City Manager
600 6th Street
Lincoln, CA 95648

Ms. Aly Zimmerman
Rocklin City Manager
3970 Rocklin Road
Rocklin, CA 95677

Mr. Todd Leopold
Placer County Executive Officer
175 Fulweiler Avenue
Auburn, CA 95603

RE: FLOW COMMITMENT AGREEMENTS

Dear City Managers and County CEO:

As you may be aware, the Western Placer Waste Management Authority (WPWMA) is currently conducting a competitive procurement process associated with the future operation of its materials recovery facility (MRF) and sanitary landfill. One of the most important facets of this procurement process involves modification and upgrade to the MRF to ensure the facility, and by extension each of the Member Agencies, is able to comply with the organics diversion and recovery mandates of SB1383.

While selection of the future MRF and landfill operator(s) by the WPWMA Board of Directors is not expected until later this year, preliminary conceptual designs submitted by the firms proposing to operate the MRF suggest a capital investment in excess of \$100 million will be necessary to meet the Member Agencies' solid waste management needs over the coming decade. As this level of investment exceeds the WPWMA's current reserves, financing of the capital costs likely will be necessary.

To finance this level of investment it will be necessary for WPWMA to demonstrate a reliable revenue stream that can be used to pay off the loan or other financing. This WPWMA relies solely on tipping fee revenue, the mechanism to demonstrate the

reliable revenue stream has typically been through material flow commitments with the Member Agencies. In 1992, in preparation for initial construction of the MRF, the WPWMA entered into similar agreements with each of the Member Agencies to fund the necessary improvements at the time. These original flow commitment agreements expired in 2005 after the WPWMA paid off the bonds 10 years early. Later that same year, each of the Member Agencies entered into new flow commitments with the WPWMA in preparation for expanding the MRF to meet the needs of the rapidly growing community. These subsequent agreements expired in 2014; since that time, the Member Agencies have continued to deliver their wastes to the WPWMA for recycling or disposal. Copies of the 1992 and 2005 versions of these agreements are attached for your reference.

Although selection of the next MRF operator and a clearer understanding of future costs will come later this year, I would like to begin discussing the Cities' and County's willingness to once again enter into flow commitment agreements with the WPWMA and to ensure the Cities' and County's solid waste needs are adequately addressed. My hope is that these discussions will help shape the final facility operating agreements and expansion designs. Although we would not ask the Member Agencies to make a final determination until the final operating and expansion plan is known, we do anticipate that we will need flow commitments from the Cities and County prior to finalizing operating agreements and designs. We want to make sure that the Member Agencies have adequate time to understand what WPWMA will be requesting and answer any questions.

I will have a member of my staff reach out to each of your representatives in the coming days to arrange a date and time for us to discuss. In the meantime, if you have any questions or concerns, please feel free to call me at (530) 745-7588.

Sincerely,



Ken Grehm, P.E.
Executive Director

ATTACHMENT: 1992 AND 2005 FLOW COMMITMENT AGREEMENTS

CC: WPWMA BOARD MEMBERS
DEVIN WHITTINGTON, REFUSE UTILITY MANAGER, CITY OF ROSEVILLE
ANGELA FROST, ENVIRONMENTAL SERVICES MANAGER, CITY OF LINCOLN
JUSTIN NARTKER, PUBLIC SERVICES DEPARTMENT DIRECTOR, CITY OF ROCKLIN
CHRISTINA HANSON, SENIOR PLANNER, COUNTY OF PLACER
KEVIN BELL, DEPUTY EXECUTIVE DIRECTOR, WPWMA
ERIC ODDO, PROGRAM MANAGER, WPWMA