



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

**August 11, 2022 5:00 PM**

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

*The WPWMA Board of Directors August 11, 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/99324366361>*

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 Roccucci)
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. Financial Reports (Eric Oddo) Pg. 5
  - d. Monthly Tonnage Reports (Eric Oddo) ---
  - e. Quarterly MRF Operator's Report (Nortech Waste) Pg. 7
  - f. Quarterly Landfill Operator's Report (Nortech Landfill) Pg. 11
  - g. Creditable Recovery Achieved & Incentive Payments Earned by Nortech Waste in FY 2021/22 (Eric Oddo) Pg. 13
  - h. FY 2021/22 Recyclable Revenue Sharing (Eric Oddo) Pg. 15

7. Consent Agenda

- a. Minutes of the Board Meeting held July 21, 2022 Pg. 17  
Approve as submitted.
- b. Memorandum of Understanding Between the WPWMA and the Placer County Auditor Controller (Eric Oddo) Pg. 23  
Authorize the Chair and the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign a Memorandum of Understanding with the Placer County Auditor Controller related to providing ongoing financial and accounting services for an annual cost of \$84,100.
- c. Assignment of the City of Lincoln Lease (Kevin Bell) Pg. 27  
Authorize the Executive Director, or designee, upon review and approval by WPWMA Counsel to approve and execute the assignment of the lease between the City of Lincoln and WPWMA to the proposed Lincoln North Auburn Wastewater Authority.
- d. Update of WPWMA Staff Titles (Eric Oddo) Pg. 29  
Adopt Resolution 22-07 which serves to ratify and update Resolution 97-4 establishing staff titles for the WPWMA.
- e. Establishing a Rate Stabilization Account (Eric Oddo) Pg. 39  
Adopt Resolution 22-08 which serves to establish a Rate Stabilization Account as part of the WPWMA's Operating Fund.
- f. MRF Repairs (Will Scheffler) Pg. 43  
Authorize an increase of \$100,000 to the spending authority previously granted to the Executive Director for repairs to the Materials Recovery Facility increasing the not-to-exceed limit from \$2,500,000 to \$2,600,000.

8. Action Items

- a. 2022 Legislative Update and Strategic Agenda (Stephanie Ulmer) Pg. 45  
Receive an update on legislation introduced for the 2022 Legislative Session and approve the 2022 Legislative Strategic Agenda prepared by Shaw, Yoder, Antwih, Schmelzer & Lange.
- b. Module 6 Excavation and Soil Stockpiling (Ryan Schmidt) Pg. 65  
Authorize the Executive Director or designee to: 1) execute and award Construction Project 1894 Module 6 Excavation in the amount of \$6,043,000 with De Silva Gates Construction, 2) approve any required change orders in an amount not to exceed \$210,000 consistent with Section 20142 of the Public Contract Code, and 3) execute the fuel price escalation provisions in the contract in an amount not to exceed \$600,000.

- c. Sac State / Carlsen Center Circular Economy Pitch Competition (Kevin Bell) Pg. 69  
Authorize the Executive Director, or designee, upon review and approval by WPWMA Counsel to execute a work order with the Sac State / Carlsen Center for Innovation and Entrepreneurship to develop, manage and conduct a circular economy pitch competition on behalf of the WPWMA for an amount not-to-exceed \$45,000.
  - d. MRF Upgrades – Payment and Performance Bonds (Kevin Bell) Pg. 73  
Authorize the Executive Director, or designee, upon review and approval by WPWMA Counsel, to execute an amendment to the Design/Build Agreement with FCC Environmental Services, LLC to increase the total contract price by an additional \$1,824,000 for costs related to securing construction payment and performance bonds.
  - e. Authorizing the Issuance and Sale of Solid Waste Revenue Bonds, and Approving Related Documents and Actions (Ken Grehm) Pg. 75  
Adopt Resolution 22-09 which authorizes the issuance and sale of one or more series of solid waste revenue bonds to finance improvements at the Materials Recovery Facility and the Western Regional Sanitary Landfill, approves related documents and actions, amends Resolution 22-02 related to the reimbursement of expenditures from bonds, and authorizes related matters.
9. Closed Session
- a. Government Code §54957(b)(1) – Public Employee Performance Evaluation  
Title: WPWMA Executive Director
10. Upcoming Agenda Items  
Identification of any items the Board would like staff to address at a future meeting.
11. Adjournment

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Western Placer Waste Management  
Operations Fund Income Statement  
(unaudited/depreciation excluded)

Year-to-Date  
June 2022 (Preliminary)

	Year to Date		Variance	Notes
	Annual Budget	Budget	Actuals	
<b>Revenue</b>				
42010:Investment Income	109,229	109,229	78,716	(30,513) Overestimated rate of return
42030:Rents and Concessions	412,477	412,477	526,575	114,098 Energy, 2001 royalties exceeding budgeted amounts.
46240:Sanitation Services - Other	33,018	33,043	34,293	1,250 Quantity of waste tonnage received at facility exceeding budgeted projections
46250:Solid Waste Disposal	42,514,953	42,584,387	44,188,046	1,603,658 Quantity of waste tonnage received at facility exceeding budgeted projections
46430:Insurance	-	-	1,944,129	1,944,129 Represents MRF fire insurance claim payout
48030:Miscellaneous	7,500	7,500	103,136	95,636 Variance related to recyclable revenue sharing payment from Nortech, sale of excess soils and State oil grant funds
<b>Total Revenue</b>	<b>43,077,177</b>	<b>43,146,636</b>	<b>46,874,894</b>	<b>3,728,258</b>
<b>Expenses</b>				
<b>Capital Assets:</b>				
54430:Buildings and Improvements	1,134,651	1,134,651	1,134,651	- Associated with engineering component of FCC downpayment
54450:Equipment	29,290,349	28,396,060	27,974,216	381,844 Associated with equipment component of FCC downpayment. Includes adj. after capitalizing Mod 5/13 liner const. costs
54470:Infrastructure	2,025,000	2,013,934	-	2,013,934 Projects not initiated in FY
54480:Land Improvements	8,048,140	2,648,140	1,609,430	1,038,710 Costs related to compost pond project only
<b>Operating Expenses:</b>				
51010:Wages and Salaries	2,187,698	2,187,698	4,169,871	(1,982,173) Includes a one-time future pension liability expense of \$1,965,520 resulting from change in accounting of retirement liability
52030:Clothing and Personal	3,500	3,500	1,574	1,926
52040:Communication Services Expense	35,000	35,000	16,551	18,449 Partial SCADA related fees billed and paid
52050:Food	1,500	1,500	1,361	139
52060:Household Expense	3,000	3,000	495	2,505
52080:Insurance	212,000	212,000	232,587	(20,587) Includes an unexpected and unbudgeted charge of \$30,110.25 from Placer County. Working with the County to resolve.
52140:Parts	1,500	1,500	238	1,262
52160:Maintenance	32,746	32,746	30,822	1,924
52161:Maintenance - Building	25,000	25,000	21,138	3,862 Annual building maintenance costs higher than budgeted or previous year's amounts
52170:Fuels & Lubricants	300	300	1,912	(1,612) WPWMA now direct billed for vehicle fuel - previously built into County hourly labor rates as overhead.
52180:Materials - Buildings & Improvements	300	300	782	(482)
52240:Professional / Membership Dues	2,600	2,600	3,371	(771)
52250:Services and Supplies	200	200	871	(671)
52260:Misc Expense	2,000	2,000	920	1,080 Per Placer County Auditor, costs should no longer be billed to this account.
52320:Printing	8,000	8,000	32,213	(24,213) Includes \$19,157.94 in overhead costs previously built into County hourly labor rates as overhead.
52330:Other Supplies	25,000	25,000	20,142	4,858
52340:Postage	3,500	3,500	4,189	(689)
52360:Prof. & Special Svcs - General	4,730,305	4,730,305	3,004,168	1,726,136 Anticipated costs not realized if FY due to phased nature of projects and resulting consultant services
52370:Professional and Special Services - Legal	75,000	75,000	155,317	(80,317) Greater ongoing use of legal counsel than included in the Final Budget.
52380:Prof. & Special Svcs - Tech., Eng. & Env.				
SC3140:Building Maintenance Installation and Repair Services	5,000	5,000	-	5,000 No building repairs necessary in FY
SC3160:MRF Operations	19,397,601	19,397,601	18,826,822	570,780
SC3190:Landfill Operations	2,764,327	2,764,327	2,577,934	186,393 Includes \$160,000 in reverse accruals.
SC3320:Environmental and Ecological Services	1,000,000	1,000,000	419,347	580,653 Labor charges for Auburn staff conducting WPWMA business.
SC3322: Hazardous Waste	110,000	110,000	-	110,000 Cost for Auburn HHW not yet realized.
52390:Prof. & Special Svcs - County	126,000	126,000	161,213	(35,213) Reflects monthly LEA charges, annual payment of \$84,100 to Auditor and \$45,225 in unanticipated facility repair costs
52400: Prof. & Special Svcs - IT	40,000	40,000	127,049	(87,049) Includes \$109,387 if IT charges initially billed to DPW Environmental Utilities that should have been charged to WPWMA.
52440:Rents and Leases - Equipment	100	100	-	100
52450:Rents and Leases - Buildings & Improvements	100	100	-	100
52460:Small Tools & Instruments	1,000	1,000	619	381
52480:PC Acquisition	12,500	12,500	-	12,500 Budgeted cost associated with a dedicated AutoCAD server. Have not procured yet.
52510:Commissioner's Fees	6,000	6,000	5,700	300 Did not hold the 8/21 or 2/22 meetings; one director absent at October meeting. Two additional "special" meetings in April
52570:Advertising	10,000	10,000	48	9,952 Majority of budget for new facility signage with change in facility operators; cost not yet incurred.
52580:Special Department Expense	30,000	30,000	15,671	14,329 Actual advertising costs lower than budgeted.
52785:Training / Education	10,000	10,000	4,075	9,985 Budgeted for office equipment for additional staff - staff not yet hired, office equipment not required yet.
52790:Transportation and Travel	50,000	50,000	45,002	4,998 Training expenses not realized in FY
52800:Utilities	300,000	300,000	130,217	169,783 Annual costs factored into YTD budget amount but not billed or realized yet.
52810:Operating Materials	-	-	-	-
53190:Taxes and Assessments	749,302	749,302	596,951	152,351 Several annual permit operating fee expenditures not yet realized or billed
53250:Contributions to Other Agencies	266,553	266,553	262,870	3,683
53390:Transfer Out A-87 Costs	250,000	250,000	45,369	204,631 Full annual A-87 payment made; lower than expected due to direct charges from County departments to WPWMA
55510:Operating Transfer Out	-	-	-	-
59000:Appropriation for Contingencies	-	-	-	-
<b>Total Expenses</b>	<b>71,815,180</b>	<b>65,509,826</b>	<b>60,504,576</b>	<b>5,005,250</b>
<b>Net Income</b>	<b>(28,738,003)</b>	<b>(22,363,190)</b>	<b>(13,629,681)</b>	<b>8,733,508</b>

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MATERIALS RECOVERY FACILITY  
QUARTERLY OPERATIONS REPORT  
4<sup>th</sup> QTR, 26<sup>th</sup> OPERATING YEAR  
ENDING June 30, 2022



NORTECH WASTE LLC  
3033 FIDDYMENT ROAD  
ROSEVILLE, CA 95747  
(916) 645-5230

OPERATIONS REPORT  
 Material Recovery Facility Operation  
 Quarter Ending June 30, 2022 (4<sup>th</sup> Qtr. 26<sup>th</sup> Operating Year)

PROCESSED TONNAGE AND RECOVERY LEVEL

Processed Tonnage:

Nortech processed 90,557.49 tons through the material recovery facility (MRF) during the quarter. Of these 59,120 tons were municipal solid waste, 421.50 tons of food waste compost, 12,978.83 tons of construction and demolition waste, 15,362 tons of green waste and 2,690 of wood waste.

Recovery Level:

Overall recovery for the quarter was 31.70%. Creditable recovery for the Materials Recovery Facility was 7.38% or .64% below the guaranteed minimum of 8%. Creditable recovery for Construction and Demolition is 47.46% or 2.54% below the guaranteed minimum of 50% for the quarter.

Mechanical & Operational Performance:

The plant operated at 87.22% mechanical up time (444.82 hours of 510) during the quarter. The total plant time with the current operational capacity for the quarter was 82.31% (419.78 hours of 510) electrical, mechanical, and other problems are maintained in a spreadsheet for easy assessment of reoccurring problems and are available for WPWMA staff review. Current operational capacity refers to time the MRF was only running 3 lines. Two lines are still undergoing repairs after the MRF fire in November of 2021. The total plant time with all lines for the quarter was 40.95% (208.85 hours of 510) during the quarter. All lines accounts for the three lines, as well as the two non-operational lines.

Staffing:

Staffing for the period averaged full time equivalent employees. The permanent full-time staff averages, and the contract service employees averaged:

Description	Head Count
Total Full Time Equivalent (FTE)	142.5
FTE Nortech	106.3
FTE Contract	36.2
Department	Percentage of Head Count
Tip Floor	4.0
Sort Line	31.0
Finished Product	4.0
Buyback Center	6.0
Compost	8.0
C & D	11.3
Hazardous Waste	3.0
Maintenance	14.7
Clean Up	6.0
House & Yard	3.0

Administration	9.0
Transportation	4.3
Public Receiving	2

## 1. Special Occurrences

A brief summary of the special occurrences that occurred during the quarter are summarized below; a detailed description of each occurrence can be found in WPWMA's Special Occurrence Log.

- 4/7: Bulldozer turned over, no injuries, minor damage to bulldozer.
- 4/9: Broken water pipe, no injuries, damaged water pipe.
- 4/14: Load from Recology truck on fire, no injuries.
- 4/26: Recology compactor box rolled off truck, no injuries, minor damage to Recology box.
- 4/30: Ruptured hydraulic hose, no injuries.
- 5/7: Ruptured hydraulic hose on roll-off truck, no injuries.
- 5/11: Customer's trailer struck by forklift, no injuries.
- 5/20: Smoke event (Tier 1)
- 6/20: Fire (Tier 2), no injuries, no damage
- 6/20: Fire (Tier 2) emergency outside response, no injuries.
- 6/22: Employee fell into bunker, head contusion

## Ongoing Covid-19 Prevention

1. Coronavirus specific policies are being continued.
2. Janitorial employees clean and disinfect the bathrooms and lunch areas around the facility on a continuing basis during the morning and afternoon shifts.
3. Employees receive training on how to protect themselves and fellow employees (proper hand washing, etc.).
4. Employees are encouraged to wash their hands as soon as they enter the break area.
5. Unvaccinated employees are provided respirators upon request.
6. Employees are provided disposable "surgical" gloves and encouraged to wear them for additional protection.
7. Outdoor canopies are available where employees may eat their meals.
8. Advisory signs and posters are put up in the lunchroom.
9. Additional appropriate safety equipment (gloves, face shields, etc.) is being used as necessary.
10. Safety personnel monitor web sites to stay up to date on COVID-19 regulations.
11. Employees are allowed to self-screen according to CDPH guidelines and are strongly encouraged to stay home if they are sick.
12. Sick employees are sent home.
13. Employees are encouraged to be tested for the COVID-19.
14. Fully vaccinated employees without symptoms exposed to the Coronavirus were not required to quarantine. Unvaccinated employees are excluded from the workplace in case of an outbreak.
15. After 12/15 masks were required for all employees when indoors or in vehicles.

Training

- New Hire Safety Orientation – 6 new employees

HOUSEHOLD HAZARDOUS WASTE PROGRAM:

A comprehensive report is submitted monthly to WPWMA staff that identifies types and quantities of materials, origin of persons using the facility, materials recycled, etc.

Quarterly Totals	
Customer Count	6,945
Liquid Waste Processed (gallons)	39,998
Recycled Lead Acid Batteries (lbs.)	25,437
Recycled Household Batteries (lbs.)	17,223

**REGULATORY COMPLIANCE**

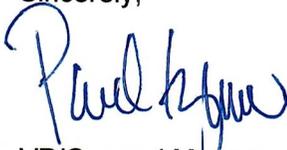
**Materials Recovery Facility (MRF):**

There were no violations or areas of concern for April, May, and June.

**Compost:**

There were no violations or areas of concern for April, May, and June.

Sincerely,



VP/General Manager  
Nortech Waste, LLC



July 26, 2022

**RE: NLI Quarterly Landfill Operations Report – 4<sup>th</sup> Quarter of the 13<sup>th</sup> Operating Year in 2022  
(April, May and June)**

Dear Mr. Schmidt,

Pursuant to Section 8.4 “Quarterly Reporting” of the Agreement between the Western Placer Waste Management Authority (Authority) and Nortech Landfill, Inc. (NLI) for operation of the Western Regional Sanitary Landfill (WRSL), NLI submits the following summary of operational activities conducted by NLI during the 4<sup>th</sup> Quarter of the 13<sup>th</sup> operating year – April, May, and June 2022.

#### Operations

Operations included the burial of 97,259 tons of waste during the quarter. These totals are incorporated in the buried tonnage total for the quarter. Filling operations consisted of placing waste in Module’s 5,12,13,14 and 16. WPWMA staff sent a letter to NLI on February 16, 2022, directing NLI to continue operating a second operating face during the quarter using a fill sequence drawing provided by the WPWMA on November 22, 2022, NLI continued filling during the 4<sup>th</sup> quarter as directed in the February letter from WPWMA.

#### Inspections

Daily load checking and random inspections were performed during the quarter. Monthly site safety inspections were performed by NLI staff. Local Enforcement Agency (LEA) performed three random site inspections during the quarter including an 18-month inspection from Cal Recycle; there were no Violations and three Areas of Concern as it relates to NLI portions of the landfill.

Copies of all inspection reports are included in the NLI operating reports that are submitted to the Authority each month.

#### Cover Soil Utilization

NLI continues to use tarps, and reuse cover soil to minimize the burial of operational material. In addition, NLI uses Alternative Daily Cover (ADC) to maximize Materials Recovery Facility diversion rates and reduce the Authority’s tax liability. These totals represent operational material including soil used for intermediate cover for the quarter. The total number of operational materials including intermediate soil was 70,327 (CY).

## Tonnages

The following table includes a summary of buried waste and operational material consumed at the WRSL for the quarter.

Month	Total Volume Change for the month (CY)	Taxable Buried Waste (Tons)	Estimated Taxable Buried Waste (CY)*	ADC (CY)	Soil (CY)	H2O Sludge (CY)	Inert (Tons)	Total Operational Material (CY)	Waste To Soil Ratio		Total Density (Lb/CY)
Q4 2021											
April	91,700	27,976	74,144	2,291	15,173	92	4,343	17,556	4.22	:1	610
May	53,800	32,260	36,255	1,959	15,587	92	4,657	17,545	2.07	:1	1,199
June	53,220	37,023	32,873	2,037	16,679	53	7,364	18,769	1.62	:1	1,391
TOTAL	198,720	97,259	143,272	6,287	47,439	1,815	16,364	70,327	2.64	:1	1,067

## Compaction Results

NLI used global positioning system (GPS) survey equipment to track the amount of airspace consumed in previous reports. During the quarter NLI used a different method of recording the monthly fill sequence data. NLI estimates the density this quarter falls in the contractual range of 1,100 to 1,200 lbs. /CY.

Please let me know if you require any further assistance regarding this report.

Sincerely,



Paul Szura  
Contractor's Representative  
Nortech Landfill, Inc.

**MEMORANDUM  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **AUGUST 11, 2022**  
FROM: **KEN GREHM / ERIC ODDO**   
SUBJECT: **CREDITABLE RECOVERY ACHIEVED & INCENTIVE PAYMENTS  
EARNED BY NORTECH WASTE IN FY 2021/22**

**RECOMMENDED ACTION:**

None. This report is for information purposes only.

**BACKGROUND:**

The prior MRF Operating Agreement (Agreement) with Nortech Waste, LLC. (Nortech) required Nortech to achieve a creditable recovery rate of 22% from municipal solid waste (MSW) and 50% from construction & demolition debris (C&D) each operating (fiscal) year. These rates were established with the Member Agencies and reflect their requirements to reliably meet the waste reduction mandates of AB 939. Source separated recyclables and source separated green and wood wastes do not count toward the creditable recovery rate. The Agreement provided for an incentive payment of \$18 per ton of materials recovered in excess of the contractual requirements, which is approximately equal to the avoided cost of landfilling the material. If Nortech failed to meet either the MSW GMRL or C&D GMRL, the Agreement stipulated imposing a disincentive adjustment defined as a percentage of the applicable annual processing fees prorated by the amount of the recovery shortfall

On the evening of November 10, 2021, a fire in the MRF destroyed a portion of the processing equipment and effectively reduced the material recovery potential of the facility. Although the WPWMA initiated efforts to repair the damaged equipment, the timing of the repairs was such that the MRF would not be returned to pre-fire capabilities prior to the June 30, 2022 ending of the Agreement. As a result, WPWMA and Nortech staff negotiated a final amendment to the Agreement, that your Board subsequently approved at the June 9, 2022 meeting, that established a post-fire MSW GMRL of 8%.

For FY 2021/22, Nortech achieved a pre-fire MSW creditable recovery rate of 23.07%, a post-fire MSW creditable recovery rate of 8.02% (for a weighted annual average of 14.21%) and a C&D creditable recovery rate of 49.99%. The following table summarizes the recovery levels achieved by Nortech over the past several years.

<u>Period</u>	<u>MSW Recovery</u>	<u>C&amp;D Recovery</u>
FY 2021/22	14.21%	49.99%
FY 2020/21	23.14%	50.47%
FY 2019/20	22.85%	51.13%
FY 2018/19	24.15%	50.36%
FY 2017/18	24.68%	52.29%
FY 2016/17	23.94%	50.45%
FY 2015/16	22.73%	51.39%

**FISCAL IMPACT:**

For FY 2021/22, Nortech earned \$18,217.72 in MSW incentive payments and was assessed \$3,964.57 in C&D disincentive payments, resulting in a net incentive payment of \$14,253.15. For purposes of comparison, Nortech earned a combined incentive payment of \$54,826 in FY 2020/21.



**RECYCLABLE COMMODITY REVENUES RECEIVED BY THE WPWMA IN FY 2021/22**

Commodity	Benchmark Value (\$/ton)	Avg. Sales Value (\$/ton)	Recovered Tonnage (tons)	Revenues Remitted to the WPWMA
Aluminum Cans	\$1,762.82	\$1,702.70	276.13	\$0.00
Aluminum Scrap	\$503.64	\$575.96	30.99	\$448.25
Lead Acid Batteries	\$891.72	\$386.20	26.97	\$0.00
Cardboard	\$163.69	\$151.30	2,535.54	\$0.00
Compost	\$18.88	\$1.20	114,842.80	\$0.00
Glass	\$94.43	(\$11.23)	1,829.58	\$0.00
HDPE Colored	\$472.18	\$615.78	318.21	\$9,138.86
HDPE Natural	\$742.19	\$1,450.33	253.68	\$35,892.13
Mixed Plastic (large)	\$127.27	\$118.31	1,074.82	\$0.00
Mixed Plastic (small)	\$63.75	\$0.00	0.00	\$0.00
Mixed Waste Paper	\$119.62	\$0.00	2.26	\$0.00
Newspaper	\$138.51	\$101.03	235.48	\$0.00
PET Plastic	\$541.42	\$419.89	754.83	\$0.00
Scrapping Materials	\$1,259.14	\$1,640.54	28.93	\$2,206.8
Steel	\$169.97	\$160.07	6,775.39	\$0.00
<b>Total</b>			<b>128,985.61</b>	<b>\$47,686.04</b>

**SUMMARY OF RECYCLABLE COMMODITY REVENUES RECEIVED BY THE WPWMA**

Commodity	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Aluminum Cans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Aluminum Scrap	\$1,391.00	\$3,109.07	\$503.46	\$0.00	\$0.00	\$448.25
Lead Acid Batteries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cardboard	\$25,825.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Compost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Glass	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HDPE Colored	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,138.86
HDPE Natural	\$0.00	\$0.00	\$0.00	\$3,978.44	\$48,743.72	\$35,892.13
Mixed Plastic (large)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mixed Plastic (small)	\$0.00	\$0.00	\$767.51	\$0.00	\$0.00	\$0.00
Mixed Waste Paper	\$1,928.51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Newspaper	\$1,998.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PET Plastic	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Scrapping Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,206.80
Steel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$31,143.83</b>	<b>\$3,109.07</b>	<b>\$1,270.97</b>	<b>\$3,978.44</b>	<b>\$48,743.72</b>	<b>\$47,686.04</b>

## WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Minutes of July 21, 2022

The meeting of the Western Placer Waste Management Authority Board of Directors was called to order at 6:00 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  
Robert Sandman  
Will Scheffler

Heather Wilden  
Becky Correa (virtual)

1. Call Meeting to Order: Chairman Karleskint called the meeting to order at 6:00 PM.
2. Pledge of Allegiance: Director Weygandt 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 confirmed the list of the upcoming agenda items previously requested by the Board and indicated staff address the items individually at upcoming meetings. Ken noted the list as including: 1) formation and charter approval for a Member Agency Technical Advisory Group (which Ken noted is on this evening's agenda), 2) Evaluation of key WPWMA staff, 3) and update on the Master Plan EIR, and 4) discussion regarding material sent directly to the landfill without first being processed at the MRF.

Will Scheffler provided a brief update on the MRF and landfill operations transition and the MRF fire repairs.

There were no questions from the Board.
  - c. Financial Reports: Eric Oddo provided a summary of the financials. There were no questions from the Board.
  - d. Monthly Tonnage Reports: Eric Oddo provided a summary. There were no questions from the Board.
7. Consent Agenda:
  - a. Minutes of the Board meeting held June 29, 2022:

Staff recommended approving as submitted.

- b. Second Amendment to the Agreement with Magma Creative for Public Engagement and Public Information Officer Services:  
Staff recommended authorizing the Chair to sign the Second Amendment with Magma Creative, Inc. to provide professional public engagement services related to the WPWMA's facilities and Waste Action Plan for an amount not to exceed \$225,000, increasing the total not to exceed amount of the Agreement to \$427,300.
- c. First Amendment to the Agreement with EcoHero Show for School Outreach Services:  
Staff recommended authorizing the Chair to sign the First Amendment with EcoHero Show, LLC to provide professional services related to the WPWMA's public outreach, education and engagement program for an amount not to exceed \$50,000, increasing the total not-to-exceed amount of the Agreement to \$116,000.
- d. Third Amendment to the Agreement with Quality Scales Unlimited for Commercial Truck Scale Repair and Maintenance:  
Staff recommended authorizing the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign the Third Amendment to the Agreement with Quality Scales Unlimited for commercial truck scale repair and maintenance, for an amount not to exceed \$70,000, increasing the total not-to-exceed cost of the Agreement to \$311,110.
- e. Soil Acceptance Policy:  
Staff recommended adopting Policy 22-05 associated with the acceptance criteria for soil.
- f. Assignment of MRF and Landfill Operating Agreements and MRF Design-Build Agreement:  
Staff recommended authorizing the Chair to execute the following amendments associated with FCC's establishing FCC Environmental Services California as a wholly owned subsidiary of FCC Environmental Services, LLC.
  1. The First Amendment to the Landfill Operating Agreement with FCC Environmental Services, LLC assigning its obligations to the subsidiary; and
  2. The Second Amendment to the MRF Operating Agreement with FCC Environmental Services, LLC assigning its obligations to the subsidiary; and
  3. The First Amendment to the Agreement for Design-Build Services with FCC Environmental Services, LLC assigning its obligations to the subsidiary.
- g. Equipment Loan and Indemnification Agreement:  
Staff recommended ratifying the Equipment Loan and Indemnification Agreement between FCC and WPWMA executed by the Executive Director

that allows FCC to utilize WPWMA-owned vehicles while performing services in accordance with the MRF Operating Agreement.

h. Designation of the WPWMA Secretary:

Staff recommended adopting Resolution 22-04 which designates the WPWMA Program Manager as the WPWMA Secretary.

The Chair opened public comment for the Consent Agenda; no one from the public made a comment.

**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. Debt Management and Disclosure Policy:

1. Staff recommended adopting Resolution 22-05 which serves to formally adopt a WPWMA-specific debt management and disclosure policy; and
2. Receive training on Securities and Exchange Commission Disclosure Requirements and Obligations from Bond/Disclosure Counsel.

Eric Oddo explained that a Debt Management Policy is required for obtaining revenue bonds. We are required to submit this policy within thirty days prior to the sale of the bond.

The Disclosure Policy is highly recommended and is intended to establish practices to ensure compliance and reduce exposure of the WPWMA to liability associated with misstatements or omissions.

Chris Lynch with Jones Hall was present on Zoom and available to answer questions that Board may have had.

The Chair opened the item for public comment; no one from the public made a comment.

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

**ROLL CALL VOTE:**

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

**Vote: 5 In Favor, 0 Opposed – Motion Passed**

b. Sale of WPWMA Vehicles to FCC:

Staff recommended approving the sale of fifteen WPWMA owned vehicles to FCC Environmental Services for a total of \$1,130,560.

Will Scheffler summarized the report. Kevin Bell answered questions from the Board.

The Chair opened the item for public comment; no one from the public made a comment.

**MOTION TO APPROVE ITEM 8b:  
Roccucci/Halldin**

**ROLL CALL VOTE:**

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

**Vote: 5 In Favor, 0 Opposed – Motion Passed**

c. First Amendment to the Solid Waste Flow Commitment Agreement with the City of Roseville:

Staff recommended authorizing the Chair to sign the First Amendment to the Agreement for Delivery of Solid Waste between the City of Roseville and the WPWMA that commits delivery of all solid waste generated within the jurisdictional boundaries of the City of Roseville for a period of three years.

Kevin Bell reported the additional flow has been incorporated into the rate package for the bond financing. The Board collectively expressed their appreciation City of Roseville staff for achieving consensus.

The Chair opened the item for public comment; no one from the public made a comment.

**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**

d. WPWMA Technical Advisory Group Charter:

Staff recommended approving the charter for the WPWMA's Technical Advisory Group.

Kevin Bell provided an overview of the report. The Board directed staff to change the name to the Technical Analysis Group. Kevin answered questions from the Board.

The Chair opened the item for public comment; no one from the public made a comment.

**MOTION TO APPROVE ITEM 8d:**

**Halldin/Gore**

**ROLL CALL VOTE:**

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

**Vote: 5 In Favor, 0 Opposed – Motion Passed**

9. Timed Items

6:05 P.M.

a. Tipping Fee Increases for FY 2022/23, FY 2023/24 and FY 2024/25:  
Staff recommended after conducting a public hearing:

1. Adopt Resolution 22-06 that increases tipping fees effective January 1, 2023, July 1, 2023, and July 1, 2024; 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 6:30 P.M.**

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

**CHAIR CLOSED THE PUBLIC HEARING AT 6:31 P.M.**

**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: The Board requested a summary of the WPWMA's virtual and in-person meeting practices.

11. Adjournment: Meeting was adjourned at 6:55 PM.

Respectfully Submitted,



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

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# COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

ANDREW C. SISK, CPA  
Auditor-Controller  
E-mail: [asisk@placer.ca.gov](mailto:asisk@placer.ca.gov)

NICOLE C. HOWARD, CPA  
Assistant Auditor-Controller  
E-mail: [nhoward@placer.ca.gov](mailto:nhoward@placer.ca.gov)

July 6, 2022

To the Board of Directors and Management  
Western Placer Waste Management Authority

The Auditor-Controller is pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2022-2023 fiscal year.

### A. Scope of Services

The Auditor-Controller will provide the following services to Western Placer Waste Management Authority ("Authority"):

1. **General Accounting** – includes use of County's centralized accounting system and recording of financial system entries submitted by the Authority. Transactions will be reviewed for authorization by appropriate Authority personnel prior to processing. This also includes compiling the Authority's financial information to report within the County's A-87 Cost Plan, if applicable.
2. **Accounts Payable** – includes processing payment claims by warrant, wire or ACH. Claims will be reviewed to validate authorized Authority signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of the service agreement. Maintaining vendors and payments for purposes of 1099 reporting along with issuing 1099 forms for the calendar year, if applicable.
3. **Financial Statements/ State Controller Office's Reports** - includes compiling the applicable fiscal year(s)' financial information into financial statements and/or the State Controller Office's Report.
4. **Adopted Budget** – includes recording your Authority's adopted budget, ensuring expenditures do not exceed authorized budget and processing budget revisions.

### B. Term

The term of this Agreement will commence on July 1, 2022 and end on June 30, 2023. Subject to written agreement of the parties, this agreement may be renewed annually.

### C. Responsibilities of Auditor-Controller

The Auditor-Controller's responsibility under this Agreement is to perform the services enumerated above. The Auditor-Controller will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment.

The Auditor-Controller's services are not designed to detect instances of fraud, noncompliance with laws

or regulations or significant errors; however, the Auditor-Controller will communicate to Authority any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to their attention. Neither the County nor the Auditor-Controller will be held liable should any instances of fraud, noncompliance with laws or regulations or significant errors be subsequently discovered by either Authority or through a claim or lawsuit to Authority.

D. Responsibilities of Authority Management

Authority is responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all Authority Board authorized budgets and budget amendments. Authority is encouraged to routinely provide accounting reports and payment registers to its Board for review.

Authority agrees to inform County of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services provided Authority management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Authority agrees to hold the County and the Auditor-Controller harmless for any subsequent claims or lawsuits that may arise from the results of the services.

Annual Cost and Billing

The annual cost of services identified above is \$84,100. Your Authority will be billed by journal entry during the third quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your Authority.

Agreement

The Auditor-Controller appreciates the opportunity to be of service to you and believes this letter accurately summarizes the significant terms of your agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements. Please execute this document and return the original version to my office at your earliest convenience.

Sincerely,

Andrew C. Sisk, CPA  
Auditor-Controller

We, the undersigned, have read and agree to the terms of this Agreement. We represent we have the authority to execute this Agreement on behalf of the Authority.

Authorized Signature Director: \_\_\_\_\_ Dated: \_\_\_\_\_

Authorized Signature Board Chair: \_\_\_\_\_ Dated: \_\_\_\_\_

Authority Name: \_\_\_\_\_

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**MEMORANDUM  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**  
FROM: **KEN GREHM / ERIC ODDO**   
SUBJECT: **UPDATE OF WPWMA STAFF TITLES**

DATE: **AUGUST 11, 2022**

**RECOMMENDED ACTION:**

Adopt Resolution 22-07 which serves to ratify and update Resolution 97-4 establishing staff titles for the WPWMA.

**BACKGROUND:**

At the July 7, 1997 meeting, your Board approved Resolution 97-4 which served to formally adopt several County policies and procedures as well as identify WPWMA-specific titles for key staff members that split their time between County and WPWMA duties. At the time, Placer County Department of Facility Services provided staffing and support to the WPWMA, which is reflected in the staffing designations identified in Resolution 97-4. A copy of Resolution 97-4 and the associated staff report are attached for your Board's reference.

As a result of subsequent reorganizations of County department responsibilities, the Placer County Department of Public Works currently provides the majority of staffing support to the WPWMA, including all of the WPWMA's full-time, dedicated on-site staff, and executive management personnel.

As part of the process for preparing to issue bonds to upgrade the MRF, Bond/Disclosure Counsel has recommended the WPWMA ratify and update Resolution 97-4 to reflect the current County/WPWMA operational structure to ensure accuracy, clarity and transparency in the applicable bond documents.

The attached Resolution 22-07 serves to reiterate and update Resolution 97-4 as it relates to WPWMA staff titles.

**ENVIRONMENTAL CLEARANCE:**

The recommended action 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 to the WPWMA associated with the recommended action.

ATTACHMENT: RESOLUTION 97-4 AND JULY 7, 1997 STAFF REPORT  
RESOLUTION 22-07

# MEMORANDUM

## WESTERN PLACER WASTE MANAGEMENT AUTHORITY

To: WPWMA BOARD

Date: JULY 7, 1997

From: LARRY ODDO / JIM DURFEE 

Subject: ADOPTION OF PLACER COUNTY'S PERSONNEL, PROCUREMENT AND RISK MANAGEMENT PROCEDURES AND POLICIES; ESTABLISHMENT OF WPWMA STAFF TITLES

### ACTION REQUESTED:

Approve the attached Resolution No. 97-4, adopting certain County procedures, establishing titles for WPWMA staff.

### BACKGROUND:

#### **Adoption of County Procedures**

The Authority has informally followed most of Placer County's procedures and policies since its inception. In order to formalize certain of these procedures, County Counsel has recommended that your Board adopt the County policies and procedures by resolution. Included in this recommendation are the following:

1. Adoption of the County's procurement policies for contracting for public works projects and professional services, as detailed in Sections 4.0 and 5.0 of the Placer County Purchasing Policy Manual.
2. Adopting the procedures of the Risk Management Division of the County Executive Office for the investigation and review of claims.
3. Adoption of a policy which positively identifies staff's status relative to County/Authority employment, establishing titles for key staff members specific to WPWMA.
4. Adoption of a policy which provides an indemnification to the County for defense of staff for issues which arise solely while staff is representing the Authority.

# Before the Western Placer Waste Management Authority

NO. 97-4

In the matter of: **ADOPTING COUNTY POLICIES AND  
PROCEDURES, AND ESTABLISHING STAFF TITLES FOR THE  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

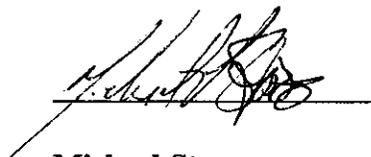
The following RESOLUTION was duly passed by the Western Placer Waste Management Authority at a regular meeting held July 7, 1997, by the following vote on roll call:

**Ayes:** WEYGANDT, SANTUCCI, STORZ, MAGNUSON, GRAHAM

**Noes:** NONE

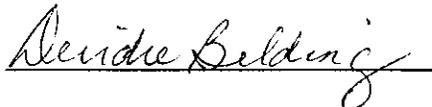
**Absent:** NONE

Signed and approved by me after its passage.



**Michael Storz**  
**Chairman, Landfill Authority**

**Attest:**  
**Clerk of Landfill Authority**



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**Establishment of Staff Titles**

The Placer County Department of Facility Services, Solid Waste Management Division, provides staff support to the Authority, and manages the solid waste activities for the remainder of the County as well. In addition, County Counsel and the Risk Management Division also provide staff support to the Authority. Currently, staff answers to the titles developed by the County. In order to eliminate any ambiguities which may arise due to staff's shared responsibilities, and to clearly document the separation of staff's responsibilities relative to the Authority and the County, Counsel and the Risk Manager have recommended that certain key staff be provided with official titles which are specific to the Authority. If your Board elects to adopt new titles for staff, these titles would only be used when staff is representing the Authority.

Staff has developed the following list of titles for your Board's consideration. The names of the persons currently holding the County positions are included for your Board's reference:

County Title:	Suggested Authority Title:
Director, Facility Services Larry Oddo	Executive Director
Assistant Director, Facility Services Dave Babitz	Assistant Executive Director
Deputy Director, Facility Services Bud Fritzsche and Albert Richie	Deputy Executive Director
County Counsel Anthony LaBouff	Authority Counsel
Deputy County Counsel Scott Finley	Deputy Authority Counsel
Risk Manager Pete Sarellana	Authority Risk Manager

The other staff members will retain their county titles, however, they will be provided with business cards and identification badges or name tags which specifically identify them as employees of the Authority. These forms of identification will be utilized whenever staff represents the Authority.

**WPWMA Board**  
**Adoption of Policies, Staff Titles**  
**July 7, 1997**  
**Page 3**

**ENVIRONMENTAL CLEARANCE:**

Adoption of these administrative policies and establishing new staff titles will not result in a physical change to the environment, and is not a "project" as defined in the California Environmental Quality Act (CEQA), Guidelines, Section 15378(a).

**PROBLEM STATEMENT:**

To formally adopt these County policies and procedures and to establish these new titles, your Board's approval of a Resolution will be required.

**FISCAL IMPACT:**

As the purchasing policies recommended for adoption have been informally followed in the past, there is no anticipated increase in costs associated with adoption of the County's policies. Formal adoption of the risk management procedures should ultimately result in a decrease in costs associated with claims and litigations. The only costs associated with the change in titles will be the cost of new business cards and name tags for staff. These costs are estimated at approximately \$500.00

**RECOMMENDATION:**

It is, therefore, recommended that your Board:

Approve the attached Resolution No. 97-4, adopting certain county policies and procedures and establishing new titles for WPWMA staff.

Attachments: Resolution No. 97-4

cc: Risk Management  
County Counsel  
Procurement Services

LO:JD:jd

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**RESOLUTION NO. 97.4**

**JULY 7, 1997**

**PAGE 2**

**WHEREAS**, pursuant to Section 5 of the Joint Exercise of Powers Agreement, dated October 3, 1978, the Western Placer Waste Management Authority (hereinafter "Authority") has since its inception exercised its powers subject only to such restrictions upon the manner of exercising such powers as are imposed upon Placer County in the exercise of similar powers; and,

**WHEREAS**, the procedures of Placer County have been utilized and continue to be utilized by the Authority to conduct its regular and ordinary business; and,

**WHEREAS**, the employees of Placer County have served and continue to serve as the staff of the Authority; and,

**WHEREAS**, the Authority desires to formally adopt certain Placer County policies and procedures, including public works contracting and risk management, and the Authority further desires to recognize and confirm the status of certain employees of Placer County when such employees are acting on the behalf of the Authority;

**NOW, THEREFORE, BE IT RESOLVED** that the Western Placer Waste Management Authority does hereby adopt as follows:

1. The procedures of Placer County for the contracting of public works projects and for the procurement of professional services are hereby approved and adopted for use on behalf of the Authority. To the extent applicable and feasible, the procedures set forth in Sections 4.0 and 5.0 of the Placer County Purchasing Policy Manual shall be followed.
2. The procedures of the Risk Management Division of the Chief Executive Office of the County of Placer for the investigation and review of claims are hereby approved and adopted for use on behalf of the Authority, and the Risk Manager is hereby appointed to monitor the performance of outside counsel in conjunction with the Authority Counsel and the Executive Director.
3. All employees of Placer County who provide services to the Authority shall remain employees of Placer County and be subject to the rules and regulations of Placer County governing personnel and employment; provided, however, that in the event an incident occurs involving an employee of Placer County when such employee is acting on behalf of the Authority and within the scope of his or her duties for the Authority, and the incident gives rise to a claim or litigation, the Authority shall defend, indemnify and hold harmless Placer County from any such claim, liability, damages, costs or judgment and shall defend, indemnify and hold harmless the employee as otherwise provided by and according to the provisions of the Tort Claims Act (Government Code Section 810 et seq.).

**RESOLUTION NO. 97.4**  
**JULY 7, 1997**  
**PAGE 3**

4. The Authority hereby confirms and appoints the Placer County employees holding the following positions to act on behalf of the Authority for the conduct of the regular business of the Authority, and directs said employees, and their successors, to utilize the titles following their County titles when acting on behalf of the Authority:

---

County Title:	Authority Title:
Director, Facility Services	Executive Director
Assistant Director, Facility Services	Assistant Executive Director
Deputy Director, Facility Services	Deputy Executive Director
County Counsel	Authority Counsel
Deputy County Counsel	Deputy Authority Counsel
Risk Manager	Authority Risk Manager

The Executive Director is authorized to use such other employees of the Department of Facility Services as he or she may deem necessary from time to time to accomplish the work of the Authority;

The Authority Counsel is authorized to use such other employees of the County Counsel's Office as he or she may deem necessary from time to time to accomplish the work of the Authority;

The Authority Risk Manager is authorized to use such other employees of the Risk Management Division as he or she may deem necessary from time to time to accomplish the work of the Authority.

County staff working on behalf of the Authority but not specifically identified in this Resolution shall retain their County titles, but shall be provided with appropriate identification which specifically identifies them as representing the Western Placer Waste Management Authority.

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# Before the Board of Directors

## Western Placer Waste Management Authority

In the matter of:

Resolution No. 22-07

### RATIFYING AND UPDATING RESOLUTION NO. 97-4 TO ESTABLISH STAFF TITLES FOR THE WESTERN PLACER WASTE MANAGEMENT AUTHORITY

The following **RESOLUTION** was duly passed by the Board of Directors of the Western Placer Waste Management Authority at a regular meeting held August 11, 2022, by the following vote on roll call:

Ayes:

Noes:

Abstain:

Absent:

Signed and approved by me after its passage.

---

Chair, Western Placer  
Waste Management Authority

---

Clerk of said Board

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**WHEREAS**, the Western Placer Waste Management Authority (WPWMA) is a joint exercise of powers authority organized and existing under the Joint Exercise of Powers Law (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code);

**WHEREAS**, the Cities of Roseville, Rocklin, Lincoln and the County of Placer (County) formally executed the Joint Exercise of Powers Agreement dated October 3, 1978 which formed the WPWMA and which was later amended by the First Amendment as of August 25, 1987, the Second Amendment as of October 25, 1988, the Third Amendment as of November 21, 1989, the Fourth Amendment as of July 31, 1990, the Fifth Amendment as of October 1, 1993 and the Sixth Amendment as of April 14, 2005 (the "Agreement"); and

**WHEREAS**, Section 9 of the Agreement provides that the WPWMA Board of Directors has the power to appoint such officers and employees as it may deem necessary; and

**WHEREAS**, pursuant to Resolution No. 97-4, adopted by the WPWMA Board of Directors on July 7, 1997, the WPWMA Board of Directors adopted a policy to formally recognize and confirm the status of certain County employees who act on behalf of WPWMA for the conduct of the regular business of WPWMA, and directed such employees, and their successors, to utilize the specified titles following their County titles when acting on behalf of WPWMA; and

**WHEREAS**, because the County has reorganized some of its departments since 1997, the WPWMA Board of Directors wishes to ratify, confirm and update the staff titles established pursuant to Resolution No. 97-4, as set forth herein.

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

1. Recitals. The WPWMA Board of Directors hereby finds that the facts set forth in the recitals to this Resolution are true and correct.
2. Establishment of WPWMA Staff Titles. The WPWMA Board of Directors hereby ratifies, confirms and appoints the County employees holding the following positions to act on behalf of the WPWMA for the conduct of the regular business of WPWMA, and directs said employees, and their successors, to utilize the titles following their County titles when acting on behalf of WPWMA:

<u>County Title</u>	<u>WPWMA Title</u>
Director of Public Works	Executive Director
County Counsel	Authority Counsel
Risk Manager	Authority Risk Manager

The Executive Director is authorized to use such other employees of the Department of Public Works as he or she may deem necessary from time to time to accomplish the work of WPWMA.

The Authority Counsel is authorized to use such other employees of the County Counsel's Office as he or she may deem necessary from time to time to accomplish the work of WPWMA.

The Authority Risk Manager is authorized to use such other employees of the County Risk Management Division as he or she may deem necessary from time to time to accomplish the work of WPWMA.

County staff working on behalf of WPWMA but not specifically identified in this Resolution shall retain their County titles, but shall be provided with appropriate identification which specifically identifies them as representing WPWMA. For purposes of illustration, the Assistant Director of Public Works or Deputy Director of Public Works shall have the title of Deputy Executive Director of WPWMA, and the Deputy County Counsel shall have the title of Deputy Authority Counsel of WPWMA.

In addition to the powers given to them by this Resolution, County staff working on behalf of WPWMA shall have the powers given to them from time to time by resolution of the WPWMA Board of Directors.

3. Further Authority. The officers of WPWMA or their designees are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.
4. Effective Date. This Resolution shall take effect immediately upon its adoption.



stabilization account while still meeting the bond covenants be identified at the time your Board considers approval of the annual Final Budget.

Upon your Board's approval of the recommended action, staff will work with the Auditor-Controller's office to formalize the details of the rate stabilization account. Further, staff will amend both the annual Budget presentation and financial forecasting tool used to inform the budget process to clearly identify the deposits, withdrawals, and balance of the account.

**ENVIRONMENTAL CLEARANCE:**

The recommended action 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 to the WPWMA associated with the recommended action. As identified in the Indenture of Trust, funds placed in the rate stabilization account will be designated as unrestricted and can be used by the WPWMA for any legal purpose.

ATTACHMENT: RESOLUTION 22-08

# Before the Board of Directors

## Western Placer Waste Management Authority

In the matter of:

Resolution No. 22-08

### ESTABLISHING A RATE STABILIZATION ACCOUNT

The following **RESOLUTION** was duly passed by the Board of Directors of the Western Placer Waste Management Authority at a regular meeting held August 11, 2022, by the following vote on roll call:

Ayes:

Noes:

Abstain:

Absent:

Signed and approved by me after its passage.

---

Chair, Western Placer  
Waste Management Authority

---

Clerk of said Board

---

**WHEREAS**, the WPWMA has historically utilized unspent and otherwise unallocated excess funds existing at the end of a fiscal year (referred to as “retained earnings”) as a source of gross revenue for the subsequent fiscal year; and

**WHEREAS**, the WPWMA has undertaken efforts to issue revenue bonds to finance the costs associated with planned upgrades to the Materials Recovery Facility and construction of the next waste module at the Western Regional Sanitary Landfill; and

**WHEREAS**, the use of retained earnings may not qualify as “gross revenue” nor in the calculation of “net revenue” for the purposes of meeting the anticipated debt service coverage bond covenant; and

**WHEREAS**, the draft Indenture of Trust associated with the planned bond issuance allows the WPWMA to establish a rate stabilization account in which the WPWMA can deposit retained earnings and use the funds in the account to either pay lawful costs of the enterprise or meet the anticipated debt service bond coverage covenant; and

**WHEREAS**, upon establishing the rate stabilization account, six million dollars (\$6,000,000) from FY 2021/22 retained earnings shall be transferred to the account, and

**WHEREAS**, following such deposit, three million five hundred thousand dollars (\$3,500,000) shall be transferred from the rate stabilization account to Operating Fund as a source of gross revenue for FY 2022/23; and

**WHEREAS**, at the time of annual budget approval, the WPWMA may elect to transfer a portion of, or all, retained earnings (if any) from the previous fiscal year to the rate stabilization account consistent with the provisions of the draft Indenture of Trust; and

**WHEREAS**, at the time of annual budget approval, the WPWMA may elect to transfer a portion of, or all, of any funds in the rate stabilization account that were in-place at the start of the prior fiscal year to the Operating Fund as a source of gross revenue.

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

1. Recitals. The WPWMA Board of Directors hereby finds that the facts set forth in the recitals to this Resolution are true and correct.
2. Establishment of a Rate Stabilization Account. The WPWMA Board of Directors hereby establishes a rate stabilization account that meets the definition of the Rate Stabilization Fund described in the Indenture of Trust between the WPWMA and U.S. Bank Trust Company, National Association.
3. Effective Date. This Resolution shall take effect immediately upon its adoption.

**MEMORANDUM  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**                      DATE: **AUGUST 11, 2022**  
FROM: **KEN GREHM / WILL SCHEFFLER** *WS*  
SUBJECT: **MRF REPAIRS**

**RECOMMENDED ACTION:**

Authorize an increase of \$100,000 to the spending authority previously granted to the Executive Director for repairs to the Materials Recovery Facility increasing the not-to-exceed limit from \$2,500,000 to \$2,600,000.

**BACKGROUND:**

At the March 10, 2022 meeting, your Board authorized the Executive Director to take all necessary actions, including but not limited to entering into sole source agreements with qualified contractors, to make repairs to the Materials Recovery Facility (MRF) damaged during the November 10, 2021, fire, up to a maximum cost of \$2,500,000.

Since that time, the WPWMA has entered into five separate contracts valued at \$2,477,182 for the repairs as noted below:

1. Skyline Scaffolding: Erect scaffolding inside the MRF to facilitate access for electrical and fire suppression repairs. Contract price: **\$397,633**
2. Johnson Controls: Repair/replace the damaged MRF fire suppression system and obtain Cal Fire recertification. Contract price: **\$114,645**
3. Rex Moore: Repair/replace the electrical portion of the MRF fire damage. Contract price: **\$598,372**
4. Van Dyk: Repair/replace the fire damaged MRF equipment and infrastructure. Contract price: **\$1,286,677**
5. Kodiak Roofing: Replace the fire damaged skylights on the eastern half of the MRF building. Contract price: **\$79,855**

During the site walk with Kodiak, staff noted that other MRF skylights, that were not damaged by the fire, are showing signs of age-related degradation and deterioration. Staff believes it is in the WPWMA's best interest to repair or replace these additional skylights at the same time the fire-damaged skylights are replaced. Staff received a quote of approximately \$108,790 from Kodiak for the expanded scope of work. As the cost associated with the expanded scope of work would exceed the spending authorization your Board previously granted the Executive Director, staff recommends your Board increase the Executive Director's spending authority by \$100,000 to cover the repair or replacement of the additional skylights. Staff believe the additional award to Kodiak is in the public interest, as separate bidding or other procurement for the work would be impractical and not produce an advantage for the WPWMA. Kodiak is already mobilized on-site and is able to perform the work within established timelines. Staff has also reviewed proposed costs and finds them to be reasonable and within market rates.

Additionally, during the site walk with Kodiak, staff noted that many of the evaporative coolers mounted on the roof of the MRF are non-operational and will require repair or replacement. Staff are contacting qualified firms to inspect the units and provide a quote; staff will return to your Board at a subsequent meeting to seek additional spending authority as necessary to repair or replace these units.

**ENVIRONMENTAL CLEARANCE:**

The recommended action is 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.

**FISCAL IMPACT:**

While the repairs associated with the fire damage are subject to reimbursement from insurance, repairing or replacing the non-fire damaged skylights are not. As a result, the recommended action of increasing the spending authority granted by your Board to the Executive Director would result in a direct cost to the WPWMA of approximately \$108,790. Sufficient funding is available in the FY 2022/23 Budget to cover this cost.





1415 L Street  
Suite 1000  
Sacramento  
CA, 95814  
916-446-4656

**Date:** August 11, 2022  
**To:** The Western Placer Waste Management Authority Board of Directors  
**From:** Karen Lange, Partner  
Jason Schmelzer, Partner  
Priscilla Quiroz, Legislative Advocate  
Shaw Yoder Antwih Schmelzer & Lange  
**Re:** 2022 Legislative Session- August Board Update

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On behalf of all of the employees of Shaw Yoder Antwih Schmelzer & Lange (SYASL), we'd like to thank the Board of Directors for entrusting our firm with the important task of providing legislative and regulatory advocacy services to the Western Placer Waste Management Authority (WPWMA). In order to aggressively advocate on behalf of WPWMA, our firm devotes two partner-level advocates who are also policy experts on local government and environmental policy, as well as an additional advocate to provide supportive efforts. Our core function is to identify legislation of interest, assist in the policy analysis, consult on the political implications of engaging, and then to actively lobby in furtherance of WPWMA's position. Ongoing support includes monitoring of legislation and regulation, providing weekly and monthly updates, drafting and submitting comment letters, and participating in legislative and regulatory hearings and workshops on behalf of WPWMA.

SYASL will continue to actively monitor and flag legislation for WPWMA. This report outlines legislation related to solid waste below based on their current status. We also outline relevant regulatory efforts and budget updates.

As coronavirus cases have continued to decline and the lift of the statewide mask mandate, the way the California Legislature has been conducting is legislative business this year has been similar to the pre-pandemic days. Some legislative offices have been taking in-person meetings, and some policy committees were requiring in-person testimony. While legislative business seems to be going back to 'normal,' some legislative offices are still allowing their staff to work remotely, and the majority of legislative meetings are still being conducted via Zoom.

## 2022 LEGISLATIVE REPORT

The California State Legislature just returned from their month-long Summer Recess on August 1. Currently, bills still moving through the legislative process are now in their "second house" (the house in which the bill was *not* introduced) since July 1 was the last day for policy committees to hear bills and report them to the fiscal committee or floor. The legislature has until August 31 to pass bills through both houses to be able to send them to the governor for his consideration. Normally, the governor has 12 days to sign or veto legislation before it becomes law without a signature. However, the governor will have until September 30 to sign or veto legislation in his

possession on the day the legislature adjourns (August 31) before it becomes law without being signed.

This report outlines solid waste related legislation based on their current status. WPWMA staff has directed the SYASL lobbying team to actively advocate on several pieces of legislation in the second year of the 2021-22 legislative session. This report also summarizes several other pieces of legislation that, while WPWMA has not taken a formal position on them, may impact the operations of WPWMA.

#### Bills with an established WPWMA Position

##### **AB 661 (Bennett) Recycling Materials.- Support**

This bill makes numerous changes to the State Agency Buy Recycled Campaign (SABRC) including, among other things, requiring state agencies, if fitness and quality are equal, to purchase recycled products instead of nonrecycled products, whenever recycled products are available at no more than 10% greater total cost than nonrecycled products. This measure also requires the CalRecycle to update a list of products and minimum recycled content percentages. WPWMA supports the intent of measure to help the state reach its recycling goals.

*This bill is currently in the Senate Appropriations Committee.*

##### **AB 1001 (C.Garcia) Environment: mitigation measures for air quality impacts: environmental justice.- Oppose**

This bill would require that air districts, in a nonattainment area, review existing emissions sources and mandate that each source is subject to a regulation employing best available retrofit control technology (BARCT). WPWMA concerned that this measure is duplicative of existing laws and regulations and will create new requirements that may impede their ability to provide the essential public service of solid waste management (including recycling) for the communities they serve.

*This measure was not taken up for a vote in the Senate Environmental Quality and failed to meet the policy deadline. The bill is dead.*

##### **AB 1817 (Ting) Product safety: textile articles: perfluoroalkyl and polyfluoroalkyl substances (PFAS). - Support**

This bill prohibits, beginning January 1, 2025, any person from manufacturing, distributing, selling, or offering for sale any textile articles that contain intentionally added PFAS, except for textiles used for personal protective equipment or certain other regulated products. This bill requires manufacturers to use the least toxic alternative when complying with this prohibition and to provide distributors with certification of compliance. WPWMA is supportive of reducing toxic chemicals in products.

*This measure is currently on the Senate Floor.*

##### **AB 1985 (Robert, Rivas) Organic waste: recovered organic waste product procurement targets.- Support in Concept**

This measure creates a delayed and ramping enforcement timeline for penalties for local jurisdictions to meet their organic waste procurement targets, allows jurisdictions to utilize waste reduction programs to meet procurement targets, and allows jurisdictions to use organic waste processed out of state for the purposes of meeting procurement targets. This bill also directs the

CalRecycle to compile and maintain a list of producers of organic waste products on their internet website. WPWMA is supportive of the intention of that measure as it seeks to provide relief towards the procurement requirements within SB 1383 (Lara, 2016), that are currently difficult to achieve.

*This measure is currently on the Senate Floor.*

**AB 2208 (Kalra) Fluorescent lamps: sale and distribution: prohibition.- Support**

This bill phases out the sale of compact fluorescent lamps and linear fluorescent lamps used for general lighting applications. WPWMA is supportive of this measure since it will help lower the risk of mercury exposure from fluorescent lamps that pose negative health impacts to workers.

*This measure is currently on the Senate Floor.*

**AB 2374 (Bauer-Kahan) Crimes against public health and safety: illegal dumping. – Support**

This bill increases the maximum fines for illegal dumping for persons employing more than 10 full-time employees, and requires any person convicted of illegal dumping to remove or pay the cost of removing the waste matter they were convicted of illegally dumping. As illegal dumping continues to be a serious problem, WPWMA is supportive of measures that will help curb this issue.

*This measure is currently on the Senate Floor.*

**AB 2440 (Irwin) Responsible Battery Recycling Act of 2022.- Support**

This bill would establish a stewardship program for the collection and recycling of certain batteries and battery-embedded products. The WPWMA is supportive of legislation that requires producers to fund and implement recycling programs for hazardous or difficult to manage waste.

*This measure is currently in Senate Appropriations Committee.*

**AB 2481 (Smith) Household hazardous waste: facilities: transportation and acceptance.- Support**

This bill makes various changes to the statutory requirements for the transportation of hazardous waste and the operation of household hazardous waste (HHW) collection facilities. WPWMA is supports this measure as it will provide more flexibility to ensure that hazardous waste is disposed of properly.

*This measure is currently on the Senate Floor.*

**SB 1013 (Atkins) Beverage container recycling: reports: electronic submittal: wine and distilled spirits.- Support**

This bill includes wine and spirit containers in the Beverage Container Recycling and Litter Reduction Act. The WPWMA supports this measure as it would potentially increase revenue into the BCRF through new processing fees that will be paid by the wine and spirits distributors and unredeemed CRV by consumer. Including these products in the program would result in recycling of almost 200 million of additional wine and liquors containers annually.

*This measure is currently in Assembly Appropriations Committee.*

**SB 1046 (Eggman) Solid waste: precheckout bags.- Support**

This bill, starting on January 1, 2025, will prohibit stores from providing a precheckout bag to a consumer unless the bag is a paper bag or a compostable bag. WPWMA is supportive of the measure as it will reduce contamination issues and will them meeting the requirements within SB 1383 (Lara, 2016). While WPWMA is supportive of this measure, we want to ensure the bags are truly compostable and meet specific standards.

*This measure is currently on the Assembly Floor.*

**SB 1215 (Newman) Electronic Waste Recycling Act of 2003: covered battery-embedded products.- Support**

This bill expands the definition of a “covered electronic device” (CED) in the existing electronic waste recycling program to include covered battery-embedded products. It also requires, on or before July 1, 2027, and at least once annually thereafter, each manufacturer of a CED to submit to CalRecycle a specified report and make information available to consumers that describes where and how to return, recycle, and dispose of the CED and opportunities and locations for the collection or return of the device. WPWMA is supportive of legislation that would reduce fires at solid waste facilities.

*This measure is currently in Assembly Appropriations Committee.*

**SB 1256 (Wieckowski) Waste management: disposable propane cylinders.- Support**

This measure prohibits the sale of disposable one-pound propane cylinders in California starting in 2028. WPWMA is supportive of legislation that would reduce fires at solid waste facilities.

*This measure is currently on the Assembly Floor.*

**Bills WPWMA is Monitoring**

**AB 1749 (C. Garcia) Community Air Protection Blueprint: community emissions reduction programs: toxic air contaminants and criteria air pollutants.**

This bill updates requirements of AB 617, (Cristina Garcia, Chapter 136, Statutes of 2017) to permit an additional year for completion of community emissions reduction programs (CERPs), requires the Air Resources Board (ARB) to identify specified emissions reduction measures, and enhance reporting by local air districts.

*This measure is currently on the Senate Floor.*

**AB 2026 (Friedman) Recycling: plastic packaging**

Requires an e-commerce shipper that ships purchased products in or into the state to reduce the total weight and number of units of the e-commerce plastic packaging and expanded and extruded polystyrene it uses to ship or transport products in or into the state by no less than an unspecified percentage by January 1, 2030.

*This measure is currently in the Senate Appropriations Committee.*

**AB 2247 (Bloom) Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and PFAS products and product components: publicly accessible reporting platform.**

This bill would require a manufacturer of per- and polyfluoroalkyl substances (PFAS) or a product or product component containing intentionally added PFAS that is sold, offered for sale, or

distributed into the state to register it on the publicly accessible reporting platform created by the Department of Toxic Substances Control (DTSC) and the Interstate Chemicals Clearinghouse (ICC).

*This measure is currently in Senate Appropriations Committee.*

**AB 2953 (Salas) Department of Transportation and local agencies: streets and highways: recycled materials.**

This measure would, beginning January 1, 2024, require local agencies, to apply standard specifications for the use of recycled materials in streets and highways that are at or above the level allowed in the Department of Transportation (Caltrans) specifications, to the extent feasible and cost effective.

*This measure is currently in Senate Appropriations Committee.*

**SB 54 (Allen) Solid waste: reporting, packaging, and plastic food service ware.**

Establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act (Act), which imposes minimum content requirements for single-use packaging and food ware and source reduction requirements for plastic single-use packaging and food ware, to be achieved through an expanded producer responsibility (EPR) program.

*This measure was chaptered into law.*

**SB 1187 (Kamlager) Fabric recycling: pilot project.**

This bill requires CalRecycle, in partnership with garment manufacturers, to establish a pilot project in Los Angeles and Ventura Counties, to study and report on the feasibility of recycling fabric.

*This measure is currently in Assembly Appropriations Committee.*

**2022-23 STATE BUDGET REPORT**

**Overview**

On [June 30](#), Governor Gavin Newsom signed the \$308 billion state [budget](#) following an agreement with the legislature. The budget includes \$128.6 billion in total funding for K-12 education and \$17 billion broad-based relief package. The enacted budget reflects \$37.2 billion in “budget resiliency” (budgetary reserves and surpluses).

Due to recent market declines and overall economic volatility, the budget allocates the vast majority of the discretionary surplus to one-time investments that can be adjusted in future years, if needed. Additionally, the budget continues building reserves, eliminating budgetary debt, reducing retirement liabilities to maintain structurally balanced budgets over the long term. These budget strategies also ensure that the state meets its constitutional requirements. The State Appropriations Limit, or Gann Limit, caps the amount of revenues from taxes that can be appropriated by the state. Making ongoing spending commitments would make it more difficult for the state to meet its constitutional obligations, even if the economy does recover.

SYASL has monitored the budget process for WPWMA, with a particular focus on conversations held in the Assembly Budget Subcommittee No.3 on Resources and Transportation and the Senate Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental Protection, Energy & Transportation.

## Circular Economy

The 2022 Budget Act included \$180 million one-time Greenhouse Gas Reduction Fund to advance organic waste infrastructure and support a circular economy. Specifically, this funding is intended to help with the implementation of SB 1383 (Lara, 2016). This funding is building on last year's budget allocation that included \$60 million for local assistance grants for SB 1383 organic waste regulation implementation. WPWMA worked alongside local government association groups, haulers, and environmental groups to push this funding forward.

## Cap-And-Trade Expenditure Plan

The Budget includes \$1.3 billion Greenhouse Gas Reduction Fund to support various programs that advance the state's greenhouse gas reduction and climate goals, while advancing equity and environmental justice.

Investments include:

- **Zero-Emission Vehicle Investments**—\$676 million Greenhouse Gas Reduction Fund to support low-income consumer purchases and zero-emission trucks, buses and off-road equipment.
- **AB 617 Community Air Protection Program**—\$300 million (\$260 million Greenhouse Gas Reduction Fund and \$40 million General Fund) in 2022-23 and \$300 million General Fund in 2023-24 on a one-time basis for the Community Air Protection Program, which reduces emissions in communities with disproportionate exposure to air pollution through targeted air monitoring and community emissions reduction programs.

## Clean Vehicles

Last year, the 2021 Budget Act committed \$3.9 billion towards ZEV acceleration through 2023-24. It included investments—ranging from cleaning up short-haul trucks, transit, and school buses to accelerating equitable electrification of passenger vehicles, e-bikes and rail—coupled with infrastructure and incentives for in-state manufacturing.

This year's budget includes an additional \$6.1 billion (\$3.5 billion General Fund, \$1.5 billion Proposition 98, \$676 million Greenhouse Gas Reduction Fund, and \$383 million Federal Funds) one-time over five years to accelerate the state's transition to Zero-Emission Vehicles (ZEV), which includes \$3.5 billion that will be allocated in the summer after additional discussions with the Legislature.

Specific investments are the following:

- **Heavy-Duty Zero-Emission Vehicles**—\$1.5 billion one-time Proposition 98 General Fund to advance electric school buses in a coordinated effort between educational, air pollution, and energy agencies; and \$600 million one-time Greenhouse Gas Reduction Fund to support zero-emission trucks, buses & off-road equipment.
- **Zero-Emission Vehicle Infrastructure**—\$383 million one-time federal funds to implement ZEV charging infrastructure programs pursuant to the federal Infrastructure Investments and Jobs Act.

## 2022 REGULATORY REPORT

### Short-Lived Climate Pollutants

SB 1383 (Lara, Chapter 395, Statutes of 2016) codified that ARB's Short-Lived Climate Pollutants Reduction Strategy, establishing methane emissions reduction targets in a statewide effort to reduce short-lived climate pollutants. Specifically, the bill established targets to achieve a 50% reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction by 2025. The bill also established a target of not less than 20% of currently disposed edible food to be recovered for human consumption by 2025. As it relates to WPWMA, if a facility receives mixed waste streams, it must qualify as a "High Diversion Facility", that by definition must recover at least 50% of organic waste from the mixed waste stream by 2022 and 75% by 2025.

In November 2020, CalRecycle's regulations were approved by the Office of Administrative Law (OAL) and take effect January 1, 2022. The regulatory package is comprehensive, placing various responsibilities on local jurisdictions. The six main requirements of the regulations are: 1) Providing mandatory organic waste collection services; 2) Edible food recovery program; 3) Education and outreach to the community; 4) Procurement requirements for products made from organic materials; 5) Providing access to edible food and composting facilities; and, 6) Monitoring and enforcement by the local jurisdictions. Pursuant to statutory requirements, local jurisdictions cannot issue enforcement penalties until two years after the operative date of the regulations – January 1, 2024.

Over the last several years, WPWMA has continued to work closely with local government associations and the Solid Waste Association of North America (SWANA) Legislative Task Force to receive relief and funding to implement SB 1383. As mentioned earlier in this report, SYASL worked closely with local government associations groups and haulers to get funding from the budget to help with the implementation of these regulations. SYASL will continue to work with stakeholders on AB 1985 (Robert Rivas), which seeks to provide relief towards procurement requirements. WPWMA would like this legislation to include an expansion of programs that could count towards procurement. Specifically, include the promotion of carbon farming utilizing compost on rice farms. SYASL is working with the author's office and CalRecycle to include this program in the measure.

### SB 212 Regulatory Process

On September 30, 2018, Governor Brown signed SB 212 (Jackson, Ting, and Gray), a bill to create a statewide takeback program for pharmaceutical medications and sharps products from households. The bill requires manufacturers of these products to create, fund, and operate a stewardship program that provides for the takeback of covered drugs and home-generated sharps waste from households as well as reimbursement of local agency sharps disposal costs.

On January 7, 2021, the Office of Administrative Law approved the regulation, after minor non-substantial edits were made, and forwarded them to the California Secretary of State for publishing. CalRecycle requested an early effective date, which was granted; therefore the regulations were effective immediately on January 7, 2021.

On June 23, CalRecycle issued compliance determinations for MED-Project's revised stewardship plans for covered drugs and home-generated sharps waste, MED-Project's 2021 annual report for

home-generated sharps waste, UltiMed's revised stewardship plan for home-generated sharps waste, and UltiMed's 2021 annual report for home-generated sharps waste.

SYASL is continuing to monitor the roll out of this program and how it may affect WPWMA's operations.

### **2022 CARB Scoping Plan Update**

On May 10, CARB released their draft 2022 Scoping Plan Update. The draft Scoping Plan seeks to build on past successes while identifying technologically feasible and cost-effective approaches to achieve the State's target of reducing greenhouse gases (GHGs) by at least 40 percent below 1990 levels by 2030 (2030 GHG Target) and reaching carbon neutrality by 2045.

Every five years, CARB releases an updated Climate Change Scoping Plan (Scoping Plan). The Scoping Plan serves as a roadmap for the State of California's efforts to achieve its ambitious climate goals. The strategies and recommendations identified in the plans shape the legislative and regulatory agenda and send market signals intended to spur private-sector investment in activities that reduce emissions and build resilient communities. Past Scoping Plans played a key role in establishing a mix of incentives, regulations and carbon pricing that allowed the State to achieve its goal of GHG emissions to 1990 levels four years ahead of schedule.

Within the draft plan, it included number of recommendations to recover edible food waste to help feed our communities and divert organic materials before it enters the facilities. However, the draft plan fails to include a comprehensive discussion of SB 1383 requirements and the challenges the waste industry is currently facing.

WPWMA and SYASL are actively monitoring and providing comments towards this Scoping Plan.

### **Other Forthcoming Issues**

There are several potentially significant reform efforts coming in 2021 that could impact WPWMA operations. While the fate of these efforts is unclear at this point, following is a brief preview of each issue.

#### **SB 54 (Allen) Plastic Pollution Prevention and Packaging Producer Responsibility Act**

On July 1, Governor Newsom signed SB 54 into law, which creates an extended producer responsibility program for packaging and setting ambitious recycling and reduction rate goals. Specifically, the law requires that by 2032, all "covered" packaging in the state must be recyclable or compostable, it sets goals for recycling single-use plastic packaging, and it mandates a 25% reduction of single-use plastic packaging and foodservice products, nearly half of which must come from direct elimination of plastic packaging or shifting to reuse or refill systems.

These requirements will be met through a Producer Responsibility Organization (PRO) created to fund and manage collection and recycling programs, with oversight from CalRecycle, establishing a form of extended producer responsibility (EPR) for paper and printed packaging. The PRO is required to deposit a total of \$5 billion over 10 years into a California Plastic Pollution Mitigation Fund that will be used to monitor and reduce the environmental impacts of plastic pollution.

The law is the nation's most comprehensive legislation to date to cut dependence on single-use products. This law shifts plastic pollution responsibility to producers and manufacturers, and it has the potential to be one of the most impactful waste-related policies in decades. Furthermore, the

size of California's economy means that this law will impact corporations' decisions regarding packaging well beyond the state's borders.

SB 54 assigns responsibility to CalRecycle to adopt regulations to implement and enforce the requirements of the law. This includes establishing a list of covered materials by January 1, 2024, posting actual recycling rates for specific materials, setting fees, and providing oversight of the PR. The fees, known as "eco-modulated fees", are designed to incentivize producers to use more readily recyclable or reusable materials.

The PRO is responsible for establishing a producer responsibility plan and budget for how to implement the requirements of the bill. That plan is approved by CalRecycle, who is then responsible for ensuring that the plan's goals are met.

With the passage of this new law, SYASL will work with WPWMA to monitor the regulatory process of this measure to ensure there are not any negative impacts to WPWMA's operations.

### **CalRecycle: Statewide Commission on Recycling Markets and Curbside Recycling**

In 2019, Governor Newsom signed into law The California Recycling Market Development Act (AB 1583, Eggman). This act requires CalRecycle to convene a Statewide Commission on Recycling Markets and Curbside Recycling consisting of representatives of public agencies, private solid waste enterprises and environmental organizations that have expertise in recycling. The Commission is tasked with providing policy recommendations for achieving specified market development and waste reduction goals and to provide regular feedback to CalRecycle on public messaging designed to encourage proper recycling and to minimize contamination in curbside recycling programs.

Last year, the Commission released its final report that included 30 policy recommendations. Some of these recommendations include producer responsibility for market development, what is recyclable, renewable technology/organic discards to energy infrastructure and market development, carpet stewardship, and others. This legislative year, we've seen several bills introduced based on the Commission's report, including producer responsibility for batteries, and banning of disposable one-pound propane cylinders and fluorescent lamps, all of which WPMWA is supporting this year.

SYASL will continue monitoring the Commission's actions for WPWMA. SYASL will also monitor legislation and action that are from the Commission report.



**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

**2022 STRATEGIC AGENDA**



**PREPARED IN CONSULTATION WITH  
SHAW YODER ANTWHI SCHMELZER & LANGE**

## GENERAL POLICY GUIDELINES

The statutes and regulations that guide the management of solid waste in California will undergo significant changes in the coming years, which could have significant operational and financial impacts on the Western Placer Waste Management Authority (WPWMA). Therefore, it is the policy of the WPWMA Board to support legislation which will:

- Provide maximum flexibility and local control for agencies to comply with regulations
- Support projects for, and eliminate barriers to, energy recovery from solid waste
- Create markets for materials (versus disposal penalties) to promote recycling
- Expand extended producer responsibility in California
- Provide funding for mandated recycling programs and infrastructure

It is the policy of the WPWMA Board to oppose legislation which would:

- Impose new mandates without commensurate funding and demonstrated need
- Impose infeasible or unreasonable performance standards on materials recovery facilities
- Increase solid waste diversion rates beyond the capability of local agencies

Specific Priorities in 2022 include (and are discussed in further detail below):

- Implementation of SB 1383 Regulations – Short-Lived Climate Pollutants / Organic Waste Reduction Targets
- Organics Diversion and Infrastructure Development
- CalRecycle Funding
- Recycling Markets
- Extended Producer Responsibility
- Lithium Ion Batteries in Consumer Products
- Emerging and Alternative Technologies
- Temporary regulatory and enforcement relief due to the COVID -19 pandemic

As legislation is introduced, amended, and reviewed, the Board and staff will evaluate legislation through the lens of the above general policy guidelines. Specific issues that the Board can expect to see in the second year of the 2021-2022 Legislative Session, and commensurate action of the Board, is as follows:

## SPECIFIC ISSUES

### **ISSUE: ALTERNATIVE DAILY COVER**

WPWMA diverts over 40,000 tons of MRF fines annually by using it as ADC. Prior to its use in 2003, the WPWMA conducted a demonstration project that verified the material met the stringent State standards for landfill cover materials. MRF fines generally consist of dirt, small shreds of paper, glass and inert materials. Although the MRF operator has investigated other uses and markets, to date they have been unable to identify any viable uses for the material other than ADC. In 2014, CalRecycle adopted legislation to eliminate the use of green waste as Alternative Daily Cover (ADC) to promote recycling of the material. SB 1383 regulations (2020) exclude from diversion credit MRF fines consisting of organic waste used as ADC. Periodically, the issue of using MRF fines as ADC arises in legislative and regulatory venues, although there has been no legislation introduced on this subject since 2003.

**ACTION:** Oppose regulations or legislation which would restrict MRFs from using fines as ADC or that impose a fee to discourage the use of fines. Closely track and evaluate any regulations or legislation which would modify ADC standards for MRFs.



### **ISSUE: ALTERNATIVE AND EMERGING TECHNOLOGY**

WPWMA is currently undergoing a master planning process to expand its facilities to accommodate future growth and in response to new regulatory requirements, such as the expanded organic waste diversion mandates. Some of the key objectives of the planning process include providing access at the site for new and emerging solid waste conversion technology pilot studies and partnering with a local university to promote research and development opportunities.

**ACTION:** Support legislation which would provide financial and other incentives that support emerging technology development while minimizing regulatory and legal barriers to implementing such technologies.



### **ISSUE: EXTENDED PRODUCER RESPONSIBILITY (EPR)**

EPR legislation shifts the financial burden of managing hazardous and difficult to manage products from local government to the producers of those products. The costs for WPWMA to manage these products is significant. In 2010, the WPWMA Board adopted a resolution in support of EPR.

Previous legislation has been adopted requiring producer responsibility for paint, carpet, and mattresses. In 2020, WPWMA supported legislation to make key improvements to the state's carpet recycling program. Additionally, several years of legislative debate over the application of EPR to home-generated sharps and pharmaceuticals, and the implementation of EPR ordinances in several California Counties, has resulted in the passage of SB 212 (Jackson). That legislation, among other things, requires sharps manufacturers to reimburse local governments for the cost of disposal for sharps.

**ACTION:** Support EPR and other Product Stewardship legislation, including legislation to improve existing EPR programs. Only support landfill bans when an appropriately funded alternative method of handling the material (e.g. EPR) has been put in place. Oppose landfill bans that are not substantiated by scientific studies showing that landfilling the material poses a danger to human or environmental health. Engage in discussions leading up to legislative action on lithium ion batteries in consumer products.

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**ISSUE: INCENTIVES FOR WASTE CONVERSION TECHNOLOGY**

Regulatory hurdles and political opposition make development of Conversion Technology (CT) projects challenging, despite the fact that they reduce dependence on landfills and create a clean, domestic, fuel source for renewable energy. They are often not pursued in California because they do not clearly qualify for AB 939 diversion credits or other regulatory requirements (e.g. SB 1383), or due to their cost or their inability to qualify for financial incentives. The law is currently unclear how AD and gasification should be permitted and regulated, and whether they qualify for diversion credits. However, anaerobic digestion and gasification are desirable options that could divert waste, provide green jobs, and generate clean, renewable energy.

**ACTION:** Seek and support legislation which would provide financial and other incentives that support CT development while minimizing regulatory and legal barriers to developing and utilizing such technologies. Evaluate the full spectrum of benefits that CT could provide WPWMA.

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**ISSUE: MRF PERFORMANCE STANDARDS**

AB 341 (2011) and AB 1826 (2014), established, among other things, mandatory commercial recycling programs requiring businesses to either source separate recyclables / organics or subscribe to mixed waste processing services. AB 341 requires mixed waste processing to “yield results similar to source separation”. In order to enforce this section of the law, CalRecycle proposed to define what it means for those facilities to “yield results similar to source separation”. This may result in the establishment of minimum standards for MRF performance so compliance with these laws can be evaluated. While this may be the case, there has been no activity on this item within the context of AB 341 discussions at CalRecycle since 2012. However, this issue also arose in the context of the SB 1383 regulations which require a facility that receives mixed waste to achieve an organic waste recovery rate of 50% by 2022 and 75% by 2025. With ever increasing mandates for jurisdictions to collect and recycle more material types and quantities, scrutiny on mixed waste processing is expected.

**ACTION:** Closely monitor CalRecycle efforts to define “comparable to source separation” or implement other such standards for MRFs. Strenuously oppose any proposal which would impose infeasible performance standards and/or do not consider local conditions, such as a jurisdiction's diversion rate, the local waste stream, other recycling programs in place, and available materials markets.

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## **ISSUE: SOLID WASTE REGULATION AND LEGISLATION**

AB 341 required CalRecycle to develop and submit a report to the legislature that provides strategies to achieve the state's policy goal of 75% recycling. The CalRecycle report was released in 2015 and contained recommended strategies such as phasing organics out of landfills, expanding recycling infrastructure, exploring approaches to supplement State funding, and measuring commercial recycling progress.

The costs to comply with new mandates as a result of these proposals (e.g. AB 1826 and SB 1383) are significant and typically passed on to customers in the form of increased tipping fees. CalRecycle estimates the infrastructure needs to meet the goals of SB 1383 at over \$3B, yet in 2021, only \$140M in funding was provided by the State. Prior to the State implementing new diversion mandates, comprehensive evaluations should be conducted to determine the potential environmental and economic effects, technologies and markets available, and producer responsibility necessary to accomplish these goals and stakeholder involvement should be mandatory.

**ACTION:** Oppose any new solid waste and recycling related mandates that do not include, or are not substantiated by, sound science, demonstrated need, cost/benefit/feasibility studies, a funding mechanism (other than tipping fees or garbage rates), consideration of local conditions and current compliance, and/or EPR. Oppose fee increases that do not directly benefit ratepayers. Oppose new measures to achieve 75% statewide diversion until measures already required have been fully implemented and evaluated. Oppose any legislation or regulations that prohibit the consideration of beneficial reuse or conversion technologies as diversion under the state's 75% diversion goal.



## **ISSUE: GREENHOUSE GAS (GHG) REGULATION ON SOLID WASTE**

AB 32 (2006) and SB 32 (2016) established broad authority for the California Air Resources Board (ARB) to regulate greenhouse gas emissions in the State of California. Subsequent actions that impacted WPWMA included expanded landfill methane capture requirements (2006 "early action measures"), mandatory commercial organics recycling (2013 updated Scoping Plan, resulting in AB 1826, 2014), proposed ARB Short Lived Climate Pollutant Draft Strategy (2015), and subsequent legislation to authorize regulatory action by the ARB on Short-Lived Climate Pollutants (SB 1383, 2016). SB 1383, among other things, established targets to achieve a 50% reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction by 2025. The bill also established a target of not less than 20% of currently disposed edible food to be recovered for human consumption by 2025. The ARB draft Advanced Clean Fleet regulation will impact vehicle fleets of all types, including refuse vehicles, requiring transition to electric vehicles as soon as 2024. Additionally, ARB's AB 32 Scoping Plan will be updated in 2022 and currently proposes further emission reductions at landfills. Solid waste operations should expect to be targeted for additional emission controls as the various regulations and programs take shape.

**ACTION:** Oppose infeasible or unreasonable facility standards. Oppose additional emission reduction requirements on solid waste facilities until evaluation has been done on the effectiveness of recently implemented mandates such as the Early Action Landfill Methane Emission Reduction Measure and the Mandatory Commercial Recycling regulations. Oppose ARB using AB 32, SB 32, and SB 1383 authority to mandate waste diversion programs. Oppose

defining landfills and waste-to-energy facilities as covered entities subject to the Cap and Trade Program. Participate in the rulemaking processes for any new proposed regulation which would affect WPWMA facilities. Support efforts to streamline permitting for composting, gasification and anaerobic digestion in a manner that benefits WPWMA.

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**ISSUE: GREENHOUSE GAS CAP AND TRADE FUNDING**

Greenhouse Gas Cap and Trade funding from the sale of carbon credits could be utilized by the WPWMA to invest in waste to energy technologies and projects to reduce emissions from landfill gas. The Legislature and Governor must annually appropriate revenues from the Greenhouse Gas (GHG) Reduction Fund on projects that will, or have the potential to, reduce GHG emissions. In the final 2021-22, State Budget, the state allocated \$3.4 billion from GGRF to various programs. The allocations were as follows:

- \$130 million to CalRecycle for waste diversion/recycling infrastructure, \$70 million for organics grants and \$60 million for grants to local jurisdictions to assist in implementation of SB 1383 (Lara, 2016).
- \$25 million to CDFA for the Healthy Soils Program.
- \$15 million to Department of Community Services and Development for the Low-Income Weatherization Program (LWIP).
- \$30 million to ARB for small off-road engines (e.g. leaf blowers)
- \$565 million to ARB for Low Carbon Transportation, which includes \$315 for Clean Trucks, Buses, and Off-Road Freight Equipment.

CalRecycle estimated the statewide [net cost](#) of SB 1383 (Lara, 2016) is between \$4.9 to \$12.8 billion. The 2021-22 state budget was the most money the department has received from the Greenhouse Gas (GHG) Reduction Fund, towards SB 1383 related grant programs. Since the passage of SB 1383, waste organizations and local governments have continued to push for funding to implement the various requirements within SB 1383.

**ACTION:** Continue to support distribution of Greenhouse Gas Reduction Fund Revenues, such as AB 32 Cap and Trade Program auction proceeds to waste to energy projects, organics infrastructure, and other projects at landfills that reduce emissions consistent with the goals of AB 32. Specifically support a reasonable allocation of GGRF dollars, commensurate to ambitious, state-imposed mandates and regulations on solid waste facilities. Continue to support efforts to appropriate funds from the GGRF specifically to enhance organics infrastructure.

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**ISSUE: CEQA AND ESSENTIAL PUBLIC SERVICES / CEQA EXEMPTION FOR WASTE CONVERSION PROJECTS**

Essential Public Services, such as landfills and wastewater treatment plants, are often negatively impacted from incompatible and/or encroaching development. In many cases, such facilities were developed in rural or industrial areas, but now face encroaching development and the potential for complaints and lawsuits. Periodically legislation is introduced (but has not passed) that would protect essential public services (e.g. requiring certain disclosures in an

EIR or protecting landfills from nuisance lawsuits if they are established and in compliance with existing laws and permits) or streamline CEQA review for beneficial projects (such as exempting certain conversion technology projects from CEQA).

ACTION: Support legislation that would protect essential public services and support renewable energy. Specifically support legislation requiring a Lead Agency to disclose in an EIR the potential impacts on people that may result from locating a proposed project near, or attracting people to, Essential Public Services such as solid waste management facilities.

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**ISSUE: AIRPORT INTERFACE**

WPWMA is situated in proximity to the Lincoln airport. The Federal Aviation Administration has adopted rules and regulations regarding the siting and operation of landfills in proximity to airports.

ACTION: Closely monitor actions taken by the FAA regarding landfill operations within the proximity of the airport. Engage the WPWMA delegation as needed to seek resolution and clarity on existing and future proposed regulations and rules.

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**ISSUE: VEHICLE OPERATIONS ON SITE**

Several large diesel vehicles and equipment operate on the WPWMA facility, moving between the indoor sorting facility and the landfill. The vehicle emissions and activities fall under California Air Resources Board (CARB) diesel rules for on-road and off-road vehicles. The requirements to reduce emissions from these vehicles result in significant economic burdens on the WPWMA's facility operator.

Current CARB requirements require phase out of vehicles based on age and emissions. The 2017 CARB Scoping Plan includes existing, proposed and potential additional measures that aim to further decrease diesel fuel consumption and increase zero-emission vehicle use in the state, among other things. Medium and heavy duty vehicles will be targeted in the State's Mobile Source Strategy. As mentioned previously, CARB's draft Advanced Clean Fleet regulation will impact vehicle fleets of all types, including refuse vehicles, requiring transition to electric vehicles as soon as 2024. Should WPWMA have to replace and purchase additional vehicles, the cost impact could be significant.

ACTION: Seek informal feedback from the Air Resources Board and other relevant agencies about the applicability of regulations for trucks that operate exclusively on site, and evaluate an appropriate course to mitigate any significant new expenses that may be tied to the revised regulations. Engage with ARB staff to determine the forthcoming enforcement timeline and potential impacts on WPWMA. Monitor any future actions by the ARB to revise the PERP emission standards.

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**ISSUE: BIOMASS**

The WPWMA's MRF operator relies on a local biomass facility to process the majority of the wood waste received at the MRF. In addition, as the State grapples with an immense tree mortality issue, and several biomass facilities going off-line, there is increased pressure on

those remaining biomass facilities to take trees from high hazard areas, thereby disrupting the traditional biomass stream of yard waste which WPWMA currently manages with the utilization of a biomass facility.

Additionally, as WPWMA intends to implement the SB 1383 (Lara, 2016) regulations, the prescribed procurement targets are difficult and expensive because they do not allow a pathway to propose alternative compliance mechanisms that would achieve the same goal of utilizing recovered organic waste and reducing emissions – such as bio-oil. This in turn, will make it difficult to meet the requirements within SB 1383.

**ACTION:** Support legislation that enhances biomass capacity in California and improves the economic viability of those operations. Oppose any legislation which would disrupt relationships that WPWMA has with renewable energy facilities that assist in achieving landfill diversion.



### **ISSUE: MARKET DEVELOPMENT**

As the State continues to set ambitious recycling goals and impose burdensome requirements on solid waste facilities, the need for State assistance is increasing. An estimated \$2-3 billion in infrastructure is needed throughout the State to meet the organics recycling goals of SB 1383 (Lara, 2016). Specifically, SB 1383 set statewide organic waste diversion goals of 50% by 2020 and 75% by 2025 to reduce methane and short-lived climate pollutants emissions. To achieve these goals, California’s waste management infrastructure must recycle much higher quantities of organic materials, involving significant investments in additional collection and processing infrastructure. Like all recycling, organic waste recycling can only succeed if there is a market for the recycled materials. To create a market for the additional product created, CalRecycle’s SB 1383 regulations require cities and counties to annually procure a prescribed quantity of recovered organic waste products. Eligible products include compost, mulch, and renewable energy (electricity or fuel derived from organic waste). Materials must be purchased for jurisdictions’ own use or given away.

Additionally, heightened restrictions, including bans, on international export markets imports of recyclable materials, as were recently imposed by China, as well as other foreign countries. These actions mean fewer markets available for recovered recyclable materials. If facilities do not have markets to send materials, those materials are not recycled. In addition to a need for capital investment from the State, assistance to ease permitting processes for facilities will be necessary to meet the State’s goals. And, idealistic timelines without good faith effort provisions pose significant challenges for facilities; enforcement actions against facilities unable to fully comply within infeasible timelines will only further deplete those facilities’ limited resources.

**ACTION:** Support reasonable legislation that expands and incentivizes in-state processing and recycling markets. Support State assistance in the form of capital investment in infrastructure and assistance with permitting processes. Support any legislation to acknowledge good faith efforts. Support legislation to encourage source reduction, EPR, and green design. Support legislation that expands the definition of procurement to include additional categories of products and projects that result in increased use of recovered organic waste, including projects such as food waste recovery and prevention, facilitating carbon farming and Healthy Soils Projects, pipeline RNG, green building standards, and California- generated organics processed out of state. The product list should also consider other renewable fuel products in

addition to what is listed in the SB 1383 regulation that contain a Carbon Intensity (CI) value as determined by the California Air Resources to be equal to or less than battery electric vehicles considering the complete life cycle of products.

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**ISSUE: Regulatory Relief in Response to COVID-19 Pandemic**

The COVID-19 global pandemic had a severe impact to public health, worker safety and to the economy in California. On March 19, 2020, Governor Newsom’s [Executive Order N-33-20](#), deemed the solid waste and recycling industry services as part of the essential infrastructure. This meant shifting staff and duties away from normal operations and developing physical distancing measures and implementing stay-at-home orders to keep staff safe and healthy. Cities, counties, and special districts have devoted resources to fight COVID-19 and some are now concerned with the ability to meet specific statutory obligations during the COVID-19 pandemic, given the severe budget shortfalls.

In response, local governments and associations, including the Solid Waste Association of North America (SWANA) Legislative Task Force, submitted a [coalition letter](#) requesting state officials to grant limited grace periods and temporary relief from specific requirements related to solid waste and recycling. The requests include temporary relief from existing diversion and commercial recycling requirements, as well as delaying implementation of new organics diversion mandates pursuant to SB 1383 (Lara, 2016).

In 2021, this coalition has been working with the legislature to introduce legislation and budget allocations to assist local governments implement the requirements outlined in SB 1383. Last year they passed SB 619 (Laird), which authorizes a local jurisdiction facing continuing violations of the regulations adopted pursuant to SB 1383 (Lara, 2016), to submit a notice of intent to comply (NOI) to the CalRecycle. If approved by CalRecycle, the jurisdiction is eligible for administrative civil penalty relief for the 2022 calendar year and a corrective action plan. The coalition was also successful in securing \$60 million in the state budget for grants to local jurisdictions to assist in implementation of SB 1383.

**ACTION:** Support efforts that provide temporary flexibility and regulatory relief due to COVID-19. Also support funding allocations to local governments to implement SB 1383.

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**ENVIRONMENTAL CLEARANCE:**

An Environmental Impact Report (EIR) for the Western Regional Sanitary Landfill (WRSL), including final cover projects, was certified by your Board in August of 1996. A supplemental EIR addressing the impacts of landfill heights was certified by your Board in August of 2000. No further environmental review is required.

**FISCAL IMPACT:**

The total estimated construction cost for the Module 6 excavation is \$6,853,000 including the change order allocation allowed by Public Contract Code Section 20142 and the \$600,000 estimate fuel escalation payments. Sufficient funding is included in the FY 2022/23 Preliminary Budget.

ATTACHMENT: BID TABULATION

## BID TABULATION

<b>Company</b>	<b>Bid Price</b>
De Silva Gates	\$6,043,000.00
D.A. Mc Cosker, dba Independent Construction Co.	\$6,448,048.00
Ford Construction	\$6,622,840.00
Sukit	\$6,977,385.00
Wood Bros.	\$7,475,092.50
Goodfellow Bros.	\$8,219,504.00
A Teichert and Sons	\$10,100,818.00
RJ Gordon Construction	\$11,319,732.50

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**FISCAL IMPACT:**

The proposed work order with CCIE includes \$25,000 to cover CCIE's staff time and expenses associated with developing, advertising, managing and conducting the pitch competition and \$20,000 in total prize money that would be awarded to the winning entrie(s). Sufficient funding is available in the FY 2022/23 Budget to cover this cost.

ATTACHMENT: CCIE WORK ORDER

## Circular Economy Pitch Competition

*Innovating waste to repurposed value*

### **Overview:**

The Western Placer Waste Management Authority (WPWMA) and Carlsen Center for Innovation and Entrepreneurship at Sacramento State partner to present an opportunity for innovators and entrepreneurs to pitch their circular economy solutions to a panel of judges while competing for an award (cash prize, small contract, cash prize + small contract, etc.).

The issue areas of focus for submission:

- Waste Reuse
- Waste Remanufacturing/Refurbishing
- Recycling Collection and Processing
- Waste/Recycling Infrastructure

### **Core Partners:**

- Carlsen Center for Innovation & Entrepreneurship
- Western Placer Waste Management Authority
- Sustainability Center at Sacramento State

### **Community Partners:**

- Growth Factory
- StartupSac
- FourthWave

### **Phase and Timeline:**

*Phase 0: Establish (August and September 2022)*

- Establish core and key partners to drive the collective effort. Build timeline with partners and set schedule. Recruit mentors, marketing champions, and judges for the various stages.

*Phase 1: Attract (September 2022)*

- Announce a call for submission of ideas and abstracts. Partners will define an appropriate level of scoping for an initial submission of concepts. Concepts will be accepted through an application portal (TypeForm, Airtable, Google Form, Qualtrics, etc.)
- Engage marketing channels to attract companies. Respond and support applicants through the process.
- Host information sessions to inform individuals and partners.

*Phase 2: Select Batch 1 (October 2022)*

- Partners using the selection criteria laid out will select a specified number of applications (12 to 16) to move into Batch 1. These concepts will then attend a pitch crafting workshop to support the participants in refining their concepts and articulating their value proposition.



- The participants will then provide an initial pitch of 2 to 3 minutes on the product offering and the value creation potential it has.

*Phase 3: Select Batch 2 (October 2022)*

- Partners will review 2-to-3-minute pitch submissions and select the Circular Economy Pitch Competition finalists (6 to 10 finalists).

*Phase 4: Final Pitch (November 2022)*

- The finalists present during Global Entrepreneurship Week 2022 to compete for the final awards (still to be decided). The finalists will be judged by a panel of judges selected by the organizing partners.

**Deliverables:**

- Establish phases and process for pitch competition
- Launch competition with application and marketing
- Run a pitch competition during Global Entrepreneurship Week
- Create infrastructure for repeatable processes on a yearly basis

**Requirements:**

- Capacity of WPWMA staff or board involvement:
  - Scoping problem statement and the aim of the competition
  - Serving on selection panels or judges at the competition
  - Engage in update meetings and marketing discussions

**Budget:**

Expense	Amount (\$)	Purpose
Award(s)	\$20,000	This will serve as a draw to talented startups and innovative technologies
Carlsen Center for Innovation & Entrepreneurship at Sacramento State	\$25,000	To establish a new competition and build brand awareness to attract innovative technologies while connecting them to training and mentoring.

\* Discussion points on collaboratively attracting sponsors for additional needs (marketing, event costs)



Staff recommend your Board authorize the Executive Director or designee, upon review and approval by WPWMA Counsel, to execute an amendment to the MRF design/build agreement requiring FCC to secure the required payment and performance bonds for which the WPWMA will compensate FCC for the actual cost of the bonds up to a maximum cost of \$1,824,000.

**ENVIRONMENTAL CLEARANCE:**

The recommended action 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:**

As noted above, the proposed maximum cost for securing the payment and performance bonds is \$1,824,000.

Based on your Board's prior approval of Resolution 22-02 related to the WPWMA's reserving the right to refund itself for project related costs from bond proceeds, your Board could elect to incorporate this additional amount into the Series 2022A Bonds discussed under Item 8e of this agenda package. These costs are not currently included the bond amount and would therefore require increasing the size of the bonds and the resulting annual debt service. Staff have reviewed the fiscal impact with this approach and believe that the tipping fee structure approved by your Board at the July 21, 2022 would still provide sufficient revenues to meet the anticipated bond covenants.

However, as noted in the Module 6 soil excavation award recommendation under Item 8b, since bids came in lower than budgeted, your Board could elect to maintain the current bond sizing and utilize the projected Module 6 savings to pay for the MRF payment and performance bonds thereby avoiding paying interest on the payment and performance bond premiums.



Materials Recovery Facility, and a second series (the “Series B Bonds”) to finance the improvements to the Western Regional Sanitary Landfill.

The Bonds will be payable only from “Net Revenues” of the WPWMA’s solid waste enterprise (the “Enterprise”); Net Revenues are defined as gross revenues of the Enterprise that remain after the WPWMA has paid the costs of operating and maintaining the Enterprise.

The WPWMA’s finance team believes that it will be cost-effective for the WPWMA to issue the Bonds with an investment grade rating from Standard & Poor’s (i.e., a rating of at least “BBB”), and that it will be necessary for the WPWMA to maintain a debt service coverage ratio of at least 125% as a covenant of the bonds to secure the investment grade rating. Additionally, staff has worked with the finance team to reserve the right of the WPWMA to prepay (without penalty) the Series B Bonds after five (5) years and the Series A Bonds after ten (10) years with surplus revenues resulting from the implementation of the rate covenant, which will help reduce the long-term cost of borrowing for the Project.

Related Documents: Staff recommends that your Board approve the various attached documents required to accomplish the issuance of the Bonds through a public sale, including the following:

***Indenture of Trust:*** The Indenture of Trust is the legal document between the WPWMA and a corporate bank that acts as trustee for the owners of the Bonds (in this case, U.S. Bank Trust Company, National Association.) The Indenture of Trust establishes the terms of the Bonds, including:

- the payment dates and maturities of the Bonds;
- the pledge of Net Revenues;
- the default and remedy provisions;
- the rate covenant;
- the conditions for issuance of additional bonds to finance future capital improvements; and
- redemption and defeasance provisions, in the event that interest rates make it attractive for the WPWMA to refinance the Bonds in the future.

As described above, the Authority will have no obligation to pay debt service on the Bonds from any source of funds other than Net Revenues and interest earned on amounts held by the trustee under the Indenture.

***Official Statement:*** The Preliminary Official Statement (often referred to as the “POS”) is distributed by the Underwriter to prospective investors prior to the bond sale so that investors can make informed purchase decisions. The POS is the equivalent of a prospectus in the private sector. The Final Official Statement is sent to purchasers after the terms of the sale are finalized.

The distribution of a POS is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the POS to include all facts that would be material to an investor considering a

purchase of the Bonds. Material information is information that there is a substantial likelihood that a reasonable investor would consider important in deciding whether to buy or sell the Bonds. Materiality is determined in the context of all facts and circumstances.

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over compliance with the federal securities laws, has issued guidance as to the duties of your Board with respect to their approval of the POS. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC stated that, if a member of the Board of Directors has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the POS. In the Release, the SEC stated that the steps that a member of the Board of Directors could take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

The key sections of the POS are described below:

- the terms of the Bonds are described in the section of the POS entitled "THE SERIES 2022 BONDS",
- the security for the Bonds is described in the section of the POS entitled "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS",
- the WPWMA and the Enterprise, including the various factors that affect the availability of Enterprise gross revenues and operation and maintenance costs, which determine the availability of Net Revenues to pay debt service on the Bonds, are described in the section of the POS entitled "THE AUTHORITY AND THE ENTERPRISE,"
- certain regulatory matters and risk factors related to the WPWMA and the Enterprise that could affect the availability of Net Revenues to pay debt service on the Bonds are described in the section of the POS entitled "REGULATION" and "CERTAIN RISK FACTORS,"
- the status of interest on the Bonds under State and federal law is described in the section of the POS entitled "TAX MATTERS," and
- any material litigation that could impact the Enterprise and repayment of the Bonds is described in the section of the POS entitled "ABSENCE OF MATERIAL LITIGATION."

Jones Hall, A Professional Law Corporation, who is acting as Bond Counsel and Disclosure Counsel to the WPWMA, has separately provided your Board with a memorandum describing its responsibilities under federal securities law related to the POS and will provide a summary of that memorandum at this meeting.

***Continuing Disclosure Certificate:*** The Continuing Disclosure Certificate, which is attached as an appendix to the POS, obligates the WPWMA to provide updated information to the bond markets on an ongoing basis. Disclosure is required annually, and on an exceptional basis for certain enumerated events.

***Bond Purchase Agreement:*** The Bond Purchase Agreement is executed by the WPWMA and the Underwriter on the day of the bond sale. It specifies the actual principal amounts, interest rates, and prices at which the Bonds will be sold. Under the Bond Purchase Agreement, the Underwriter commits to purchase the Bonds at closing and the WPWMA commits to sell the Bonds at the agreed upon prices and amounts subject to certain closing conditions. Closing conditions include delivery of the legal documents described above and closing certificates and opinions, and the absence of material changes in the Enterprise.

Standard & Poor's Corporation ("S&P") Rating: Staff and the financing team completed a presentation to S&P on Wednesday July 27<sup>th</sup>. The Municipal Advisor and the Underwriter are expecting a preliminary rating by Friday August 3<sup>rd</sup> with the final rating scheduled to be released on Monday August 8<sup>th</sup>. The financing team anticipates reporting to the Board on the results of the rating at this meeting.

Municipal Bond Insurance: Staff, with the assistance of the Municipal Advisor and the Underwriter, is soliciting bids for municipal bond insurance. Securing municipal bond insurance would eliminate the need to maintain a separate fund equal to the annual debt service payment and would allow the WPWMA to reduce the total financed amount. Staff recommends that the WPWMA purchase municipal bond insurance if the true interest cost of the Bonds, including any insurance premiums, is lower with bond insurance than the true interest cost of the bonds without bond insurance. The finance team is currently investigating the costs and availability of municipal bond insurance.

Amendment of Prior Reimbursement Declaration: On April 14, 2022, pursuant to Resolution 22-02, your Board reserved the option to reimburse itself for expenditures related to the Materials Recovery Facility with proceeds of tax-exempt obligations to be issued in a maximum principal amount not-to-exceed \$130,000,000. Staff recommends that your Board amend Resolution 22-02 to also provide for the potential reimbursement of expenditures related to the construction of a new waste cell at the Western Regional Sanitary Landfill. A copy of Resolution 22-02 as previously approved by your Board is attached for reference.

Approval Bond Counsel/Disclosure Counsel: Staff recommends that your Board approve the engagement agreement with Bond Counsel/Disclosure Counsel.

### **ENVIRONMENTAL CLEARANCE:**

On August 10, 2000, pursuant to Resolution 00-04, your Board certified the Final Supplemental Environmental Impact Report for the Western Regional Sanitary Landfill that covers the Western Regional Sanitary Landfill project and approved the Mitigation Monitoring and Reporting Program.

On March 10, 2011, pursuant to Resolution 11-01, your Board adopted a Mitigated Negative Declaration for the expansion of the capacity of the Materials Recovery Facility and approved the Mitigation Monitoring and Reporting Program.

No additional environmental review is required at this time.

**FISCAL IMPACT:**

The Series A Bonds are sized to provide \$93.5 million of project funds for the Materials Recovery Facility. It is estimated that \$91.4 million will be initially deposited in the project fund with expected interest earnings bringing the amount available for project draws up to the \$93.5 million needed. This is known as “net funding” the project fund and can be achieved since the construction period and associated use of project funds is anticipated to occur over approximately two years.

The Series B Bonds are anticipated to provide \$8.5 million to partially finance the construction of Module 6 at the Western Regional Sanitary Landfill. This deposit is not expected to be net funded which assumes the proceeds are spent relatively quickly.

Assuming that the Bonds are rated “BBB” by S&P, and based on current market conditions, the Underwriter and Municipal Advisor estimate the true interest cost of the Bonds will be 4.729767%, resulting in average annual debt service of approximately \$8,606,762 through the scheduled final maturity date of June 1, 2042. The interest rate environment is particularly volatile because of current economic conditions, and the final true interest cost may be higher or lower when the interest rates are finally set by contract with the Underwriter, which is scheduled to occur on August 24, 2022.

The pro forma that was shared with S&P is attached to this report and is included in the POS. Based on the tipping fee adjustments your Board approved at the July 21, 2022 meeting and anticipated material quantities received at the Enterprise, all-in coverage is expected to be above 140%. Staff estimate that the WPWMA’s liquidity, measured as “Days Cash on Hand” to be 88 days in FY 2022/23 with continued improvement to above 122 days over the next five years.

Costs associated with services provided by the WPWMA’s Municipal Advisor (Del Rio Advisors, LLC) and Bond/Disclosure Counsel (Jones Hall, a Professional Law Corporation) are contingent upon successful issuance of the bonds and will be paid through bond proceeds. In accordance with the engagement agreement with Del Rio Advisors, LLC approved by your Board at the June 9, 2022 meeting, the estimated cost for the Municipal Advisor is approximately \$78,250. In accordance with the proposed engagement agreement with Jones Hall, the estimated cost for Bond/Disclosure Counsel is \$171,000. Both of these costs have been factored into the total bond issuance figure.

ATTACHMENT	PRO FORMA EXCERPT
	EXHIBIT A - RESOLUTION 22-09
	EXHIBIT B - PLACER COUNTY BOS RESOLUTION
	EXHIBIT C - INDENTURE OF TRUST
	EXHIBIT D - PRELIMINARY OFFICIAL STATEMENT (INC. CONTINUING DISCLOSURE CERTIFICATE)
	EXHIBIT E - BOND PURCHASE AGREEMENT
	EXHIBIT F - RESOLUTION 22-02
	EXHIBIT G - BOND/DISCLOSURE COUNSEL ENGAGEMENT AGREEMENT

**Bond Pro Forma Summary included in the POS**

<b>Fiscal Year</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Gross Revenues</b>					
Rate Stabilization	\$3,500,000	\$-	\$-	\$-	\$-
Investment Income	95,187	26,517	50,711	91,731	132,699
Tipping Fees	47,234,459	54,339,464	58,197,917	53,122,317	55,533,225
Rent and Royalties	552,146	99,664	99,055	100,986	102,956
Miscellaneous	15,000	15,000	15,000	15,000	15,000
<b>Total Gross Revenues</b>	<b>\$51,396,792</b>	<b>\$54,480,644</b>	<b>\$58,362,683</b>	<b>\$53,330,034</b>	<b>\$55,783,880</b>
<b>Operations &amp; Maintenance Costs</b>					
MRF Operations	\$31,420,528	\$32,616,875	\$35,285,255	\$30,436,286	\$31,837,957
Landfill Operations	2,792,701	2,808,589	2,838,229	2,885,573	2,924,509
General and Administrative	7,014,359	5,873,783	7,316,091	7,349,027	7,480,409
Landfill Maintenance	15,000	15,000	15,000	15,000	15,000
Closure/Postclosure Costs	1,060,163	650,324	549,758	438,335	454,736
<b>Total O&amp;M Costs</b>	<b>\$42,302,751</b>	<b>\$41,964,571</b>	<b>\$46,004,334</b>	<b>\$41,124,222</b>	<b>\$42,712,611</b>
<b>Net Revenues</b>	<b>\$9,094,041</b>	<b>\$12,516,073</b>	<b>\$12,358,349</b>	<b>\$12,205,812</b>	<b>\$13,071,269</b>
<b>Debt Service</b>	<b>\$6,335,694</b>	<b>\$8,610,688</b>	<b>\$8,602,188</b>	<b>\$8,605,688</b>	<b>\$8,610,188</b>
<b>Debt Coverage Ratio</b>	<b>1.44x</b>	<b>1.45x</b>	<b>1.44x</b>	<b>1.42x</b>	<b>1.52x</b>
<b>Ending Cash Balance</b>	<b>\$7,853,547</b>	<b>\$11,758,933</b>	<b>\$15,515,094</b>	<b>\$19,115,219</b>	<b>\$15,886,301</b>
<b>Rate Stabilization Fund</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
<b>Days Cash on Hand</b>	<b>88</b>	<b>122</b>	<b>141</b>	<b>189</b>	<b>155</b>

# Before the Board of Directors

## Western Placer Waste Management Authority

In the matter of:

Resolution No. 22-09

**AUTHORIZING THE ISSUANCE AND SALE OF SOLID WASTE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$130,000,000, FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUISITION AND CONSTRUCTION OF CAPITAL IMPROVEMENTS AT THE MATERIALS RECOVERY FACILITY AND WESTERN REGIONAL SANITARY LANDFILL; APPROVING AN INDENTURE OF TRUST, A CONTINUING DISCLOSURE CERTIFICATE, AND AN OFFICIAL STATEMENT; AMENDING RESOLUTION NO. 22-02 RELATED TO THE REIMBURSEMENT OF EXPENDITURES; AND AUTHORIZING RELATED MATTERS**

The following **RESOLUTION** was duly passed by the Board of Directors of the Western Placer Waste Management Authority at a regular meeting held August 11, 2022, by the following vote on roll call:

Ayes:

Noes:

Abstain:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chair, Western Placer  
Waste Management Authority

\_\_\_\_\_  
Clerk of said Board

**WHEREAS**, the Western Placer Waste Management Authority (the “Authority”) is a joint exercise of powers authority organized and existing under the Joint Exercise of Powers Law (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code) (the “Act”) and a Joint Exercise of Powers Agreement, dated as of October 3, 1978 (as amended, the “Agreement”), by and among the County of Placer (the “County”) and the Cities of Roseville (the “City of Roseville”), Rocklin (the “City of Rocklin”), and Lincoln (the “City of Lincoln”; together with the City of Roseville and the City of Rocklin, the “Cities”); and

**WHEREAS**, the Cities are located entirely within the County; and

**WHEREAS**, under the Agreement, the Authority owns and operates the Western Regional Sanitary Landfill and the Materials Recovery Facility, which are located in the unincorporated territory of the County; and

**WHEREAS**, the City of Lincoln and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the City of Lincoln dated April 22, 2022, under which the City of Lincoln agreed, among other things, to deliver to the Authority all solid waste collected within the City of Lincoln by City-operated programs and any franchise or other contractual agreements between the City of Lincoln and a solid waste enterprise; and

**WHEREAS**, the County and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the County of Placer dated April 22, 2022, under which the County agreed, among other things, to deliver to the Authority all solid waste collected within the County by County-operated programs and any franchise or other contractual agreements between the County and a solid waste enterprise; and

**WHEREAS**, the City of Rocklin and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the City of Rocklin dated April 22, 2022, under which the City of Rocklin agreed, among other things, to deliver to the Authority all solid waste collected within the City of Rocklin by City-operated programs and any franchise or other contractual agreements between the City of Rocklin and a solid waste enterprise; and

**WHEREAS**, the City of Roseville and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the City of Roseville dated April 22, 2022, as amended, under which the City of Roseville agreed, among other things, (i) prior to July 1, 2025, to deliver, or cause to be delivered, to the Authority per fiscal year (July 1 to June 30) all co-collected residential greenwaste and foodwaste, and all Construction and Demolition waste collected within the geographic jurisdiction of the City of Roseville by City-operated programs and any franchise or other contractual agreements between the City of Roseville and a solid waste enterprise, (ii) after July 1, 2025 until the expiration of the agreement, to deliver, or cause to be delivered, to the Authority per fiscal year a minimum of 38,000 tons of Mixed Solid Waste (MSW), a minimum of 9,000 tons of co-collected residential greenwaste and foodwaste, and all Construction and Demolition waste collected within the geographic jurisdiction of the City of Roseville (collectively, the "City Minimum Amounts") by City-operated programs and any franchise or other contractual agreements between the City of Roseville and a solid waste enterprise and (iii) the City of Roseville reserved the right to deliver co-collected residential greenwaste and foodwaste to another facility if the Authority is unable to accept such waste; and

**WHEREAS**, in order to meet the demand from anticipated population growth and to comply with solid waste diversion goals required by the California Integrated Waste Management Act of 1989 (as amended), California Public Resources Code Sections 4000, et seq. ("AB939"), CalRecycle Short-lived Climate Pollutants: Organic Waste Reductions regulations, California Code of Regulations Title 14, Division 7, Chapter 3 et seq. ("SB1383") and the California Green Building Standards Code, California Code of Regulations Title 24, Part 11 et seq. ("CalGreen"), the Authority has concluded that it is in the public interest to undertake a project to expand the capacity of the Materials Recovery Facility and to acquire and construct a new waste cell at the Western Regional Sanitary Landfill (the "Project"); and

**WHEREAS**, on March 10, 2011, pursuant to Resolution No. 11-01, the Board of Directors of the Authority adopted a Mitigated Negative Declaration for the expansion of the capacity of the Materials Recovery Facility and approved the Mitigation Monitoring and Reporting Program; and

**WHEREAS**, on August 10, 2000, pursuant to Resolution No. 00-04, the Board of Directors of the Authority certified the Final Supplemental Environmental Impact Report for the Western Regional Sanitary Landfill that covers the Western Regional Sanitary Landfill project and approved the Mitigation Monitoring and Reporting Program; and

**WHEREAS**, the Authority wishes to issue revenue bonds to finance the costs of the Project under Article 4 of the Act (the "Bond Law"); and

**WHEREAS**, on April 14, 2022, pursuant to Resolution No. 22-02, the Board of Directors declared its intention to reimburse itself for expenditures related to the Materials Recovery Facility with proceeds of tax-exempt obligations to be issued in a maximum principal amount of \$130,000,000, and the Authority wishes to amend Resolution No. 22-02 to provide for the reimbursement of expenditures related to the acquisition and construction of a new waste cell at the Western Regional Sanitary Landfill; and

**WHEREAS**, on August 9, 2022, as a condition precedent to the issuance by the Authority of the revenue bonds to provide financing for the Project, Section 6586.5 of the Bond Law requires that the County approve the proposed financing by the Authority and that the County make certain findings with respect to such financing, and Section 6586.5 further requires that such approval be given and findings be made only after a noticed public hearing; and

**WHEREAS**, as required by Section 6586.5 of the Bond Law, the County has caused publication of a notice of a public hearing on the financing of the Project once at least five days prior to the hearing in a newspaper of general circulation in the County; and

**WHEREAS**, on August 9, 2022, the Board of Supervisors held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Project, after which the Board of Supervisors made certain findings and approved the issuance of the Bonds by the Authority; and

**WHEREAS**, in accordance with Government Code Section 5852.1, the Board of Directors has obtained and wishes to disclose the information set forth in Appendix A hereto; and

**WHEREAS**, the Board of Directors of the Authority wishes at this time to authorize all proceedings relating to the issuance of revenue bonds to finance the Project, and to approve the execution and delivery of all agreements and documents relating thereto.

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

1. Recitals. The Board of Directors hereby finds that the facts set forth in the recitals to this Resolution are true and correct. Any capitalized terms not defined herein have the meanings given them in the Indenture (defined below).
2. Issuance of Bonds. The Board of Directors hereby authorizes and approves the issuance of one or more series of bonds, to be denominated "Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022 (Materials Recovery Facility and Landfill Improvements)" (the "Bonds"), so long as the principal amount of the Bonds does not exceed \$130,000,000. The Treasurer of the Authority is hereby authorized to add a "Green Bonds" designation to the name of one or more series of the Bonds if the Treasurer

- determines, after consultation with the Authority's municipal advisor and the Underwriter (defined below), that doing so would be beneficial to the Authority, and to add a series and other descriptive designations in the Treasurer's discretion.
3. Purposes. The purposes for which the Bonds are proposed to be issued are to provide funds to finance the Project, fund a reserve fund for the Bonds (if necessary), and pay costs of issuing the Bonds.
  4. Revenue Bonds. The Bonds are to be revenue bonds, payable exclusively from the net revenues of the Authority's solid waste enterprise.
  5. Approval of Indenture of Trust. The Bonds shall be issued pursuant to and secured by the Indenture of Trust, between U.S. Bank Trust Company, National Association (the "Trustee") and the Authority (the "Indenture"), which is hereby referred to and incorporated herein by reference. The Indenture, in substantially the form on file with the Secretary and made a part hereof as though set forth in full herein, is hereby approved by the Board of Directors. The Chair, the Executive Director, the Treasurer or the Auditor, or the designee of any such individual (each an "Authorized Officer") and the Secretary are hereby authorized and directed, for and in the name of the Authority, to execute and deliver the Indenture in such form, together with such changes, insertions and omissions as may be approved by an Authorized Officer, such execution to be conclusive evidence of such approval; and the Secretary is hereby authorized and directed to attest such Indenture and affix the seal of the Authority thereto, if required. The Board of Directors hereby authorizes the delivery and performance of the Indenture.
  6. Bonds. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form, shall be subject to redemption, and shall otherwise be issued on the terms and conditions, all as set forth in the Indenture and in accordance with this Resolution.
  7. Sale of Bonds. The Bond Purchase Agreement, between the Authority and Samuel A. Ramirez & Company, Inc., the underwriter of the Bonds (the "Underwriter"), in substantially the form on file with the Secretary and made a part hereof as though set forth in full herein, is hereby approved by the Board of Directors. An Authorized Officer is hereby authorized and directed, for and in the name of the Authority, to execute and deliver the Bond Purchase Agreement in such form, together with such changes, insertions and omissions as may be approved by an Authorized Officer, such execution to be conclusive evidence of such approval; subject to the requirement that the true interest cost of the Bonds may not exceed 5.25% and the Underwriter's discount on the purchase of the Bonds may not exceed 1.0% of the initial principal amount of the Bonds. The Board of Directors hereby approves the negotiated sale of the Bonds to the Underwriter pursuant to such Bond Purchase Agreement.
  8. Official Statement. The Board of Directors hereby approves the preliminary Official Statement describing the financing, in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The Board of Directors approves and authorizes the distribution by the Underwriter of the preliminary Official Statement to prospective purchasers of the Bonds, and authorizes and directs an Authorized Officer, on behalf of the Authority, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the preliminary Official Statement prior to its distribution by the Underwriter.

An Authorized Officer is authorized and directed to cause the preliminary Official Statement to be brought into the form of a final Official Statement and to execute said final Official Statement, dated as of the date of the sale of the Bonds, and a statement that the facts contained in the final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Bonds, true and correct in all material respects and that the final Official Statement did not, on the date of sale of the Bonds, and does not, as of the date of delivery of the Bonds, contain any untrue statement of a material fact with respect to the Authority or omit to state material facts with respect to the Authority required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. An Authorized Officer shall take such further actions prior to the signing of the final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the Authority.

The final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Bonds.

9. Continuing Disclosure. The Board of Directors hereby approves the Continuing Disclosure Certificate, in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. An Authorized Officer is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest the final form of the Continuing Disclosure Certificate if applicable, for and in the name and on behalf of the Authority. The Board of Directors hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.
10. Amendment of Resolution No. 22-02. The Board of Directors hereby amends Resolution No. 22-02 to amend the description of the Project described therein to include the acquisition and construction of a new waste cell at the Western Regional Sanitary Landfill.
11. Further Authority. An Authorized Officer is authorized to accept on behalf of the Authority a municipal bond guaranty insurance policy and a debt service reserve fund insurance policy.

The Authorized Officers and any other officers of the Authority or their designees are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

12. Approval of Bond Counsel and Disclosure Counsel. The Board of Directors hereby approves the engagement of Jones Hall, A Professional Law Corporation for bond counsel and disclosure counsel services in connection with the Bonds, pursuant to the legal services agreement on file with the Secretary. The Board of Directors hereby authorizes County Counsel, as counsel to the Authority, to execute such legal services agreement on behalf of the Authority.
13. Approval of Municipal Advisor. The Board of Directors hereby approves the engagement of Del Rio Advisors, LLC for municipal advisor services, pursuant to the

agreement on file with the Secretary. The Board of Directors hereby authorizes an Authorized Officer to execute the agreement with Del Rio Advisors, LLC on behalf of the Authority.

14. CEQA. The Board of Directors hereby adopts and incorporates by reference as though fully set forth herein the Board of Directors' CEQA approval findings related to the Project in Resolution Nos. 11-01 and 00-04.
15. Effective Date. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT A

### Government Code Section 5852.1 Disclosure

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the Underwriter of the Bonds, and they assume that two series of Bonds will be issued, a Series 2022A designated as “Green Bonds” to finance the Materials Recovery Facility project and a Series 2022B to finance the Western Regional Sanitary Landfill project.

#### Series 2022A (Materials Recovery Facility) (Green Bonds)

Principal Amount. The Underwriter has informed the Authority that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2022A Bonds to be sold is \$96,300,000 (the “Estimated Principal Amount”), which excludes net premium that might be generated in the sale under current market conditions.

True Interest Cost of the Series 2022A Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2022A Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2022A Bonds, is 4.699078%.

Finance Charge of the Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2022A Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2022A Bonds), is \$1,035,944.26, consisting of an Underwriter’s discount in the estimated about of \$722,250.00 and estimated fixed costs of issuance in the amount of \$313,694.26. Such fees and charges include fees and expenses for Underwriter, bond and disclosure counsel, municipal advisor, trustee, rating agencies, Authority expenses, Authority legal expenses, and staff time related to bond issuance, printing, and underwriting.

Amount of Proceeds to be Received. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received for sale of the Series 2022A Bonds, less the finance charge of the Series 2022A Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2022A Bonds, is \$91,444,543.52.

Total Payment Amount. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022A Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments that the Authority will make to pay debt service on the Series

2022A Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Series 2022A Bonds, calculated to the final maturity of the Series 2022A Bonds, is \$154,994,210.59.

### Series 2022B (Landfill Improvements)

Principal Amount. The Underwriter has informed the Authority that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2022B Bonds to be sold is \$9,135,000 (the “Estimated Principal Amount”), which excludes net premium that might be generated in the sale under current market conditions.

True Interest Cost of the Series 2022B Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2022B Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2022B Bonds, is 5.056957%.

Finance Charge of the Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2022B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2022B Bonds), is \$95,152.27 consisting of an Underwriter’s discount in the estimated amount of \$68,512.50 and estimated fixed costs of issuance in the amount of \$26,639.77. Such fees and charges include fees and expenses for the Underwriter, bond and disclosure counsel, municipal advisor, trustee, rating agencies, Authority expenses, Authority legal expenses, and staff time related to bond issuance, printing, and underwriting.

Amount of Proceeds to be Received. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received for sale of the Series 2022B Bonds, less the finance charge of the Series 2022B Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2022B Bonds, is \$8,500,000.00.

Total Payment Amount. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the Series 2022B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments that the Authority will make to pay debt service on the Series 2022B Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Series 2022B Bonds, calculated to the final maturity of the Series 2022B Bonds, is \$14,869,970.49.

### Summary of Assumptions

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of

proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

**Memorandum**  
**Office of Jenine Windeshausen**  
**Treasurer-Tax Collector**




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**To:** The Board of Supervisors  
**From:** Jenine Windeshausen, Treasurer-Tax Collector  
**Date:** August 9, 2022  
**Subject:** Financing by the Western Placer Waste Management Authority of the Expansion of its Materials Recovery Facility and Sanitary Landfill

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**Action Requested**

- 1) Conduct a public hearing to hear and consider information concerning (i) a proposed financing by the Western Placer Waste Management Authority (the "Authority") to provide funds for the expansion of a Materials Recovery Facility and improvements to the Western Regional Sanitary Landfill owned and operated by the Authority (the "Project") located in the unincorporated territory of the County and the substantial public benefits of such financing by the Authority in accordance with the criteria specified in Section 6586 of the California Government Code.
- 2) Adopt a Resolution Approving a Financing by the Western Placer Waste Management Authority of the Expansion of its Materials Recovery Facility and Sanitary Landfill.

**Background**

The Western Placer Waste Management Authority (WPWMA) owns and operates a sanitary landfill and materials recovery facility in the unincorporated area of Placer County. WPWMA is a joint powers authority formed in 1978 for the purpose of owning and managing a sanitary landfill and related equipment. The WPWMA members are Placer County and the cities of Lincoln, Rocklin and Roseville. Additionally, the cities of Auburn and Colfax have franchise agreements related to garbage collection that is transferred to and processed by WPWMA. All the cities utilizing WPWMA sanitary landfill are located entirely within Placer County.

To meet the demand from anticipated population growth and to comply with solid waste diversion goals required by the CalRecycle Short-lived Climate Pollutants: Organic Waste Reductions regulations", the Authority has concluded that it is in the public interest to undertake a project to expand the capacity of the Materials Recovery Facility and to acquire and construct a waste cell (Module 6) at the Western Regional Sanitary Landfill (the "Project"). WPWMA has entered into a contract with FCC Environmental Services, LLC (FEC) for modification and upgrade of the Materials Recovery Facility, Construction and Demolition Debris Processing Area Organics Management Area (referred collectively to as the "MRF"). The WPWMA is in the process of securing financing for these upgrades in the maximum principal amount of \$130 million.

Because the County is the entity which encompasses all the members of the WPWMA, Bond Law requires that the County approve the proposed financing by the Authority and that the County make certain findings with respect to such financing. Bond Law further requires that such approval be given and findings be made only after a noticed public hearing.

Placer County Board of Supervisors  
August 9, 2022  
Page 2 of 2

After the public hearing, your Board is requested to adopt the attached Resolution approving the issuance of bonds in a principal amount not to exceed \$130,000,000 and making the finding that the issuance of bonds for the purpose of financing the project is of significant public benefit related to savings in bond preparation, bond underwriting and bond issuance costs. The resolution further provides authorization and direction for the Chair of the Board, the County Executive Officer, the Treasurer-Tax Collector, the Clerk of the Board and other officers to take the actions necessary to complete the bond transaction.

**Fiscal Impact**

There is no fiscal impact to the County. The obligations and responsibilities related to the issuance of debt by the WPWMA are solely the responsibility and obligations of the WPWMA.

**Attachment**

Resolution Approving a Financing by the Western Placer Waste Management Authority of the Expansion of its Materials Recovery Facility and Sanitary Landfill

# Before the Board of Supervisors County of Placer, State of California

**In the matter of:**

Resolution No: \_\_\_\_\_

Approving a Financing by the Western Placer Waste Management Authority of the Expansion of its Materials Recovery Facility and Sanitary Landfill

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held August 9, 2022, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chair, Board of Supervisors

Attest:

\_\_\_\_\_  
Clerk of said Board

**WHEREAS**, the Western Placer Waste Management Authority (the "Authority") is a joint exercise of powers authority organized and existing under the Joint Exercise of Powers Law (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act") and a Joint Exercise of Powers Agreement, dated as of October 3, 1978 (as amended, the "Agreement"), by and among the County of Placer and the Cities of Roseville (the "City of Roseville"), Rocklin (the "City of Rocklin"), and Lincoln (the "City of Lincoln"); together with the City of Roseville and the City of Rocklin, the "Cities"; and

**WHEREAS**, the Cities are located entirely within the County; and

**WHEREAS**, under the Agreement, the Authority owns and operates the Western Regional Sanitary Landfill and the Materials Recovery Facility, which are located in the unincorporated territory of the County; and

**WHEREAS**, the City of Lincoln and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the City of Lincoln dated April 22, 2022, under which the City of Lincoln agreed, among other things, to deliver to the Authority all solid waste collected within the City of Lincoln by City-operated programs and any franchise or other contractual agreements between the City of Lincoln and a solid waste enterprise; and

**WHEREAS**, the County and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the County of Placer dated April 22, 2022, under which the County agreed, among other things, to deliver to the Authority all solid waste collected within the County by County-operated programs and any franchise or other contractual agreements between the County and a solid waste enterprise; and

**WHEREAS**, the City of Rocklin and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the City of Rocklin dated April 22, 2022, under which the City of Rocklin agreed, among other things, to deliver to the Authority all solid waste collected within the City of Rocklin by City-operated programs and any franchise or other contractual agreements between the City of Rocklin and a solid waste enterprise; and

**WHEREAS**, the City of Roseville and the Authority are parties to an Agreement for Delivery of Solid Waste Between the Western Placer Waste Management Authority and the City of Roseville dated April 22, 2022, as amended, under which the City of Roseville agreed, among other things, (i) prior to July 1, 2025, to deliver, or cause to be delivered, to the Authority per fiscal year (July 1 to June 30) all co-collected residential greenwaste and foodwaste, and all Construction and Demolition waste collected within the geographic jurisdiction of the City of Roseville by City-operated programs and any franchise or other contractual agreements between the City of Roseville and a solid waste enterprise, (ii) after July 1, 2025 until the expiration of the agreement, to deliver, or cause to be delivered, to the Authority per fiscal year a minimum of 38,000 tons of Mixed Solid Waste, a minimum of 9,000 tons of co-collected residential greenwaste and foodwaste, and all Construction and Demolition waste collected within the geographic jurisdiction of the City of Roseville (collectively, the "City Minimum Amounts") by City-operated programs and any franchise or other contractual agreements between the City of Roseville and a solid waste enterprise and (iii) the City of Roseville reserved the right to deliver co-collected residential greenwaste and foodwaste to another facility if the Authority is unable to accept such waste; and

**WHEREAS**, in order to meet the demand from anticipated population growth and to comply with solid waste diversion goals required by the CalRecycle Short-lived Climate Pollutants: Organic Waste Reductions regulations, California Code of Regulations Title 14, Division 7, Chapter 3 et seq. ("SB1383") and the California Green Building Standards Code, California Code of Regulations Title 24, Part 11 et seq ("CalGreen"), the Authority has concluded that it is in the public interest to undertake a project to expand the capacity

of the Materials Recovery Facility and to acquire and construct a waste cell (Module 6) at the Western Regional Sanitary Landfill (the "Project"); and

**WHEREAS**, on March 10, 2011, pursuant to Resolution No. 11-01, the Board of Directors of the Authority adopted a Mitigated Negative Declaration for the expansion of the capacity of the Materials Recovery Facility and approved the Mitigation Monitoring and Reporting Program; and

**WHEREAS**, on August 10, 2000, pursuant to Resolution No. 00-04, the Board of Directors of the Authority certified the Final Supplemental Environmental Impact Report for the Western Regional Sanitary Landfill that covers the Landfill project and approved the Mitigation Monitoring and Reporting Program; and

**WHEREAS**, the Authority has informed the County that it wishes to issue revenue bonds (the "Bonds") to finance the costs of the Project under Article 4 of the Act (the "Bond Law"); and

**WHEREAS**, as a condition precedent to the issuance by the Authority of the Bonds to provide financing for the Project, Section 6586.5 of the Bond Law requires that the County approve the proposed financing by the Authority and that the County make certain findings with respect to such financing, and Section 6586.5 further requires that such approval be given and findings be made only after a noticed public hearing; and

**WHEREAS**, as required by Section 6586.5 of the Bond Law, the County has caused publication of a notice of a public hearing on the financing of the Project once at least five days prior to the hearing in a newspaper of general circulation in the County; and

**WHEREAS**, on the date hereof, the Board of Supervisors held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Project; and

**WHEREAS**, the Board of Supervisors wishes at this time to approve all proceedings to which it is a party relating to the issuance and sale of the Bonds and the financing of the Project;

BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, as follows:

**Section 1. Issuance of Bonds; Findings.** The Board of Supervisors hereby approves the issuance of the Bonds by the Authority under the Bond Law in the maximum principal amount of \$130,000,000, for the purpose of providing funds to finance the Project.

Pursuant to the Bond Law, and based on the information provided to the Board of Supervisors by County staff and consultants, all as set forth in the proceedings and documents providing for the issuance and delivery of the Bonds, the Board of Supervisors hereby finds and determines that the issuance of the Bonds and the transactions related thereto will result in significant public benefits within the contemplation of Section 6586 of the Bond Law, namely, demonstrable savings in bond preparation, bond underwriting and bond issuance costs.

**Section 2. Official Actions.** The Chair of the Board, the County Executive Officer, the Treasurer-Tax Collector, the Clerk of the Board and all other officers of the County are each authorized and directed on behalf of the County to take any and all actions and to make any and all certificates, agreements, notices, consents, and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by this Resolution.

**Section 3. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.

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**INDENTURE OF TRUST**

**by and between the**

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION  
as Trustee**

**Dated as of September 1, 2022**

**Relating to**

**\$\_\_\_\_\_**  
**Western Placer Waste Management**  
**Authority**  
**Solid Waste Revenue Bonds,**  
**Series 2022A**

**\$\_\_\_\_\_**  
**Western Placer Waste Management**  
**Authority**  
**Solid Waste Revenue Bonds,**  
**Series 2022B**

(Materials Recovery Facility)  
(Green Bonds)

(Landfill Improvements)



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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST is made and entered into as of September 1, 2022, by and between the WESTERN PLACER WASTE MANAGEMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, and being qualified to accept and administer the trusts hereby created, as trustee (the "Trustee").

### RECITALS

1. The Authority is a joint exercise of powers authority organized and existing under the Joint Exercise of Powers Law (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act") and a Joint Exercise of Powers Agreement, dated as of October 3, 1978 (as amended, the "Agreement"), by and among the County of Placer (the "County") and the Cities of Roseville (the "City of Roseville"), Rocklin (the "City of Rocklin"), and Lincoln (the "City of Lincoln"; together with the City of Roseville and the City of Rocklin, the "Cities").

2. The Cities are located entirely within the County.

3. The Authority, after due investigation and deliberation, has determined that it is in the interests of the Authority at this time to provide for the issuance of its Solid Waste Revenue Bonds under this Indenture for the purpose of financing the acquisition and construction of capital improvements at the Authority's Materials Recovery Facility and the Western Regional Sanitary Landfill, and to that end the Authority Board of Directors has heretofore adopted its Resolution No. \_\_\_\_\_, approving and authorizing the issuance of Solid Waste Revenue Bonds under this Indenture.

4. Under Article 4 of the Act (the "Bond Law"), the Authority wishes to issue (a) its Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds) (the "Series 2022A Bonds") to finance the improvements at the Materials Recovery Facility and (b) its Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements) (the "Series 2022B Bonds"; together with the Series 2022A Bonds, the "Series 2022 Bonds") to finance the improvements at the Western Regional Sanitary Landfill.

5. In order to provide for the authentication and delivery of the Series 2022 Bonds, to establish and declare the terms and conditions upon which the Series 2022 Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Board of Directors has authorized the execution and delivery of this Indenture.

6. All of the Series 2022 Bonds will be secured by a pledge of the Net Revenues, as defined herein, and certain other moneys and securities held by the Authority and the Trustee hereunder.

7. All acts and proceedings required by law necessary to make the Series 2022 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

In order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as provided in this Indenture.

## ARTICLE I

### DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Parity Debt Instrument and of the Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings herein specified.

"Act" means the Joint Exercise of Powers Law (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code)

"Additional Revenues" means any or all of the following amounts:

(a) An allowance for Net Revenues from any additions or improvements to or extensions of the Enterprise to be financed from the proceeds of the proposed series of Parity Debt or from any other source but in any case which, during all or any part of the most recent completed Fiscal Year for which audited financial statements are available or for any other 12-month period selected by the Authority under Section 3.05(b), were not in service, all in an amount equal to 80% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is to be in operation, all as shown by the certificate or opinion of a qualified independent engineer appointed and paid by the Authority.

(b) An allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of the proposed Parity Debt but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown by the certificate or opinion of an Independent Accountant.

"Agreement" means the Joint Exercise of Powers Agreement, dated as of October 3, 1978 (as amended, the "Agreement"), by and among the County of Placer and the Cities of Roseville, Rocklin and Lincoln.

"Annual Debt Service" means, for each Bond Year, the Debt Service due in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled; provided that for purposes of calculating Annual Debt Service with respect to Parity Debt proposed to be issued as Bonds hereunder, the amount of Debt Service for a Bond Year shall be reduced by any capitalized interest applicable to the proposed Parity Debt for such Bond Year.

"Authority" means the Western Placer Waste Management Authority, a joint exercise of powers authority established under the Act and the Agreement.

"Authorized Investments" means any of the following, but only to the extent that the same are acquired at Fair Market Value, which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) Federal Securities;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: (i) Export-Import Bank; (ii) Farm Credit System Financial Assistance Corporation, (iii) Farmers Home Administration; (iv) General Services Administration; (v) U.S. Maritime Administration; (vi) Small Business Administration; (vii) Government National Mortgage Association (GNMA); (viii) U.S. Department of Housing & Urban Development (PHA's); (ix) Federal Housing Administration and (x) Federal Financing Bank;

(c) senior debt obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, senior debt obligations of other government-sponsored agencies, obligations of the Resolution Funding Corporation (RFFCORP) and senior debt obligations of other government sponsored agencies;

(d) Bank deposit products, trust funds, trust accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Authority and the Trustee), overnight bank deposits, interest bearing deposits, interest bearing money market accounts, U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and its affiliates) which (i) have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P or collateralized by Federal Securities, provided that ratings on holding companies are not considered as the rating of the bank or (ii) are fully insured by the Federal Deposit Insurance Corporation;

(e) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;

(f) investments in a money market mutual fund rated "AAAm" or "AAAm-G" or better by S&P, including any such money market fund from which the Trustee or its affiliates receive fees for services to such fund (including as transfer agent, investment advisor, custodian or other management services) but excluding such funds with a floating net asset value;

(g) pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality

or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund (the "escrow"), in the two highest rating categories of Moody's or S&P or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) general obligations of States with a rating of at least "A2/A" or higher by both Moody's and S&P;

(i) any investment agreement representing general unsecured obligations of a financial institution rated A or better by any Rating Agency, by the terms of which the Trustee is permitted to withdraw all amounts invested therein in the event any such rating falls below A;

(j) the Local Agency Investment Fund maintained by the State of California;

(k) CalTrust, provided that, for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee; and

(l) repurchase or reverse repurchase agreements (including those of the Trustee or any of its affiliates) collateralized with Federal Securities.

"Authorized Official" means the Chair, the Executive Director, the Treasurer or the Auditor, or a written designee of any of the foregoing.

"Board of Directors" means the Board of Directors of the Authority or any other legislative body of the Authority hereafter provided for pursuant to law.

"Bond Counsel" means any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Law" means Article 4 of the Act.

"Bond Proceeds Fund" means the fund of that name established and held by the Trustee pursuant to Section 3.02 of this Indenture.

"Bond Registration Books" means the books maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

"Bond Year" each twelve-month period extending from June 2 in one calendar year to June 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year commences on the Closing Date and extends to and including June 1, 2023.

"Bonds" means, collectively, the Series 2022 Bonds and any Parity Debt issued as Bonds and at any time outstanding hereunder.

"Business Day" means any day other than a Saturday, Sunday or a day on which the Trustee is authorized by law to remain closed.

"Certificate of the Authority" means a certificate in writing signed by an Authorized Official, or by any other officer of the Authority duly authorized by the Board of Directors for that purpose.

"Closing Date" means the date upon which there is an exchange of the Series 2022 Bonds for the proceeds representing the purchase of such Series by the Original Purchaser thereof.

"Closure Obligations" means those payments required to be paid by the Authority for landfill closure and post-closure costs, including obligations to fund trust funds or otherwise make financial arrangements for such purpose, to the extent required by applicable law.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Authority and dated the date of original execution and delivery of the Series 2022 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Cost of Issuance Fund" means the Fund by that name established and held by the Trustee under Section 3.04 of this Indenture.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Series 2022 Bonds, including but not limited to compensation, fees and expenses of the Authority and the Trustee and their respective counsel, compensation to any financial consultants and underwriters, legal fees and expenses, municipal bond insurance or surety bond premiums, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

"Debt Service" means, during any period of computation, the amount obtained for such period by totaling the following amounts:

- (a) The principal amount of all outstanding Serial Bonds payable by their terms in such period;
- (b) The principal amount of all outstanding Term Bonds scheduled to be paid or redeemed by operation of mandatory Sinking Fund Installments in such period; and
- (c) The interest which would be due during such period on the aggregate principal amount of Bonds which would be outstanding in such period if the Bonds are paid or redeemed as scheduled.

Debt Service also shall include principal of and interest on any Parity Debt if the context so requires.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03 of this Indenture.

"Defeasance Obligations" means (a) cash, (b) non-callable Federal Securities described in paragraph (a) of the definition thereof ("Treasuries"), (c) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated or (d) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P or Moody's, respectively (or any combination thereof).

"Depository" means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Enterprise" means the solid waste recycling, processing and disposal system of the Authority, comprising all facilities for the disposal, processing or recycling of solid waste within the jurisdiction of the Authority.

"Enterprise Fund" means the enterprise fund of that name established and held by the Authority for the Enterprise and referenced in Section 4.02 of this Indenture.

"Event of Default" means any of the events described in Section 8.01.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Issuer and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

"Federal Securities" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America); and

(b) obligations of any department, agency or instrumentality of the United States of America the timely payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30.

"Gross Revenues" means all gross charges received for, and all other gross income and receipts derived by the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to (a) any amounts transferred to the Enterprise Fund from the Rate Stabilization Fund, and (b) investment earnings on the

foregoing. Gross Revenues do not include (y) the amount, if any, withdrawn by the Authority from Gross Revenues during such Fiscal Year for deposit in the Rate Stabilization Fund and (z) interest earnings on amounts in the Improvement Fund, self-insurance funds and, to the extent interest earnings thereon are required by law to remain therein, trust funds of the Authority including but not limited to landfill closure and landfill post-closure trust funds established under applicable law.

"Improvement" means any addition, extension, improvement, equipment, machinery or other facilities to or for the Enterprise.

"Improvement Fund" means the fund of that name established and held by the Trustee pursuant to Section 3.03 of this Indenture.

"Indenture" means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Parity Debt Instrument that provides for the issuance of Bonds pursuant to the provisions hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed and paid by the Authority, and who, or each of whom-

(a) is in fact independent and not under domination of the Authority;

(b) does not have any substantial identity of interest, direct or indirect, with the Authority; and

(c) is not and no member of which is connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority.

"Independent Consultant" means any financial or engineering consultant (including without limitation any Independent Certified Public Accountant) with an established reputation in the field of municipal finance or firm of such consultants appointed and paid by the Authority, and who, or each of whom-

(a) is in fact independent and not under domination of the Authority;

(b) does not have any substantial identity of interest, direct or indirect, with the Authority; and

(c) is not and no member of which is connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority.

"Interest Payment Date" means, with respect to the Series 2022 Bonds, June 1 and December 1 in each year, beginning June 1, 2023.

"Interest Requirement" means, as of any particular date of calculation, the amount equal to any unpaid interest then due and payable, plus an amount which will on the next succeeding Interest Payment Date be equal to the interest to become due and payable on the Bonds on such next succeeding Interest Payment Date.

"Maintenance and Operation Costs" means the reasonable and necessary costs paid or incurred by the Authority (or any contractor hired by the Authority) for maintaining and operating the Enterprise determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including all administrative costs of the Authority that are charged directly or apportioned to the operation of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums (including payments required to be paid into any self-insurance fund) and including reasonable and necessary costs of the Authority or charges required to be paid by it to comply with the terms of the Indenture or any Parity Debt Instrument, such as compensation, reimbursement and indemnification of the Trustee and fees and expenses of Independent Certified Public Accounts and Independent Consultants; but excluding in all cases (i) the principal of and interest on the Bonds and any Parity Debt, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under generally accepted accounting principles are chargeable to a capital account, (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles, (iv) Closure Obligations and (v) any expense for which, or to the extent to which, the Authority is or will be paid or reimbursed from or through any source that is not included or includable in Gross Revenues.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"Net Proceeds", when used with reference to any insurance or condemnation award or sale of property, means the gross proceeds from the sale of property or insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Net Revenues" means Gross Revenues minus Maintenance and Operation Costs.

"Original Purchaser" means, in the case of the Series 2022 Bonds, Samuel A. Ramirez & Company, Inc.

"Outstanding", when used as of any particular time with reference to Bonds issued under this Indenture, means (subject to the provisions of Section 7.03) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except -

(a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03;

(c) Bonds paid pursuant to Section 2.09; and

(d) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant to this Indenture or any Parity Debt Instrument.

"Owner" or "Bond Owner" or "Bondowner", when used with respect to any Bond issued under this Indenture, means the person in whose name the ownership of such Bond shall be registered on the Bond Registration Books.

"Parity Debt" means all bonds (including any Bonds), notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority payable from and secured by a pledge of and lien upon any of the Net Revenues issued or incurred pursuant to Section 3.05.

"Parity Debt Instrument" means the resolution, trust indenture (including a Supplemental Indenture) or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which Parity Debt is issued.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Principal Corporate Trust Office" means the corporate trust office of the Trustee at the address set forth in Section 9.10, provided that for purposes of payment, cancellation, surrender, redemption, exchange and transfer of Bonds issued under this Indenture, such term means the designated corporate trust operations or agency office of the Trustee or such other or additional offices as may be designated by the Trustee from time to time, or the designated corporate trust operations or agency office of any successor Trustee (or such other address as such successor Trustee may designate from time to time).

"Principal Installment" means with respect to any particular Principal Payment Date, an amount equal to the sum of (i) the aggregate principal amount of outstanding Serial Bonds payable on such Principal Payment Date as determined hereby and any applicable Parity Debt Instrument, but not including Sinking Fund Installments) and (ii) the aggregate of Sinking Fund Installments with respect to all outstanding Term Bonds payable on such Principal Payment Date as determined hereby and by any applicable Parity Debt Instrument.

"Principal Payment Date" means June 1.

"Project Costs" means, with respect to any Improvements financed with proceeds of the Bonds, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Improvement Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition, construction and installation of the Improvements;

(b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the Improvements;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the Improvements;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Improvements;

(e) any sums required to reimburse the Authority for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the Improvements;

(f) all costs of issuing the Bonds and other financing costs incurred in connection with the acquisition, construction and installation of the Improvements; and

(g) the interest components of the Debt Service on the Bonds allocable to the Improvements or any component thereof, which come due during the period of acquisition, construction and installation of the Improvements or such component.

"Qualified Reserve Account Instrument" means any irrevocable standby or direct-pay letter of credit, insurance policy or surety bond issued by a commercial bank or insurance company, provided that all of the following requirements are met at the time of acceptance thereof: (a) the long-term credit rating of such bank or insurance company is "A" or better from

at least one rating agency; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the required amount; and (d) such letter of credit or surety bond may be drawn upon in an amount equal to any deficiencies which may exist from time to time in the Debt Service Fund for the purpose of making payments on the related Bonds.

"Rate Stabilization Fund" means the account(s) or fund(s) established and maintained by the Authority pursuant to Section 4.09.

"Rating Agency" means, as of any date, each of the following rating agencies which then maintains a rating on any of the Bonds: (a) Moody's and (b) S&P.

"Record Date" means, with respect to the Series 2022 Bonds, the fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date or, with respect to any Parity Debt, any other date established in the applicable Parity Debt Instrument.

"Redemption Account" means the Account by that name established and held by the Trustee pursuant to Section 4.03.

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Indenture and the Parity Debt Instrument pursuant to which the same was issued.

"Request of the Authority" means a request in writing signed by an Authorized Officer.

"Reserve Account" means the Account by that name established and held by the Trustee pursuant to Section 4.03 of this Indenture.

"Reserve Requirement" means, as of the date of calculation, which shall be (A) the date of issuance of the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account and (B) the date of defeasance or redemption of any of the Series 2022 Bonds or any Parity Debt issued as Bonds that are covered by the Reserve Account, an amount equal to the lesser of (i) Maximum Annual Debt Service on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account between the date of such calculation and the final maturity of such Bonds or (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account between the date of such calculation and the final maturity of such Bonds and (iii) 10% of the original principal amount of the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account (or, if the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account have more than a de minimis amount of original issue discount or premium, 10% of the issue price of the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account); provided that, with respect to the issuance of any Parity Debt issued as Bonds that are covered by the Reserve Account, if the Reserve Account would have to be increased by an

amount greater than ten percent (10%) of the stated principal amount of such Parity Debt (or, if such Parity Debt has more than a de minimis amount of original issue discount or premium, of the issue price of such Parity Debt), then the Reserve Requirement shall be such lesser amount as is determined by a deposit of such ten percent (10%); and provided that accrued interest on any Parity Debt issued as Bonds that are covered by the Reserve Account deposited with the Trustee upon delivery of such Bonds shall be excluded for purposes of the calculation of the Reserve Requirement.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"Serial Bonds" means all Bonds issued under this Indenture other than Term Bonds.

"Series" when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds.

"Series 2022 Bonds" means the Series 2022A Bonds and the Series 2022B Bonds.

"Series 2022A Bonds" means the Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds), issued and at any time Outstanding hereunder.

"Series 2022A Improvement Account" means the account of that name established and held by the Trustee in the Improvement Fund pursuant to Section 3.03 of this Indenture.

"Series 2022B Improvement Account" means the account of that name established and held by the Trustee in the Improvement Fund pursuant to Section 3.03 of this Indenture.

"Series 2022B Bonds" means the Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements), issued and at any time Outstanding hereunder.

"Sinking Fund Installment" means, with respect to any particular date, the amount of money required by this Indenture or by or pursuant to a Parity Debt Instrument to be paid by the Authority on such date toward the retirement of any particular Term Bonds prior to their respective stated maturities.

"State" means the State of California.

"Subordinate Debt" means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority payable from and secured by a pledge of and lien upon any of the Net Revenues issued or incurred pursuant to Section 3.06.

"Subordinate Debt Instrument" means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which Subordinate Debt is issued.

"Supplemental Indenture" means any supplement or amendment to this Indenture which complies with the provisions of Section 7.01 or 7.02.

"Term Bonds" means, with respect to any Series 2022 Bonds or any other Bonds issued hereunder, such Series 2022 Bonds or other Bonds which are payable prior to their stated maturity by operation of Sinking Fund Installments.

"Trustee" means U.S. Bank Trust Company, National Association, appointed by the Authority to act as trustee hereunder pursuant to Section 6.01, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

SECTION 1.02. Rules of Construction. All references in this Indenture to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

SECTION 1.03. Authorization and Purpose of Series 2022 Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2022 Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the Series 2022 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized, pursuant to the Bond Law and each and every requirement of law, to issue the Series 2022 Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Series 2022 Bonds pursuant to the Bond Law and this Indenture for the purposes specified in this Indenture.

SECTION 1.04. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

ISSUANCE OF SERIES 2022 BONDS

SECTION 2.01. Terms of Series 2022 Bonds. The Series 2022A Bonds authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture shall be designated the “Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds)”, and shall be issued in the original principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

The Series 2022B Bonds authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture shall be designated the “Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements)”, and shall be issued in the original principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

The Series 2022 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2022 Bond shall have more than one maturity date.

The Series 2022A Bonds shall mature on June 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest Rate <u>Per Annum</u>
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\* Term Bonds.

The Series 2022B Bonds shall mature on June 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

Maturity Date ( <u>June 1</u> )	Principal <u>Amount</u>	Interest Rate <u>Per Annum</u>
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\* Term Bonds.

Interest on the Series 2022 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Series 2022 Bonds with respect to which written instructions have been filed with the Trustee prior to the Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books. In the event there exists a default in payment of interest due on such Interest Payment Date, such interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the Bonds not less than 15 days preceding such special record date. Principal of and premium (if any) on any Series 2022 Bond shall be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Series 2022 Bonds shall be payable in lawful money of the United States of America.

The Series 2022 Bonds shall be dated the Closing Date and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to May 15, 2023, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2022

Bond, interest thereon is in default, such Series 2022 Bond shall bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

SECTION 2.02. Redemption of Series 2022 Bonds.

(a) Optional Redemption. The Series 2022A Bonds maturing on or after June 1, \_\_\_\_, shall be subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the Authority, on any date occurring on or after June 1, \_\_\_\_, at the Redemption Price equal to the principal amount of the Series 2022A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Series 2022B Bonds maturing on or after June 1, \_\_\_\_, shall be subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the Authority, on any date occurring on or after June 1, \_\_\_\_, at the Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Authority shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) and of the maturities selected for redemption at least 30 days prior to the date fixed for redemption (or such later date as shall be acceptable to the Trustee).

(b) Mandatory Sinking Fund Redemption.

The Series 2022A Bonds that are Term Bonds shall also be subject to mandatory redemption in part, by lot, from sinking fund payments made by the Authority to the Debt Service Fund pursuant to Section 4.04(b), at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

Series 2022A Term Bonds Maturing June 1, \_\_\_\_

Year (June 1)	Principal Amount
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(maturity)

Series 2022A Term Bonds Maturing June 1, \_\_\_\_

Year (June 1)	Principal Amount
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(maturity)

The Series 2022B Bonds that are Term Bonds shall also be subject to mandatory redemption in part, by lot, from sinking fund payments made by the Authority to the Debt Service Fund pursuant to Section 4.04(b), at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

**Series 2022B Term Bonds Maturing June 1, \_\_\_\_**

Year (June 1)	Principal Amount
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(maturity)

If some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

(c) Parity Debt. Any Bonds issued as Parity Debt pursuant to Section 3.05 of this Indenture may be made subject to redemption prior to maturity, as a whole or in part, at such time or times, and upon payment of the principal amount thereof and accrued interest thereon plus such premium or premiums, if any, as may be determined by the Authority, in the applicable Supplemental Indenture.

(d) Notice of Redemption. Unless waived by any Owner of Series 2022 Bonds to be redeemed, notice of any redemption of Series 2022 Bonds shall be given, at the sole expense of the Authority, by the Trustee by mailing a copy of a redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Series 2022 Bond or Bonds to be redeemed at the address shown in the Bond Registration Books; provided, that neither the failure to receive such notice nor any immaterial defect in any

notice shall affect the sufficiency of the proceedings for the redemption of the Series 2022 Bonds.

The Trustee shall concurrently provide any notice required under this Section 2.02 to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

(e) Contents of Notice. All notices of redemption shall be dated and shall state:

(i) the redemption date,

(ii) the Redemption Price,

(iii) if fewer than all outstanding Series 2022 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2022 Bonds to be redeemed,

(iv) that on the redemption date the Redemption Price will become due and payable with respect to each such Series 2022 Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date,

(v) the place or places where such Series 2022 Bonds are to be surrendered for payment of the Redemption Price, which places of payment may include the Principal Corporate Trust Office of the Trustee, and

(vi) the CUSIP number of the Series 2022 Bonds to be redeemed.

Such redemption notices may state that no representation is made as to the CUSIP number printed therein or on the Series 2022 Bonds. Such redemption notices may be conditional. The Authority shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the outstanding Series 2022 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Authority and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(f) Deposit of Money. No later than the redemption date, the Authority shall deposit with the Trustee an amount of money sufficient to pay the Redemption Price of all the Series 2022 Bonds or portions of the Series 2022 Bonds which are to be redeemed on that date.

(g) Consequences of Notice. Notice of redemption having been given as aforesaid, the Series 2022 Bonds or portions of Series 2022 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Authority shall default in the payment of the Redemption Price) such Series 2022 Bonds or portions of Series 2022 Bonds shall cease to have interest accrue thereon. Upon surrender of such Series 2022 Bonds for redemption in accordance with said notice, such Series 2022 Bonds shall be paid by the Trustee at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2022 Bond, there shall be prepared for the Owner a new Series 2022 Bond or Series 2022 Bonds of the same maturity in the amount of the unredeemed principal. All Series 2022 Bonds that have been redeemed shall be cancelled and destroyed by the Trustee and shall not be redelivered. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

(h) Reserved.

(i) Partial Redemption of Bonds. In the event only a portion of any Series 2022 Bond is called for redemption, then upon surrender of such Series 2022 Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner, at the sole expense of the Authority, a new Series 2022 Bond or Series 2022 Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2022 Bond or Series 2022 Bonds.

(j) Manner of Redemption. Whenever any Series 2022 Bonds are to be selected for redemption among series or maturities, the Authority shall notify the Trustee in writing of which series and maturities should be redeemed. Whenever any Series 2022 Bonds are to be selected for redemption within a maturity, the Trustee shall determine, by lot, the numbers of the Series 2022 Bonds to be redeemed, and shall notify the Authority thereof.

SECTION 2.03. Form of Series 2022 Bonds. The Series 2022 Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.04. Execution of Series 2022 Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signatures of its Chair or Executive Director and attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and

issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.05. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Bond Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. No Bonds the notice of redemption of which has been mailed pursuant to Section 2.02(d) shall be subject to transfer pursuant to this Section.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Bond other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Each Owner of a Bond agrees to indemnify the Authority and the Trustee against any liability that may result from the transfer, exchange or assignment of such Owner's Bond in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

SECTION 2.06. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee, for Bonds of the same tenor and maturity and of other authorized denominations. No Bonds the notice of redemption of which has been mailed pursuant to Section 2.02(d) shall be subject to exchange pursuant to this Section.

SECTION 2.07. Temporary Bonds. The Series 2022 Bonds may be issued initially in temporary form exchangeable for definitive Series 2022 Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the

Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Series 2022 Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.08. Bond Registration Books. The Trustee will keep or cause to be kept at its trust office sufficient Bond Registration Books for the registration and transfer of the Bonds issued hereunder, which shall at all times during regular business hours, and upon reasonable notice, be open to inspection by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

SECTION 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Series 2022 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Authority. If any Series 2022 Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to them and indemnity or security satisfactory to them shall be given, the Authority, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Series 2022 Bond so lost, destroyed or stolen (or if any such Series 2022 Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Authority may direct the Trustee to pay the same without surrender thereof upon receipt of indemnity or security satisfactory to the Trustee). The Authority may require payment of a reasonable fee for each new Series 2022 Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Series 2022 Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.10. CUSIP Numbers. The Authority in issuing the Bonds may use "CUSIP" numbers, and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Owners; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers

either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Authority will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

SECTION 2.11. Book Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Bond Registration Books maintained by the Trustee pursuant to Section 2.08 hereof in the name of the Depository's nominee (the "Nominee"). Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on such Bond Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Authority holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest represented by such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal, interest and premium, if any, represented by the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, interest and premium, if any, represented by the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of principal, interest and premium, if any, pursuant to this Trust Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the execution of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

In the event the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will execute, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (z) to arrange for another securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's sole expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Trust Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, interest and premium, if any, represented by such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

## ARTICLE III

## ISSUE OF SERIES 2022 BONDS; PARITY DEBT

SECTION 3.01. Issuance of Series 2022 Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver Series 2022A Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and Series 2022B Bonds in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to the Trustee for authentication and delivery to the Original Purchaser thereof upon the Request of the Authority.

SECTION 3.02. Application of Proceeds of Sale of Series 2022 Bonds.

(a) Series 2022A Bonds. Upon the receipt from the Original Purchaser on the Closing Date of the amount of \$\_\_\_\_\_, which is equal to the purchase price of the Series 2022A Bonds (calculated as the principal amount of the Series 2022A Bonds, plus an original issue premium of \$\_\_\_ less an underwriter's discount of \$\_\_\_), the Trustee shall deposit the proceeds of sale thereof in the Bond Proceeds Fund which the Trustee shall establish and maintain hereunder, and shall further apply the proceeds in the Bond Proceeds Fund as follows:

- (a) the Trustee shall deposit \$\_\_\_\_\_ into the Cost of Issuance Fund;
- (b) the Trustee shall deposit \$\_\_\_\_\_ into the Reserve Account; and
- (c) the Trustee shall deposit \$\_\_\_\_\_ into the Series 2022A Improvement Account.

(b) Series 2022B Bonds. Upon the receipt from the Original Purchaser on the Closing Date of the amount of \$\_\_\_\_\_, which is equal to the purchase price of the Series 2022B Bonds (calculated as the principal amount of the Series 2022B Bonds, plus an original issue premium of \$\_\_\_ less an underwriter's discount of \$\_\_\_), the Trustee shall deposit the proceeds of sale thereof in the Bond Proceeds Fund which the Trustee shall establish and maintain hereunder, and shall further apply the proceeds in the Bond Proceeds Fund as follows:

- (a) the Trustee shall deposit \$\_\_\_\_\_ into the Cost of Issuance Fund;
- (b) the Trustee shall deposit \$\_\_\_\_\_ into the Reserve Account; and
- (c) the Trustee shall deposit \$\_\_\_\_\_ into the Series 2022B Improvement Account.

Upon transfer of the proceeds of the Series 2022 Bonds from the Bond Proceeds Fund as described above, the Trustee shall close the Bond Proceeds Fund without any further direction from the Authority.

SECTION 3.03. Improvement Fund. The Trustee will establish and maintain a separate fund to be known as the Improvement Fund into which the Trustee shall deposit a portion of the proceeds of sale of the Series 2022 Bonds as set forth in Section 3.02, and shall establish separate accounts within the Improvement Fund to be known as the Series 2022A Improvement Account and the Series 2022B Improvement Account.

Except as otherwise provided herein, moneys in the Improvement Fund will be used solely for the payment of the Project Costs, and moneys in the Series 2022A Improvement Account will be used solely for the payment of the Project Costs related to the Materials Recovery Facility.

Upon receipt of a Certificate of the Authority (in substantially the form attached hereto as Exhibit B) detailing the purposes for which any amounts requisitioned from the Improvement Fund will be used, the Trustee will disburse moneys in the Improvement Fund to the Authority in the amount requested. The Trustee has no responsibility for payments made in accordance with this Section 3.03. The Trustee shall maintain copies of any Certificates of the Authority requisitioning moneys from the Improvement Fund and accurate records showing the purposes for which moneys requisitioned from the Improvement Fund were used.

The Authority shall determine in good faith whether an architect or engineer is required to execute any requisition hereunder, and the Trustee shall in no instance be required to make such determination. For purposes of complying with the requirements of this Section, the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon a Certificate of the Authority. The Trustee shall not be bound to make an investigation into the facts or matters stated in any Certificate of the Authority. The Trustee shall not be responsible for determining whether the funds on hand in the Improvement Fund are sufficient to cover the Project Costs. The Trustee shall not be responsible to collect lien waivers.

Upon the determination by the Authority that no further amounts are intended to be requisitioned from the Improvement Fund, the Authority shall submit a Certificate of the Authority to the Trustee directing the Trustee to thereupon close the Improvement Fund and transfer all remaining amounts to the Debt Service Fund for the payment of principal of or interest on the Series 2022 Bonds, provided that such Certificate of the Authority shall provide that the amounts transferred to the Debt Service Fund from the Series 2022A Improvement Account shall be used to pay principal of or interest on the Series 2022A Bonds. If and to the extent so directed in a Certificate of the Authority, the Trustee shall transfer moneys in the Improvement Fund to the Redemption Account for the redemption of the Series 2022 Bonds under Section 2.02(a) , provided that any amounts transferred to the Redemption Account from the Series 2022A Improvement Account shall be used for the redemption of the Series 2022A Bonds.

SECTION 3.04. Cost of Issuance Fund. There is hereby created a fund to be known as the Cost of Issuance Fund (the "Cost of Issuance Fund"), which the Authority hereby covenants

and agrees to cause to be maintained and which shall be held in trust by the Trustee. The moneys in the Cost of Issuance Fund shall be used in the manner provided by law solely for the purpose of the payment of Costs of Issuance upon receipt by the Trustee of Requests of the Authority therefor, on or after the Closing Date. Any funds remaining in the Cost of Issuance Fund on December 1, 2022, shall be transferred by the Trustee to the Debt Service Fund.

SECTION 3.05. Issuance of Parity Debt. In addition to the Series 2022 Bonds, the Authority may, by Parity Debt Instrument, incur Parity Debt that is payable from Net Revenues on a parity basis with the Series 2022 Bonds, to provide financing or refinancing for the Enterprise, in such principal amount as shall be determined by the Authority. Any Parity Debt issued as Bonds shall be issued pursuant to a Supplemental Indenture.

The Authority may issue or incur any such Parity Debt subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(a) The Authority shall be in compliance with all covenants set forth in this Indenture, unless any non-compliance will be cured as a result of the issuance of the Parity Debt.

(b) The Net Revenues of the Enterprise, calculated in accordance with sound accounting principles, as shown by the books of the Authority for the most recent completed Fiscal Year for which audited financial statements of the Authority are available, or for any more recent consecutive 12 month period selected by the Authority, in either case verified by an Independent Certified Public Accountant or an Independent Consultant or shown in the audited financial statements of the Authority, plus (at the option of the Authority) any Additional Revenues, are at least equal to 125% of maximum scheduled Debt Service for the current or any future Bond Year (taking into account the Parity Debt then proposed to be issued); provided, however, that in the event that all or a portion of the Parity Debt being issued are to be issued for the purpose of refunding and retiring all or a portion of the unpaid Bonds, then the Debt Service on the Bonds to be so refunded and retired from the proceeds of such Parity Debt being issued shall be excluded from the foregoing computation of maximum scheduled Debt Service; provided further, however, that the Authority may at any time enter into or incur Parity Debt without compliance with the foregoing condition if the aggregate annual Debt Service for all Bonds for each Bond Year during which such Parity Debt being issued will be outstanding will not be increased by reason of the entry into or incurrence of such Parity Debt.

(c) The Parity Debt Instrument providing for the issuance of such Parity Debt under this Section 3.05 shall provide that:

(i) The proceeds of such Parity Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities,

improvements or extensions of existing facilities within the Enterprise, or otherwise for facilities, improvements or property that the Authority determines are of benefit to the Enterprise, or for the purpose of refunding any obligation of the Enterprise that is payable from Net Revenues in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the Authority deems necessary or advisable) relating thereto;

(ii) interest on the Parity Debt shall be payable on an Interest Payment Date and principal on the Parity Debt shall be payable on a Principal Payment Date; and

(iii) Money or a Qualified Reserve Account Instrument may (but is not required to) be deposited in the Reserve Account (with respect to any Parity Debt issued as Bonds) or a reserve account for such Parity Debt from the proceeds of the sale of such Parity Debt or otherwise in an amount defined in the Parity Debt Instrument.

SECTION 3.06. Subordinate Debt. Nothing in this Indenture shall prohibit or impair the authority of the Authority from issuing bonds or other obligations secured by a lien on Net Revenues which is subordinate to the lien established hereunder, upon such terms and in such principal amounts as the Authority may determine; provided, that the Authority must satisfy the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Subordinate Debt:

(a) The Authority shall be in compliance with all covenants set forth in this Indenture, unless any non-compliance will be cured as a result of the issuance of the Subordinate Debt.

(b) The Subordinate Debt Instrument providing for the issuance of such Subordinate Debt under this Section 3.06 shall provide that the proceeds of such Subordinate Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Enterprise, or otherwise for facilities, improvements or property that the Authority determines are of benefit to the Enterprise, or for the purpose of refunding any obligation of the Authority that is payable from Net Revenues in whole or in part, including all costs (including costs of issuing such Subordinate Debt and including capitalized interest on such Subordinate Debt during any period which the Authority deems necessary or advisable) relating thereto.

SECTION 3.07. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Authority in connection with the Enterprise, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

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## ARTICLE IV

### PLEDGE OF NET REVENUES; FUNDS AND ACCOUNTS

#### SECTION 4.01. Pledge of Net Revenues.

(a) The Authority hereby pledges for the benefit of the Owners of the Bonds, including the Series 2022 Bonds, and any Parity Debt, that portion of the Net Revenues that is necessary to pay the amounts required by Section 4.02(c)(ii) and (iii) in any Bond Year.

In addition, the Authority hereby pledges, for the benefit of the Owners of the Bonds issued pursuant to this Indenture, all moneys on deposit in the Debt Service Fund, excluding the Reserve Account.

In addition, the Authority hereby pledges for the benefit of the Owners of the Series 2022 Bonds and any Parity Debt issued as Bonds that are intended to be covered by the Reserve Account, all moneys on deposit in the Reserve Account.

The Gross Revenues shall be used only for the purposes set forth in this Indenture while any of the Bonds remain outstanding.

The pledges described in this Section 4.01(a) shall constitute a first, direct and exclusive lien and security interest on the Net Revenues, the moneys in the Debt Service Fund and the moneys in the Reserve Account, as applicable, in accordance with the terms of this Indenture.

(b) Subject to Section 4.02, the Net Revenues constitute a trust fund for the security and payment of the principal or Redemption Price of and interest on the Bonds and any Parity Debt. The general fund of the Authority is not liable, and the credit or taxing power of the Authority is not pledged, for the payment of the principal or Redemption Price of and interest on the Bonds. The Owner of the Bonds shall not compel the exercise of the taxing power by the Authority or the forfeiture of its property. The principal or Redemption Price of and interest on the Bonds are not a debt of the Authority, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues except the Net Revenues.

SECTION 4.02. Receipt, Deposit and Application of Gross Revenues. (a) The Authority previously established and continues to maintain the Enterprise Fund.

The Authority covenants and agrees that all Gross Revenues, when and as received, will be held by the Authority in the Enterprise Fund, and will be deposited by the Authority, or caused to be deposited, in the Enterprise Fund, and will be accounted for through and held in trust in the Enterprise Fund, and the Authority shall only have such beneficial right or interest in any of such money as provided in this Indenture. All such Gross Revenues shall be transferred,

disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Authority.

(b) The Authority hereby covenants to hold the Enterprise Fund in trust for the benefit of the Owners of the Bonds. For purposes of record-keeping, the Authority may establish and maintain separate accounts within the Enterprise Fund.

(c) Gross Revenues deposited in the Enterprise Fund shall be applied by the Authority to pay the following amounts when due, in the following order of priority:

- (i) to pay Maintenance and Operation Costs;
- (ii) no later than the fifth (5<sup>th</sup>) Business Day preceding each Interest Payment Date and Principal Payment Date, to transfer to the Trustee for deposit in the Debt Service Fund held by the Trustee an amount sufficient to pay Debt Service on the Series 2022 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture and to transfer an amount sufficient to pay debt service on any other Parity Debt (in the event of a shortfall, amounts shall be used to pay Debt Service on the Series 2022A Bonds, the Series 2022B Bonds and any Parity Debt on a pro rata basis based on the amounts required to be deposited, and the amounts distributed shall not take into account the existence of Qualified Reserve Account Instrument, or any reserve account, letter of credit, insurance policy or surety bond);
- (iii) to transfer to the Trustee for deposit in the Reserve Account an amount necessary to bring the funds then on hand in the Reserve Account to the Reserve Requirement and to transfer as required to make a deposit into a debt service reserve fund (if any) for any Parity Debt issued under a Parity Debt Instrument an amount necessary to bring the funds then on hand in the debt service reserve fund (if any) for any Parity Debt to its required level (in the event of a shortfall, amounts shall be transferred to the Trustee for deposit into the Reserve Account and as required to make a deposit into such other debt service reserve fund on a pro rata basis based on the amount required to be in the Reserve Account and such other reserve fund); and
- (iv) to pay for any lawful purpose of the Enterprise.

On the first day of each Bond Year, after the Authority has applied Net Revenues to pay the amounts required by Section 4.02(c) (ii) and (iii) for the preceding Bond Year, the Net Revenues then in the Enterprise Fund shall be released from the pledge, security interest and lien hereunder for the security of the Bonds and any additional Parity Debt.

SECTION 4.03. Establishment of Funds and Accounts and Allocation of Net Revenues Thereeto. The Debt Service Fund, as a special fund, and the Reserve Account, as a special account therein, are hereby created and the Redemption Account shall be created when needed.

The Debt Service Fund, and the Redemption Account and Reserve Account therein, shall be held and maintained by the Trustee.

(a) Debt Service Fund. Moneys will be deposited into the Debt Service Fund as set forth in Section 4.02. Moneys in the Debt Service Fund shall be applied as set forth in Section 4.04. All interest earnings and profits or losses on the investment of amounts in the Debt Service Fund shall be deposited in or charged to the Debt Service Fund and applied to the purposes thereof. No transfer and deposit need be made into the Debt Service Fund if the amount contained therein, taking into account investment earnings and profits, is at least equal to the Interest Requirement or Principal Installments to become due on the next Interest Payment Date or Principal Payment Date upon all Outstanding Bonds issued under this Indenture.

(b) Reserve Account. On the Closing Date, the Trustee shall deposit in the Reserve Account the amount required to be deposited therein pursuant to Section 3.02. An amount equal to the Reserve Requirement in the form of either cash or a Qualified Reserve Account Instrument shall be maintained in the Reserve Account at all times. Any deficiency therein shall be replenished from available Gross Revenues pursuant to Section 4.02.

If any Parity Debt is issued as Bonds pursuant to a Supplemental Indenture, and if the Supplemental Indenture provides that such Parity Debt shall be covered by the Reserve Account, then the Reserve Requirement shall be increased.

SECTION 4.04. Application of Debt Service Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Debt Service Fund an amount equal to the Interest Requirement on the Bonds issued and outstanding pursuant to this Indenture payable on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is hereby authorized to apply the same to the payment of such interest by check (or by wire transfer, as the case may be), as provided in Section 2.01.

(b) On each Principal Payment Date, the Trustee shall withdraw from the Debt Service Fund an amount equal to the principal amount of the outstanding Bonds issued pursuant to this Indenture that are Serial Bonds, if any, maturing on said Principal Payment Date and any Sinking Fund Installments due and payable with respect to any Bonds issued pursuant to this Indenture that are Term Bonds on said Principal Payment Date, and shall cause the same to be applied to the payment of the principal of such Bonds when due and is hereby authorized to apply the same to such payment upon presentation and surrender of such Bonds as they become due and payable, as provided in Section 2.01.

SECTION 4.05. Application of Reserve Account.

(a) If at any time there shall not be sufficient amounts in the Debt Service Fund to pay Principal Installments or in the Redemption Account to pay the Redemption Price of or interest when due on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account, the Trustee shall provide notice of such insufficiency to the Authority and withdraw amounts from the Reserve Account solely for the purpose of making transfers to the Debt Service Fund or the Redemption Account.

In the event that the amounts in the Reserve Account are not sufficient to pay Debt Service when due on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account, amounts in the Reserve Account shall be used to pay Debt Service when due on the Series 2022A Bonds, the Series 2022B Bonds and any such Parity Debt issued as Bonds that are covered by the Reserve Account on a pro rata basis based on the Debt Service that is due.

(b) Whenever, on or before any Interest Payment Date, or on any other date at the written request of an Authorized Officer, the amount in the Reserve Account exceeds the Reserve Requirement, the Trustee shall transfer an amount equal to the excess from the Reserve Account to the Debt Service Fund, to be used to pay interest on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account on the next Interest Payment Date.

(c) Amounts in the Reserve Account shall be withdrawn for purposes of making payment to the federal government to comply with any obligation to do so under this Indenture, upon receipt by the Trustee of a Request of the Authority specifying the amount to be withdrawn and to the effect that such amount is needed for rebate purposes; provided, however, that no amounts in the Reserve Account shall be used for rebate unless the amount in the Reserve Account following such withdrawal equals the Reserve Requirement. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The Trustee shall be deemed conclusively to have complied with the provisions of this Indenture and any other agreement relating to the Bonds regarding calculation and payment of rebate if it follows the directions of the Authority, and it shall have no independent duty to review or enforce the Authority's compliance with such rebate requirements. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Authority's opinions, calculations, determinations, directions, and certifications required by this Section. Except to the extent expressly herein provided, the Trustee shall in no instance be responsible or liable for the tax treatment of the Bonds, the Authority's compliance with applicable law, or any other tax consequences in connection with the Bonds.

(d) The Authority shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified

Reserve Account Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds (and their intended use) nor the acceptance of such Qualified Reserve Account Instrument will cause interest on the Series 2022 Bonds or any Parity Debt issued as Bonds that are covered by the Reserve Account the interest on which is excluded from the gross income of the Owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Authority to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Authority for eligible capital costs. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Instrument as shall be required to maintain such Qualified Reserve Account Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this Section 4.05. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Debt Service Fund with respect to the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Instruments, any draw to meet a deficiency which may exist from time to time in the Bond Fund with respect to the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account shall be pro-rata with respect to each such instrument.

In the event that a Qualified Reserve Account Instrument is available to be drawn upon for only one or more particular series of Bonds, a separate subaccount in the Reserve Account may be established for such series, and the calculation of the Reserve Requirement with respect to all other Bonds payable from the Reserve Account shall exclude the debt service on such issue of Bonds.

The Authority shall have no obligation to replace the Qualified Reserve Account Instrument or to fund the Reserve Account with cash if, at any time that the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account are Outstanding, amounts are not available under the Qualified Reserve Account Instrument or if the rating of the claims-paying ability of the provider of the Qualified Reserve Account Instrument is downgraded.

SECTION 4.06. Application of Redemption Account. On or before the date which is at least two (2) Business Days prior to any Interest Payment Date on which Series 2022 Bonds are subject to redemption pursuant to Section 2.02(a) or on which any Parity Debt that were issued as Bonds pursuant to a Supplemental Indenture are subject to optional redemption pursuant to the provisions of the Supplemental Indenture authorizing such Parity Debt, the Authority shall transfer from the Enterprise Fund (or such other available source identified by the Authority in its sole discretion) to the Trustee for deposit in the Redemption Account an amount at least equal to the Redemption Price (excluding accrued interest, which is payable from the Debt Service Fund) of such Bonds to be redeemed on such Interest Payment Date. Amounts in the

Redemption Account shall be applied by the Trustee solely for the purpose of paying the Redemption Price of such Bonds to be redeemed. If, after all of the Bonds have been paid or deemed to have been paid, there are moneys remaining in the Redemption Account, such moneys shall be transferred by the Trustee to the Authority for deposit in the Enterprise Fund.

SECTION 4.07. Investments. All moneys in the Enterprise Fund, Reserve Account and Rate Stabilization Fund may be invested by the Authority from time to time in any investments authorized by law, consistent with the Authority's investment policy.

All moneys in the Debt Service Fund, Improvement Fund and Cost of Issuance Fund or any other moneys held by the Trustee hereunder shall be invested by the Trustee solely in Authorized Investments, as directed pursuant to a Request of the Authority (such direction to specify the particular investment to be made). In the absence of any such Request of the Authority, the Trustee shall hold any such amounts uninvested. Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, and all interest or gain derived from the investment of amounts in any of the Funds or Accounts established hereunder shall be deposited in the Fund or Account from which such investment was made.

For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder with the written approval of the Authority. The Trustee or an affiliate may act as principal or agent in the acquisition or disposition of any investment and shall be entitled to its customary fees therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section. The Trustee may rely conclusively upon the investment direction of the Authority as to the suitability and legality of the directed investments. Ratings of Authorized Investments shall be determined at the time of purchase of such permitted investments and without regard to ratings subcategories. In the event of a loss on the sale of such investments (after giving effect to any interest or other income thereon except to the extent theretofore paid to the Authority), the Trustee shall have no responsibility in respect of such loss except that the Trustee shall notify the Authority of the amount of such loss and the Authority shall promptly pay such amount to the Trustee to be credited as part of the moneys originally invested. The Trustee shall have no liability whatsoever for any loss, fee, tax or other charge incurred in connection with any investment, reinvestment or liquidation of an investment hereunder.

The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, which brokerage confirmations are at no additional cost, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request

and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 4.08. Valuation; Investments.

In computing the amount in any Fund or Account, Authorized Investments shall be acquired, disposed of and valued at their Fair Market Value. With respect to all Funds and Accounts, valuation shall occur annually, except in the event of a withdrawal from the Reserve Account, whereupon securities shall be valued immediately after such withdrawal. In determining the market value of Authorized Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

SECTION 4.09. Rate Stabilization Fund.

The Authority has the right at any time to establish the Rate Stabilization Fund to be held by it and administered in accordance with this Section 4.09. From time to time the Authority may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien which secures the Series 2022 Bonds and any Parity Debt, as the Authority may determine, provided that deposits for each Fiscal Year may be made until (but not after) one hundred eighty (180) days following the end of such Fiscal Year.

The Authority may, but is not required to, withdraw from any amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Enterprise Fund. Amounts so transferred from the Rate Stabilization Fund to the Enterprise Fund shall constitute Gross Revenues for a Fiscal Year (except as otherwise provided herein) so long as such withdrawals are made until (but not after) one hundred eighty (180) days after the end of such Fiscal Year, and shall be applied for the purposes of the Enterprise Fund. Amounts on deposit in the Rate Stabilization Fund shall not be pledged to or otherwise secure the Series 2022 Bonds or any Parity Debt. All interest or other earnings on deposits in the Rate Stabilization Fund will be retained therein or, at the option of the Authority, be applied for any other lawful purposes of the Enterprise. The Authority has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any lawful purposes of the Enterprise.

## ARTICLE V

### COVENANTS OF THE AUTHORITY

SECTION 5.01. Punctual Payment; Compliance With Documents. The Authority shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds issued pursuant to this Indenture in strict conformity with the terms of the Bonds and of this Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Parity Debt Instruments.

SECTION 5.02. Against Encumbrances. The Authority will not mortgage or otherwise encumber, pledge or place any charge upon the assets of the Enterprise or any part thereof, or upon any of the Net Revenues, except as provided in the Indenture.

SECTION 5.03. Discharge of Claims. The Authority covenants that in order to fully preserve and protect the priority and security of the Bonds, the Authority shall pay from the Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Enterprise which, if unpaid, may become a lien or charge upon the Gross Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The Authority shall also pay from the Gross Revenues all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Enterprise or upon any part thereof or upon any of the Gross Revenues therefrom.

SECTION 5.04. Acquisition, Construction or Financing of Improvements to the Enterprise. The Authority will acquire, construct, or finance Improvements to the Enterprise to be financed with the proceeds of any Parity Debt with all practicable dispatch, and such Improvements will be made in an expeditious manner and in conformity with laws so as to complete the same as soon as possible.

SECTION 5.05. Maintenance and Operation of Enterprise in Efficient and Economical Manner. The Authority covenants and agrees to maintain and operate, or cause a third party to maintain and operate, the Enterprise in an efficient and economical manner and to operate, maintain and preserve, or cause a third party to maintain and operate, the Enterprise in good repair and working order.

SECTION 5.06. Against Sale, Eminent Domain.

(a) The Authority will not sell, lease or otherwise dispose of any assets of the Enterprise that are essential to the proper operation of the Enterprise or to the maintenance of the Net Revenues except as herein expressly permitted. The Authority will not enter into any lease or agreement which impairs the operation of the Enterprise or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal or Redemption Price, if any, on the Bonds, or which would otherwise impair the rights of the holders

with respect to the Net Revenues or the operation of the Enterprise. Any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has worn out, may be sold at not less than the market value thereof without the consent of the holders if such sale will not reduce Net Revenues and if all of the Net Proceeds of such sale are deposited in the Enterprise Fund.

(b) If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds realized by the Authority therefrom shall be deposited by the Authority with the Trustee in a special fund in trust and applied by the Authority to the cost of acquiring or constructing or financing Improvements to the Enterprise if (A) the Authority first secures and promptly files with the Trustee a Certificate of the Authority (i) showing the estimated loss in annual Net Revenues, if any, suffered, or to be suffered, by the Authority by reason of such eminent domain proceedings, (ii) describing the Improvements to the Enterprise then proposed to be acquired or constructed by the Authority from such Net Proceeds, (iii) estimating the additional Net Revenues to be derived from such Improvements, and (iv) stating that such additional Net Revenues will sufficiently offset the loss of Net Revenues, resulting from such eminent domain proceedings so that the ability of the Authority to meet its obligations hereunder will not be substantially impaired, which determination shall be final and conclusive.

If the foregoing conditions are met, the Authority shall then promptly proceed with the acquisition or construction or financing of such Improvements substantially in accordance with such Certificate of the Authority and payments therefor shall be made by the Trustee from such Net Proceeds and from other moneys of the Authority lawfully available therefor, and any balance of such Net Proceeds not required by the Authority for the purposes aforesaid shall be deposited in the Enterprise Fund.

If the foregoing conditions are not met, then such Net Proceeds shall be applied by the Trustee pro rata based on the outstanding principal amount to (i) the redemption or purchase of the Bonds of each Series then outstanding that are then eligible for redemption or purchase and (ii) the prepayment or purchase of any other Parity Debt that are then eligible for prepayment or purchase. If the Trustee is unable to purchase or redeem such Bonds and Parity Debt in amounts sufficient to exhaust the available moneys allocable to such Bonds or Parity Debt, the remainder of such moneys for each such Bonds or Parity Debt shall be held in trust by the Trustee and applied to the payment of such Bonds or Parity Debt as the same become due by their terms, and, pending such application, such remaining moneys may be invested as specified in writing by the Authority.

SECTION 5.07. Insurance. The Authority covenants that it shall at all times maintain, or cause a third-party contractor to maintain, such insurance on the Enterprise as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. If any part of the Enterprise that is essential to the proper operation of the Enterprise or to the maintenance of the Net Revenues shall be damaged or destroyed, such part shall be restored to use. The Authority may determine whether the Net Proceeds of insurance against accident to or destruction of the physical assets of the Enterprise

shall be (i) used by the Authority to repair or rebuild the damaged or destroyed portions of the Enterprise (to the extent that such repair or rebuilding is determined by the Authority to be useful or of continuing value to the Enterprise), (ii) applied to the purchase, prepayment or redemption of any Outstanding Bonds and outstanding Parity Debt as described in Section 5.06(b) or (iii) deposited in the Enterprise Fund if the Authority delivers a Certificate of the Authority to the Trustee in which it describes the Authority's determination that that it is not necessary to repair or rebuild the damaged or destroyed portions of the Enterprise or redeem Bonds and any Parity Debt as described in the preceding Section 5.06(b) because the damaged or destroyed portions of the Enterprise are not essential to the proper operation of the Enterprise or to the maintenance of the Net Revenues.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Authority, or may be in the form of self-insurance by the Authority. The Authority shall establish such fund or funds or reserves as it determines, in its sole judgment, are necessary to provide for its share of any such self-insurance.

#### SECTION 5.08. Federal Tax Law Covenants.

(a) Private Activity Bond Limitation. The Authority will assure that the proceeds of the Series 2022 Bonds are not so used as to cause the Series 2022 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The Authority will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2022 Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The Authority will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2022 Bonds.

(d) No Arbitrage. The Authority will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2022 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2022 Bonds would have caused the Series 2022 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The Authority will take all actions necessary to assure the exclusion of interest on the Series 2022 Bonds from the gross income of the Owners of the Series 2022 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2022 Bonds.

(f) Record Retention. The Authority will retain its records of all accounting and monitoring it carries out with respect to the Series 2022 Bonds for at least 3 years after the Series 2022 Bonds mature or are redeemed (whichever is earlier); however, if the Series 2022 Bonds are redeemed and refunded, the Authority will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2022 Bonds.

(g) Compliance with Tax Certificates. The Authority will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds to be executed and delivered by the Authority on the Closing Date with respect to the Series 2022 Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Series 2022 Bonds.

SECTION 5.09. Protection of Security and Rights of Owners. The Authority will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Parity Debt by the Authority, such Parity Debt shall be incontestable by the Authority.

SECTION 5.10. Against Competitive Facilities. The Authority will not acquire, construct, operate or maintain an enterprise or utility within the service area of the Authority that would be competitive with the Enterprise.

SECTION 5.11. Payment of Taxes, Etc. The Authority will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon any Net Revenues when the same shall become due. The Authority will duly observe and conform with all valid requirements of any governmental authority relative to the Enterprise or any part thereof, and will comply with all requirements with respect to any state or federal grants received to assist in paying for the costs of the acquisition, construction or financing of any Improvements to the Enterprise.

SECTION 5.12. Rates, Fees and Charges. (a) The Authority shall fix, prescribe, revise and cause to be collected rates, fees and charges during each Fiscal Year which will yield Gross Revenues that are at least sufficient, after making allowances for contingencies and error in the estimates and, except as set forth in the second paragraph of this subsection (a), not including any transfers to the Enterprise Fund from the Rate Stabilization Fund, to pay the following amounts in the following order:

- (i) all Maintenance and Operation Costs estimated by the Authority to become due payable in such Fiscal Year;
- (ii) the Debt Service on the Bonds and any other Parity Debt;

(iii) any amounts required to replenish the amounts in the Reserve Account so that they are equal to the Reserve Requirement and replenish the amounts in the debt service reserve fund for any Parity Debt that is not secured by the Reserve Account, if needed;

(iv) all other payments required for compliance with this Indenture and any Parity Debt Instrument; and

(v) all payments required to meet any other obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues.

For Fiscal Year 2022-23 only, the Authority may satisfy the covenant set forth in the first paragraph of this subsection (a) by including in Gross Revenues transfers of any moneys in the Rate Stabilization Fund to the Enterprise Fund.

(b) In addition, the Authority shall fix, prescribe, revise and cause to be collected rates, fees and charges during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 125% of the amounts payable under the preceding clause (a)(ii) in such Fiscal Year. For purposes of this subsection 5.12(b), the amount of Net Revenues for a Fiscal Year will be computed on the basis that (1) any transfers into the Enterprise Fund in that Fiscal Year from the Rate Stabilization Fund are included in the calculation of aggregate Net Revenues, and (2) any deposits into the Rate Stabilization Fund in that Fiscal Year are deducted from the amount of Net Revenues, but only to the extent such deposits are made from Gross Revenues received by the Authority during that Fiscal Year.

(c) The Authority covenants that it will cause to be prepared annually, and filed with the Trustee, not more than two hundred seventy (270) days after the close of each Fiscal Year, a certificate stating that the Authority is in compliance with the rate covenants set forth in subsections (a) and (b) of this Section 5.12.

SECTION 5.13. No Priority for Additional Obligations. The Authority covenants that no additional bonds or other obligations shall be issued or incurred having any priority in payment of principal or interest out of the Net Revenues over the Bonds.

SECTION 5.14. Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Series 2022 Bonds the rights and benefits provided in this Indenture.

SECTION 5.15. Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any

holder or beneficial owner of the Series 2022 Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

In furtherance of its covenant set forth in the first sentence of this Section 5.15, the Authority shall require by contract a third party contractor to provide to the Authority the information it needs in order to comply with the Continuing Disclosure Certificate and shall use all reasonable means to enforce such obligations.

SECTION 5.16. Federal Securities. The Authority shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Federal Securities deposited into any Fund or Account hereunder or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Owners of Outstanding Bonds.

## ARTICLE VI

### THE TRUSTEE

SECTION 6.01. Appointment of Trustee. U.S. Bank Trust Company, National Association, with an office in San Francisco, California, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee having a corporate trust office in San Francisco, California, with a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or State authority, so long as any Bonds are Outstanding under this Indenture. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the Bonds issued under this Indenture when duly presented for payment at maturity, or on redemption or purchase prior to maturity, and to cancel all such Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged.

SECTION 6.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after curing all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform, on their face, to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein). In case an Event of Default hereunder has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys, agents, or receivers but shall not be answerable for the acts, omissions, misconduct, negligence or selection of the same if appointed by it with due care. The Trustee may consult with counsel of its selection and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds issued under this Indenture, or for the validity of this Indenture or any of the supplements thereto or instruments of further assurance, or for the sufficiency of this Indenture or the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the Authority's investment direction.

(d) The Trustee shall not be accountable for the use of any proceeds of sale of the Bonds delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bonds issued under this Indenture, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

(e) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Bond Registration Books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Certificate of the Authority as sufficient evidence of the facts therein contained and

prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 6.02(h) hereof, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a Certificate of the Authority to the effect that an authorization in the form therein set forth has been adopted by the Authority, as conclusive evidence that such authorization has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, as finally adjudicated by a court of law, directors, employees and agents.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the Authority to make any of the payments to the Trustee required to be made by the Authority pursuant hereto or failure by the Authority to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds by a date certain, unless the Trustee shall be specifically notified in writing of such default by the Authority or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding under this Indenture and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, reference the Bonds and this Indenture and be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document. Simultaneously, at any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect the Enterprise, including all books, papers and records of the Authority pertaining to the Enterprise and the Bonds issued hereunder, and to take such memoranda from and with regard thereto as may be desired but which is not privileged by statute or by law, each at the sole expense of the Authority, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and the performance of its powers and duties hereunder or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in Section 8.03 or any other action in connection with its duties hereunder (other than making payments of principal and interest on the Bonds issued hereunder), the Trustee may require that an indemnity bond or security satisfactory in terms and amount be furnished for the reimbursement of all fees, costs and expenses (including attorneys' fees and expenses) to which it may be put and to protect it against all liability, except liability which is finally adjudicated by a court of law to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as it may agree to in writing.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder and will not incur any responsibility or liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder, or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes, directly or indirectly, beyond its control and without its fault or negligence, including, but not limited to, present or future law or regulation or governmental authority, strikes, work stoppages, accidents, nuclear or natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility, acts of a government, acts of the other party, fires, floods, pandemics, epidemics, recognized public emergencies, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Improvements, malicious mischief, condemnation, unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee, interruptions, loss or malfunctions of communications or computer (software and hardware) services, and hacking, cyber-attacks, or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access; it

being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(o) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide, subsequent to such transmission of written instructions, the originally executed instructions or directions to the Trustee in a timely manner, such originally executed instructions or directions signed by an Authorized Officer of the Authority listed on an incumbency certificate, and such incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority, whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(p) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(q) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Series 2022 Bonds.

(r) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(s) Owners will make their own decisions regarding actions relevant to the trust and will not rely on the Trustee with respect to such decisions.

(t) The Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(u) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(v) It shall not be the duty of the Trustee to see that any duties or obligations imposed herein upon the Authority or other persons are performed, and the Trustee shall not be liable or responsible for the failure of the Authority or such other persons to perform any act required of them by this Indenture.

(w) The Trustee may request that the Authority deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(x) The delivery of reports, information and documents to the Trustee under this Indenture and related documents is for informational purposes only and the Trustee's receipt of the foregoing will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Authority's compliance with any of its covenants under the Indenture or the related documents and the Trustee shall have no duty to review or make independent investigation with respect to any of the foregoing received by the Trustee, and shall hold the same solely as repository.

SECTION 6.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment from time to time agreed to in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and reimbursement for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the compensation and the expenses and disbursements of its agents and counsel). Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.04. Notice to Bond Owners of Default. If an Event of Default hereunder occurs with respect to any Bonds issued hereunder, of which the Trustee has been given or is deemed to have notice, as provided in this Indenture, then the Trustee shall promptly give written notice thereof by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

SECTION 6.05. Intervention by Trustee. In any judicial proceeding to which the Authority is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds issued hereunder, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.02 hereof, shall do so if requested in writing by the Owners of at least twenty-five percent (25%) in aggregate principal amount of such Bonds then Outstanding, upon being indemnified to its satisfaction.

SECTION 6.06. Removal of Trustee. The Owners of a majority in aggregate principal amount of the Outstanding Bonds issued hereunder may, upon thirty (30) days prior notice, and the Authority may so long as no Event of Default shall have occurred and then be continuing, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee (where applicable), whereupon the Authority or such Owners, as the case may be, shall appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company meeting the requirements set forth in Section 6.01 hereof.

SECTION 6.07. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign by giving thirty (30) days' written notice by registered or certified mail to the Authority. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor

Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail to the Bond Owners at their respective addresses set forth on the Bond Registration Books. No resignation of the Trustee shall take effect until a successor is appointed and has accepted.

SECTION 6.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within forty-five (45) days following the delivery to the Trustee of the instrument described in Section 6.06 or within forty-five (45) days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may, at the sole expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such forty-five-day period.

The Trustee may be removed at any time, upon thirty (30) days' written notice for any breach of the trust set forth herein.

Notwithstanding any other provision of this Trust Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed; provided, however, that if for any reason whatsoever no successor Trustee shall have been appointed within 45 days following receipt of notice by the Authority pursuant to Section 6.07 above, the Trustee may, at the sole expense of the Authority, apply to a court of competent jurisdiction for the appointment of a successor Trustee which meets the requirements of Section 6.01 hereof.

SECTION 6.09. Merger or Consolidation. Any organization or entity into which the Trustee may be merged or converted or with which it may be consolidated, or any organization or entity resulting from any merger, conversion or consolidation to which it shall be a party, or any organization or entity to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided that such organization or entity shall be eligible under Section 6.01), shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, rights, duties, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, immunities, privileges, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor all the estates,

properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 6.11 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed and the Trustee shall be incompetent or unqualified to perform such act or acts, such rights, powers, duties and obligations (including the holding of title to the trust or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee, but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder. The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee. Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Section. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording

protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee. Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name.

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 6.12. Indemnification; Limited Liability of Trustee. The Authority shall indemnify and hold the Trustee and its officers, directors, agents and employees harmless from and against all claims, losses, costs, expenses, liabilities, suits, actions, judgments, taxes and damages including legal fees and expenses arising from the exercise and performance of its duties hereunder arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of enforcing the provisions of this Indenture (including this Section) against the Authority and defending itself against any claim (whether asserted by the Authority, or any Owner or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent that such loss, damage, claim, liability or expense is due to its own negligence or willful misconduct, and the termination of this Indenture. Such indemnity shall survive the resignation or removal of the Trustee hereunder and the termination of this Indenture. The Trustee shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Authority shall pay the fees and expenses of such separate counsel. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if it shall have reasonable grounds for believing repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of a majority of the Owners of the principal amount of Bonds Outstanding and issued hereunder relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture.

**ARTICLE VII****MODIFICATION AND AMENDMENT OF THE INDENTURE**

SECTION 7.01. Amendment by Consent of Bond Owners. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds issued under this Indenture may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds issued hereunder then Outstanding, exclusive of such Bonds disqualified as provided in Section 7.03 hereof, are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond issued hereunder without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

SECTION 7.02. Amendment Without Consent of Bondholders. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds issued hereunder may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon execution and delivery, without consent of any Bond Owners, but only to the extent permitted by law and only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Authority; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds, as evidenced by the opinion of counsel delivered under Section 7.06 hereunder;

(c) to provide for the issuance of any Parity Debt, and to provide the terms and conditions under which such Parity Debt may be issued, including but not limited to the establishment of special funds and accounts relating to such Parity Debt and any other provisions relating solely to such Parity Debt, subject to and in accordance with the provisions of Section 3.05; or

(d) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds, to the extent applicable.

SECTION 7.03. Disqualified Bonds. Bonds owned or held by or for the account of the Authority (but excluding Series 2022 Bonds held in any employees' retirement fund) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this article provided for, and shall not be entitled to consent to, or take any other action in this article provided for; except that in determining whether the Trustee shall be protected in relying upon any such consent or other action of an Owner, only Bonds which the Trustee actually knows to be owned or held by or for the account of the Authority, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination..

SECTION 7.04. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Corporate Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

SECTION 7.05. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Bond Owner from accepting any amendment as to the particular Bond held by him, provided that due notation thereof is made on such Bond.

SECTION 7.06. Execution of Amendments. In executing, or accepting the additional trusts created by, any amendment permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such amendment is authorized or permitted by this Indenture, that such amendment is the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture or amendment which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01. Events of Default and Acceleration of Maturities. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) Default by the Authority in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in any Parity Debt Instrument or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after the Authority shall have been given notice in writing of such default by the Trustee; or

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

Upon the occurrence of an Event of Default, the Trustee may, and shall, at the direction of the Owners of a majority of the principal amount of the Bonds, by written notice to the Authority, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all of the principal of and interest on the Bonds having come due prior to such declaration, with interest on such overdue principal and interest calculated at the rate of interest per annum then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee and those of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of the principal of and interest on the Bonds having come due and payable solely by reason of such declaration) shall have been made good or cured to

the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding may, by written notice to the Authority and to the Trustee, on behalf of the Owners of all of the Outstanding Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 8.02. Application of Funds Upon Acceleration. All amounts held by the Trustee hereunder or received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture with respect to the Outstanding Bonds issued hereunder shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to their agents, attorneys and counsel, and to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, then to the Bond Owners' costs and expenses in declaring such Event of Default; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts to the extent permitted by law at the rate of interest then borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably in proportion to the aggregate of such interest, principal and interest on overdue amounts.

SECTION 8.03. Other Remedies; Rights of Bond Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy, in addition to the remedy specified in Section 8.01, at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.02 (I), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such

remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds outstanding, the Trustee, in its sole discretion, may, and shall be fully indemnified for refraining from acting in the absence of such written direction, determine what action, if any shall be taken and the Trustee may, in its sole discretion, take other actions.

SECTION 8.04. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and the Trustee has been indemnified to its satisfaction. Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the

suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee or a suit by Owners of more than 10% in principal amount of the then Outstanding Bonds.

SECTION 8.05. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Net Revenues and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Bond Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Bond Owners, the Authority and the Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

SECTION 8.07. Rights and Remedies of Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity or security reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Series 2022 Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

**ARTICLE IX****MISCELLANEOUS**

SECTION 9.01. Limited Liability of Authority. Notwithstanding anything in this Indenture contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Net Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Net Revenues). The Authority may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

SECTION 9.02. Parties Interested Herein.

Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Trustee and the Owners any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Municipal Bond Insurer[[this term is not defined]] and the Owners.

SECTION 9.03. Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or

(c) by depositing with a qualified escrow holder, in trust, Defeasance Obligations in such amount as the Authority (verified by an Independent Certified Public Accountant) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the Funds and Accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.02(d) or provision satisfactory to the Trustee shall have been made for the mailing of such notice, then, at the election of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Net Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to indemnify the Trustee under Section 6.12 hereof, and to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee.

Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority or to its order.

Refunding bonds may be issued at any time without regard to whether an Event of Default exists.

SECTION 9.04. Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of the Authority, upon the certificate or opinion of or representations by an officer or officers of the Authority, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 9.05. Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Series 2022 Bond Owners may be embodied in and evidenced in any number of concurrent writings of substantially similar

tenor and may be signed or executed by such Series 2022 Bond Owners in person or by agent or agents duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Authority. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 9.05.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

The ownership of Bonds shall be provided by the Bond Registration Books.

Any request, consent or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote and in reliance thereon, whether or not notation of such action is made upon such Bond.

In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee actually knows to be so owned or held shall be disregarded, and if 100% of the Bonds are so owned, no such Bonds shall be disregarded and such Bonds shall be deemed outstanding.

In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Bond Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

**SECTION 9.06. Waiver of Personal Liability.** No officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal

of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.07. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law. The Authority hereby declares that it would have entered into this Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 9.08. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Authority of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall dispose of such Bonds in accordance with its then-customary procedures and, upon written request, furnish to the Authority a certificate of such disposition.

SECTION 9.09. Funds and Accounts. Any Fund or Account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a Fund or an Account, and, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a Fund or as an Account. All such records with respect to all such Funds and Accounts held by the Trustee shall be at all times maintained in accordance with industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof. All such records shall at all times, upon reasonable prior written notice, during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding under this Indenture, or their representatives authorized in writing.

SECTION 9.10. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered by courier, overnight mail, fax, email or other electronic transmission or mailed by registered or certified mail, postage prepaid, addressed as follows:

Authority:	Western Placer Waste Management Authority 3013 Fiddymment Road Roseville, CA 95747 Attention: Executive Director
------------	---

Tel: (916) 543-3960

Trustee:

U.S. Bank Trust Company, National Association  
1 California St., Ste. 1000  
San Francisco, CA 94111  
Attention: Corporate Trust Administration

The Authority and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.11. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for one (1) year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall, at the Request of the Authority, be repaid by the Trustee to the Authority (without liability for interest), as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee shall, at the expense and direction of the Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Bond Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 9.12. Governing Law. This Indenture shall be governed by the laws of the State of California.

SECTION 9.13. Waiver of Jury Trial. EACH OF THE AUTHORITY, THE OWNERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE BONDS OR THE TRANSACTION CONTEMPLATED HEREBY.

SECTION 9.14. Execution in Counterparts. This Indenture may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

SECTION 9.15. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

IN WITNESS WHEREOF, the WESTERN PLACER WASTE MANAGEMENT AUTHORITY has caused this Indenture to be signed in its name by its Executive Director and attested by its Secretary, and U.S. Bank Trust Company, National Association, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

**WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY**

\_\_\_\_\_  
Executive Director

**ATTEST:**

\_\_\_\_\_  
Secretary

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
as Trustee

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF SERIES 2022 BOND**

UNITED STATES OF AMERICA  
 STATE OF CALIFORNIA  
 COUNTY OF PLACER

WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
 SOLID WASTE REVENUE BOND,  
 [Series 2022A  
 (Materials Recovery Facility)  
 (Green Bonds)]

[Series 2022B  
 (Landfill Improvements)]

NO. R-\_\_ \$ \_\_\_\_\_

INTEREST RATE                      MATURITY DATE                      DATED DATE    CUSIP

June 1, \_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:                      \*\*\* \_\_\_\_\_ DOLLARS\*\*\*

The WESTERN PLACER WASTE MANAGEMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, will (subject to any right of prior redemption hereinafter provided for), on the Maturity Date specified above, pay to the Registered Owner named above, or registered assigns (the "Owner"), the Principal Amount stated above, in lawful money of the United States of America, and pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to May 15, 2023, in which event it shall bear interest from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from

the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Amount in full, at the Interest Rate per annum stated above, payable on June 1 and December 1 in each year, commencing June 1, 2023 (each an "Interest Payment Date"), calculated on the basis of a 360-day year comprised of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable at the designated corporate trust office of U.S. Bank Trust Company, National Association (the "Trustee"), in San Francisco, California. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed by first class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Trustee as of the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date (the "Record Date"); provided, that at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Bonds with respect to which written instructions have been filed with the Trustee prior to the Record Date, such interest may be paid by wire transfer.

This Bond is one of a duly authorized issue of Bonds of the Authority designated as its "Western Placer Waste Management Authority Solid Waste Revenue Bonds, [Series 2022A (Materials Recovery Facility) (Green Bonds)] [Series 2022B (Landfill Improvements)]" (the "Bonds") issued under an Indenture of Trust (the "Indenture") by and between the Authority and the Trustee, dated as of September 1, 2022, and approved by the Authority by a resolution adopted by the Board of Directors of the Authority on \_\_\_\_\_, 2022 (the "Resolution"). Copies of the Indenture are on file at the office of the Secretary of the Authority and at the above-mentioned office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Bond Law is made for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Indenture, and the rights of the Owners of the Bonds. All the terms of the Indenture and the Bond Law are hereby incorporated herein and constitute a contract between the Authority and the Owner from time to time of this Bond, and to all the provisions thereof the Owner of this Bond, by acceptance hereof, consents and agrees. Each taker and subsequent Owner hereof shall have recourse to all of the provisions of the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds are being issued for the purpose of (i) financing improvements to the Authority's Enterprise (as defined in the Indenture), (ii) funding a debt service reserve account, and (iii) paying certain costs of issuing the Bonds. The Authority is concurrently issuing the [Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds)] [Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements)].

The Bonds are special obligations of the Authority and are secured by amounts held from time to time in the Debt Service Fund established and held by the Trustee under the

Indenture and, subject to certain restrictions set forth in the Indenture, a pledge of and lien on certain Net Revenues (as defined in the Indenture).

**Neither the general fund, the full faith and credit, nor the taxing power of the Authority, the County of Placer, the State of California or any other political subdivision thereof is pledged to the payment of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the Authority or any of its income or receipts except the Net Revenues.**

The Authority covenants in the Indenture that it will fix, prescribe, revise and collect rates, fees and charges in each Fiscal Year which are sufficient to yield Gross Revenues that are sufficient to pay certain amounts specified in the Indenture.

The Bonds maturing on or after June 1, \_\_\_\_\_, shall be subject to redemption prior to their respective maturity dates, as a whole or in part, in inverse order of maturity and by lot within a maturity, at the option of the Authority, on any date occurring on or after June 1, \_\_\_\_\_, at the redemption price equal to the principal amount of the Series 2022 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Term Bonds maturing on June 1, \_\_\_\_\_ are also subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, \_\_\_\_\_, from sinking fund payments made by the Authority to the Debt Service Fund pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

Term Bonds Maturing June 1, \_\_\_\_\_

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>
--------------------------------	-----------------------------------

(maturity)

If some but not all of the Term Bonds have been optionally redeemed, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee). Unless waived by any Owner of Bonds to be redeemed, notice of any redemption of Bonds shall be given, at the sole expense of the Authority, by the Trustee by mailing a copy of a

redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Registration Books; provided, that neither the failure to receive such notice nor any immaterial defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Bonds. The written redemption notice of an optional redemption may be rescinded as provided in the Indenture.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person, or by his attorney duly authorized in writing, at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Authority and the Trustee may treat the Owner hereof as the absolute Owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Indenture may be amended without the consent of the Owners of the Bonds to the extent set forth in the Indenture.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not become valid or obligatory for any purpose or be entitled to the benefits of the Indenture until the certificate of authentication and registration hereon shall have been manually signed by an authorized officer or signatory of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Western Placer Waste Management Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Executive Director and its seal to be reproduced hereon and attested by the facsimile signature of its Secretary, all as of the date specified below.

WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY

By \_\_\_\_\_  
Executive Director

ATTEST:

By \_\_\_\_\_

Date: \_\_\_\_\_  
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: \_\_\_\_\_, 2022

U.S. Bank Trust Company, National  
Association, *as Trustee*

By: \_\_\_\_\_  
Authorized Signatory

## ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ whose address and social security or other tax identifying number is \_\_\_\_\_, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

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Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Agency Rule 17Ad-15.

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Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular without alteration or enlargement or any change whatsoever.

**EXHIBIT B**

**REQUISITION FROM IMPROVEMENT FUND**

**CERTIFICATE OF THE AUTHORITY  
REQUESTING DISBURSEMENT FROM IMPROVEMENT FUND**

**REQUISITION NO. \_\_\_\_\_**

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting \_\_\_\_\_ of the Western Placer Waste Management Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority") and as such, am familiar with the facts herein certified and am authorized to certify the same.

(ii) I am an "Authorized Official," as such term is defined in that certain Indenture of Trust, dated as of September 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

(iii) Under Section 3.03 of the Indenture, the undersigned hereby requests and authorizes the Trustee to disburse from the specified account in the Improvement Fund established under the Indenture to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of a Project Cost (as defined in the Indenture) as described on attached Schedule A. Payments shall be made by check or wire transfer in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Trustee shall rely on such payment instructions as though given by the Authority with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iv) No portion of the amount herein requested to be disbursed was set forth in any Certificate of the Authority previously filed requesting disbursement.

(v) With respect to this Certificate of the Authority, the Authority (i) certifies that it has reviewed any wire instructions set forth in such written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not

limited to attorneys' fees and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees that it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

Dated: \_\_\_\_\_

WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY

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

Its: \_\_\_\_\_

**SCHEDULE A**

Payee Name and Address	Purpose of Obligation	Amount	Account*

\* Amounts in the Series 2022A Improvement Account may only pay for improvements to the Materials Recovery Facility.

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST [12], 2022**

**NEW ISSUE – BOOK- ENTRY ONLY**

**S&P: “\_”**

**See “RATING” herein.**

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” herein.*



**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

**[\$[PAR]\***  
**SOLID WASTE REVENUE BONDS,**  
**SERIES 2022A**  
**(MATERIALS RECOVERY FACILITY)**  
**(GREEN BONDS)**

**[\$[PAR]\***  
**SOLID WASTE REVENUE BONDS,**  
**SERIES 2022B**  
**(LANDFILL IMPROVEMENTS)**

**Dated: Date of Delivery**

**Due: June 1, as shown on inside cover**

The Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds) (the “Series 2022A Bonds”) and Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements) (the “Series 2022B Bonds”) and together with the Series 2022A Bonds, the “Series 2022 Bonds”) are being issued pursuant to an Indenture of Trust, dated as of September 1, 2022 (the “Indenture”), by and between the Western Placer Waste Management Authority (the “Authority”) and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The proceeds of the Series 2022 Bonds will be used to (i) finance the acquisition and construction of capital improvements at the Authority’s materials recovery facility and sanitary landfill, (ii) fund a debt service reserve account, and (iii) pay costs of issuing the Series 2022 Bonds. See “THE FINANCING PLAN.” The Authority is a joint exercise of powers authority created pursuant to an agreement dated as of October 3, 1978 (as amended from time to time, the “Authority Agreement”), by and among the County of Placer and the cities of Roseville, Rocklin, and Lincoln (collectively, the “Members”). The Authority was established to own, operate and maintain a sanitary landfill and related improvements.

The principal and interest due with respect to the Series 2022 Bonds are payable solely from amounts pledged therefor, including certain revenues of the Authority’s solid waste collection, recycling, processing and disposal system (the “Enterprise”), pursuant to the Indenture, and will be on a parity with Parity Debt (as defined herein) incurred in the future. The revenues of the Enterprise so pledged consist primarily of the Net Revenues (as defined herein) of the Enterprise, which generally consist of tipping fees and other income received by or imposed by the Authority in connection with the operation of the Enterprise and the provision of solid waste disposal services, less the Maintenance and Operation Costs (as defined herein) of the Enterprise.

THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL AND INTEREST ON THE SERIES 2022 BONDS IS A LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR, AND DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY OR THE MEMBERS FOR WHICH THE AUTHORITY OR THE MEMBERS ARE OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY OR THE MEMBERS HAVE LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2022 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, ANY STATUTORY DEBT LIMITATIONS OR OTHERWISE, OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE MEMBERS.

Interest on the Series 2022 Bonds is payable semiannually on December 1 and June 1 of each year, commencing on June 1, 2023. The Series 2022 Bonds will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2022 Bonds. Individual purchases of the Series 2022 Bonds will be made in book-entry form only. Purchasers of the Series 2022 Bonds will not receive certificates representing their ownership interests in the Series 2022 Bonds purchased. The Series 2022 Bonds will be issuable in integral multiples of \$5,000. Principal and interest payments on the Series 2022 Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Series 2022 Bonds. The Series 2022 Bonds are subject to redemption prior to maturity. See “THE SERIES 2022 BONDS.”

**MATURITY SCHEDULE**

(see inside cover)

The Authority has applied for a municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on some or all of the maturities of the Series 2022 Bonds when due and a municipal debt service reserve policy. The Authority will determine whether to purchase such policies in connection with the pricing of the Series 2022 Bonds.

This cover page contains certain information for quick reference only and is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See “CERTAIN RISK FACTORS” herein for a description of certain of the risks associated with an investment in the Series 2022 Bonds.

The Series 2022 Bonds will be offered when, as and if executed and delivered, and received by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by County Counsel, as counsel to the Authority, and by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the Series 2022 Bonds in definitive form will be available for delivery to DTC in New York, New York on or about September [6], 2022.

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any applicable jurisdiction.

**Ramirez & Co., Inc.**

The date of this Official Statement is: \_\_\_\_\_, 2022

**MATURITY SCHEDULES**

**\$(PAR)\***  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**SOLID WASTE REVENUE BONDS, SERIES 2022A**  
**(MATERIALS RECOVERY FACILITY)**  
**(GREEN BONDS)**

<u>Maturity</u> (June 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u> (Base _____)
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\$ \_\_\_\_\_ - \_\_\_\_\_% Term Series 2022A Bonds due June 1, 20\_\_; Yield \_\_\_\_\_%;  
 Price \_\_\_\_\_; CUSIP†: \_\_\_\_\_

\$ \_\_\_\_\_ - \_\_\_\_\_% Term Series 2022A Bonds due June 1, 20\_\_; Yield \_\_\_\_\_%;  
 Price \_\_\_\_\_; CUSIP†: \_\_\_\_\_

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\* Preliminary; subject to change.

**MATURITY SCHEDULES**  
(continued)

**\$(PAR)\***  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**SOLID WASTE REVENUE BONDS, SERIES 2022B**  
**(LANDFILL IMPROVEMENTS)**

<u>Maturity</u> (June 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>†</sup> (Base _____)
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\$ \_\_\_\_\_ - \_\_\_\_\_% Term Series 2022B Bonds due June 1, 20\_\_; Yield \_\_\_\_\_%;  
Price \_\_\_\_\_; CUSIP<sup>†</sup>: \_\_\_\_\_

\$ \_\_\_\_\_ - \_\_\_\_\_% Term Series 2022B Bonds due June 1, 20\_\_; Yield \_\_\_\_\_%;  
Price \_\_\_\_\_; CUSIP<sup>†</sup>: \_\_\_\_\_

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\* Preliminary; subject to change.

## WESTERN PLACER WASTE MANAGEMENT AUTHORITY

### Board of Directors

Dan Karleskint, City of Lincoln, Chair

Robert Weygandt, County of Placer  
Board Member

Pauline Roccucci, City of Roseville  
Board Member

Bonnie Gore, County of Placer  
Board Member

Bill Halldin, City of Rocklin  
Board Member

### Staff and Officials

Ken Grehm, PE, *Executive Director*  
Kevin Bell, PE, *Deputy Executive Director*  
Eric Oddo, PE, *Environmental Engineering Program Manager*  
Andrew Sisk, *Auditor-Controller of Placer County*  
Jenine Windeshausen, *Treasurer-Tax Collector of Placer County*

### Authority Counsel

Karin Schwab, *County Counsel of Placer County*

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## PROFESSIONAL SERVICES

### Bond and Disclosure Counsel

Jones Hall, A Professional Law Corporation  
San Francisco, California

### Municipal Advisor

Del Rio Advisors, LLC  
Modesto, California

### Trustee

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION  
San Francisco, California

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**No Offering May Be Made Except by this Official Statement.** No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Series 2022 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

**No Unlawful Offers or Solicitations.** This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**Effective Date.** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Series 2022 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or any other parties described in this Official Statement since the date of this Official Statement.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the Series 2022 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Series 2022 Bonds.

**Preparation of this Official Statement.** The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

**Document References and Summaries.** All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

**Stabilization of and Changes to Offering Prices.** The Underwriter may over allot or take other steps that stabilize or maintain the market prices of the Series 2022 Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Series 2022 Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

**Bonds are Exempt from Securities Laws Registration.** The issuance and sale of the Series 2022 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

**Estimates and Projections.** Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

**The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.**

The Authority maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

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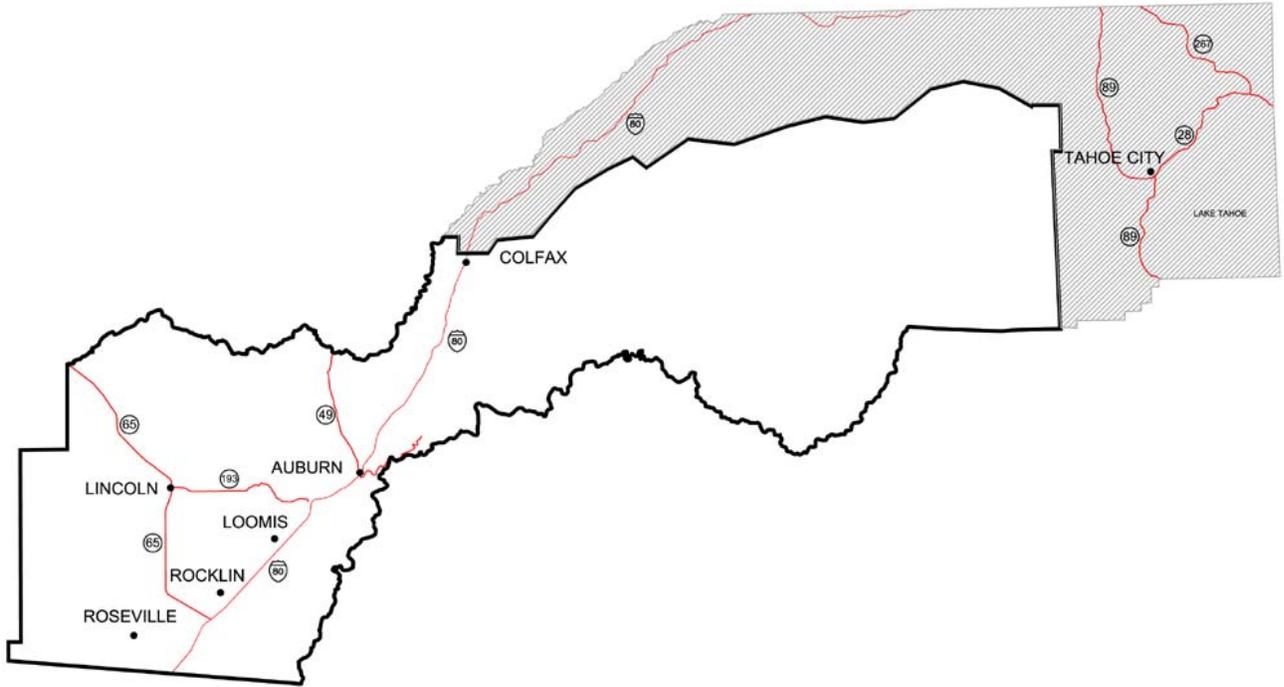
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- APPENDIX A – DEMOGRAPHIC INFORMATION ABOUT THE COUNTY OF PLACER
- APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE WESTERN PLACER WASTE MANAGEMENT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021
- APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
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- APPENDIX I – COUNTY INVESTMENT POLICY

**AUTHORITY SERVICE AREA**



**REGIONAL MAP  
(Placer County Shown in Red)**



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## OFFICIAL STATEMENT

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### WESTERN PLACER WASTE MANAGEMENT AUTHORITY

\$[PAR]\*  
**SOLID WASTE REVENUE BONDS,  
 SERIES 2022A  
 (MATERIALS RECOVERY FACILITY)  
 (GREEN BONDS)**

\$[PAR]\*  
**SOLID WASTE REVENUE BONDS,  
 SERIES 2022B  
 (LANDFILL IMPROVEMENTS)**

### INTRODUCTION

*This introduction contains only a brief summary of certain of the terms of the Series 2022 Bonds being offered and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. The information and expressions of opinion herein speak only as of their date and are subject to change without notice.*

*Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Western Placer Waste Management Authority (the “**Authority**”) since the date hereof. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Indenture (as hereinafter defined). See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”*

#### **General**

This Official Statement, including the cover and the Appendices attached hereto (the “**Official Statement**”), provides certain information concerning the sale and delivery of the Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds) (the “**Series 2022A Bonds**”) and the Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements) (the “**Series 2022B Bonds**”) and together with the Series 2022A Bonds, the “**Series 2022 Bonds**”). The Series 2022 Bonds will be issued by the Authority pursuant to an Indenture of Trust dated as of September 1, 2022 (the “**Indenture**”), between the Authority and U.S. Bank Trust Company, National Association, as Trustee (the “**Trustee**”).

When delivered, the Series 2022 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), which will act as Depository for the Series 2022 Bonds. Purchases of the Series 2022 Bonds may be made in book-entry form only,

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\* Preliminary; subject to change.

through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2022 Bonds will not receive physical delivery of certificated securities. Principal of and interest on the Series 2022 Bonds will be payable by the Trustee to DTC, which will in turn remit such payments to the DTC Participants, which will in turn remit such payments to the Beneficial Owners of the Series 2022 Bonds. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

The Series 2022A Bonds are being issued to (i) finance the acquisition and construction of certain capital improvements consisting principally of improvements to the Authority’s existing materials recovery facility (the “**MRF**”), (ii) fund a portion of the debt service reserve account for the Series 2022 Bonds established and held by the Trustee under the Indenture (the “**Reserve Account**”) in an amount equal to the portion of the Reserve Requirement (as hereinafter defined) allocable to the Series 2022A Bonds, and (iii) pay the costs of issuing the Series 2022A Bonds. See “THE FINANCING PLAN.”

The Series 2022B Bonds are being issued to (i) finance the acquisition and construction of a waste cell (“**Module 6**”) at the Authority’s Western Regional Sanitary Landfill (the “**Landfill**”), (ii) fund a portion of the Reserve Account in an amount equal to the portion of the Reserve Requirement allocable to the Series 2022B Bonds, and (iii) pay the costs of issuing the Series 2022B Bonds. See “THE FINANCING PLAN.”

The Series 2022 Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities as described in this Official Statement. “THE SERIES 2022 BONDS – Redemption.”

### **The Authority**

The Authority is a joint exercise of powers authority created pursuant to Section 6500 *et seq.*, of the California Government Code and a joint exercise of powers agreement, dated as of October 3, 1978 (as amended from time to time, the “**Authority Agreement**”) among County of Placer (the “**County**”) and the cities of Roseville, Rocklin, and Lincoln (collectively, the “**Members**”). The Authority was established to own, operate and maintain a sanitary landfill and related improvements. See “THE AUTHORITY AND THE ENTERPRISE – The Authority.” The Authority’s facilities consist of the Landfill and the MRF, which is adjacent to the Landfill and includes mixed-waste processing, composting, household hazardous waste, and recycling and buyback facilities.

The Members, not Authority, are responsible for meeting statewide diversion mandates. However, the MRF assists its Members and other jurisdictions within its service area with achieving state mandated waste diversion goals. Historically, the rates of diversion for its Members and other jurisdictions within the Authority’s service area have been higher than Statewide diversion rates. See “THE AUTHORITY AND THE ENTERPRISE – Historical Waste Deliveries.”

### **Security and Source of Payment for the Series 2022 Bonds**

The Authority’s obligation to make payments of principal and interest on the Series 2022 Bonds is a special obligation of the Authority payable solely from amounts pledged therefor under the Indenture, including certain revenues of the Authority’s solid waste collection, recycling, processing and disposal system (the “**Enterprise**”), and will be on a parity with Parity Debt (as defined herein) of the Authority incurred in the future. The revenues of the Enterprise

so pledged consist primarily of the Net Revenues of the Enterprise. The Net Revenues consist generally of Gross Revenues, less the Maintenance and Operation Costs of the Enterprise for such Fiscal Year (as such terms are defined in this Official Statement). Upon issuance of the Series 2022 Bonds, no other Parity Debt will be outstanding. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS.”

### **Debt Service Reserve Account**

To further secure the payment of principal of and interest on the Series 2022 Bonds (and any Parity Debt issued as bonds in the future pursuant to the Indenture the principal of and interest on which is payable from amounts in the Reserve Account), a portion of the proceeds of the Series 2022 Bonds will be deposited into the Reserve Account in an amount equal to the Reserve Requirement (as defined herein) for the Series 2022 Bonds as of their date of issuance. See “THE FINANCING PLAN – Estimated Sources and Uses of Bond Proceeds” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Reserve Account.”

### **Rate Covenant**

Pursuant to the Indenture, the Authority has agreed, while any of the Series 2022 Bonds remain Outstanding, except as described in the following sentence with respect to Fiscal Year 2022-23, to fix, prescribe, revise and cause to be collected rates, fees and charges during each Fiscal Year which will yield Gross Revenues that are at least sufficient, after making allowances for contingencies and error in the estimates and not including any transfers to the Enterprise Fund from the Rate Stabilization Fund (as defined herein), to pay the following amounts in the following order: (i) all Maintenance and Operation Costs estimated by the Authority to become due payable in such Fiscal Year; (ii) the Debt Service on the Bonds and any other Parity Debt; (iii) any amounts required to replenish the amounts in the Reserve Account so that they are equal to the Reserve Requirement and replenish the amounts in the debt service reserve fund for any Parity Debt that is not secured by the Reserve Account, if needed; (iv) all other payments required for compliance with the Indenture and any Parity Debt Instrument; and (v) all payments required to meet any other obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues. For Fiscal Year 2022-23 only, the Authority may satisfy the foregoing covenant by including in Gross Revenues transfers of any moneys in the Rate Stabilization Fund to the Enterprise Fund.

In addition, pursuant to the Indenture, except as described in the following sentence with respect to Fiscal Year 2022-23, the Authority has agreed to fix, prescribe, revise and cause to be collected rates, fees and charges during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 125% of the amounts payable under clause (ii) of the previous paragraph in such Fiscal Year for Bonds and other Parity Debt which have a lien on Net Revenues, as further described in this Official Statement. For Fiscal Year 2022-23 only, the Authority may satisfy the foregoing covenant by including in Gross Revenues transfers of any moneys in the Rate Stabilization Fund to the Enterprise Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Rate Stabilization Fund” and “– Rate Covenant.”

### **Application for Bond Insurance**

The Authority has applied for a municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on some or all of the maturities of the Series

2022 Bonds when due and a municipal debt services reserve policy. The Authority will determine whether to purchase such policies in connection with the pricing of the Series 2022 Bonds. Should the Authority select a provider for such policies, then the Authority will include a summary of the terms of such policies in the final Official Statement.

### **Parity and Subordinate Debt**

The Authority may incur Parity Debt in the future that is payable from Net Revenues on a parity basis with the Series 2022 Bonds, to provide financing and refinancing for the Enterprise, in such principal amount as shall be determined by the Authority, on the terms and upon satisfaction of the conditions specified in the Indenture. The Authority may also issue bonds or other obligations secured by a lien on Net Revenues which is subordinate to the lien established under the Indenture, upon such terms and in such principal amounts as the Authority may determine, upon satisfaction of the conditions specified in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Conditions Precedent to Incurrence of Parity and Subordinate Debt.” Upon issuance of the Series 2022 Bonds, no other Parity Debt will be outstanding.

### **Limited Obligation**

THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL AND INTEREST ON THE SERIES 2022 BONDS IS A LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR, AND DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY OR THE MEMBERS FOR WHICH THE AUTHORITY OR THE MEMBERS ARE OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY OR THE MEMBERS HAVE LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2022 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR ANY STATUTORY DEBT LIMITATIONS OR OTHERWISE, OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE MEMBERS.

### **Continuing Disclosure Information**

The Authority has agreed to provide, or cause to be provided, in accordance with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the “**Rule**”), certain annual financial information and operating data, including audited financial statements, and an update of certain information relating to the Enterprise. See “CONTINUING DISCLOSURE.”

### **Professionals Involved in the Offering**

Del Rio Advisors, LLC, Modesto, California, has acted as municipal advisor to the Authority (the “**Municipal Advisor**”). U.S. Bank Trust Company, National Association, San Francisco, California, will act as Trustee with respect to the Series 2022 Bonds. Samuel A. Ramirez & Company, Inc. (the “**Underwriter**”), is underwriting the Series 2022 Bonds.

All proceedings in connection with the issuance of the Series 2022 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, as Bond Counsel. Certain legal matters will be passed upon for the Authority by County Counsel, as counsel to the Authority, and by Jones Hall, A Professional Law Corporation, as Disclosure

Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter's Counsel. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel the Municipal Advisor and Underwriter's Counsel is contingent upon the sale and delivery of the Series 2022 Bonds.*

### **Forward-Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although such expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. The Authority is not obligated to issue any updates or revisions to the forward-looking statements if, or when, its expectations, or events, conditions or circumstances on which such statements are based change.

### **Risk Factors**

Certain events could affect the ability of the Authority to pay debt service on the Series 2022 Bonds when due. See the caption "CERTAIN RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters that are set forth in this Official Statement, in evaluating an investment in the Series 2022 Bonds.

### **Miscellaneous**

The descriptions herein of the Indenture, the Authority Agreement and any other agreements relating to the Series 2022 Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the Series 2022 Bonds are qualified in their entirety by the form thereof and the information with respect thereto included in the aforementioned documents. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE." Copies of the documents are on file and available for inspection at the principal corporate trust office of the Trustee at U.S. Bank Trust Company, National Association, San Francisco, California.

## **THE FINANCING PLAN**

### **The Projects**

The net proceeds of the Series 2022A Bonds will be used to finance the acquisition and construction of capital improvements to the MRF (the "**MRF Project**"). The net proceeds of the Series 2022B Bonds will be used to finance the construction of Module 6 at the Landfill (the "**Module 6 Project**"). The MRF Project and Module 6 Project are part of an extensive capital

improvement program to modernize and expand the Authority's facilities and are described below.

**MRF Project.** The MRF Project generally consists of the modernization of the MRF. The MRF is located at 3033 Fiddymont Road, Roseville, California, generally south of the City of Lincoln, north of the City of Roseville and west of the City of Rocklin. The MRF was originally built in 1995 to assist the Members to meet diversion requirements imposed on the Members by Assembly Bill No. 939 ("**AB 939**") adopted by the California State Legislature effective on January 1, 1990. Under AB 939, each city and county (a "**local agency**") in the State was mandated to achieve a 25% diversion in solid waste disposed of in landfills or by incineration through waste reduction or recycling by January 1, 1995, and a 50% reduction by the year 2000. The Authority is not directly responsible for complying with AB 939. See "REGULATION – California Integrated Waste Management Act of 1989 (AB 939)" for a discussion regarding AB 939.

The MRF Project is intended to assist the Members to comply with solid waste diversion goals required by the CalRecycle Short-lived Climate Pollutants: Organic Waste Reductions regulations, California Code of Regulations Title 14, Division 7, Chapter 3 et seq. ("**SB 1383**"). See "REGULATION – California Senate Bill 1383" for a discussion regarding SB 1383.

The MRF Project is also intended to assist the Authority to meet the diversion requirements under the California Green Building Standards Code, California Code of Regulations Title 24, Part 11 et. seq. ("**CalGreen**"). CalGreen requires covered construction projects, including new home construction, to recycle and/or salvage for reuse a minimum 65% of the nonhazardous construction and demolition waste or meet a local construction and demolition waste management ordinance, whichever is more stringent. Contractors and other persons undertaking covered projects may demonstrate compliance with CalGreen by, among other steps, utilizing a waste management company that can provide verifiable documentation that it meets 65% waste diversion.

As part of the MRF Project, existing municipal solid waste (sometimes referred to herein as "**MSW**") and generally consists of everyday items that are discarded by the public) sorting and processing equipment will be replaced with new state of the art processing equipment. In addition, a new facility to process construction and demolition debris will be constructed at the MRF. The existing facility at the MRF utilized by the Authority for managing organics will also be modified to increase capacity and throughput. The Authority estimates that if such diversion goals are met, the landfill capacity at the Landfill will be extended to approximately 2075. See "THE AUTHORITY AND THE ENTERPRISE – The Landfill" and "– Disposal Capacity of the Enterprise."

In April 2022, the Authority entered into a contract for the design and construction of the MRF Project with FCC Environmental Services, LLC ("**FCC**"). FCC commenced design and construction of the MRF Project in July 2022. The Authority expects the MRF Project to be complete by February 1, 2025. The Authority estimates the cost of the MRF will total approximately \$120 million, a portion of which is anticipated to be funded with proceeds of the Series 2022A Bonds and the remainder with funds of the Enterprise.

FCC operates the Landfill and the MRF under agreements with the Authority effective on July 1, 2022 and was selected by the Authority after an extensive competitive public procurement process. See "THE AUTHORITY AND THE ENTERPRISE – FCC Operating Agreements – Operator Selection Process."

To assist the Members to meet diversion requirements under SB 1383 and other laws applicable to the Enterprise, the operating agreement with FCC relating to the MRF includes certain guaranteed minimum levels of diversion and related incentives. See “THE AUTHORITY AND THE ENTERPRISE – FCC Operating Agreements – MRF Operating Agreement” for a summary of such guaranteed minimum levels and related compensation provisions.

**Module 6 Project.** The Module 6 Project is anticipated to consist of the construction of the next waste cell at the Landfill, including large scale soil excavation. Excavation of Module 6 is expected to occur during the third quarter of 2022 and extend into the fourth quarter of 2023, weather permitting. The construction of the liner of Module 6 is anticipated to occur as the excavation contractor is ending its work. The Authority expects to complete the Module 6 Project by December 31, 2023. The total cost of the Module 6 Project is estimated at approximately \$21.5 million, a portion of which is anticipated to be funded with proceeds of the Series 2022B Bonds and the remainder with funds of the Enterprise. The Authority anticipates that Module 6 will provide the Landfill with sufficient capacity for disposal of solid waste so that no additional modules at the Landfill are expected to be constructed during the next 15 years.

### **Designation as Green Bonds**

The Series 2022A Bonds are being delivered as “Green Bonds” due to the intended use of the net proceeds thereof to finance the MRF Project, as described under the subcaption “– The Projects – *MRF Project*” above. As previously described, to assist the Members to meet diversion requirements under SB 1383 and other laws applicable to the Enterprise, the operating agreement with FCC relating to the MRF includes certain guaranteed minimum levels of diversion and related incentives. See “THE AUTHORITY AND THE ENTERPRISE – FCC Operating Agreements – MRF Operating Agreement.” The designation of the Series 2022A Bonds as Green Bonds is intended to allow investors the opportunity to invest directly in obligations that finance environmentally beneficial projects. The term “Green Bonds” is not defined in the Indenture, and its use in this Official Statement is for identification purposes only and is not intended to provide or imply that the holders of the Series 2022A Bonds are entitled to any additional terms or security in addition to those provided in the Indenture.

Several organizations have created programs to support the Green Bond market, including the Green Bond Principles of the International Capital Market Association and the Climate Bond Initiative of the Climate Statements Board, but there is currently a lack of agreed-upon standards for the types of activities undertaken by the Authority.

The Authority will account for the use of the net proceeds of the Series 2022A Bonds in its books and records. The Authority will post annual reports regarding the use of such proceeds with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system, currently located at [www.emma.msrb.org](http://www.emma.msrb.org) (which website is not incorporated into this Official Statement by reference), annually, by each March 31, commencing March 31, 2023. The Authority will post a final list of projects funded with such proceeds on EMMA once all such proceeds have been spent. A form of such project report is attached as APPENDIX H – “FORM OF GREEN BONDS PROJECT REPORT.”

The Authority currently expects the MRF Project to be completed by February 1, 2025. Once all net proceeds of the Series 2022A Bonds have been spent, no further updates regarding the use of the net proceeds of the Series 2022A Bonds will be provided or filed by the Authority. Any failure by the Authority to file annual reports as described will not constitute a default under the Indenture.

### Estimated Sources and Uses of Bond Proceeds

The estimated sources and uses of funds with respect to the Series 2022 Bonds are set forth below:

<b>Sources</b>	Series 2022A Bonds	Series 2022B Bonds
Principal Amount	\$	
Plus: Original Issue Premium		
Total Sources	\$	
<b>Uses</b>		
Series 2022A Improvement Account <sup>(1)</sup>	\$	
Series 2022B Improvement Account <sup>(2)</sup>		
Reserve Account <sup>(3)</sup>		
Costs of Issuance <sup>(4)</sup>		
Total Uses	\$	

(1) To finance the MRF Project. See "THE FINANCING PLAN – The Projects – MRF Project."

(2) To finance the Module 6 Project. See "THE FINANCING PLAN – The Projects – Module 6 Project."

(3) To fund the Reserve Account at the Reserve Requirement on the date the Series 2022 Bonds are issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Reserve Account."

(4) Includes legal fees, Underwriter's discount, printing costs, rating agency fees, Municipal Advisor fees and other miscellaneous expenses.

### Debt Service Schedule

Scheduled debt service on the Series 2022 Bonds, assuming no redemptions prior to maturity, is shown in the following table.

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
<b>Total</b>			

## THE SERIES 2022 BONDS

### General

The Series 2022 Bonds shall be dated as of their date of issuance, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) at the rates per annum (payable semiannually on December 1 and June 1 in each year (each an “**Interest Payment Date**”), commencing on June 1, 2023) and shall mature and become payable on June 1 in each of the years in the principal amounts set forth on the inside cover hereof.

The Series 2022 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2022 Bond shall have more than one maturity date. Interest on the Series 2022 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Series 2022 Bonds with respect to which written instructions have been filed with the Trustee prior to the Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books. In the event there exists a default in payment of interest due on such Interest Payment Date, such interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the Bonds not less than 15 days preceding such special record date. Principal of and premium (if any) on any Series 2022 Bond shall be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Series 2022 Bonds shall be payable in lawful money of the United States of America.

The Series 2022 Bonds shall bear interest based from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to May 15, 2023, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2022 Bond, interest thereon is in default, such Series 2022 Bond shall bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

### Redemption\*

**Optional Redemption.** The Series 2022A Bonds maturing on or after June 1, 20\_\_, are subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the Authority, on any date occurring on or after June 1, 20\_\_, at the Redemption Price equal to the principal amount of the Series 2022A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Series 2022B Bonds maturing on or after June 1, 2027, are subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the Authority, on

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\* Preliminary; subject to change.

any date occurring on or after June 1, 2026, at the Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

**Mandatory Sinking Fund Redemption.** The Series 2022A Bonds maturing on June 1, 20\_\_ (the “**Series 2022A Term Bonds**”) are also subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, \_\_\_\_, from sinking fund payments made by the Authority to the Debt Service Fund, at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

**Series 2022A Term Bonds Maturing June 1, \_\_\_\_**

Year (June 1)	Principal Amount
------------------	---------------------

(maturity)

The Series 2022B Bonds maturing on June 1, 20\_\_ (the “**Series 2022B Term Bonds**”) and together with the Series 2022A Term Bonds, the “**Term Bonds**”) are also be subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, 20\_\_, from sinking fund payments made by the Authority to the Debt Service Fund, at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

**Series 2022B Term Bonds Maturing June 1, \_\_\_\_**

Year (June 1)	Principal Amount
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(maturity)

If some but not all of the Term Bonds have been redeemed at the option of the Authority as described above under the subcaption “– *Optional Redemption*,” the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

**Notice of Redemption.** Unless waived by any Owner of Series 2022 Bonds to be redeemed, notice of any redemption of Series 2022 Bonds shall be given, at the sole expense of the Authority, by the Trustee by mailing a copy of a redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Series 2022 Bond or Bonds to be redeemed at the address shown on the Bond Registration Books; provided, that neither the failure to receive such notice nor any immaterial defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Series 2022 Bonds. The Trustee shall concurrently provide any such notice to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

All notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the Redemption Price; (iii) if fewer than all outstanding Series 2022 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2022 Bonds to be redeemed; (iv) that on the redemption date the Redemption Price will become due and payable with respect to each such Series 2022 Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date; (v) the place or places where such Series 2022 Bonds are to be surrendered for payment of the Redemption Price, which places of payment may include the Principal Corporate Trust Office of the Trustee; and (vi) the CUSIP number of the Series 2022 Bonds to be redeemed.

*However, while the Series 2022 Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Authority and received and accepted by DTC. DTC and the DTC Participants will have sole responsibility for providing any such notice of redemption to the Beneficial Owners of the Series 2022 Bonds to be redeemed. Any failure of DTC to notify any DTC Participant, or any failure of DTC Participants to notify the Beneficial Owner of any Series 2022 Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.*

**Conditional and Rescindable Notices.** Such redemption notices may be conditional. The Authority shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the outstanding Series 2022 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Authority and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

**Consequences of Notice.** If notice of redemption has been duly given as provided in the Indenture, the Series 2022 Bonds or portions of Series 2022 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Authority shall default in the payment of the Redemption Price) such Series 2022 Bonds or portions of Series 2022 Bonds shall cease to have interest accrue thereon. Upon surrender of such Series 2022 Bonds for redemption in accordance with said notice, such Series 2022 Bonds shall be paid by the Trustee at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as provided in the Indenture

for payment of interest. Upon surrender for any partial redemption of any Series 2022 Bond, there shall be prepared for the Owner a new Series 2022 Bond or Series 2022 Bonds of the same maturity in the amount of the unredeemed principal. All Series 2022 Bonds that have been redeemed shall be cancelled and destroyed by the Trustee and shall not be redelivered. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

**Partial Redemption.** In the event only a portion of any Series 2022 Bond is called for redemption, then upon surrender of such Series 2022 Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner, at the sole expense of the Authority, a new Series 2022 Bond or Series 2022 Bonds, of the same maturity, of

authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2022 Bond or Series 2022 Bonds.

***Manner of Redemption.*** Whenever any Series 2022 Bonds are to be selected for redemption among series or maturities, the Authority shall notify the Trustee in writing of which series or maturities should be redeemed. Whenever any Series 2022 Bonds are to be selected for redemption within a maturity, the Trustee shall determine, by lot, the numbers of the Series 2022 Bonds to be redeemed, and shall notify the Authority thereof.

### **Book-Entry Only System**

The Series 2022 Bonds will be delivered in fully registered form, will be transferable and exchangeable as set forth in the Indenture and, when delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as Depository for the Series 2022 Bonds. Ownership interests in the Series 2022 Bonds may be purchased in book-entry form only, in authorized denominations. So long as the Series 2022 Bonds are registered in the name of Cede & Co., all payments with respect to principal of and interest on the Series 2022 Bonds will be made by the Trustee to DTC, which is obligated in turn to remit such payments to its Direct Participants for subsequent disbursement to the Beneficial Owners of the Series 2022 Bonds. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS**

### **Indenture**

The Indenture authorizes the execution of and secures the payment of Bonds, including the Series 2022 Bonds, and Parity Debt. Under the Indenture, “**Bonds**” consist of the Series 2022 Bonds and Parity Debt issued as bonds under all Supplemental Indentures. “**Parity Debt**” means all bonds (including any Bonds), notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority payable from and secured by a pledge of and lien upon any of the Net Revenues issued or incurred pursuant to the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Conditions Precedent to Incurrence of Parity and Subordinate Debt.”

The Indenture contains various covenants and agreements of the Authority relating to financial and operational aspects of the Enterprise, including the setting and collection of rates and charges at specified levels. See “– Rate Covenant” below. The Indenture also contains covenants relating to the following matters, among others: the establishment of accounts and payment priorities for Maintenance and Operation Costs and other expenses of the Enterprise; conditions precedent to the incurrence of Parity Debt; the efficient and economical operation of the Enterprise; compliance with laws; and adherence to insurance requirements. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

The Indenture provides that the Authority may, subject to the terms of the Indenture (including, with certain exceptions, certain financial tests), incur Parity Debt, including the issuance of one or more series of additional Bonds, to provide financing or refinancing for the Enterprise, in such principal amount as shall be determined by the Authority. See “– Conditions Precedent to Incurrence of Parity and Subordinate Debt.” The Authority may also issue Parity Debt as provided in the Indenture. Upon issuance of the Series 2022 Bonds, no other Bonds or Parity Debt will remain outstanding.

## Pledge of Net Revenues

Pursuant to the Indenture, the Authority pledges for the benefit of the Owners of the Bonds, including the Series 2022 Bonds, and any Parity Debt, a first, direct and exclusive lien and security interest on that portion of the Net Revenues that is necessary to pay the principal or redemption price of and interest on the Bonds in any Fiscal Year.

In addition, the Authority pledges, for the benefit of the Owners of the Bonds issued pursuant to the Indenture, a first, direct and exclusive lien and security interest on all moneys on deposit in the Debt Service Fund, excluding the Reserve Account.

The Authority also pledges for the benefit of the Owners of the Series 2022 Bonds and any Parity Debt issued as Bonds that are intended to be covered by the Reserve Account, a first, direct and exclusive lien and security interest all moneys on deposit in the Reserve Account.

Under the Indenture, the foregoing pledges each constitutes a first, direct and exclusive lien and security interest on the Net Revenues, the moneys in the Debt Service Fund and the moneys in the Reserve Account, as applicable, in accordance with the terms of the Indenture.

“**Net Revenues**” are defined in the Indenture to mean Gross Revenues minus Maintenance and Operation Costs.

“**Gross Revenues**” are defined in the Indenture to mean all gross charges received for, and all other gross income and receipts derived by the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to (a) any amounts transferred to the Enterprise Fund from the Rate Stabilization Fund, and (b) investment earnings on the foregoing. Gross Revenues do not include (y) the amount, if any, withdrawn by the Authority from Gross Revenues during such Fiscal Year for deposit in the Rate Stabilization Fund and (z) interest earnings on amounts in the Improvement Fund, self-insurance funds and, to the extent interest earnings thereon are required by law to remain therein, trust funds of the Authority including but not limited to landfill closure and landfill post-closure trust funds established under applicable law. See “THE AUTHORITY AND THE ENTERPRISE – Major Sources of Gross Revenues.”

“**Maintenance and Operation Costs**” are defined in the Indenture to mean the reasonable and necessary costs paid or incurred by the Authority (or any contractor hired by the Authority) for maintaining and operating the Enterprise determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including all administrative costs of the Authority that are charged directly or apportioned to the operation of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums (including payments required to be paid into any self insurance fund) and including reasonable and necessary costs of the Authority or charges required to be paid by it to comply with the terms of the Indenture or any Parity Debt Instrument, such as compensation, reimbursement and indemnification of the Trustee and fees and expenses of Independent Certified Public Accounts and Independent Consultants; but excluding in all cases (i) the principal of and interest on the Bonds and any Parity Debt, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under generally accepted accounting principles are chargeable to a capital account, (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles, (iv)

Closure Obligations and (v) any expense for which, or to the extent to which, the Authority is or will be paid or reimbursed from or through any source that is not included or includable in Gross Revenues.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

### **Application of Gross Revenues**

Pursuant to the provisions of the Indenture, the Authority covenants to hold the Enterprise Fund in trust for the benefit of the Owners of the Bonds. For purposes of record-keeping, the Authority may establish and maintain separate accounts within the Enterprise Fund. The Authority further covenants and agrees that all Gross Revenues, when and as received, will be held by the Authority in the Enterprise Fund, and will be deposited by the Authority, or caused to be deposited, in the Enterprise Fund, and will be accounted for through and held in trust in the Enterprise Fund, and the Authority shall only have such beneficial right or interest in any of such money as provided in the Indenture.

Gross Revenues deposited in the Enterprise Fund shall be applied by the Authority to pay the following amounts when due, in the following order of priority:

- (i) to pay Maintenance and Operation Costs;
- (ii) no later than the 5th Business Day preceding each Interest Payment Date and Principal Payment Date, to transfer to the Trustee for deposit in the Debt Service Fund held by the Trustee an amount sufficient to pay Debt Service on the Series 2022A Bonds, the Series 2022B Bonds and any Parity Debt issued pursuant to a Supplemental Indenture and to transfer an amount sufficient to pay debt service on any other Parity Debt (in the event of a shortfall, amounts shall be used to pay Debt Service on the Series 2022 Bonds and any Parity Debt on a pro rata basis based on the amounts required to be deposited, and the amounts distributed shall not take into account the existence of Qualified Reserve Account Instrument, or any reserve account, letter of credit, insurance policy or surety bond);
- (iii) to transfer to the Trustee for deposit in the Reserve Account an amount necessary to bring the funds then on hand in the Reserve Account to the Reserve Requirement and to transfer as required to make a deposit into a debt service reserve fund (if any) for any Parity Debt issued under a Parity Debt Instrument an amount necessary to bring the funds then on hand in the debt service reserve fund (if any) for any Parity Debt to its required level (in the event of a shortfall, amounts shall be transferred to the Trustee for deposit into the Reserve Account and as required to make a deposit into such other debt service reserve fund on a pro rata basis based on the amount required to be in the Reserve Account and such other reserve fund); and
- (iv) to pay for any lawful purpose of the Enterprise.

### **Debt Service Fund**

Pursuant to the Indenture, the Debt Service Fund, as a special fund, and the Reserve Account, as a special account therein, are created and the Redemption Account will be created when needed, in each case to be held and maintained by the Trustee.

On each Interest Payment Date, the Trustee will withdraw from the Debt Service Fund an amount equal to the Interest Requirement on the Bonds issued and outstanding pursuant to the Indenture payable on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is authorized to apply the same to the payment of such interest by check (or by wire transfer, as the case may be), as provided in the Indenture.

On each Interest Payment Date, the Trustee shall withdraw from the Debt Service Fund, an amount equal to the principal amount of the outstanding Bonds issued pursuant to the Indenture that are Serial Bonds, if any, maturing on said Principal Payment Date and any Sinking Fund Installments due and payable with respect to any Bonds issued pursuant to the Indenture that are Term Bonds on said Principal Payment Date, and shall cause the same to be applied to the payment of the principal of such Bonds when due and is authorized to apply the same to such payment upon presentation and surrender of such Bonds as they become due and payable, as provided in the Indenture.

All interest earnings and profits or losses on the investment of amounts in the Debt Service Fund shall be deposited in or charged to the Debt Service Fund and applied to the purposes thereof. No transfer and deposit need be made into the Debt Service Fund if the amount contained therein, taking into account investment earnings and profits, is at least equal to the Interest Requirement or Principal Installments to become due on the next Interest Payment Date or Principal Payment Date upon all Outstanding Bonds issued under the Indenture.

### **Reserve Account**

**General.** Under the Indenture, an amount equal to the Reserve Requirement in the form of either cash or a Qualified Reserve Account Instrument is required to be maintained in the Reserve Account at all times. Any deficiency therein shall be replenished from available Gross Revenues pursuant to the Indenture as described under the subcaption “– *Application of Gross Revenues*” above. If any Parity Debt is issued as Bonds pursuant to a Supplemental Indenture, and if the Supplemental Indenture provides that such Parity Debt shall be covered by the Reserve Account, then the Reserve Requirement shall be increased.

On the date the Series 2022 Bonds are issued, to further secure the payment of principal of and interest on the Series 2022 Bonds (and any Parity Debt issued as bonds in the future pursuant to the Indenture the principal of and interest on which is payable from amounts in the Reserve Account), a portion of the proceeds of the Series 2022 Bonds in the amount of \$\_\_\_\_\_\* will be deposited into the Reserve Account in an amount equal to the Reserve Requirement for the Series 2022 Bonds as of the date of issuance. See “THE FINANCING PLAN – Estimated Sources and Uses of Bond Proceeds.”

**Definition of Reserve Requirement.** The Indenture defines “**Reserve Requirement**” to mean, as of the date of calculation, which shall be (A) the date of issuance of the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account and (B) the date of defeasance or redemption of any of the Series 2022 Bonds or any Parity Debt issued as Bonds that are covered by the Reserve Account, an amount equal to the lesser of (i) Maximum Annual Debt Service on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account between the date of such calculation and the final

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\* Preliminary; subject to change.

maturity of such Bonds or (ii) 125% of average Annual Debt Service on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account between the date of such calculation and the final maturity of such Bonds and (iii) 10% of the original principal amount of the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account (or, if the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account have more than a de minimis amount of original issue discount or premium, 10% of the issue price of the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account); provided that, with respect to the issuance of any Parity Debt issued as Bonds that are covered by the Reserve Account, if the Reserve Account would have to be increased by an amount greater than 10% of the stated principal amount of such Parity Debt (or, if such Parity Debt has more than a de minimis amount of original issue discount or premium, of the issue price of such Parity Debt), then the Reserve Requirement shall be such lesser amount as is determined by a deposit of such 10%; and provided that accrued interest on any Parity Debt issued as Bonds that are covered by the Reserve Account deposited with the Trustee upon delivery of such Bonds shall be excluded for purposes of the calculation of the Reserve Requirement.

***Use of Moneys in the Reserve Account.*** If at any time there shall not be sufficient amounts in the Debt Service Fund to pay Principal Installments or in the Redemption Account to pay the Redemption Price of or interest when due on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account, the Trustee shall provide notice of such insufficiency to the Authority and withdraw amounts from the Reserve Account solely for the purpose of making transfers to the Debt Service Fund or the Redemption Account.

In the event that the amounts in the Reserve Account are not sufficient to pay Debt Service when due on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account, amounts in the Reserve Account shall be used to pay Debt Service when due on the Series 2022A Bonds, the Series 2022B Bonds and any such Parity Debt issued as Bonds that are covered by the Reserve Account on a pro rata basis based on the Debt Service that is due.

Whenever, on or before any Interest Payment Date, or on any other date at the written request of an Authorized Officer, the amount in the Reserve Account exceeds the Reserve Requirement, the Trustee shall transfer an amount equal to the excess from the Reserve Account to the Debt Service Fund, to be used to pay interest on the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account on the next Interest Payment Date.

Amounts in the Reserve Account shall be withdrawn for purposes of making payment to the federal government to comply with any obligation to do so under the Indenture, upon receipt by the Trustee of a Request of the Authority specifying the amount to be withdrawn and to the effect that such amount is needed for rebate purposes; provided, however, that no amounts in the Reserve Account shall be used for rebate unless the amount in the Reserve Account following such withdrawal equals the Reserve Requirement. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The Trustee shall be deemed conclusively to have complied with the provisions of the Indenture and any other agreement relating to the Bonds regarding calculation and payment of rebate if it follows the directions of the Authority, and it shall have no independent duty to review or enforce the Authority's compliance with such rebate requirements. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Authority's opinions, calculations, determinations, directions, and certifications required by the Indenture.

Except to the extent expressly provided in the Indenture, the Trustee shall in no instance be responsible or liable for the tax treatment of the Bonds, the Authority's compliance with applicable law, or any other tax consequences in connection with the Bonds.

**Qualified Reserve Account Instrument.** The Authority shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds (and their intended use) nor the acceptance of such Qualified Reserve Account Instrument will cause interest on the Series 2022 Bonds or any Parity Debt issued as Bonds that are covered by the Reserve Account the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Authority to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Authority for eligible capital costs. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Instrument as shall be required to maintain such Qualified Reserve Account Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Indenture. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Debt Service Fund with respect to the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Instruments, any draw to meet a deficiency which may exist from time to time in the Bond Fund with respect to the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account shall be pro-rata with respect to each such instrument.

In the event that a Qualified Reserve Account Instrument is available to be drawn upon for only one or more particular series of Bonds, a separate subaccount in the Reserve Account may be established for such series, and the calculation of the Reserve Requirement with respect to all other Bonds payable from the Reserve Account shall exclude the debt service on such issue of Bonds.

The Authority shall have no obligation to replace the Qualified Reserve Account Instrument or to fund the Reserve Account with cash if, at any time that the Series 2022 Bonds and any Parity Debt issued as Bonds that are covered by the Reserve Account are Outstanding, amounts are not available under the Qualified Reserve Account Instrument or if the rating of the claims-paying ability of the provider of the Qualified Reserve Account Instrument is downgraded.

### **Rate Stabilization Fund**

Under the Indenture, the Authority has the right at any time to establish one or more rate stabilization funds (collectively, the "**Rate Stabilization Fund**") to be held by it and administered as described below. From time to time the Authority may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien which secures the Series 2022 Bonds and any Parity Debt, as the Authority may determine, provided that deposits for each Fiscal Year may be made until (but not after) 180 days following the end of such Fiscal Year.

The Authority may, but is not required to, withdraw from any amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Enterprise Fund. Amounts so transferred from the Rate Stabilization Fund to the Enterprise Fund shall constitute Gross Revenues for a Fiscal Year (except as otherwise provided herein) so long as such withdrawals are made until (but not after) 180 days after the end of such Fiscal Year, and shall be applied for the purposes of the Enterprise Fund. Amounts on deposit in the Rate Stabilization Fund are not pledged to, and do not otherwise secure, the payment of debt service on the Series 2022 Bonds or any Parity Debt. All interest or other earnings on deposits in the Rate Stabilization Fund will be retained therein or, at the option of the Authority, be applied for any other lawful purposes of the Enterprise. The Authority has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any lawful purposes of the Enterprise. As of the date of this Official Statement, \$2.5 million is on deposit in the Rate Stabilization Fund. The Authority currently anticipates transferring an additional \$3.5 million from the Rate Stabilization Fund within 180 days following the end of Fiscal Year 2021-22 and utilizing \$2.5 million in Fiscal Year 2022-23 for purposes of satisfying the rate covenants under the Indenture. See “– Rate Covenant” below. See also “THE AUTHORITY AND THE ENTERPRISE – Projected Net Revenues and Debt Service Coverage.”

### **Rate Covenant**

Pursuant to the Indenture, except as described in the following sentence with respect to Fiscal Year 2022-23, the Authority has agreed, while any of the Series 2022 Bonds remain Outstanding, to fix, prescribe, revise and cause to be collected rates, fees and charges during each Fiscal Year which will yield Gross Revenues that are at least sufficient, after making allowances for contingencies and error in the estimates and not including any transfers to the Enterprise Fund from the Rate Stabilization Fund, to pay the following amounts in the following order: (i) all Maintenance and Operation Costs estimated by the Authority to become due payable in such Fiscal Year; (ii) the Debt Service on the Bonds and any other Parity Debt; (iii) any amounts required to replenish the amounts in the Reserve Account so that they are equal to the Reserve Requirement and replenish the amounts in the debt service reserve fund for any Parity Debt that is not secured by the Reserve Account, if needed; (iv) all other payments required for compliance with the Indenture and any Parity Debt Instrument; and (v) all payments required to meet any other obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues. For Fiscal Year 2022-23 only, the Authority may satisfy the foregoing covenant by including in Gross Revenues transfers of any moneys in the Rate Stabilization Fund to the Enterprise Fund.

In addition, pursuant to the Indenture, except as described in the following sentence with respect to Fiscal Year 2022-23, the Authority has agreed to fix, prescribe, revise and cause to be collected rates, fees and charges during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 125% of the amounts payable under the clause (ii) of the previous paragraph in such Fiscal Year. For purposes of the preceding sentence, the amount of Net Revenues for a Fiscal Year will be computed on the basis that (1) any transfers into the Enterprise Fund in that Fiscal Year from the Rate Stabilization Fund are included in the calculation of aggregate Net Revenues, and (2) any deposits into the Rate Stabilization Fund in that Fiscal Year are deducted from the amount of Net Revenues, but only to the extent such deposits are made from Gross Revenues received by the Authority during that Fiscal Year. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Rate Stabilization Fund.” As described above, as of the date of this Official Statement, \$2.5 million is on deposit in the Rate Stabilization Fund. The Authority currently anticipates transferring an additional \$3.5 million from the Rate Stabilization Fund within 180 days following the end of

Fiscal Year 2021-22 and utilizing \$2.5 million in Fiscal Year 2022-23 for purposes of satisfying the rate covenants under the Indenture. See “THE AUTHORITY AND THE ENTERPRISE – Projected Net Revenues and Debt Service Coverage.”

### **Conditions Precedent to Incurrence of Parity and Subordinate Debt**

**Parity Debt.** The Indenture provides that the Authority may, by Parity Debt Instrument, incur Parity Debt in the future that is payable from Net Revenues on a parity basis with the Series 2022 Bonds, to provide financing or refinancing for the Enterprise, in such principal amount as shall be determined by the Authority, on the terms and upon satisfaction of the following conditions precedent:

(a) The Authority shall be in compliance with all covenants set forth in the Indenture, unless any non-compliance will be cured as a result of the issuance of the Parity Debt.

(b) The Net Revenues of the Enterprise, calculated in accordance with sound accounting principles, as shown by the books of the Authority for the most recent completed Fiscal Year for which audited financial statements of the Authority are available, or for any more recent consecutive 12 month period selected by the Authority, in either case verified by an Independent Certified Public Accountant or an Independent Consultant or shown in the audited financial statements of the Authority, plus (at the option of the Authority) any Additional Revenues, are at least equal to 125% of maximum scheduled Debt Service for the current or any future Bond Year (taking into account the Parity Debt then proposed to be issued); provided, however, that in the event that all or a portion of the Parity Debt being issued are to be issued for the purpose of refunding and retiring all or a portion of the unpaid Bonds, then the Debt Service on the Bonds to be so refunded and retired from the proceeds of such Parity Debt being issued shall be excluded from the foregoing computation of maximum scheduled Debt Service; provided further, however, that the Authority may at any time enter into or incur Parity Debt without compliance with the foregoing condition if the aggregate annual Debt Service for all Bonds for each Bond Year during which such Parity Debt being issued will be outstanding will not be increased by reason of the entry into or incurrence of such Parity Debt.

(c) The Parity Debt Instrument providing for the issuance of such Parity Debt shall provide that:

(i) the proceeds of such Parity Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Enterprise, or otherwise for facilities, improvements or property that the Authority determines are of benefit to the Enterprise, or for the purpose of refunding any obligation of the Enterprise that is payable from Net Revenues in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the Authority deems necessary or advisable) relating thereto;

(ii) interest on the Parity Debt shall be payable on an Interest Payment Date and principal on the Parity Debt shall be payable on a Principal Payment Date; and

(iii) money or a Qualified Reserve Account Instrument may (but is not required to) be deposited in the Reserve Account (with respect to any Parity Debt issued as Bonds) or a reserve account for such Parity Debt from the proceeds of the sale of such Parity Debt or otherwise in an amount defined in the Parity Debt Instrument.

**Subordinate Debt.** Nothing in the Indenture prohibits or impairs the authority of the Authority from issuing bonds or other obligations secured by a lien on Net Revenues which is subordinate to the lien established thereunder, upon such terms and in such principal amounts as the Authority may determine; provided, that the Authority must satisfy the following specific conditions which are conditions precedent to the issuance and delivery of such Subordinate Debt:

(a) The Authority shall be in compliance with all covenants set forth in the Indenture, unless any non-compliance will be cured as a result of the issuance of the Subordinate Debt.

(b) The Subordinate Debt Instrument providing for the issuance of such Subordinate Debt shall provide that the proceeds of such Subordinate Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Enterprise, or otherwise for facilities, improvements or property that the Authority determines are of benefit to the Enterprise, or for the purpose of refunding any obligation of the Authority that is payable from Net Revenues in whole or in part, including all costs (including costs of issuing such Subordinate Debt and including capitalized interest on such Subordinate Debt during any period which the Authority deems necessary or advisable) relating thereto.

### **Non-Recourse to Members or State of California**

THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL AND INTEREST ON THE SERIES 2022 BONDS IS A LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR AND DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY OR THE MEMBERS FOR WHICH THE AUTHORITY OR THE MEMBERS ARE OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY OR THE MEMBERS HAVE LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2022 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE MEMBERS, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR ANY STATUTORY DEBT LIMITATIONS, OR OTHERWISE OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE MEMBERS.

## THE AUTHORITY AND THE ENTERPRISE

### The Authority

**General.** The Authority is a joint exercise of powers authority created pursuant to the Authority Agreement. It was formed to own, operate and maintain a sanitary landfill and related improvements.

The Authority is an autonomous governmental organization funded primarily by solid waste tipping fees, which accounted for approximately 98% for the Authority's Gross Revenues in Fiscal Year 2021-22. The Authority is controlled by a Board of Directors (the "**Authority Board**") composed of appointed representatives of its Members. The Authority is responsible for the regulatory compliance of the Enterprise. Pursuant to the Authority Agreement, the Placer County Treasury is utilized for depositing cash receipts and making cash disbursements and the Placer County Auditor-Controller maintains the accounting records of the Authority.

The Authority actively engages its residents through its websites [wpwma.ca.gov](http://wpwma.ca.gov), [placerrecycle.com](http://placerrecycle.com) and [renewableplacer.com](http://renewableplacer.com). *The foregoing website addresses are given for reference and convenience only, and the information on such websites does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites.*

**Authority Agreement and Solid Waste Delivery Agreements.** The Authority Agreement may be terminated at any time by mutual agreement of the Members. In addition, each Member has the option to withdraw from the Authority Agreement prior to termination. In consideration of said option, the Members agreed that any withdrawing party waives all rights under the Authority Agreement including, but not limited to, any share in the proceeds from disposal of the property of the Authority upon termination of the Authority Agreement.

The Authority and each Member have entered into separate agreements for delivery of solid waste dated as of April 22, 2022 (each a "**Solid Waste Delivery Agreement**" and, collectively, the "**Solid Waste Delivery Agreements**"). The Solid Waste Delivery Agreements with the County and the cities of Rocklin and Lincoln require that all solid waste that is collected by programs operated by such Members or their franchise haulers within their respective jurisdictional boundaries be delivered to the Enterprise for so long during the term of their Solid Waste Delivery Agreements. Each of the Solid Waste Delivery Agreements with the County and the cities of Rocklin and Lincoln is substantially similar. A form of a Solid Waste Delivery Agreement for the County and the cities of Rocklin and Lincoln is attached hereto as APPENDIX F – "FORMS OF SOLID WASTE DELIVERY AGREEMENTS." The Solid Waste Delivery Agreement with the City of Roseville (as amended, the "**Roseville Solid Waste Delivery Agreement**") requires that all solid waste that is collected by programs operated by the City of Roseville or franchise haulers within its jurisdictional boundaries is delivered to the Enterprise for a three-year period ending on June 30, 2025. After June 30, 2025, the City of Roseville is required to direct waste generated within its jurisdictional boundaries to the Enterprise in certain minimum amounts specified therein during the terms thereof. A copy of the Roseville Solid Waste Delivery Agreement is attached hereto as APPENDIX F – "FORMS OF SOLID WASTE DELIVERY AGREEMENTS."

The Solid Waste Delivery Agreements expire no earlier than one year after full repayment of all financing mechanisms obtained by the Authority, or by others on behalf of the Authority, for the purpose of modifying the MRF (i.e. the MRF Project). The Solid Waste Delivery Agreements also provide that they will remain in full force and effect regardless of whether Members continue to be a member of the Authority. As of the date of this Official Statement, the Authority is not aware of any Member intending to withdraw from the Authority Agreement or to terminate its Solid Waste Delivery Agreement. See “CERTAIN RISK FACTORS – Withdrawal of Members” and “– Competition.”

See “– Solid Waste Delivery Agreements and Waste Collection Practices of Members – *Delivery Agreements*” below for a further summary of the Solid Waste Delivery Agreements.

## Organization and Management

**General.** The Authority Board consists of five members, consisting of two members of the Board of Supervisors of the County, and one City Council member each from the cities of Roseville, Rocklin, and Lincoln. Each Member appoints its respective member(s) on the Authority Board, with each member of the Authority Board having one vote.

The Executive Director of the Authority is appointed by the Authority Board and is responsible for, among other items, planning, organizing, and directing all Authority activities under the policy direction of the Authority Board. Under the Authority Agreement, the Treasurer Tax-Collector and the Auditor-Collector of the County are designated as the Treasurer and Auditor of the Authority, respectively.

**Key Personnel.** Brief biographies of key members of staff and officials of the Authority follow below.

Ken Grehm, Executive Director. Mr. Grehm has served as the Authority’s Executive Director since 2015 and has concurrently been the Director of Public Work for the County of Placer since 2006. He has over 30-years of experience in public sector municipal, engineering. Mr. Grehm has a Bachelor of Science degree in Civil Engineering from the University of California, Irvine and is a registered professional Civil Engineer in the State of California

Kevin Bell, PE, Deputy Executive Director. Mr. Bell has served as the Authority’s Deputy Executive Director for the last three years and has worked in the solid waste industry for over 10 years in his roles as Assistant Director, Deputy Director and Environmental Engineering Program Manager for the Placer County Department of Public Works since 2012. Prior to those roles Mr. Bell worked in the water and wastewater engineering field for nine years for both the County of Placer as well as an engineering consulting firm. Mr. Bell received a Bachelor of Science degree in Environmental Biology with minors in Chemistry and Mathematics from Grand Canyon University and completed his Master of Science coursework in Chemical and Environmental Engineering at the University of California, Riverside. Mr Bell is a registered professional Civil Engineer in the State of California.

Eric Oddo, PE, Environmental Engineering Program Manager. Mr. Oddo has served as the Authority’s Environmental Engineering Program Manager for over 10 years and has worked for the Authority for nearly 24 years. Prior to joining the Authority, Mr. Oddo worked for several environmental engineering consulting firms specializing in landfill gas system design and theoretical landfill gas generation modeling. Mr. Oddo has a Bachelor of Science degree in

Aeronautical Engineering from University of California at Davis and is a registered professional Mechanical Engineer in the State of California.

Andrew Sisk, Auditor-Controller of Placer County. Mr. Sisk has served as Auditor-Controller since 2012 and had previously served as Assistant Auditor-Controller for more than nine years. Mr. Sisk has 30 years of accounting and auditing experience and has been a licensed certified public accountant for 25 years. Before joining Placer County, he worked at Macias, Gini & O'Connell, CPAs. He has a bachelor's of science degree in accounting from California State University, Sacramento. Mr. Sisk is also an active member of the State Auditor's Association having served as President four years ago and is currently co-chair of the Legislative Committee.

Jenine Windeshausen, Treasurer-Tax Collector of Placer County. Ms. Windeshausen has over 30 years of experience in government financial planning, municipal debt structuring and public funds investing. Ms. Windeshausen has been Placer County Treasurer-Tax Collector since 1993. She is responsible for the management of \$2 billion in Treasury funds and has experience financing billions in public debt. She has a bachelor's of science degree in Business Administration with a concentration in Finance from California State University, Sacramento.

**Enterprise Operations.** The Authority is the legal owner and operator of all onsite operations. The Authority maintains approximately 16 full-time staff providing administrative services, monitoring and regulatory compliance, and engineering and permitting. Authority staff also operate the gate and scale houses for the collection of gate tipping fees. All employees of the Authority are also employees of the County. Other administrative functions, including but not limited to accounting, procurement, information technology services, risk management, and legal counsel are provided by the County and paid for by the Authority. The Authority contracts with FCC to operate the Landfill and the MRF, including landfilling, diversion, and collection center operations. See “– FCC Operating Agreements” below. The Landfill and MRF are open 365 days a year to receive waste materials. See “– Overview of Existing Enterprise Facilities,” “– The Landfill,” and “– The MRF” below.

## Service Area

**General.** The County is divided into four waste collection franchise districts. Waste and recyclable materials are currently received by the Enterprise from two of the four franchise districts in unincorporated Placer County, the cities of Roseville, Rocklin, Lincoln, Colfax and Auburn, and the Town of Loomis. The service area generally consists of the western portion of the County stretching from the City of Colfax to the Placer/Sacramento County Line.

**Economy in the Authority Service Area.** Major employers in the Authority service area include those in county government, education, and healthcare.

**Population in the Authority Service Area.** As of January 1, 2022, the population of the Authority's service area is estimated to total approximately 392,122 with approximately 39% of the population residing in the City of Roseville, as summarized below.

**TABLE 1**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**ESTIMATED POPULATION**  
**CALENDAR YEARS 2019 THROUGH 2022**

<b>Service Area</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Roseville	141,097	143,493	148,794	151,034
Placer County <sup>(1)</sup>	96,612	96,835	96,911	95,784
Rocklin	68,869	69,702	71,644	71,663
Lincoln	48,430	48,584	50,422	51,252
Auburn	14,353	14,372	13,795	13,608
Loomis	6,796	6,787	6,833	6,739
Colfax	2,139	2,154	2,016	2,042
<b>Total</b>	<b>378,296</b>	<b>381,927</b>	<b>390,415</b>	<b>392,122</b>

(1) Placer County totals consist of the unincorporated areas of the County only. Based on 2020 Census tract data, approximately 85% of population within the unincorporated areas of the County are within the Authority's service area.

Source: California State Department of Finance, Demographic Research Unit.

For further general and demographic information regarding the County, see "APPENDIX A – DEMOGRAPHIC INFORMATION ABOUT THE COUNTY OF PLACER."

### **Public Health Emergency – COVID-19**

The spread of the novel strains of coronavirus that cause the disease known as COVID-19 ("**COVID-19**") and local, state and federal actions in response to COVID-19, have impacted the Authority's operations and finances. On February 11, 2020, the World Health Organization ("**WHO**") announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 has since spread across the globe. The COVID-19 pandemic has had an adverse effect on, among other things, the world economy, global supply chain, international travel and a number of travel-related industries. The temporary and permanent business closures caused by the COVID-19 pandemic have led to an increase in unemployment across State and the nation. Depending on the length and the breadth of the impacts of the COVID-19 pandemic, the economic costs may be significant for the Authority and the region's economy. In addition, domestic and international stock markets experienced declines in market value following the onset of the COVID-19 pandemic. Although rebounds in the global financial markets have since occurred, price volatility remains.

The Enterprise is deemed federally designated critical infrastructure, entitled to exemptions under governmental "stay-at-home" orders as needed to maintain continuity of operations. Authority personnel necessary for the operation and delivery of the Enterprise have remained onsite. The Authority did modify its operations to implement remote work opportunities for certain employees performing administrative functions and provide Authority services online. While Authority Board meetings continued in person with the addition of specific measures to reduce the threat of infection, public comment and participation for Authority Board meetings was initially conducted via online virtual meeting platforms and other electronic means. Consistent with State directives, the Authority has resumed in-person meetings and continues to provide for public participation via commercially available online virtual meeting software systems. The Authority has maintained continuity of service throughout the COVID-19 pandemic, without any impact or pandemic related interruptions to Enterprise services. With

improvements in local COVID-19 case rates, the Authority has phased in the resumption of normal operations and activities while complying with public health orders and California Occupational Safety and Health Administration COVID-19 Prevention Plan mandates.

The COVID-19 pandemic is ongoing, and the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Authority is unknown. The Authority reports that Net Revenues for Fiscal Years 2019-20 and 2020-21 were not materially affected by the COVID-19 pandemic. See the captions “– Historical Waste Deliveries to the Enterprise” and “– Financial and Management Aspects of the Enterprise.”

### **Overview of Existing Enterprise Facilities**

The Enterprise currently consists of the Western Regional Sanitary Landfill (previously defined as the “**Landfill**”), and the Authority’s materials recovery facility (previously defined as the “**MRF**”). They are located in the unincorporated portion of Placer County, generally south of the City of Lincoln, north of the City of Roseville and west of the City of Rocklin. The Landfill and MRF related facilities include stormwater ponds, and scale house facilities

The Landfill and the MRF are located on a nominal 320-acre parcel that is owned by the Authority. Of the 320-acre parcel, 231 acres are permitted for landfill related operations. The waste recovery operations, including the MRF and related facilities, account for approximately 52 acres, approximately 18 acres of which are located within the permitted boundary of the Landfill adjacent to the MRF’s southern parcel boundary and designated as a “shared area”. The Authority leases approximately 15,000 square feet of land (or one-third acre) to a private entity, Energy 2001 Inc. (“**Energy 2001**”), on which a gas-to-energy facility owned and operated by Energy 2001 is situated. The remaining acreage consists of wetlands and other areas that are used as part of the Landfill’s surface water management system.

The landfill gas-to-energy facility owned and operated by Energy 2001 is located on the northern side of the site. This facility generates electricity by running landfill gas supplied by the Authority through internal combustion engines. The Energy 2001 facility currently utilizes up to approximately 1,800 standard cubic feet per minute of landfill gas with any excess landfill gas directed to and combusted at the Authority’s landfill gas flare station. Energy 2001 also owns and operates a 9 kilowatt commercial solar array in partnership with Sierra College. Electricity produced by the solar array is used to offset the power requirements of the Authority’s landfill gas collection equipment. The rent and royalty payments paid by Energy 2001 under its lease agreement with the Authority are not material to the Authority’s ability to pay debt service on the Series 2022 Bonds when due.

The Authority also owns approximately 459 acres west of the Landfill, part of which is currently leased to the City of Lincoln for discharge of reclaimed water and a part of which is leased for model airplane operations. Solid waste uses on the 459-acre site has undergone environmental review, and a conditional use permit to operate a landfill was previously granted by the Placer County Planning Commission; however, the property has not been fully permitted for solid waste related operations and cannot accept waste.

The Authority also owns approximately 155 acres east of the Landfill, which is leased by the Authority to a private entity for cattle grazing. The 155-acre site is not currently permitted for solid waste operations.

In 2015, the Authority commenced master planning efforts for multiple future uses on property owned by the Authority. As part of the master planning efforts, the Authority prepared the Renewable Placer: Waste Action Plan (the “**Waste Action Plan**”) to identify the physical and operational waste recovery and waste disposal changes at the Enterprise to meet the needs of Placer County’s growing population and California’s increased regulatory requirements. The goals of the Waste Action Plan include increasing recycling and landfill diversion, ensure compliance with expanding regulatory regulations, provide capacity to support current and future population and development, and enhance operational compatibility with current and future neighboring land uses.

The descriptions below of the Enterprise contain detailed information on permits and environmental matters. While there have been some minor permit or environmental violations in the past, they have all been resolved. The Authority believes that the number of violations is very low in light of the number of regulations applicable to the Enterprise, and the Authority believes that such violations are not atypical for solid waste disposal operations of the same scope as the Enterprise. The Authority believes any remediation or mitigation measures required to resolve violations in the past have not had a material impact on the Authority’s finances or operations.

## **The Landfill**

**General.** The Landfill is located at 3195 Athens Avenue, Lincoln, California, and began operations in 1979. It is located in the southwest portion of Lincoln and north of Roseville. It is the only remaining active landfill in the County. FCC, under contract to the Authority, operates the Landfill including the daily receipt, placement, compaction and covering of waste materials. The Authority also contracts with various companies to operate and maintain the landfill gas control system and perform groundwater and surface water monitoring.

The Landfill was originally divided into 16 modules for refuse fill placement numbered 1 through 16. Modules 3 and 4 were located directly west of Modules 1 and 2 but were never used for landfilling and were removed from the Landfill site plan to accommodate construction of the MRF in the mid 1990s. Modules 1, 2, 10 and 11 were closed with a final cover installation on these modules completed by 1999. Of the remaining 12 modules, six modules are actively receiving waste (Modules 5 and 12 through 16); Modules 6 through 9 have not yet been constructed. The site development to date has extended along the eastern half and southwestern corner of the Landfill. Modules are developed by excavating native, previously undisturbed soils out of an area of the permitted landfill and then installing a liner system prior to disposing waste material into the module.

**Permitted Capacity.** The Authority operates the Landfill under Solid Waste Facility Permit Number 031-AA-0210 (the “**Landfill SWFP**”) issued by the Placer County Division of Environmental Health Services (the “**LEA**”), with concurrence by the California Department of Resources Recycling and Recovery (“**CalRecycle**”) on August 12, 2003. The Landfill SWFP is subject to review and renewal every five years. The current Landfill SWFP was issued on December 11, 2018, and has a scheduled review date of December 11, 2022. Authority staff is currently in the process of preparing documents for the upcoming 5-year review in December 2022. The Authority does not anticipate any significant changes or other modifications to the Landfill SWFP in connection with such review. The current Landfill SWFP allows for disposal and landfilling of up to 1,900 tons per day and includes a vehicle permit limit of 624 vehicles per day. In Fiscal Year 2021-22, the Landfill received an average of 1,145 tons per day and 179 vehicle trips per day.

Under the Landfill SWFP, 231 acres are permitted for acceptance of solid waste. To date, landfilling has occurred on approximately 158 acres. Of the remaining 73 acres permitted for accepting waste, the Authority plans to utilize approximately 20 acres for Module 6. See “THE FINANCING PLAN – The Projects – The Module 6 Project” for a description of Module 6.

Based on permitted waste disposal limits in the Landfill SWFP and on historical tonnage disposal rates, the Landfill is projected to reach currently permitted capacity in 2058. The Authority anticipates that the MRF Project will assist the Authority, and thereby the Members, to reduce disposal of organic waste by 75% by 2025 as required by SB 1383. The Authority estimates that by meeting such diversion goal, the landfill capacity at the Landfill will be extended to approximately 2075. See “REGULATION – California Senate Bill 1383” for a discussion regarding SB 1383. For a further discussion of the projected remaining capacity of Landfill for acceptance of solid waste, see “– Disposal Capacity of the Enterprise.”

**Waste Accepted.** Public access to the Landfill is provided through the site entrance gate on Athens Avenue. Two additional access points to the Landfill are located along Fiddymment Road to the west.

The Authority operates the Landfill as a Class II and Class III site. Class III sites are those that may accept nonhazardous municipal solid waste, including mixed municipal wastes, construction and demolition (“C&D”) debris, and residual materials resulting from waste recovery processing operations. Class II sites may accept all nonhazardous municipal solid waste that are accepted at Class III site and “designated” wastes, using the criteria set forth in Title 27 of the California Code of Regulations, and Waste Discharge Requirements R5-2007-0047. Designated wastes include industrial sludges, dredge debris, treated wood waste, commercial and industrial waste, and glass cullet (i.e. crushed glass ready for remelt). The Landfill has six Class III modules - Modules 1, 2, 10, 11, 12, and 13. The remaining eight modules, including Module 6, are designated for Class II waste. The Landfill also accepts autoclaved medical waste, soils and other inert materials. The Authority is prohibited from receiving hazardous materials at the Landfill other than designated wastes.

Of the tonnage that was delivered to the Landfill for disposal in Fiscal Year 2021-22, the majority comprised residual material from the MRF building, C&D materials processing operation, and public tipping area, and the remainder was direct haul to the Landfill.

## The MRF

**General.** The MRF is located at 3033 Fiddymment Road, Roseville, California, adjacent to the Landfill. The MRF was originally built in 1995 to assist the Members to meet diversion requirements imposed on the Members by AB 939. The Members, not Authority, are responsible for complying with the mandates under AB 939.

Since construction in 1995, the MRF has undergone renovations since such time. The MRF was designed and is operated to: (i) recover recyclable materials from mixed waste, including glass, metal, wood, rock and concrete, cardboard paper and plastics; (ii) process green and wood wastes for composting or biomass; (iii) receive and process source-separated recyclables; and (iv) provide for receipt and recycling/disposal of household hazardous waste. Materials not recovered via processing at the MRF are disposed in the Landfill. Waste recovery operations include the MRF building, organics management operations, C&D materials processing area, public waste drop-off area, and household hazardous waste (“HHW”) facilities.

As previously described, the MRF Project generally consists of the modernization of the MRF. As part of the MRF Project, existing municipal solid waste sorting and processing equipment will be replaced with new state of the art processing equipment. In addition, a new facility to process C&D materials will be constructed at the MRF. The existing facility at the MRF utilized by the Authority for managing organics will also be modified to increase capacity and throughput as part of the project. The Authority anticipates that the MRF Project will assist the Authority, and thereby the Members, to reduce disposal of organic waste by 75% by 2025 as required by SB 1383. See “THE FINANCING PLAN – The Projects – MRF Project” for additional information regarding the MRF Project. The descriptions set forth below regarding the MRF and related facilities are of current facilities and do not reflect improvements planned under the MRF Project.

**Permitted Capacity.** The Authority performs waste recovery operations at the MRF primarily under Solid Waste Facilities Permit Number 031-AA-0001 (the “**MRF SWFP**”) issued by the LEA on December 12, 2011, with concurrence by CalRecycle on December 6, 2011. The current MRF SWFP was issued on December 12, 2011, and has a scheduled review date of December 12, 2026. The MRF SWFP limits waste recovery facilities to a total of 52.6 acres, consisting of 27.2 acres for transfer and processing and 25.4 acres for composting. The MRF SWFP limits the total daily acceptance of waste materials to 1,750 tons per day and total customer traffic to 1,014 vehicles per day.

**MRF Building.** The MRF includes a 182,000 square foot building. Municipal solid waste received at the MRF building is initially placed on the receiving floor. Once on the floor, wastes are managed by front-end loaders with some manual separation of recoverable products. The wastes are then either temporarily stockpiled or directly pushed into one of six walking floor pit conveyors: five of these lines direct the wastes to the processing and sorting area, and the sixth conveys nonrecyclable wastes to a truck for transport to the Landfill. Municipal solid waste is processed each weekday and some may remain on the receiving floor overnight to facilitate the start of operations the following day.

Pit conveyors transport the municipal solid waste from the receiving area to the processing area. The first stage of processing involves human-based pre-sort and debagging (mostly to protect the equipment), followed by mechanical sorting during which the wastes pass through rotating trommels to separate the materials by size. Following the trommels, wastes are further screened by using disk screens to separate materials by dimension (that is, two-dimensional items such as paper and three-dimensional items such as bottles and cans) and to remove fine particles, dirt, and grit. After the screening, the materials are conveyed over a series of sorting tables where recoverable products are removed by sorting personnel and placed into temporary storage bunkers. Most of the recovered products are conveyed to baler units for consolidation (including paper, newspaper, cardboard, plastics, and some metals).

Of the material processed at the MRF building in Fiscal Year 2020-21, approximately 23% was recovered for market or reuse (less than 1% was HHW, either shipped offsite or taken to the HHW facility for further management); and 77% was disposed of in the Landfill.

At approximately 11:30 p.m. on November 10, 2021, a fire started inside the MRF. CalFire firefighters arrived at the MRF at approximately 12:10 a.m. on November 11, 2021, to find a well-established fire on the first and second floor on the eastern side of the material processing and sorting area of the MRF. CalFire contained the blaze at approximately 6:30 a.m. No employees were present during the fire and no injuries were sustained.

CalFire performed an investigation of the burned area immediately following the fire. CalFire's report indicated the cause of the fire was "undetermined after investigation". CalFire's report indicated that the fire appeared to have started in the waste sorting conveyor near a large electrical magnet used to remove ferrous metals. CalFire's report identified electrical malfunction in the electrical magnet area of the conveyor as the possible cause of ignition. However, due to the amount of fire damage the exact origin was not determined.

The fire partially or completely destroyed several conveyors and sorting lines associated with the recovery of containers and other small, 3-dimensional items. However, due to the interconnectivity of the MRF, the entire system was rendered non-operational for several days. Over the period of approximately two weeks, temporary modifications were made by Nortech, the former operator of the MRF and the Landfill, to allow for resumed processing operations, but with a lower material recovery potential.

The Authority engaged several firms under contract to repair the damaged components of the MRF to return it to, or reasonably close to, pre-fire operational capacity. The cost of repairs was estimated at approximately \$2 million and expected to be fully funded via an insurance claim submitted by the Authority.

Although overall facility operations (inclusive of the landfill, construction and demolition debris processing, composting, buyback and household hazardous facility) were not disrupted, for approximately two weeks all municipal solid waste received at the Authority's facility was directed to the Landfill without processing to recovery recyclable materials. After the MRF was restored to partial operation in late November 2021, the recovery rate from the MSW stream dropped from approximately 23% to approximately 8.5% resulting in a short-term increase in the amount of Landfill airspace. Repairs to the MRF are expected to be complete by early September 2022 and recovery rates are expected to return to pre-fire levels. No other significant operational impacts have been experienced by the Enterprise as a result of the fire.

As part of the MRF Project, a series of advanced fire detection units manufactured by Fire Rover will be installed in the MRF. Fire Rover units are designed to use thermography and video analytics to identify fires and hot spots and to initiate automatic suppression systems and reduce the potential for future potentially significant fire events in the MRF.

**Organics Management Operation.** The MRF includes an organics management operation which is generally located to the east and south of the MRF building. It includes a material receiving and processing area, two concrete composting pads where compostable materials are placed in "windrows". These windrowed materials are periodically watered and turned to maintain aerobic conditions conducive to composting and minimizing odors. The area also includes space for screening and storage of finished product, as well as two compost leachate evaporation ponds used to capture and store any liquid run off or precipitation from the composting operation. Nearly all of the material the Authority composts consists of green waste from commercial and residential haulers. Green waste generally refers to landscape wastes consisting of leaves, grass clippings, yard trimmings, branches, and home garden residues. The Authority received approximately 65,200 tons of green waste in Fiscal Year 2021-22.

As green waste is received at the organics management operation, it is chipped and ground at the preprocessing area, which currently has a capacity of approximately 400 tons per day. Chipped and ground green waste is stored in the preprocessing area prior to transport to one of the two compost pads. The duration that green waste is stored within the preprocessing area is minimized to reduce the potential for nuisances (odors, vectors). Once the preprocessed

green waste is delivered to the compost pads, it is either placed into open windrows or mixed with food waste and formed into static piles that are aerated via a series of perforated pipes. The Authority has systems in place to manage odors as part of its organics management operation.

**C&D Materials Processing Operation.** The existing C&D materials processing operations include two distinct areas: the inerts area for non-waste materials, including primarily clean soil, concrete, brick, tile and rock, and the C&D operation area that includes a covered receiving area and C&D materials processing line. The inerts area is located south of the southern compost pad, and the C&D operation area is located between the northern and southern compost pads and adjacent to the green and wood waste tipping pad.

Similar to the MRF building, at the C&D materials processing area, salvageable materials, including cardboard, ferrous and nonferrous metals, glass, plastics, green waste, wood waste, inert materials, appliances, wall board, electronic devices, and HHW or other materials legally prohibited from disposal at the Landfill are recovered for market, reuse, or proper disposal thereby reducing the amount of waste ultimately received and buried at the Landfill. The Authority received approximately 120,500 tons of C&D in Fiscal Year 2021-22.

**Public Waste Drop-Off Operations.** The MRF includes a public waste drop-off area and a public waste tipping area. The public waste drop-off area is composed of a gatehouse complex with vehicle queuing lanes and various facilities where the public can drop off a variety of self-haul materials. Facilities include a waste tipping area, buy-back center, and HHW facility.

The buy-back center is co-located with the HHW facility. The buy-back center accepts clean, source-separated recyclables (for example, cardboard and mixed paper) free of charge (from public or commercial customers) and glass, plastic, and aluminum beverage containers (with a California redemption value) can be turned in for a refund. The HHW facility includes a receiving area and a building, which is located directly north of the MRF building. The HHW facility generally consists of the types of wastes generated by households that are prohibited from disposal in the Landfill such as paint, oil, batteries, pesticides and herbicides, household cleaners, fluorescent lamps and expired medications.

**MRF Support Facilities.** The MRF building, organics management operation, C&D materials processing area, and public waste drop-off area include various support facilities intended to promote safe and efficient operations as well as the protection of public health and the environment. Support facilities include a maintenance area, the Authority's administration building, and firefighting equipment.

The maintenance area is located south of the MRF building. The area includes a maintenance building and an outdoor storage and staging area for equipment requiring maintenance. The maintenance area currently serves the equipment maintenance needs for all of the waste operations on the site, including the Landfill. The Authority's current administration building is attached to the MRF building with a parking lot located adjacent to the building. The administration building includes offices for the Authority and facility operator staff as well as the Chambers of the Authority Board. Most structures at the site are equipped with a sprinkler system that will turn on automatically in case of a fire. The MRF building (exclusive of the offices) is equipped with automated roof-mounted heat/smoke vents.

## Regulatory Permits and Status

**Required Permits.** Several local, state, and federal permits govern the operation and modification of the MRF and Landfill. Primary operating permits for the MRF and Landfill include Solid Waste Facility Permits issued by the Placer County Local Enforcement Agency on behalf of CalRecycle, Waste Discharge Requirements issued by the Central Valley Regional Water Quality Control Board, and Federal Title V Permit and equipment-specific Permits to Operate as regulated by the Placer County Air Pollution Control District. As of the date of this Official Statement, the Authority reports that it has obtained all permits required to operate the Enterprise, and is in material compliance with the terms of such permits and all significant regulatory requirements.

In addition to the current Landfill SWFP and MRF SWFP, the Authority operates the Landfill and the MRF under the following regulatory permits and orders:

- United States Clean Water Act, Section 404 permit No. 199400476, issued July 27, 1994.
- EPA National Pollutant Discharge Elimination System Permit No. 5A315011144, issued September 1, 1994.
- City of Roseville Wastewater Discharge Permit No. 887795, issued January 1, 2000.
- Placer County Conditional Use Permit No. 225, issued August 2001.
- Regional Water Quality Control Board (“**RWQCB**”) Waste Discharge Requirements (WDRs) Waste Discharge Requirements Order No. R5-2007-0047, adopted May 4, 2007.
- California State Water Resources Control Board (“**State Water Resources Control Board**”) General Waste Discharge Requirements for Composting Operations Order No. WQ 2015-0121-DWQ, issued March 16, 2017.
- Placer County Air Pollution Control District Permit to Operate No. PLWR-01-01, issued February 13, 2007, Permit to Operate No. PLWR-05-01, issued December 14, 2001, and Authority to Construct No AC-WPMR-21A (windrows), AC-WPMR-21B (ASP) and AC-WPMR-21C (compost feedstock), issued May 28, 2021.
- United States Environmental Protection Agency (“**EPA**”) General Permit to Discharge Stormwater Associated with Industrial Activity.
- RWQCB Storm Water Discharge Permit No. NPDES CAS000001, issued July 1, 2015.

All of the permits listed above are in good standing.

**Monitoring and Controls.** The Landfill incorporates various environmental monitoring and control systems designed to eliminate, minimize or identify potential environmental impacts and nuisances. These systems are intended to promote safe operations at the Landfill and the protection of public health and the environment. The environmental monitoring and control systems are integrated into the current Landfill operations include leachate and condensate

collection and removal systems, a landfill gas collection system and perimeter gas monitoring probes, and a groundwater monitoring network.

**Environmental Issues.** Because the four initial modules (i.e., Modules 1, 2, 10 and 11) were constructed prior to establishment of the liner system requirements under Subtitle D of the federal Resource Conservation and Recovery Act of 1976 (the “RCRA”), they have greater potential to release leachate and landfill gas into the underlying soil and groundwater than the subsequent Subtitle D-compliant lined modules. The contamination of groundwater can be detected by monitoring the quality of the groundwater within wells installed around the perimeter of the Landfill. In 1995, the degradation of site groundwater quality was first observed in monitoring well MW-9, which is located immediately west of Module 2. Modules 1 and 2 were subsequently closed and received final cover in 1999, as previously described. Groundwater within well MW-9 was determined to contain several volatile organic compounds (“VOCs”). A comparison of VOCs detected in landfill gas samples from landfill gas probe GM-14 at the site with the VOCs detected in the groundwater in well MW-9 indicated that landfill gas may be responsible for the VOCs detected in the well MW-9 groundwater. In addition, analyses of general water quality parameters in well MW-9 indicated that there may be a leachate influence on the quality of groundwater.

A study by Lawrence & Associates in 1995, which was commissioned by the Authority, showed that the effects of leachate on groundwater were limited to a small area around well MW-9. A Corrective Action Program and addendum were submitted to the Regional Water Quality Control Board on May 20, 1997, and September 23, 1997, respectively. The Regional Water Quality Control Board approved the Corrective Action Program and its addendum in late 1997, which required the installation of final cover over non-Subtitle D lined modules to limit leachate production and a landfill gas management system. To monitor the effectiveness of these measures, corrective action wells are sampled on a quarterly basis. Data from the Corrective Action Program wells are evaluated for inorganic and organic constituent trends quarterly. Quarterly water quality monitoring results suggest that, based on the estimated groundwater velocity and general flow direction from northeast to southwest, it could take 150 years or more before the contaminated groundwater reaches the Authority’s southern property line. The Authority does not believe that any such groundwater contamination or continued corrective action measures will have a material adverse effect on its ability to pay debt service on the Series 2022 Bonds when due.

The Authority is not aware of any other environmental issues with respect to the Enterprise which could reasonably be expected to affect its ability to pay debt service on the Series 2022 Bonds when due.

### **FCC Operating Agreements**

**General.** FCC operates the Landfill and the MRF under separate operating agreements each dated as of July 1, 2022 (collectively, the “**FCC Operating Agreements**” and each an “**FCC Operating Agreement**”). The FCC Operating Agreements each have a scheduled termination date of June 30, 2032. The FCC Operating Agreements may be extended for one year each at the option of the Authority by delivering notice of its exercise of that option to FCC no later than February 28, 2032, provided both of the FCC Operating Agreements are so extended. Further, the Authority and FCC, may by mutual agreement, extend the term of the FCC Operating Agreements for two additional five-year terms. The Authority and FCC have the right to terminate the FCC Operating Agreements upon the occurrence of certain specified events as described below.

**Operator Selection Process.** The Authority Board directed the preparation and solicitation of a request for proposals (“RFP”) in early 2020 to upgrade and operate the MRF and Landfill in response to SB 1383 and the scheduled expiration date of the then existing operating contract on July 1, 2022. A Technical Advisory Group (“TAG”), consisting of representatives of Authority staff and the Members, was formed to guide the process and ensure the Member’s collective interests were taken in account. A consultant, with experience in solid waste operations and engineering, was retained to help draft the RFP and associated draft agreements that were included in the RFP. The RFP included both constructing and upgrading the facility as well as operating it for a minimum of 10-years.

The RFP process consisted of two phases, overseen by the Procurement Division of the County. Phase 1 was submission of a written proposal that included experience of firm, ability to meet goals, conceptual designs and approach. Four firms submitted proposals. These were reviewed by the TAG and followed by interviews with firms. The TAG recommended that two firms, including FCC, move into phase 2 of the process. The Authority Board approved the forwarding of these two firms into phase 2 in April 2021.

Phase 2 consisted of FCC and a second firm advancing their designs and cost proposals for Authority consideration. The process included question and answer sessions, design submission and presentation prior to a final recommendation being made. The TAG and Authority Board visited existing facilities of each finalist to view their current operations.

The TAG recommended FCC as the highest rated proposal which was approved by the Authority Board in November 2021 and reaffirmed in January 2022. The final operating agreements with FCC (defined below as the Landfill Operating Agreement and the MRF Operating Agreement) design and build agreements for the MRF Project were approved by the Authority Board in the Spring of 2022.

**Landfill Operating Agreement.** Under the FCC Operating Agreement relating to the Landfill (the “**Landfill Operating Agreement**”), FCC agrees to provide all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required thereunder, and to comply with all applicable law. Functions performed by FCC under the Landfill Operating Agreement include acceptance and handling of permitted waste and load checking, placement and compaction of waste at the Landfill, landfill cover and related operations, soil and excavation and stockpiling, landfill maintenance, landfill drainage, and nuisance and vector control. FCC is not obligated to fund or conduct design or construction activities related to the closure of the Landfill under the Landfill Operating Agreement, but does provide postclosure maintenance services.

The Authority has the right to terminate the Landfill Operating Agreement upon the occurrence of certain specified defaults on the part of FCC, including FCC’s bankruptcy or material violations by FCC of regulations applicable to the Landfill, subject to FCC’s right to cure in certain instances. FCC has the right to terminate the Landfill Operating Agreement by giving 90 days prior written notice in the event the Authority fails to make any payment required thereunder or fails to provide FCC required information, reports or test results, as to any material matter, as provided in the Landfill Operating Agreement. FCC may also terminate the Landfill Operating Agreement upon any act or omission by the Authority that materially violates the terms, conditions and requirements thereunder. However, FCC may not terminate the Landfill Operating Agreement if the Authority cures a default within 90 days after receiving FCC’s notice of termination.

As compensation to FCC for its services under the Landfill Operating Agreement, the Authority has agreed to pay FCC a base facility fee for each ton of waste disposed at the Landfill on a monthly basis. FCC's compensation is subject to adjustment if FCC meets, exceeds or fails to achieve certain density targets, and adjustments for inflation, as provided in the Landfill Operating Agreement.

As of the date of this Official Statement, the Authority believes that FCC and the Landfill Operating Agreement are in good standing and is not aware of any material defaults by either party thereto.

***MRF Operating Agreement.*** Under the FCC Operating Agreement relating to the MRF (the "**MRF Operating Agreement**"), FCC is responsible for accepting the following: (1) all municipal solid waste, commingled recyclable material, C&D debris, source separated green waste, source separated wood waste, source separated food waste, commingled food and green waste, inert materials, and recyclable materials delivered from within the primary service area; (2) publicly hauled waste generated within the primary service area; (3) recyclable materials delivered by residents of or businesses operating within the primary service area; (4) HHW delivered by business operators or residents within the primary service area; and (5) municipal solid waste, commingled recyclable material, C&D debris, source separated green waste, source separated wood waste, source separated food waste, commingled food and green waste, inert materials, and/or recyclable material generated outside of the primary service area, where the Authority and FCC have agreed to accept such materials. The Authority may also request that FCC receive and process waste or recyclable materials that originate from outside of Placer County, as described in the MRF Operating Agreement. Under the MRF Operating Agreement, FCC agrees to provide all labor, equipment, materials, supplies, and all other things necessary to perform the services required thereunder.

To assist the Members to meet diversion requirements under applicable law, the MRF Operating Agreement includes certain guaranteed minimum levels of diversion. In particular, the MRF Operating Agreement provides that, until substantial completion of the MRF Project, FCC will divert not less than 22% and 50% of all municipal solid waste and C&D debris, respectively, received at the Authority's facility and that qualifies as "diversion" under Public Resources Code Section 41780 (enacted pursuant to the California Integrated Waste Management Act) and SB 1383. The MRF Operating Agreement provides that following substantial completion of the modification of the MRF, estimated to occur by January 2025, such guaranteed minimum levels of diversion will increase to 60% and 65%, respectively.

The MRF Operating Agreement further requires that FCC operate the MRF to meet the applicable requirements of SB 1383, including but not limited to the minimum diversion percentages of organic materials for a "High Diversion Organic Waste Processing Facility" as defined in SB 1383. A "High Diversion Organic Waste Processing Facility" for purposes of SB 1383 generally consists of a facility that meets or exceeds an annual average mixed waste organic content recovery rate of 50% between January 1, 2022 and December 31, 2024, and 75% after January 1, 2025.

In addition, to encourage greater recovery of materials for productive use and reduce the amount of materials disposed at the Landfill, FCC is entitled to retain 100% of the gross revenues from the sale of (i) materials recovered by FCC from municipal solid waste and C&D delivered to the MRF, (ii) materials delivered to the buyback center, (iii) compost, mulch and wood chips produced at the organics processing area, (iv) inert materials, and (v) alternative daily cover materials produced at the MRF sold for use at landfills other than the Landfill.

Furthermore, FCC is eligible to earn an annual incentive payment of \$20 per ton for each ton of municipal solid waste and C&D diverted from landfilling beyond the contractual minimum recovery amounts.

As compensation to FCC for its services under the MRF Operating Agreement, the Authority has agreed to pay FCC processing fees for waste and other materials delivered by any person other than FCC to the MRF that is accepted for processing on a per ton basis. The processing fees vary depending on the type of waste (e.g. municipal solid waste, C&D and separated green waste). The processing fee for municipal solid waste and C&D is also adjusted on a sliding scale based on total tons of such waste that is accepted at the MRF annually. The Authority is not required to pay processing fees on source-separated recyclable materials (i.e., those received via the commercial or public buy-back operations). Certain other fees are payable by the Authority to FCC under the MRF Operating Agreement, including a fee for operating HHW facilities.

Processing fees payable by the Authority under the MRF Operating Agreement are subject to adjustment. Such adjustments include cost of living adjustments, and incentives and disincentives that are tied to FCC meeting the guaranteed minimum diversion levels previously described.

**FCC.** The following information regarding FCC has been obtained from publicly available information, including information available at <https://fccenvironmental.com/>. The Authority believes such information to be reliable, however neither the Authority nor the Underwriter takes any responsibility as to the accuracy or completeness thereof and has not independently verified such information. Reference to the foregoing website is provide for convenience only and is not incorporated herein by reference.

FCC is a direct or indirect subsidiary of Fomento de Construcciones Y Contratas, S.A. (“**FCC Group**”), an environmental services company based in Spain. FCC Group has been operating since the 1900s. Today, FCC Group is one of the world’s largest waste management and recycling companies with a presence in over 35 countries and more than 60,000 employees worldwide. FCC Group operates in over 5,000 municipalities across the world. Services provided include collection, treatment, recycling, energy recovery and disposal of solid urban waste, street cleaning, sewer network maintenance, ground maintenance and preservation of green spaces, polluted soils recovery and comprehensive management of industrial waste.

In the United States, FCC (together with its related companies) is one of the top 20 companies for comprehensive management and recycling of solid urban waste. FCC and its related companies operate in the states of Texas, Florida, Nebraska and California.

### **Closure and Postclosure Liabilities**

The Landfill is regulated by CalRecycle, which requires the Authority to set aside funds annually for landfill closure and to fund postclosure maintenance for at least 30 years after closure. In particular, Title 27, California Code of Regulations requires all landfills to establish financial assurances for closure and post closure maintenance. The purpose of these regulations is to ensure adequate money is available to close and maintain a landfill. Numerous different mechanisms are available to landfill owners, including trust funds, bonds and revenue pledges.

Closure costs are determined and funded annually based on landfill capacity used. Although postclosure maintenance costs will be paid near or after the date that the landfills stop accepting waste, the Authority reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Postclosure maintenance costs are based on the level of service required to protect the environment during the postclosure period. These include the cost of equipment and facilities, such as leachate collection systems and final cover maintenance. Postclosure care costs extend over a minimum 30 year period of time. For this reason, it is likely there will be unforeseen repair or replacement costs during the postclosure period. Some of these variances are due to changes in technologies, changes in operational conditions and physical changes at the landfills. Estimated current costs of closure and postclosure care are evaluated annually as required by Generally Accepted Accounting Principles (“GAAP”). The results of the annual evaluation can increase or decrease closure and postclosure costs depending on the various components described above.

As of June 30, 2021, the Authority reported a landfill closure and postclosure liability of approximately \$14 million based on the use of approximately 37.34% of the estimated capacity of the Landfill as of such date. The Authority anticipates recognizing additional closure and postclosure care costs as the remaining estimated capacity of the Landfill is filled. As of June 30, 2021, such additional costs totaled approximately \$23.6 million which will be expensed incrementally over the remaining life of the Landfill (i.e., over the next approximately 36 to 53 years). See Table 13 for historical and annual contributions to closure and postclosure costs and Table 14 for projected contributions.

Future closure and postclosure costs summarized above are based on estimated costs to perform all closure and postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, changes in permitted capacity and/or changes in regulations. The Authority is required to reevaluate and adjust the closure and postclosure cost estimates every five years. The Authority is required by state and federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future as described above. The Authority has accumulated sufficient assets to finance closure and postclosure costs as required by applicable laws as of June 30, 2021. The Authority Board established a closure and postclosure fund reserve in accordance with Resolution No. 92-4, which was subsequently updated via Resolution No. 08-05 to provide financial assurance for the closure and postclosure maintenance costs. The Authority expects that any change to future closure and postclosure costs (due to changes in technology or applicable laws or regulations, for example) will be paid from charges to future users. As of June 30, 2021, the Authority had set-aside approximately \$14 million for closure and postclosure maintenance activities.

As the owner and operator of a Landfill, the Authority has potential exposure to environmental liability. The Authority may be required to perform corrective action for contaminate releases at the Landfill. The Authority is continually evaluating its potential exposure to remediation liabilities on the Landfill. On the basis of information currently available to management, the Authority believes it has sufficient reserves for known and anticipated remediation costs. At June 30, 2021, approximately \$951,000 had been accrued for corrective action costs and is included in the total closure and postclosure liability.

See APPENDIX B – “ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE WESTERN PLACER WASTE MANAGEMENT AUTHORITY FOR THE FISCAL YEAR ENDED

JUNE 30, 2021” for more information regarding the Authority’s closure and postclosure liabilities. See also “REGULATION – California Integrated Waste Management Act of 1989 (AB 939) – Closure and Postclosure Costs” for a further discussion regarding regulations relating to closure and postclosure costs.

### Disposal Capacity of the Enterprise

As of June 30, 2021, the Landfill had approximately 22,691,000 cubic yards of remaining permitted capacity. Based on permitted waste disposal limits in the Landfill SWFP and historical tonnage disposal rates, the Landfill SWFP includes an estimated closure date for the Landfill of December 2058, which is after the final maturity of the Series 2022 Bonds on June 1, [2042]. As previously described, the MRF Project is intended to assist the Authority, and thereby the Members, to meet certain diversion goals under California law, including a 75% diversion rate requirement for organics required by SB 1383. The Authority estimates that if such diversion goals are met, the landfill capacity at the Landfill will be extended to approximately 2075. The Authority’s estimate takes into various residential developments that were recently completed or are currently in progress and estimates of growth of the population within its service area. The actual number of remaining years may be more or less based on increases or decreases to projected waste quantities received at the facility and the diversion rates achieved at the site.

The estimated capacity of the Landfill as of June 30 of the previous five Fiscal Years is shown in the following table. Disposal capacity at the Landfill as June 30, 2022 is not yet available.

**TABLE 2**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**ESTIMATED REMAINING LANDFILL CAPACITY**  
**(in cubic yards)**

<b>Fiscal Year</b>	<b>Permitted Capacity</b>	<b>Cumulative Used</b>	<b>Total Remaining</b>
2016-17	36,350,000	11,881,729	24,468,271
2017-18	36,350,000	12,216,673	24,133,327
2018-19	36,350,000	12,745,642	23,604,358
2019-20	36,350,000	13,159,362	23,190,638
2020-21	36,350,000	13,659,011	22,690,989

Source: Authority

To fully utilize the permitted capacity of the Landfill, the Authority estimates the Landfill would require capital improvements totaling approximately \$60 million (expressed in 2022 dollars) over the life of the landfill for the construction of landfill modules in addition to Module 6. As described under the caption “– Capital Plan,” the Authority expects to set aside funds and pay for these improvements on a pay-as-you-go basis. No new modules are expected to be constructed during the next 15 years. No additional permits are required in connection with the future construction of these modules.

### Solid Waste Delivery Agreements and Waste Collection Practices of Members

**Delivery Agreements.** Each of the Members of the Authority has entered into a Solid Waste Delivery Agreement with the Authority. Pursuant to the Solid Waste Delivery Agreements, each of the Members, except the City of Roseville, is required to direct all solid

waste that is collected by Member-operated programs or franchise haulers within their jurisdictional boundaries to the Enterprise.

The Roseville Solid Waste Delivery Agreement requires that all solid waste that is collected by programs operated by the City of Roseville or franchise haulers within its jurisdictional boundaries is delivered to the Enterprise for a three-year period ending on June 30, 2025. After June 30, 2025, the City of Roseville retains the option to haul a portion of its wastes to other solid waste facilities yet is still required to direct waste generated within its jurisdictional boundaries to the Enterprise in the following quantities:

- Minimum of 38,000 tons of municipal solid waste,
- Minimum of 9,000 tons of co-collected residential green waste and food waste, and
- All C&D waste.

Each Solid Waste Delivery Agreement provides that if, in the future, a Member elects to replace its Member-operated solid waste collection program, in whole or in part, with a program operated by a third-party solid waste enterprise, such Member will require such third-party to continue to deliver, unprocessed, all solid waste collected to the Landfill and the MRF for the term of the Solid Waste Delivery Agreements (and in the case of Roseville, after June 30, 2025, the minimum quantities described above).

The Solid Waste Delivery Agreements expire no earlier than one year after full repayment of all financing mechanisms obtained by the Authority for the purpose of modifying the MRF (i.e. the MRF Project). The Solid Waste Delivery Agreements also provide that they will remain in full force and effect regardless of whether Members continue to be a member of the Authority. As of the date of this Official Statement, the Authority is not aware of any Member intending to withdraw from the Authority Agreement or to terminate its Solid Waste Delivery Agreement and has not received written notice thereof from any of the Members. See “CERTAIN RISK FACTORS – Withdrawal of Members” and “– Competition.”

For Fiscal Year 2021-22, 40% of all municipal solid waste delivered to the Enterprise originated from the City of Roseville. Approximately 98% of the Authority’s Gross Revenues in Fiscal Year 2021-22 were derived from tipping fees. Over 67% of such fees were derived from waste delivered to the Enterprise pursuant to the terms of the Solid Waste Delivery Agreements. Remaining tipping fees for such Fiscal Year were derived from waste delivered to the Authority by self-haul customers and other customers. See “– Historical Waste Deliveries to the Enterprise” below for a description of annual refuse tonnage delivered to the Enterprise in the previous five Fiscal Years.

A form of a Solid Waste Delivery Agreement for the County and the cities of Rocklin and Lincoln and a copy of the Roseville Solid Waste Delivery Agreement are attached hereto as APPENDIX F – “FORMS OF SOLID WASTE DELIVERY AGREEMENTS.”

**Waste Collection Practices; Franchise Agreements.** Each Member of the Authority makes its own arrangements for solid waste collection within its jurisdiction. The Authority does not provide collection services. The cities of Roseville and Lincoln each operate their own solid waste collection systems. Non-recycled solid waste generated in the jurisdictions of the County of Placer and the City of Rocklin is delivered to the Enterprise by Recology Auburn Placer, a California corporation (“**Recology**”). A summary of the waste collection practices and, if applicable, their respective franchise agreements is provided below.

Roseville and Lincoln. The cities of Roseville and Lincoln each operate their own solid waste collection systems within their respective jurisdictional boundaries. There are approximately 51,409 and 20,979 residential households, respectively, within the cities of Roseville and Lincoln.

Roseville and Lincoln also perform their own billing for solid waste collection and disposal services through utility bills issued by such cities. Pursuant to interagency agreements between the Authority and each of these cities, each city pays the Authority for each ton of waste delivered to the Enterprise. The ability of the cities of Roseville and Lincoln to impose fees for solid waste collection (and to thereby pay the Authority for the management of solid waste) may be limited in the future by the provisions of Proposition 218, which contains many interrelated provisions affecting the ability of municipalities to levy and collect existing and future taxes, assessments, fees and charges. See “CERTAIN RISK FACTORS – Certain Limitations on the Ability of Members to Impose Taxes, Fees and Charges.”

Rocklin. Solid waste, certain recyclable materials, and organic materials within the jurisdictional boundaries of the City of Rocklin is collected by Recology pursuant to the terms of a Solid Waste Franchise Agreement dated as of April 1, 2009 (the “**Rocklin Franchise Agreement**”), between the City of Rocklin and Recology. The Rocklin Franchise Agreement requires that all non-recycled solid waste generated within the jurisdiction of the City of Rocklin be delivered by Recology to the Enterprise, or such other facility as the Authority directs. Pursuant to the Rocklin Franchise Agreement, Recology serves approximately 19,692 residential households and approximately 682 commercial and multi-family customers in the City of Rocklin.

Pursuant to the agreement, Recology directly bills waste generators for collection services by Recology at rates set forth therein, subject to adjustments annually and for extraordinary changes in Recology’s costs or revenues as set forth in the Rocklin Franchise Agreement. Such rates include direct pass throughs of the Authority’s tipping fees. Recology is required to pay all tipping fees and other transfer or disposal charges of the Authority directly to the Authority. Recology is solely responsible for paying solid waste tipping and other fees directly to the Authority.

The Rocklin Franchise Agreement is scheduled to terminate on March 31, 2024. The scheduled termination date may be extended for no less than five, and up to 10 years by mutual consent of the City of Rocklin and Recology. The City of Rocklin and Recology each have the right to terminate the Recology Franchise Agreement prior to its scheduled termination date upon the occurrence of certain specified events of default on the part of the other party and, with respect to certain of those events, after notice, meeting and conferring, and the opportunity to cure by the defaulting party. As of the date of this Official Statement, the Authority believes that the Rocklin Franchise Agreement is in good standing and is not aware of any material defaults by either party thereto.

Placer County. Solid waste, certain recyclable materials, and organic materials within the Franchise Areas 1 and 4 of the unincorporated area of the County is collected by Recology pursuant to the terms of an Agreement for Solid Waste Handling Services dated as of April 9, 2013 (the “**Placer County Franchise Agreement**”), between the County and Recology. The Placer County Franchise Agreement requires that all non-recycled solid waste generated within the jurisdiction of Franchise Areas 1 and 4 of the unincorporated area of the County be delivered by Recology to the Enterprise, or such other facility as the Authority directs. Solid waste collection services within the unincorporated area of the County are regulated by the

County through the County's waste collection ordinance and permits issued by the County thereunder. Recology serves approximately 29,964 residential households and approximately 1,288 commercial and multi-family customers in Franchise Areas 1 and 4 of the County.

Pursuant to the Placer County Franchise Agreement, Recology directly bills waste generators for collection services by Recology at rates set forth therein, except with respect to certain property owners that are required to pay parcel fees in the event they elect not to subscribe to solid waste collection. The rates billed by Recology to waste generators are subject to annual adjustments and for extraordinary changes in Recology's costs or revenues as set forth in the Placer County Franchise Agreement and subject to approval by the Placer County Board of Supervisors. Such rates include direct pass throughs of the Authority's tipping fees. Recology is required to pay all tipping fees and other transfer or disposal charges of the Authority directly to the Authority. Recology is solely responsible for paying solid waste tipping and other fees directly to the Authority.

The Placer County Franchise Agreement is scheduled to terminate on June 30, 2023, unless extended by mutual consent of the County and Recology. The County and Recology have the right to terminate the Recology Franchise Agreement prior to its scheduled termination date upon the occurrence of certain specified events of default on the part of the other party and, with respect to certain of those events, after notice, meeting and conferring, and the opportunity to cure by the defaulting party. As of the date of this Official Statement, the Authority believes that the Placer County Franchise Agreement is in good standing and is not aware of any material defaults by either party thereto.

### Historical Waste Deliveries to the Enterprise

The following table shows waste delivered to the Enterprise for the previous five Fiscal Years by type of material.

**TABLE 3**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**HISTORICAL WASTE DELIVERED BY MATERIAL CATEGORY**  
**(in Tons)**

Material Category	Fiscal Year					% of Total <sup>(3)</sup>
	2017-18	2018-19	2019-20	2020-21	2021-22	
Municipal Solid Waste	260,334	264,202	262,573	272,684	282,628	49.96%
C&D	85,707	90,285	98,558	126,234	120,704	21.34
Compostable Organics	54,324	58,844	63,475	73,542	67,608	11.95
Inert	27,875	28,146	31,390	46,296	51,139	9.04
Sludge & Mixed Inerts <sup>(1)</sup>	26,454	24,151	22,780	19,480	20,993	3.71
Inbound Recyclables <sup>(2)</sup>	7,682	9,975	9,623	10,175	9,667	1.71
Wood	3,052	3,884	3,778	7,442	9,830	1.74
Miscellaneous	3,165	2,721	2,860	3,033	3,112	0.55
<b>Total</b>	<b>468,594</b>	<b>482,209</b>	<b>495,037</b>	<b>558,886</b>	<b>565,681</b>	<b>100.00%</b>

(1) Consist of dirt, street sweepings and other inert materials that are too dirty or contaminated to be recycled.

(2) Consists of commercially and publicly sourced separated recyclables including cardboard, paper, plastics, glass and metals.

(3) Reflects percentage of total tons of waste delivered in Fiscal Year 2021-22.

Source: Authority

The following table shows waste delivered to the Enterprise for each of the previous five Fiscal Years by the source jurisdiction.

**TABLE 4**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**HISTORICAL WASTE DELIVERED BY JURISDICTION**  
(in Tons)

Jurisdiction	Fiscal Year					% of Total <sup>(2)</sup>
	2017-18	2018-19	2019-20	2020-21	2021-22	
Roseville	170,110	178,912	192,715	209,114	215,808	38.15%
Placer County <sup>(1)</sup>	135,737	141,376	118,777	143,505	143,166	25.31
Rocklin	63,110	64,372	71,383	80,725	78,185	13.82
Lincoln	52,400	52,133	60,285	67,403	70,984	12.55
Auburn	22,210	20,243	21,242	23,453	23,759	4.20
Loomis	11,969	12,127	14,262	14,644	13,822	2.44
Outside Placer County	6,140	6,455	10,242	13,922	12,995	2.30
Native American Tribal Lands	3,140	3,155	3,306	3,318	3,753	0.66
Colfax	3,778	3,435	2,824	2,802	3,207	0.57
<b>Total</b>	<b>468,594</b>	<b>482,209</b>	<b>495,037</b>	<b>558,886</b>	<b>565,681</b>	<b>100.00%</b>

(1) Placer County totals consist of the unincorporated areas of the County only.

(2) Reflects percentage of total tons of waste delivered in Fiscal Year 2021-22.

Source: Authority

The following table shows municipal solid waste delivered to the Enterprise for the previous five Fiscal Years by the source jurisdiction.

**TABLE 5**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**HISTORICAL MUNICIPAL SOLID WASTE DELIVERED BY JURISDICTION**  
(in Tons)

Jurisdiction	Fiscal Year					% of Total <sup>(2)</sup>
	2017-18	2018-19	2019-20	2020-21	2021-22	
Roseville	103,604	105,013	103,484	109,537	114,578	40.54%
Placer County <sup>(1)</sup>	67,677	69,490	65,190	65,575	68,996	24.41
Rocklin	38,876	39,683	41,480	44,096	43,789	15.49
Lincoln	29,031	29,000	30,197	32,156	33,019	11.68
Auburn	10,904	10,090	11,224	10,130	9,919	3.51
Loomis	5,232	5,420	5,773	5,565	5,838	2.07
Outside Placer County	824	851	1,088	1,738	2,563	0.91
Native American Tribal Lands	3,038	3,079	2,375	2,264	2,278	0.81
Colfax	1,146	1,576	1,762	1,624	1,649	0.58
<b>Total</b>	<b>260,334</b>	<b>264,202</b>	<b>262,573</b>	<b>272,684</b>	<b>282,628</b>	<b>100.00%</b>

(1) Placer County totals consist of the unincorporated areas of the County only.

(2) Reflects percentage of total tons of waste delivered in Fiscal Year 2021-22.

Source: Authority

As previously described, the Authority is not directly responsible for complying with statewide diversion mandates. However, the MRF assists its Members and other jurisdictions within its service area with achieving state mandated waste diversion goals. Historically, the rates of diversion for its Members and other jurisdictions within the Authority's service area have been higher than Statewide diversion rates.

As previously described, under AB 939, each local agency in the State was mandated to achieve a 25% diversion in solid waste disposed of in landfills or by incineration through waste reduction or recycling by January 1, 1995, and a 50% reduction by the year 2000. The following table shows the municipal solid waste diverted by the Members and all other jurisdictions within the Authority's service area and Statewide for calendar years 2010 through 2020 as a percentage of total municipal solid waste. As shown, the Members and all other jurisdictions within the Authority's service area exceeded the 50% diversion requirement under AB 939 during such years.

**TABLE 6**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**HISTORICAL WASTE DIVERSION RATES**

<b>Calendar Year</b>	<b>Placer County<sup>(1)</sup></b>	<b>Statewide</b>
2010	71%	65%
2011	72	65
2012	72	66
2013	70	65
2014	70	65
2015	70	63
2016	65	61
2017	62	58
2018	60	N/A
2019	61	N/A
2020	60	54

(1) Represents municipal solid waste diverted by the Members and other jurisdictions within the Authority's service area.

Source: California Department of Resources Recycling and Recovery

## Projected Waste Deliveries to the Enterprise

The following table shows the Authority's projected waste deliveries to the Enterprise for Fiscal Years 2022-23 through 2026-27.

**TABLE 7A**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**PROJECTED WASTE DELIVERIES TO THE ENTERPRISE**  
**(in Tons)**

<b>Fiscal Year</b>	<b>MSW</b>	<b>C&amp;D</b>	<b>Sludge</b>	<b>Organics</b>	<b>Wood</b>	<b>Inerts</b>	<b>Other</b>	<b>Total</b>
2022-23 <sup>(1)</sup>	280,960	118,766	20,590	65,827	8,491	32,497	10,977	538,108
2023-24	284,823	124,705	20,873	66,732	8,915	34,122	12,848	553,017
2024-25 <sup>(2)</sup>	278,301	140,258	21,160	67,650	9,272	35,486	12,633	564,760
2025-26 <sup>(3)</sup>	216,647	145,869	21,451	62,262	9,646	36,906	13,366	506,147
2026-27	219,626	151,703	21,746	63,138	10,035	38,382	12,933	517,562

(1) Total waste delivered to the Enterprise is projected to decrease to 538,108 tons in Fiscal Year 2022-23 from 565,681 actual tons delivered in Fiscal year 2021-22 due primarily to an 8% reduction in solid waste delivered by self-haul customers after July 1, 2022 in response to increases in tipping fees based on the Authority's analysis of tipping fees at competing waste management facilities. See "THE AUTHORITY AND THE ENTERPRISE – Competition."

*Footnotes continued:*

- (2) Projected increases in C&D commencing in Fiscal Year 2024-25 are associated with changes in classification of waste, not net tonnage projected to be received by the Enterprise.
- (3) Projected decrease in MSW in Fiscal Years 2025-26 and 2026-27 assumes that Roseville reduces its solid waste to the minimum levels permitted under the Roseville Solid Waste Delivery Agreement in such Fiscal Years.

Source: Authority

As shown in Table 5, approximately 40.5% of municipal solid waste delivered to the Enterprise in Fiscal Year 2021-22 originated from the City of Roseville. The following table shows municipal solid waste from the City of Roseville that is projected by the Authority to be delivered to the Enterprise in Fiscal Year 2022-23 and the following four Fiscal Years.

**TABLE 7B**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**PROJECTED WASTE DELIVERIES TO THE ENTERPRISE**  
**CITY OF ROSEVILLE ONLY**  
**(in Tons)**

<b>Fiscal Year</b>	<b>Roseville</b>
2022-23	209,181
2023-24	214,065
2024-25	218,535
2025-26 <sup>(1)</sup>	143,514
2026-27 <sup>(1)</sup>	147,138

(1) Projected decrease in MSW in Fiscal Years 2025-26 and 2026-27 assumes that Roseville reduces its solid waste to the minimum levels permitted under the Roseville Solid Waste Delivery Agreement in such Fiscal Years.

Source: Authority

## Major Sources of Gross Revenues

Historically, the Authority's revenues have been derived primarily from waste tipping fees. A summary of Authority's Gross Revenues for the previous five Fiscal Years, and a description of the Authority's current tipping fees and billing methodology is provided below.

**Total Gross Revenues.** The following table shows the total Gross Revenues for the last five Fiscal Years.

**TABLE 8**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**GROSS REVENUES BY SOURCE**

	Fiscal Year Ended June 30					% of Total <sup>(3)</sup>
	2018	2019	2020	2021	2022 <sup>(1)(2)</sup>	
Tipping Fees	\$26,155,523	\$27,574,001	\$28,225,506	\$33,226,648	\$44,568,088	98.25%
Rent	106,723	101,930	100,310	157,949	110,019	0.24
Energy Royalties	124,707	147,071	172,474	338,101	416,556	0.92
Interest Revenue	262,281	523,498	529,328	118,202	124,326	0.27
Interest on Note	112,575	68,711	21,321	--	--	0.00
Grant Monies	73,932	77,124	78,135	43,532	67,976	0.15
Recyclable Revenue	3,109	1,271	3,978	48,744	35,488	0.08
Miscellaneous	186,969	42,139	50,493	25,082	39,632	0.09
<b>Total Gross Revenues</b>	<b>\$27,025,819</b>	<b>\$28,535,745</b>	<b>\$29,181,545</b>	<b>\$33,958,258</b>	<b>\$45,362,085</b>	<b>100.00%</b>

(1) Unaudited; subject to change.

(2) Increase in Gross Revenues for Fiscal Year 2021-22 was due to increases in tipping fees and waste delivered to the Enterprise.

(3) Reflects percentage of total unaudited gross revenues for Fiscal Year 2021-22.

Source: Authority

**TABLE 9**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**GROSS TIPPING FEES BY MATERIAL CATEGORY**  
**(000's)**

Material Category	Fiscal Year					% of Total <sup>(3)</sup>
	2017-18	2018-19	2019-20	2020-21	2021-22	
Municipal Solid Waste	\$18,044	\$18,746	\$18,722	\$20,594	\$25,972	58.27%
C&D	4,318	4,629	5,119	6,900	10,658	23.91
Compostable Organics	1,987	2,273	2,451	3,148	4,468	10.03
Inert	615	713	767	1,258	1,694	3.80
Sludge & Mixed Inerts <sup>(1)</sup>	873	845	797	760	1,050	2.36
Inbound Recyclables <sup>(2)</sup>	--	--	--	--	--	--
Wood	80	111	107	227	405	0.91
Miscellaneous	239	258	263	340	321	0.72
<b>Total</b>	<b>\$26,156</b>	<b>\$27,574</b>	<b>\$28,226</b>	<b>\$33,227</b>	<b>\$44,568</b>	<b>100.00</b>

(1) Consist of dirt, street sweepings and other inert materials that are too dirty or contaminated to be recycled.

(2) Consists of commercially and publicly sourced separated recyclables including cardboard, paper, plastics, glass and metals. FCC is entitled to retain 100% of the gross revenues from the sale of inbound recyclables under the MRF Operating Agreement. See "– FCC Operating Agreements – MRF Operating Agreement."

(3) Reflects percentage of total Gross Revenues for Fiscal Year 2021-22.

Source: Authority

The following table shows the Authority's tipping fees for municipal solid waste by source (contractually committed versus self-haul) for the last five Fiscal Years.

**TABLE 10**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**TIPPING FEE REVENUES BY SOURCE**

<b>Fiscal Year</b>	<b>Contractually Committed<sup>(1)</sup></b>	<b>Non-Committed<sup>(2)</sup></b>	<b>Total</b>	<b>% Committed</b>
2017-18	\$20,240,357	\$5,915,165	\$26,155,523	77.38%
2018-19	21,142,984	6,431,017	27,574,001	76.67
2019-20	21,292,570	6,932,936	28,225,506	75.43
2020-21	23,063,535	10,163,113	33,226,648	69.41
2021-22 <sup>(3)</sup>	30,162,800	14,405,288	44,568,088	67.67

(1) Consists of tipping revenues generated from waste delivered by, or on behalf of, the Members.

(2) Consists of waste delivered by self-haul and waste delivered on behalf of the cities of Auburn, Loomis and Colfax by Recology.

(3) Unaudited; subject to change.

Source: Authority

**Billing Methodology Generally.** The cities of Roseville and Lincoln bill their residents and businesses for waste services and then pay the Authority for disposal charges. For waste delivered on behalf of Rocklin and the County by Recology, the Authority bills Recology, and Recology remits the amount due for disposal to the Authority. See “– Solid Waste Delivery Agreements and Waste Collection Practices of Members” above. It is the Authority's practice to send accounts to collections that are past due 90 days and that have not made payments to reduce the balance owed.

**Tipping Fees.** Landfill and MRF tipping fees constitute the largest source of the Authority's revenues. Fees are collected on the refuse received at the Landfill and MRF on a per-ton basis. On July 21, 2022, the Authority Board approved an increase in tipping fees of 8.5% for the second half of Fiscal Year 2022-23 (effective January 1, 2023), 8.5% for Fiscal Year 2023-24 (effective July 1, 2023), and 2.5% for Fiscal Year 2024-25 (effective July 1, 2024).

The following table shows the Authority's tipping fees for municipal solid waste and select materials for (i) the previous five Fiscal Years, (ii) the first half of Fiscal Year 2022-23 (effective July 1, 2022), (iii) the second half of Fiscal Year 2022-23 (effective January 1, 2023), and (iii) Fiscal Years 2023-24 and 2024-25 as approved by the Authority Board on July 21, 2022.

**TABLE 11**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**HISTORICAL TIPPING FEES**  
**(in Dollars per Ton) <sup>(1) (2)</sup>**

<b>Fiscal Year</b>	<b>MSW</b>	<b>C&amp;D</b>	<b>Sludge</b>	<b>Greenwaste</b>	<b>Woodwaste</b>	<b>Foodwaste</b>	<b>Inerts</b>
2017-18	\$69.00	\$47.00	\$33.00	\$36.50	\$26.00	\$40.00	\$16.00
2018-19	70.00	48.00	35.00	38.00	27.00	42.00	18.00
2019-20	70.00	48.00	35.00	38.00	27.00	42.00	18.00
2020-21	73.00	51.00	39.00	42.00	29.00	46.50	20.00
2021-22	88.00	88.00	50.00	66.00	40.00	46.20	25.00
2022-23 <sup>(3)</sup>	88.00	88.00	50.00	68.00	55.00	68.00	60.00
2022-23 <sup>(4)</sup>	95.50	95.50	54.25	74.00	55.00	74.00	60.00
2023-24	103.75	103.75	59.00	80.50	56.75	80.50	61.75
2024-25	106.50	106.50	60.50	82.75	58.25	82.75	63.50

(1) Tipping fees shown in the table above represent the cost per ton to dispose of particular material. Per cubic yard disposal rates have been omitted for purposes of clarity.

(2) The materials shown in the table above represent approximately 99.4% of the overall tonnage and 99.3% of the total tipping fee revenue typically received by the Authority for Fiscal Year 2021. Tipping fees associated with less prominent materials such as appliances and tires have been omitted for purposes of clarity.

(3) Effective commencing July 1, 2022.

(4) Effective commencing January 1, 2023.

Source: Authority

### Ten Largest Customers

The following table shows the 10 largest customers of the Enterprise based on estimated unaudited tipping fee revenues for Fiscal Year 2021-22. See "CERTAIN RISK FACTORS – Concentration of Customers." As of June 30, 2022, the Authority had a total of 454 active customer accounts.

**TABLE 12**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**10 LARGEST CUSTOMERS BASED ON TIPPING FEES**

<b>Customer</b>	<b>Total Tipping Fees<sup>(1)</sup></b>	<b>% of Total<sup>(2)</sup></b>
1. Recology <sup>(3)</sup>	\$14,489,888	32.48%
2. City of Roseville	11,161,708	25.02
3. City of Lincoln	2,749,808	6.16
4. Atlas Disposal Industries	774,289	1.74
5. QCC Inc - Quality Construction	650,428	1.46
6. Allied Waste Services	300,525	0.67
7. Future Plastering, Inc.	283,328	0.64
8. A Teichert & Son, Inc.	212,393	0.48
9. Eagle Painting & Drywall	208,765	0.47
10. Al's Land Clearing Inc.	195,642	0.44
Subtotal Top 10 Customers:	<b>\$31,026,775</b>	<b>69.62</b>
All Other Customers:	<b>13,541,313</b>	<b>30.38</b>
Total	<b>\$44,568,088</b>	<b>100.00%</b>

(1) Unaudited; subject to change.

(2) Reflects percentage of total tipping fee revenues for Fiscal Year 2021-22.

(3) Consists primarily of tipping fees derived from solid waste delivered by Recology from within the service area.

Source: Authority

## Competition

**General.** As shown in the Table 12 above, the Authority's revenues from waste delivered to the Enterprise in accordance with the Solid Waste Delivery Agreements accounted for approximately 64% of the Authority's unaudited revenues for Fiscal Year 2021-22. As described under the caption "– Solid Waste Delivery Agreements and Waste Collection Practices of Members," the Members are obligated through their respective Solid Waste Delivery Agreements to direct their waste to the Enterprise in the amounts specified therein. In this regard, the Authority has, to some extent, legal flow control over a majority of the waste generated within its region.

**Analysis of Tipping Fees.** The Authority's facilities are, to a limited extent, still subject to competition from other facilities in the region based on the liberty of self-haulers to use competing facilities. In connection with the sale of the Series 2022 Bonds, the Authority performed an analysis of tipping fees at competing waste management facilities in counties surrounding Placer County to estimate the potential for existing, non-contractually bound (self-haul) customers of the Authority to utilize other waste management facilities in the future based on possible cost (effective tipping fee) differentials.

The Authority's analysis was based on existing, published tipping fee schedules from other waste management facilities in surrounding counties as of May 2022. Costs were estimated from an Auburn-based starting point and a Roseville-based starting point taking into account the differential additional travel distance, current fuel prices and average vehicle mileage. The Authority then compared the resulting effective tipping fees to the Authority's estimated tipping fees for Fiscal Year 2022-23 to understand if there is an economic advantage for a customer to utilize an alternate facility.

Based on such analysis, the Authority concluded that it was likely that it would lose some of the non-contractually bound C&D and inert materials that it has historically received if it raises its tipping fees to the levels described above for Fiscal Year 2022-23. However, the Authority concluded that the analysis suggests that between 91% and 94% of non-contractually bound customers would most likely continue to consistently utilize the Enterprise.

For purposes of the projections of Net Revenues set forth in this Official Statement under the caption "– Projected Net Revenues and Debt Service Coverage," the Authority has assumed that 92% of non-contractually bound customers will continue to consistently utilize the Enterprise during the projection period.

Below is a summary of the assumptions made by the Authority in its analysis of tipping fees, a description of the competing sites without posted or available rates, a description of the competing sites with posted rates, and reference sites.

Summary of Assumptions. The Authority's analysis of tipping fees included numerous assumptions, including the following:

- No significant changes in regulation that impact overall quantity of wastes generated.
- Vehicle mileage and average per gallon fuel cost for the three self-haul groups as follows:

<b>Self-Haul Group</b>	<b>Vehicle Mileage</b>	<b>Fuel type/\$ gallon</b>
Residential pickup / yardage	15 mpg	Gas / \$5.50 per gal
Residential pickup and trailer / weight	12 mpg	Gas / \$5.50 per gal
Heavy duty truck / weight	12 mpg	Diesel / \$6.00 per gal

- The following tipping fees for the Authority for Fiscal Year 2022-23:

<b>Material</b>	<b>\$ per ton</b>	<b>\$ per cubic yard</b>
Municipal solid waste	\$99.00	\$22.50
C&D	99.00	22.50
Greenwaste	76.50	18.00
Woodwaste	55.00	16.00
Inerts	60.00	60.00

The tipping fees shown above for Fiscal Year 2022-23 for municipal solid waste, C&D and greenwaste are higher than the Authority's approved rates for such Fiscal Year. See the subcaption "– Major Sources of Gross Revenues – Tipping Fees" for a description of current rates.

Competing Sites without Posted or Available Rates. The following solid waste facilities do not post their facility tip fees on their respective websites. The Authority made telephone inquiries in May 2022 to ascertain the current tip fees and whether or not the facilities accept out of county materials and are open to both residential and commercial customers.

- Recology Yuba Sutter Transfer Station (3001 North Levee Road, Marysville, California)
- Recology Ostrom Road (5900 Ostrom Road, Wheatland, California)
- Recology Jepson Prairie Organics / Hay Road Landfill (6426 Hay Road, Vacaville, California)
- Zamora Composting (11220 County Road 94, Zamora, California)

No response was received from the telephone inquiries to the Yuba Sutter Transfer Station and Zamora facility. The Authority understands that while the Ostrom Road, Jepson Prairie and Hay Road sites may accept similar material streams as the Enterprise and may be considered as competing facilities, in some cases their tip fees are negotiable for certain customers. As a result, a meaningful cost comparison could not be made between these facilities and the Enterprise.

Competing Sites with Posted Rates. The following sites provide posted tip fees on their websites. Unless otherwise specifically noted, the Authority assumed each site would accept out of County materials and would generally accept the same materials as the Enterprise. Where a specific material type was not explicitly identified in a facility's posted rates, the Authority made an assumption of how a particular material may be coded based on its general characteristics (for example, if inert materials such as concrete and rubble were not explicitly identified in the tip fee structure but construction and demolition debris was, the Authority assumed the inert materials would be charged at the construction and demolition debris rate.)

- Kiefer Landfill (12701 Kiefer Boulevard, Sloughhouse, California) – Kiefer Landfill accepts a majority of the same materials as the Enterprise, however it operates primarily as a landfill and does not include either a MRF or composting operation. The Authority understands that greenwaste and woodwaste received at the Kiefer Landfill is sent offsite for subsequent processing and most all other materials are landfilled. It does not appear that use of the Kiefer Landfill by existing Enterprise customers would meet the CalGreen or SB 1383 requirements.
- North Area Transfer Station (4450 Roseville Road, North Highlands, California) – Most materials received at the North Area Transfer Station are either sent off site for additional processing (greenwaste, woodwaste, HHW) or sent to Kiefer for beneficial use (inerts) or landfilled. It does not appear that use of the North Area Transfer Station by existing Enterprise customers would meet the CalGreen or SB 1383 requirements.
- L&D Landfill (8635 Fruitridge Road, Sacramento, California) – According to its website, the facility includes both recycling and disposal operations and primarily receives construction and demolition debris and inert materials. L&D does not accept foodwaste or putrescible materials (generally a significant component of municipal solid waste). The effective tip fee for construction and demolition debris is greater than that of the Enterprise while the effective tip fee for inerts is slightly lower.
- Florin Perkins Public Disposal Site (4201 Florin Perkins Road, Sacramento, California) – Similar to the L&D Landfill, Florin Perkins accepts and recycles predominantly construction and demolition debris and inert materials. According to its website, “yard waste, wet garbage or food waste will not be accepted”. The effective tip fee for construction and demolition debris is substantially the same as that of the Enterprise while the effective tip fee for inerts is slightly higher.
- Sierra Waste Recycling and Transfer Station (8260 Berry Avenue, Sacramento, California) – Similar to the L&D Landfill, Sierra Waste accepts and recycles predominantly construction and demolition debris and inert materials. Sierra Waste also accepts green and wood waste but does not accept food waste or putrescible materials (generally a significant component of municipal solid waste).
- McCourtney Road Transfer Station and Recycling Center (14741 Wolf Mountain Road, Grass Valley, California) – The facility charges a premium for out of county municipal solid waste. Construction and demolition debris is accepted and may be slightly less expensive to Enterprise customers that are located in the Auburn area. The facility and is closed Mondays and Tuesdays.

- Yolo County Central Landfill (44090 County Road 28H, Woodland, California) – The facility appears to accept and recycle or dispose of very similar materials as the Enterprise at reasonably competitive rates. However, given the distance to the facility, other than inert materials, the effective tip fee for most materials is greater than that of the Enterprise.
- El Dorado Disposal and MRF (4100 Throwita Way, Placerville, California) – According to its website, a 25% surcharge is imposed for any load of mixed waste that includes recyclable materials. Due to the distance and the potential surcharge on loads, the effective tip fees are significantly higher than that of the Enterprise.

Reference Sites. In addition to the Enterprise, the following three solid waste transfer stations exist within the Authority's service area. All three are operated by Recology and all solid waste received at these facilities is delivered to the Enterprise.

- Auburn Transfer Station (12305 Shale Ridge Road, Auburn, California)
- Meadow Vista Transfer Station (2950 Combie Road, Meadow Vista, California)
- Foresthill Transfer Station (6699 Patent Road, Foresthill, California)

Map. A map of the facilities described above follows on the next page.

### Map of Competing and Reference Facilities

WP WPWMA Bonds - Com...

Location of competing facilities for tip fee comparison analysis

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**Competing Sites - w/ posted rates**

- 1 Kiefer Landfill
- 2 Land D Landfill
- 3 North Area Recovery Station
- 4 Florin Perkins Public Disposal Site
- 5 Sierra Waste Recycling and Transfer Station
- 6 McCourtney Road Transfer Station & Recycl...
- 7 Yolo County Central Landfill
- 8 El Dorado Disposal - Materials Recovery Fac...

**Competing sites - w/o posted rates**

- 1 Recology Ostrom Road
- 2 Zamora Composting
- 3 Jepsen Prairie Organics/Hay Road Landfill
- 4 Recology Yuba-Sutter

**Reference sites**

- 1 Western Regional Sanitary Landfill
- 2 Recology Auburn Placer
- 3 Meadow Vista Transfer Station
- 4 Foresthill Transfer Station

**California Counties**

See “CERTAIN RISK FACTORS – Competition,” “– Withdrawal of Members” and “– Flow Control” herein.

### Capital Plan

The MRF Project and Module 6 Project are part of an extensive capital improvement program to modernize and expand the Authority’s facilities. Once the MRF Project and Module 6 Project are complete, the Authority anticipates that limited capital expenditures will be required at the Enterprise prior to the final maturity of the Series 2022 Bonds.

As previously described, to fully utilize the permitted capacity of the Landfill as of June 30, 2022, the Authority estimates the Landfill would require capital improvements totaling approximately \$60 million (expressed in 2022 dollars) over the life of the Landfill for the construction of landfill modules in addition to Module 6. Other than the construction of Module 6, the Authority does not expect to construct new modules during the next 15 years. The Authority expects to use operating surpluses to pay for such improvements and does not anticipate issuing any additional debt in the next 15 years.

### Financial and Management Aspects of the Enterprise

**General.** In accordance with the Indenture, all revenues of the Enterprise are deposited in the Enterprise Fund for application in accordance with the Indenture. The Indenture contains detailed provisions relating to the financial and operational aspects of the Enterprise. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

A copy of the Authority’s audited financial statements for the period ending June 30, 2021 is attached hereto as Appendix B. CliftonLarsonAllen LLP, Roseville, California, served as independent auditor to the Authority (the “**Auditor**”) for such financial statements. The Authority has not requested nor did the Authority obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the Authority. Further, the Auditor has not taken any action intended to elicit information concerning the accuracy, completeness, or fairness of the statements made in this Official Statement. See APPENDIX B – “ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE WESTERN PLACER WASTE MANAGEMENT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021.”

**Investment Policy.** The Authority is a participant in the Placer County Treasurer’s Pool (the “**County Pool**”). The County Pool is invested in accordance with California State Government Code section 53600 et seq. The Treasury Review Panel is charged with overseeing activity in the County Pool for compliance to policy and code requirements. To this end, the Treasury Review Panel reviews the monthly investment report and causes a compliance audit of investments to occur annually.

Pursuant to California Government Code Section 53646, the County Treasurer prepares investment policy guidelines that are approved by the Treasury Review Panel and the Board of Supervisors annually. The objectives of the policy are, in order of priority, safety of principal, liquidity, and yield. All investments are made in accordance with the California Government Code Section 53601 and, in general, the Treasurer’s policy is more restrictive than State law. The Treasurer’s current investment policy is attached as Appendix I to this Official Statement. The Authority does not have a separate investment policy, or any other policies that address risks associated with investments.

**Cash Reserves.** As of June 30, 2021, the Authority held approximately \$36.4 million in cash and investments, of which approximately \$14.5 million were set aside and restricted for landfill closure and postclosure liability.

As of June 30, 2022, the Authority held approximately \$26.7 million in cash and investments. Of the \$26.7 million balance at June 30, 2022, the Authority has transferred \$2.5 million to the Rate Stabilization Fund as of the date of this Official Statement. The Authority anticipates transferring an additional \$3.5 million to the Rate Stabilization Fund within 180 days following the end of Fiscal Year 2021-22. The Authority also anticipates transferring \$12.2 million to its Capital Projects Fund during Fiscal Year 2022-23 to fund a portion of the MRF Project and Module 6 Project. The Authority projects that its unrestricted cash and investments will total approximately \$10.7 million at June 30, 2023 the foregoing transfers.

### Historical Net Revenues

The following table shows Net Revenues for the previous five Fiscal Years. The Authority did not have any debt outstanding in the previous five Fiscal Years.

**TABLE 13**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**HISTORICAL NET REVENUES<sup>(1)</sup>**

	Fiscal Year Ended June 30				
	2018	2019	2020	2021	2022 <sup>(2)</sup>
<u>Gross Revenues</u>					
Investment Income	\$ 374,856	\$ 592,209	\$ 550,649	\$ 118,202	\$ 124,326
Tipping Fees <sup>(3)</sup>	26,155,523	27,574,001	28,225,506	33,226,648	44,568,088
Rent and Royalties	231,430	249,001	272,784	496,050	526,575
Miscellaneous	264,010	120,534	132,606	117,358	143,096
Total Gross Revenues	\$27,025,819	\$28,535,745	\$29,181,545	\$33,958,258	\$45,362,085
<u>Maintenance and Operation Costs</u>					
MRF Operations	\$13,919,608	\$15,474,802	\$17,645,058	\$18,414,031	\$18,500,642
Landfill Operations	2,062,336	2,245,619	2,613,531	2,591,284	2,858,934
General and Administrative <sup>(4)</sup>	6,889,998	7,575,708	8,605,043	10,026,461	6,874,840
Landfill Maintenance	--	105,915	--	6,880	--
Closure/Postclosure Costs	63,483	797,652	655,273	591,202	737,000
Total Maintenance and Operation Costs	\$22,935,425	\$26,199,696	\$29,518,905	\$31,629,858	\$28,971,416
Net Revenues (net loss) <sup>(5)</sup>	\$3,751,519	\$2,110,450	\$(368,962)	\$2,275,431	\$16,344,239

(1) Certain of the revenues and costs shown in the table above are presented using budgetary basis categories instead of categories utilized for financial statement reporting under GAAP and therefore, may differ from those shown in the Authority's audited financial statements.

(2) Unaudited; subject to change.

(3) Increase in Gross Revenues for Fiscal Year 2021-22 was due to increases in tipping fees and waste delivered to the Enterprise.

(4) The Authority incurred additional third-party engineering and consultant costs associated with preparation of the Authority's Waste Action Plan environmental documents resulting in increases in General and Administrative costs for Fiscal Years 2019-20 and 2020-21.

(5) Net loss in Fiscal Year 2019-20 was due to the Authority's plan to use transfers from reserves generated in previous Fiscal Years to pay for a portion of maintenance and operation costs to keep rates low for customers as no bond related rate covenants existed at that time.

Source: Authority

## Projected Net Revenues and Debt Service Coverage

In the Indenture, so long as the Series 2022 Bonds are outstanding, except as described in the following sentence with respect to Fiscal Year 2022-23, the Authority has covenanted to fix, prescribe and collect rates, fees and charges and manage the operation of the Enterprise for each Fiscal Year so as to yield Net Revenues during such Fiscal Year equal to at least 125% of the Annual Debt Service in such Fiscal Year; provided that withdrawals from the Rate Stabilization Fund may be taken into account for purposes of such calculation, as described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Rate Covenant" herein. For Fiscal Year 2022-23 only, the Authority may satisfy the foregoing covenant by including in Gross Revenues transfers of any moneys in the Rate Stabilization Fund to the Enterprise Fund.

The Authority has prepared projections of Net Revenues for Fiscal Years 2022-23 through Fiscal Year 2026-27, which projections are set forth on Table 14 below.

**TABLE 14**  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**PROJECTED REVENUES AND DEBT SERVICE COVERAGE**

	Fiscal Year Ended June 30				
	2023	2024	2025	2026	2027
<u>Gross Revenues</u>					
Transfer from Rate Stabilization Fund	\$3,500,000	\$ --	\$ --	\$ --	\$ --
Investment Income	95,187	26,517	50,711	91,731	132,699
Tipping Fees	47,234,459	54,339,464	58,197,917	53,122,317	55,533,225
Rent and Royalties	552,146	99,664	99,055	100,986	102,956
Miscellaneous	15,000	15,000	15,000	15,000	15,000
Total Gross Revenues	\$51,396,792	\$54,480,644	\$58,362,683	\$53,330,034	\$55,783,880
<u>Maintenance and Operation Costs</u>					
MRF Operations <sup>(1) (2)</sup>	\$31,420,528	\$32,616,875	\$35,285,255	\$30,436,286	\$31,837,957
Landfill Operations <sup>(1)</sup>	2,792,701	2,808,589	2,838,229	2,885,573	2,924,509
General and Administrative	7,014,359	5,873,054	7,316,091	7,349,027	7,480,788
Landfill Maintenance	15,000	15,000	15,000	15,000	15,000
Closure/Postclosure Costs	1,060,163	650,324	549,758	438,335	454,736
Total Maintenance and Operation Costs	\$42,302,751	\$41,964,571	\$46,004,334	\$41,124,222	\$42,712,611
Net Revenues	\$9,094,041	\$12,516,073	\$12,358,349	\$12,205,812	\$13,071,269
Total Series 2022 Bonds Debt Service*	\$6,335,694	\$8,610,688	\$8,602,188	\$8,605,688	\$8,610,188
Debt Coverage Ratio*	1.44x	1.45x	1.44x	1.42x	1.52x
Unrestricted Ending Cash Balance	\$7,853,547	\$11,758,933	\$15,515,094	\$19,115,219	\$15,886,301
Rate Stabilization Fund Ending Balance	\$2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Days Cash on Hand	88	122	141	189	155

(1) Maintenance and Operation Costs for MRF Operations and Landfill Operations consist primarily of compensation to FCC for its services under the MRF Operating Agreement and the Landfill Operating Agreement, respectively.

(2) Maintenance and Operation Costs for MRF Operations costs vary in each Fiscal Year as Enterprise improvements come online, quantities of materials received at the Enterprise are increasingly directed to the MRF (rather than the Landfill) and the diversion of materials from subsequent disposal increases.

\* Preliminary; subject to change.

Source: Authority

The key assumptions made by the Authority in preparing the projections in Table 14 include:

- Roseville reduces its solid waste to the minimum levels permitted under the Roseville Solid Waste Delivery Agreement in Fiscal Years 2025-26 and 2026-27 (see “THE AUTHORITY AND THE ENTERPRISE – Solid Waste Delivery Agreements and Waste Collection Practices of Members – Delivery Agreements”);
- 92% of self-haul customers continue to utilize the Enterprise after July 1, 2022 in response to increases in tipping fees based on the Authority’s analysis of tipping fees at competing waste management facilities (see “THE AUTHORITY AND THE ENTERPRISE – Competition”);
- Future waste stream growth at the Enterprise is correlated to projected regional population growth estimates prepared by the Sacramento Area Council of Governments (“**SACOG**”):
  - Waste streams associated directly with residential and commercial populations (e.g., municipal solid waste, landscaping and other yard waste, wastewater treatment plant sludges, etc.) are projected to grow at an average annual rate of 1.375% throughout the projection period (consistent with SACOG population growth estimates);
  - Waste streams associated with development to address population growth (e.g., construction and demolition debris, wood, concrete, dirt and other “inert” materials, etc.) are assumed to grow at an initial annual average rate of 5% for two years then gradually decline to less than 1% year over year growth by Fiscal Year 2031-32 as regional development matures and levels off.
- MRF Operations costs vary in each Fiscal Year as Enterprise improvements come online, quantities of materials received at the Enterprise are increasingly directed to the MRF (rather than the Landfill) and the diversion of materials from subsequent disposal increases;
- Costs associated with disposal taxes paid to the State of California and costs associated with landfill closure/postclosure obligations decline with full implementation of MRF facility improvements and then gradually resume an increasing trend associated with overall wastestream growth;
- Royalties associated with utilization of the Authority’s landfill gas resource are assumed to cease coincident with the scheduled expiration of the existing Energy 2001 lease agreement at the end of Fiscal Year 2022-23.
- Maintenance and Operation Costs increase annually at an average rate of 2%; MRF and Landfill operational cost escalators are tied directly to Producer Price Indices and Employment Cost Indices published by the U.S. Bureau of Labor Statistics;

- Authority Board approved an increase to tipping fees of 8.5% for the second half of Fiscal Year 2022-23 (effective January 1, 2023), 8.5% for Fiscal Year 2023-24 (effective July 1, 2023), and 2.5% for Fiscal Year 2024-25 (effective July 1, 2024).
- Cash on hand of the Authority is used to optionally redeem the Series 2022B Bonds in Fiscal Year 2026-27 resulting in a decrease in projected days cash on hand for such Fiscal Year.

While the Authority believes these assumptions to be reasonable, the assumptions may vary significantly from actual future conditions due to unanticipated events and circumstances. Actual results will vary from those projected below. In particular, the Authority provides no assurance that the Series 2022B Bonds will be optionally redeemed in Fiscal Year 2026-27 as projected in Table 14.

### **Risk Management**

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, pollution, and natural disasters and insurance is one of the tools the Authority uses to mitigate risk.

The Authority has commercial property insurance, through the Alliant Insurance Program, that affords up to \$100,000,000 in coverage per occurrence. The property policy has a \$10,000 per occurrence deductible which applies to losses unless a more specific deductible applies. Property policies have sub-coverages that could have higher or lower deductible than the \$10,000 amount. The commercial general liability affords up to \$2,000,000 per occurrence and has a \$2,000,000 general aggregate limit. The liability policy has a \$5,000 deductible for the commercial general liability coverage part and a \$25,000 deductible for the third party premises pollution coverage part.

There have been no significant reductions in any insurance coverage, nor have there been any insurance related settlements that exceeded insurance coverage during the past three Fiscal Years.

### **Pension and Other Post-Employment Benefits**

All employees of the Authority are also employees of the County. Starting in Fiscal Year 2021-22, to add transparency and clarity to its salary costs, the Authority began reporting the direct salary costs into the salary general ledger expense accounts in its audited financial statements for such Fiscal Year. In prior Fiscal Years, these costs were charged to a related division in Placer County, where they then flowed through to the Authority and were reported through the professional services expense accounts. Additionally, as part of the change, the Authority will begin reporting compensated absences liability, net pension liability and net OPEB liability its audited financial statements for such Fiscal Year. Such financial statements are not available as of the date of this Official Statement.

## **REGULATION**

Construction, operation and maintenance of the Enterprise are subject to federal, state and local regulation. Following are brief descriptions of certain statutes and regulations relating

to the Enterprise. It is not intended to be an exhaustive list of all applicable regulatory requirements relating to the Enterprise.

### **California Integrated Waste Management Act of 1989 (AB 939)**

Integrated Waste Management Plans. Among other requirements, the California Integrated Waste Management Act of 1989, adopted by AB 939, directs all California cities and counties to maximize all feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed of by transformation (through waste-to-energy projects or other processes) and land disposal. As a result of AB 939, solid waste management changed to an integrated solid waste management approach in which source reduction, recycling and composting play an integral role in the waste management strategy.

Under AB 939, each local agency in the State was mandated to achieve a 25% diversion in solid waste disposed of in landfills or by incineration through waste reduction or recycling by January 1, 1995, and a 50% reduction by the year 2000. Furthermore, as discussed below, under AB 341, the State's diversion goal increased to 75% by 2020. AB 341 does not impose a 75% diversion requirement on each local agency. The 50% disposal reduction mandate still stands for cities, counties under AB 939. Local agencies are responsible for these goals whether or not they control disposal of waste generated within their jurisdiction. Local agencies could face monetary fines of up to \$10,000 per day if CalRecycle deems local plans to be inadequate or if localities fail to satisfactorily implement plans to achieve the 25% and 50% reduction goals. The Members of the Authority are responsible for undertaking any recycling or diversion activity required by AB 939. The Members, not Authority, are responsible for complying with AB 939. However, the construction and operation of the MRF by the Authority was intended to assist the Members in meeting the diversion requirements of AB 939. As of the date of this Official Statement, the Members are in compliance with the diversion requirements of AB 939.

AB 939 requires quarterly payments by the Authority to CalRecycle in an amount adjusted annually for administering AB 939. The current amount is based on \$1.40 per ton of waste buried at the Landfill. The amount for Fiscal Year 2021-22 is budgeted at \$413,147. AB 939 fees payable in the future are included in the financial projections of Net Revenues prepared by the Authority and included in this Official Statement.

Assembly Bill 341 ("**AB 341**") was signed into law in 2011, amending AB 939 to, among other things, establish a Statewide goal of 75% diversion by 2020. As previously described, AB 341 does not impose a 75% diversion requirement on each local agency. The 50 percent disposal reduction mandate still stands for cities, counties under AB 939. AB 341 further requires all businesses generating four cubic yards of solid waste and all multi-family complexes of five units or more to arrange for recycling services by July 1, 2012. Although the Enterprise's programs and facilities are intended to assist the Members with compliance with AB 341, each Member (and not the Authority) is responsible for compliance with AB 341.

Assembly Bill 1826 ("**AB 1826**") was signed into law in 2014, further amending AB 939. This amendment requires all businesses generating eight or more cubic yards of compostables to participate in a compostables collection program (food scraps, green waste and wood) by April 1, 2016. Businesses generating four cubic yards of compostables per week were required to participate by January 1, 2017. Businesses generating two cubic yards of solid waste per week are now also required to participate. In addition, multi-family complexes of five or more units were required to participate in a compostables collection program for green waste and

wood by April 1, 2016. The Authority had previously established a process for managing these materials via composting.

Closure and Postclosure Costs. For landfills closed on or after January 1988, state law requires counties in the State to provide for closure and postclosure maintenance costs of their landfills. This may be accomplished through a variety of specified means. In general, closure costs relate to final cover and other costs associated with closing a landfill. Postclosure costs relate to leachate control, groundwater monitoring, drainage control and maintenance, final cover and vegetation. New or increased regulations could substantially increase the requirements and costs associated with closure and postclosure of landfills. See “CERTAIN RISK FACTORS – Statutory and Regulatory Impact.” The Authority’s estimates for closure and postclosure costs are based on current regulatory requirements, including Subtitle D of the RCRA. There can be no assurance that the actual costs will not be greater or less than the Authority’s estimated costs that are based upon current regulations and requirements.

As previously described, the Authority Board established a closure and postclosure fund reserve in accordance with Resolution No. 92-4, which was subsequently updated via Resolution No. 08-05 to provide financial assurance for the closure and postclosure maintenance costs. Title 14 of the California Code of Regulations 18267(b), requires that closure funds, like the Authority’s closure reserve fund, be sized so that monies in the fund at any given time will cover the portion of the closure costs attributed to the percentage of the total permitted landfill capacity that has been used. When 100% of the landfill capacity is reached, the closure fund should be fully funded. The Authority’s closure cost estimates are annually reviewed by CalRecycle, as required. The projected operating results for the Authority show an annual expense for closure fund transfer, which represents the annual contribution to the closure fund account. This expense continues until the landfill capacity is exhausted. When the capacity is exhausted, it is anticipated that adequate funds will have been accumulated in the closure fund equal to the estimated closure costs including closure design, engineering, and construction. The projected operating results for the Authority also include expenditures for postclosure expenses when such expenditures are anticipated to be incurred. See “THE AUTHORITY AND THE ENTERPRISE – Financial and Management Aspects of the Enterprise.”

The Governmental Accounting Standards Board (“GASB”) issued a statement that requires state and local entities which are required by law to incur postclosure liabilities to recognize a prorated portion of those postclosure liabilities as a current expenditure. Although GASB requires the current recognition of pro rata closure and postclosure costs for financial reporting purposes, it does not require the Authority to reserve postclosure costs in separate trust funds (as is required by state and federal law with respect to closure costs). See “THE AUTHORITY AND THE ENTERPRISE – Closure and Postclosure Liabilities” and “– Financial and Management Aspects of the Enterprise.”

### **Federal and Other State Laws Governing Solid Waste Disposal**

The Enterprise is regulated at the local, state and federal levels. CalRecycle has primary oversight and regulatory responsibilities of the Enterprise and has designated the LEA as its enforcement representative. The LEA makes monthly inspections of the Landfill and MRF to ensure that the Authority is complying with the provisions of the Solid Waste Facility Permits for both the MRF and Landfill. The Enterprise also must comply with regulatory requirements as set forth by the local Regional Water Quality Control Board, the Placer County Air Pollution Control District, the EPA and California Environmental Protection Agency. On October 9, 1991, the EPA promulgated changes to the RCRA. The regulations provide for nationwide minimum

standards for landfilling municipal solid waste and became effective on October 9, 1993. The regulations include requirements relating to daily cover, gas control, record keeping, groundwater monitoring, and closure and postclosure maintenance. Individual states must apply to the EPA to become an “Approved State,” demonstrating that their state waste management plan is in compliance with federal Subtitle D requirements. After the EPA approves a state plan, the regulations permit discretion on the part of state regulators to grant some flexibility to landfill operators in implementing Subtitle D regulations. California has been designated an “Approved State.”

The United States Congress and the State legislature are, at any given time, considering a variety of bills involving solid waste and recycling issues. The Authority is unable to predict which, if any, of the potential State or federal legislative enactments may be implemented or how any particular proposed legislation might impact the solid waste collection, recycling and disposal services provided by the Authority. See “CERTAIN RISK FACTORS – Statutory and Regulatory Impact.”

### **California Senate Bill 1383**

SB 1383 enacted in September 2016, establishes targets to achieve a 50% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction by 2025. SB 1383 grants CalRecycle the regulatory authority required to achieve the organic waste disposal reduction targets and establishes an additional target that not less than 20% of currently disposed edible food is recovered for human consumption by 2025. In September 2020, CalRecycle adopted regulations formalizing implementation responsibilities across the waste sector and includes requirements for generators, industry, local governments, and other entities.

SB 1383 codifies the California Air Resources Board’s Short-Lived Climate Pollutant Reduction Strategy, established pursuant to Senate Bill No. 605 to achieve reductions in the statewide emissions of short-lived climate pollutants. SB 1383 requires a 40% reduction in methane, a 40% reduction on hydrofluorocarbon gases and a 50% reduction in anthropogenic black carbon by 2030 relative to 2013 baseline levels. Although the Enterprise’s programs and facilities are intended to assist the Members with compliance with SB 1383, each Member (and not the Authority) is responsible for compliance with SB 1383 with respect to waste generated within the jurisdiction of such Member.

As previously described, the MRF Project is intended to assist the Members to comply with SB 1383. See “THE FINANCING PLAN – The Projects – MRF Project” for additional information regarding the MRF Project.

### **Air and Water Quality Regulations**

Solid waste management facilities are closely monitored to protect air and water quality. Under the Porter-Cologne Water Quality Control Act (“**Porter-Cologne**”), the Authority is required to report waste discharges that could affect water quality. Porter-Cologne is administered and enforced by the State Water Resources Control Board and Regional Water Quality Control Boards. The Authority’s landfills are regulated by the Regional Water Quality Control District and the regional Placer County Air Pollution Control District.

Pursuant to Porter-Cologne, the Regional Water Quality Control Board issues waste discharge requirements (“**WDRs**”) containing terms and conditions of permitted discharges for

the landfills. The WDRs typically mandate a regular self-monitoring program to detect pollutants. In the event of a violation of a WDR, the Regional Water Quality Control Board may issue either a cease and desist order or a cleanup and abatement order that mandate deadlines for remedial action. A landfill operator's failure to comply with a Regional Water Quality Control Board order or reporting requirements may result in administrative or judicial civil liabilities ranging up to \$27,500 a day. In the previous five years, the Authority has not had any material violations of any WDRs.

Porter-Cologne also instituted the Solid Waste Assessment Testing program which requires an analysis of surface and groundwater under and near waste management facilities. If contamination outside of the landfill occurs, operators of the facility must notify the State Department of Health Services and CalRecycle. These agencies will impose remedial action upon the facility.

The California Clean Air Act and the Lewis-Presley Air Quality Management Act authorize the adoption of rules and regulations for air quality permits and govern the enforcement of those permits and rules. Such acts are administered and enforced by the regional Placer County Air Pollution Control District. Various rules apply to landfill operations, including rules which relate to methane gas monitoring and migration, as well as rules which relate to specific equipment and machinery, above ground fuel tanks and fugitive dust emissions. The Placer County Air Pollution Control District conducts periodic inspections of the Enterprise and, in a fashion similar to the Regional Water Quality Control Board, may impose civil liabilities for permit violations.

### **Compliance with Current Operating Standards**

As of the date of this Official Statement, the Authority believes it is materially compliant with all significant regulatory requirements, including the laws and regulations described above.

## **CERTAIN RISK FACTORS**

*The following describes certain special considerations and risk factors affecting the payment of and security for the Series 2022 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Series 2022 Bonds and the order in which information is presented does not necessarily reflect the relative importance of the various risks. Potential investors in the Series 2022 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Series 2022 Bonds. There can be no assurance that other considerations will not materialize in the future.*

### **Limited Liability**

THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL AND INTEREST ON THE SERIES 2022 BONDS IS A LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR, AND DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY OR THE MEMBERS FOR WHICH THE AUTHORITY OR THE MEMBERS ARE OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY OR THE MEMBERS HAVE LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2022 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE MEMBERS, THE STATE OF

CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR ANY STATUTORY DEBT LIMITATIONS OR OTHERWISE, OR A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE MEMBERS.

The Authority is not required to advance any moneys derived from any source of income other than the Net Revenues and other sources specifically identified in the Indenture for the payment of amounts due thereunder or for the performance of any agreements or covenants required to be performed by it contained therein.

The Series 2022 Bonds are not secured by, and the Owners thereof have no security interest in or mortgage on, the Enterprise or any other assets of the Authority. Default by the Authority will not result in loss of the Enterprise or any other assets of the Authority. Should the Authority default, the Trustee may declare the principal of all of the Series 2022 Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

### **Certain Factors Affecting Solid Waste Disposal Facilities Generally**

In the solid waste service industry there are often unforeseeable risks and potentially substantial cost exposures associated with the establishment, ownership and operation of solid waste sanitary landfill sites and other types of waste processing and disposal facilities. These risk factors include, but are not limited to: (i) the difficulty of obtaining permits to expand or establish new sites and facilities and public and private opposition to the location, expansion and operation of these facilities; (ii) increasing political activities at all levels that seek to restrict the operation of disposal facilities as well as the movement of waste for disposal; (iii) costs associated with liner requirements, leachate and methane gas control, post-closure monitoring, site cleanup, other remedial work and maintenance and perpetual care obligations; (iv) alleged possible adverse effects on groundwater and the environment; (v) substantial regulatory compliance expenditures, fines or other sanctions and civil damage liabilities; (vi) demonstrating financial responsibility and conforming to prescribed or changing standards and methods of operation; (vii) judicial and administrative proceedings regarding alleged possible adverse environmental and health effects of landfills or treatment and disposal facilities; and (viii) legislation that requires additional waste recycling (thereby reducing Enterprise demand), minimizing and incineration.

### **Rate Covenant Not a Guarantee; Failure to Meet Projections**

Although, as more particularly described herein, the Authority expects that sufficient revenues will be generated through the imposition and collection of tipping fees and other Gross Revenues described herein, there is no assurance that such imposition of tipping fees or other Gross Revenues will result in the generation of Net Revenues in the amounts required by the Indenture. As a result, the Authority may be unable to comply with the covenants under the Indenture regarding generation of revenues and the Authority's covenant does not constitute a guarantee that sufficient Net Revenues will be available to make debt service payments on the Series 2022 Bonds. In addition, the Authority's financial projections are based on a number of assumptions, including timely receipt of various payments from private waste haulers. Changes in circumstances, including but not limited to failure of private haulers to make these payments in a timely manner (for any reason, including but not limited to the bankruptcy of such private hauler or the existence of a contract dispute between the private haulers and the Authority or

between the private haulers and the Members) could have a material adverse impact on the ability of the Authority to make debt service payments with respect to the Series 2022 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Rate Covenant.”

### **Enterprise Expenses**

There can be no assurance that expenses of the Authority will be consistent with the levels contemplated in this Official Statement. Changes in technology, changes in quality standards, increases in the cost of operation or other expenses and changes in regulations could require substantial increases in rates or charges in order to comply with the rate covenant in the Indenture. Any such rate increases could increase delinquencies by Enterprise customers and increase the possibility of nonpayment of the Series 2022 Bonds as well. See “– Statutory and Regulatory Impact.”

### **Projections**

The projections in this Official Statement are not necessarily indicative of future performance. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Series 2022 Bonds are cautioned not to place undue reliance upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of Net Revenues may be materially less than expected and consequently, the ability of the Authority to make timely payment of the principal of and interest on the Series 2022 Bonds may be materially adversely affected.

Neither the Auditor nor any other independent accountants have compiled, examined or performed any procedures with respect to the Net Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Net Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability.

### **Competition**

Generally, the ability of the Authority to generate Net Revenues in the amounts contemplated by the Indenture depends on the continuing delivery to the Enterprise of solid waste generated within the Authority’s service area in the amounts anticipated by the Authority. A substantial amount of the solid waste generated in the Authority’s service area has for many years been received at the facilities which comprise the Enterprise. In addition, each Member of the Authority has entered into Solid Waste Delivery Agreements pursuant to which each Member is obligated to cause the delivery of solid waste to the Enterprise in the amounts set forth in the Solid Waste Delivery Agreements. A number of alternative transfer or disposal sites outside the Enterprise currently exist. While other transfer sites could potentially be located within the Authority’s service area, the Authority still retains, to the same extent, flow control over municipal solid waste generated within the jurisdictional boundaries of the Members in the amounts set forth in the Solid Waste Delivery Agreements (see “– Flow Control” below). The Authority believes that it is unlikely that any alternative disposal sites will ever be located in the Authority service area due to the regulatory environment. In the event that competing transfer or disposal sites in the future represent more economical or convenient alternatives for

collectors and generators of a significant amount of waste generated in the Authority's service area and Members elect to leave the Enterprise, the use of alternative transfer or disposal sites outside of the Enterprise by such waste collectors and generators could have a material adverse impact on the ability of the Authority to generate Net Revenues in the amounts required by the Indenture and to pay debt service on the Series 2022 Bonds.

### **Disposal Capacity**

As of June 30, 2021, the Landfill had approximately 22,691,000 cubic yards of remaining permitted capacity. Based on permitted waste disposal limits in the Landfill SWFP and historical tonnage disposal rates, the Landfill SWFP includes an estimated closure date for the Landfill of December 2058, which is after the final maturity of the Series 2022 Bonds on June 1, [2042]. As previously described, the MRF Project is intended to assist the Authority, and thereby the Members, to meet certain diversion goals under California law, including a 75% diversion rate requirement for organics required under SB 1383. The Authority estimates that, if such diversion goals are met, the landfill capacity at the Landfill will be extended to approximately 2075. The estimated life of the Landfill could be further extended if additional recycling and diversion programs are implemented to reduce landfill tonnage. If advanced waste diversion technologies are contracted for or implemented in the near future, it would have a more dramatic impact on buried tonnage, further extending the landfill capacity and life.

The Authority may also provide additional capacity by establishing or expanding the MRF and Landfill onto adjacent, undeveloped land parcels owned by the Authority if the required permits are obtained. However, no assurances can be provided by the Authority that such permits could be obtained if and when applied for, or that the cost of expanding the Enterprise or the use of alternative disposal sites would not significantly increase the Maintenance and Operation Costs of the Enterprise and materially adversely affect the ability of the Authority to generate Net Revenues in the amounts required by the Indenture and to pay debt service on the Series 2022 Bonds.

### **Withdrawal of Members**

The Authority Agreement may be terminated at any time by mutual agreement of the Members. In addition, each Member has the option to withdraw from the Authority Agreement prior to termination. In consideration of said option, the Members agreed that any withdrawing party waives all rights under the Authority Agreement including, but not limited to, any share in the proceeds from disposal of the property of the Authority upon termination of the Authority Agreement.

The Solid Waste Delivery Agreements expire no earlier than one year after full repayment of all financing mechanisms obtained by the Authority, or by others on behalf of the Authority, for the purpose of modifying the MRF (i.e. the MRF Project). The Solid Waste Delivery Agreements also provide that they will remain in full force and effect regardless of whether Members continue to be a member of the Authority. As of the date of this Official Statement, the Authority is not aware of any Member intending to withdraw from the Authority Agreement or to terminate its Solid Waste Delivery Agreement. See "THE AUTHORITY AND THE ENTERPRISE –The Authority – Authority Agreement; Solid Waste Delivery Agreements" and "– Solid Waste Delivery Agreements and Waste Collection Practices of Members."

In accordance with the Authority Agreement and Solid Waste Delivery Agreements, the Members could decide to withdraw from the Authority in the future. The actual withdrawal of a

Member would likely be the subject of litigation and could have a material adverse impact on the finances and operations of the Authority and a negative impact on the ratings of any Authority bonds and the market price of such bonds (including the Series 2022 Bonds).

### **Concentration of Customers**

The 10 largest customers of the Enterprise accounted for approximately 69% and 68% of estimated unaudited tipping fee revenues and total unaudited total revenues for Fiscal Year 2021-22, respectively.

As described under the caption “THE AUTHORITY AND THE ENTERPRISE – Ten Largest Customers,” Recology was the largest customer of the Enterprise in Fiscal Year 2021-22 accounting for approximately 33% of estimated unaudited tipping fee revenues for such Fiscal Year. Such tipping fee revenues relate to solid waste delivered to the Enterprise by Recology under franchise agreements with the County and the City of Rocklin. The cities of Roseville and Lincoln were the second and third individual customers of the Enterprise in Fiscal Year 2021-22 accounting for approximately 25% and 6%, respectively, of estimated unaudited tipping fee revenues for such Fiscal Year. No assurances can be made of the willingness and ability of any of the ten largest customers to pay tipping fees to the Enterprise when due.

Significant reduction in tipping fees received by the Authority from Recology and the cities of Roseville and Lincoln could, by itself or in combination with other factors, have a material adverse effect on the Authority’s ability to pay debt service on the Series 2022 Bonds as such payments become due and payable

### **Public Health Emergencies**

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the WHO announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 has since spread across the globe. The spread of COVID-19 is having significant adverse health and financial impacts throughout the world, including the Authority’s service area. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Governor of the State and the President of the United States.

The COVID-19 outbreak is ongoing, and its duration and severity and its economic effects are uncertain in many respects. Uncertain too are the additional actions, if any, that may be taken by federal and State governmental authorities to contain or mitigate the effects of the outbreak. The ultimate impact of COVID-19 on the Authority’s operations and finances and the economy, real estate market and development within the Authority’s service area is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. However, to date, the COVID-19 pandemic has not had a material impact on the operations or finances of the Authority. See “THE AUTHORITY AND THE ENTERPRISE – Public Health Emergency – COVID-19.” Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the Authority’s operations and finances.

### **Statutory and Regulatory Impact**

Laws and regulations governing solid waste management are enacted and promulgated by government agencies on the federal, state and local levels. These laws and regulations

address the design, construction, operation, maintenance, closure and post-closure maintenance of various types of facilities; acceptable and prohibited waste types; and inspection, permitting, environmental monitoring and solid waste recycling requirements. Laws and regulations at both the State and federal levels impose retroactive liability, particularly with respect to cleanup activities, relating to the Landfill. Thus, the Authority has potential liability with respect to the Landfill. Compliance with these laws and regulations may be costly, and, as more stringent standards are developed to protect the environment, these costs will likely increase. Claims against the Authority may be significant. Such claims are payable from assets of the Enterprise or from other legally available sources. No assurance can be given that the cost of compliance with such laws and regulations will not materially adversely affect the ability of the Authority to generate Net Revenues in the amounts required by the Indenture and to pay debt service with respect to the Series 2022 Bonds.

### **Hazardous Waste**

Although the Authority has implemented a hazardous waste inspection program at the Enterprise to monitor the waste stream and prevent the inadvertent or unintended disposal of hazardous wastes, as well as a household hazardous waste drop off facility at the Enterprise, hazardous waste may be delivered to and inadvertently accepted at the Enterprise. In the event that hazardous waste is discovered at the Enterprise, the Authority, as owner of the Enterprise, would have primary financial responsibility for the management and subsequent legal disposal of such hazardous waste under various state and federal laws, including the Comprehensive Environmental Responsibility Compensation and Liability Act (i.e., “**Superfund**”). In addition, the regulations of the State Water Resources Control Board for landfills require that the landfill owner obtain and maintain assurances of financial responsibility for initiating and completing corrective action for all known or reasonably foreseeable releases from the landfill. The financial assurance requirements are developed based on a Correction Action Program and estimated costs of implementing such a corrective action. Regulatory requirements of the State Water Resources Control Board include financial assurance requirements in accordance with applicable law. There can be no assurances that future expenses required to be incurred by the Authority for remediation of environmental conditions at one or more locations within the Enterprise (which constitute Maintenance and Operating Costs pursuant to the Indenture) will not materially exceed the Authority’s estimates of such expenses. Significantly increased costs relating to remediation of environmental conditions in the Enterprise could materially adversely affect the ability of the Authority to generate Net Revenues at the levels required by the Indenture.

### **Insurance**

The Indenture obligates the Authority to procure and maintain certain insurance or self-insurance with respect to the Enterprise in the event of damage or destruction to such portion of the Enterprise. If the Enterprise is damaged or destroyed, there can be no assurance that the insurance proceeds will be sufficient to repair or restore the Enterprise, or to defease all of the then-Outstanding Series 2022 Bonds. Significant damage to the Enterprise could prevent the Authority from generating sufficient Net Revenues to pay debt service on the Series 2022 Bonds. In addition, the Authority cannot provide any assurance as to whether the provider of an insurance policy will pay under such policy. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” for a description of the insurance that is required by the Indenture. See the caption “THE AUTHORITY AND THE ENTERPRISE – Risk Management” for a description of the Authority’s current insurance coverages. Certain risks, such as earthquakes, are not required to be covered under the Indenture.

## Facility Fires

In November 2021, the MRF experienced a fire which damaged a significant amount of the processing equipment and resulted in reduced material recovery potential. The Authority has since initiated repairs to the MRF to return it reasonably close to pre-fire conditions. As part of the MRF Project, a series of advanced fire detection units manufactured by Fire Rover will be installed in the MRF. Fire Rover units are designed to use thermography and video analytics to identify fires and hot spots and to initiate automatic suppression systems and reduce the potential for future potentially significant fire events in the MRF. Support facilities at the MRF include a maintenance area, the Authority's administration building, and firefighting equipment. In addition, most structures at the site are equipped with a sprinkler system that will turn on automatically in case of a fire. The MRF building (exclusive of the offices) is equipped with automated roof-mounted heat/smoke vents.

Fires caused by ignition of solid waste occur routinely, and are a normal part of operations, at most solid waste facilities, including the Enterprise. Most recently, on August 2, 2022, portions of waste on the receiving floor of the MRF caught on fire. Firefighters from Station 77 located approximately 1.5 miles east of the Enterprise (and which is partially funded through annual voluntary contributions by the Authority) responded immediately and were able to contain and extinguish the fire. No injuries or significant damage to the MRF were caused by the fire.

No assurance can be provided by the Authority that current or future fire prevention and suppression measures at the Enterprise will adequately protect the Enterprise from substantial damage or destruction from fires in the future. See "– Insurance" above.

## Risk of Nonperformance or Bankruptcy by Third Parties

The Authority has entered into various agreements relating to the Enterprise, including the FCC Operating Agreements with FCC relating to the operations of the Landfill and the MRF. In addition, the Members have, and may in the future enter into additional, agreements with third parties related to the collection of solid waste within their respective jurisdictions. With respect to the County and the City of Rocklin, such agreements include the Placer County Franchise Agreement and the Rocklin Franchise Agreement with Recology, respectively. In the event that any of any such contractors fail to meet their obligations under such agreements, the contractors could be subject to damages and the agreements terminated as provided therein. There can be no assurances that the private contractors will provide services in accordance with their contractual commitments. The extended failure of any of the private contractors to meet their obligations under such contracts could materially adversely affect the ability of the Authority to generate Gross Revenues and Net Revenues in the amounts required pursuant to the Indenture.

In the event of the bankruptcy of a major contractor of the Authority or any Member, the automatic stay provisions of the United States Bankruptcy Code (the "**Bankruptcy Code**") could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by such contractor to the Authority or any action to enforce any obligation of the contractor to the Authority or any Member. With the authorization of the bankruptcy court, the contractor may be able to repudiate some or all of its agreements with the Authority or any of the Members, including the obligation to pay to the Authority tipping fees, and to stop performing its obligations (including payment obligations) under such agreements. Such a repudiation could also excuse the other parties to such agreements from performing any of their obligations. The

contractor may be able, without the consent and over the objection of the Authority, any Member, the Trustee, and the holders of the Series 2022 Bonds, to alter the terms, including the payment terms, of its agreements with the Authority or any such Member, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, the contractor may be able to assign its rights and obligations under any of its agreements with the Authority or any such Member to another entity, despite any contractual provisions prohibiting such an assignment.

### **Bankruptcy Risks**

The rights of the owners of the Series 2022 Bonds and the enforceability of the Authority's obligation to make payments on the Series 2022 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future, and may also be subject to the exercise of judicial discretion under certain circumstances.

Under existing law, the Authority is eligible to file for bankruptcy. Should the Authority file for bankruptcy, there could be adverse effects on the holders of the Series 2022 Bonds. In a bankruptcy of the Authority, the Trustee and the owners of the Series 2022 Bonds may be prohibited from taking any action against the Authority, any official of the Authority, or any property of the Authority to enforce the terms of the Indenture, unless the consent of the bankruptcy court is first obtained. The bankruptcy court is not required to give its consent. This prohibition on action may even prohibit the Trustee from using funds in its possession to make payments on the Series 2022 Bonds. As a result, Owners may experience temporary or permanent delays in the payment of the Series 2022 Bonds.

In a bankruptcy case, a plan of adjustment for the Authority could be confirmed that would allow for enforcement of the Indenture, but the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants and other terms or provisions of the Indenture and the Series 2022 Bonds may be altered by the bankruptcy court. Such a plan could be confirmed even over the objections of the Authority or the Trustee as its assignee and the owners of the Series 2022 Bonds, and without their consent. Additionally, the resulting plan could adjust some or all of the Authority's financial obligations, which include the Authority's payment obligations under the Indenture.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance and delivery of the Series 2022 Bonds will be qualified by the effect of a bankruptcy. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the owners of the Series 2022 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

### **Parity Debt**

The Authority may issue Parity Debt the payment of which will be on a parity with the Series 2022 Bonds, on the terms and upon satisfaction of the conditions specified in the Indenture. The Authority may also incur Subordinate Debt. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Conditions Precedent to Incurrence of Parity and Subordinate Debt."

The coverage tests for the issuance of Parity Debt involve, to some extent, projections of Net Revenues. If Parity Debt is issued in the future, the debt service coverage for the Series 2022 Bonds would be diluted below what it otherwise would be. Moreover, there is no assurance that the assumptions that form the basis of such projections, if any, will be actually realized subsequent to the date of such projections. If such assumptions are not realized, the amount of future Net Revenues may be less than projected, and the actual amount of Net Revenues may be insufficient to provide for the payment of the Series 2022 Bonds and any Parity Debt.

The Indenture does not require a deposit to a debt service reserve fund in connection with issuance of any Parity Debt in the future. "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Conditions Precedent to Incurrence of Parity Debt and Other Obligations."

### **Earthquake or Other Natural Disasters**

The County is traversed by a series of northwest trending-faults that are related to the Sierra Nevada uplift. Although western and eastern parts of the County are located in a seismically active region, no known faults actually go through any of the cities or towns within the County. However, the Bear Mountain and Melones faults are situated approximately three to four miles west and east from Auburn, respectively. Earthquakes along these faults have the potential for damaging buildings in Auburn, especially the unreinforced structures in the older part of Auburn and homes built before 1960 without adequate anchorage of framing and foundations. Other active and potentially active faults are present in the Bay Area and may produce earthquakes that could affect the County.

Potential damage to landfills from earth movement or other natural disasters includes landslides and possible reconfiguration of landfill surfaces. Under these circumstances, a landfill may not meet regulatory requirements and may not be operable for some period of time. The occurrence of an earthquake or other natural disaster which results in the temporary or permanent closure of major components of the Enterprise or results in significant increases costs could materially adversely affect the ability of the Authority to operate the Enterprise or to generate Net Revenues at the levels required by the Indenture.

### **Climate Change**

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the Authority and the Members is difficult to predict, but it could be significant and it could have a material adverse effect on the Authority by requiring greater expenditures to counteract the effects of climate change or by changing the operations and activities of residents and business establishments within the Authority's service area, including reductions in waste delivered to the Enterprise.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events.

The County encompasses approximately 550,000 acres of forested land stretching from Auburn to Lake Tahoe, including parts of two national forests and 60 percent of Lake Tahoe's west shore. Since 2001, the County has experienced several major wildfires that burned thousands of acres within the County, including important upland watersheds. However, the Enterprise is not within an area classified as a Very High Fire Hazard Severity Zone by California Department of Forestry and Fire Protection, also known as CalFire.

Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. Property damage due to wildfire within the Authority's service area could result in a significant decrease in waste delivered to the Enterprise.

## **Cyber Security**

The Authority, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Authority is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Authority's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage.

The Authority's employees are also employees of the County and the Authority's information technology systems are maintained by the County. The County employs a multi-level cyber protection scheme that includes firewalls (both host-based and network-based), anti-virus software, anti-spam/malware software, intrusion protection, domain name system filtering software and other measures. In 2019, the Board of Supervisors adopted the Countywide Information Security Program Charter (the "**County Security Program**"), which establishes a comprehensive security program to protect the confidentiality, availability and integrity of the County's informational assets (which include all data, in any form, and all data systems anywhere within the County and hosted off-site). The County Security Program is based on principles established by the National Institute of Standards and Technology. The County Security Program establishes an Information Security Officer, whom is responsible for the day-to-day management of the County's information technology security team and countywide information security function.

In 2019, the Board of Supervisors also adopted the Countywide Information Security Policies (the "**Security Policies**") to support the County Security Program. The Security Policies are based on Federal standards adopted by the State and apply to everyone who uses the information resources of the County (and therefore, the Authority), including employees, volunteers, and elected officials. The Security Policies consists of 17 individual policies, including policies relating to access control, awareness and training, audit and accountability, risk assessment, and project management. With respect to awareness and training, all County employees, volunteer and contractors that have access to County computers are required to participate in computer security training on an annual basis. Topics covered in such training include email phishing and security awareness fundamentals.

The Authority is also reliant on other entities and service providers in connection with the administration of the Series 2022 Bonds, including without limitation the County Auditor and the Trustee. No assurance can be given that the Authority and the other entities the Authority relies on will not be affected by cyber threats and attacks in a manner that may affect the Owners of

the Series 2022 Bonds. Neither the Authority nor the County has experienced any notable cybersecurity incidents within the past five years.

### **Construction Risk**

As described herein, the Authority is undertaking a significant capital improvement program with respect to the Enterprise in the form of the MRF Project and the Module 6 Project. The Authority has entered into agreements for the construction of such capital improvements. The Authority anticipates that such contracts will be subject to adjustment for a variety of circumstances, including higher than anticipated costs of labor and materials or subcontractor bids, changes in scope, unforeseen site conditions and force majeure events. The estimated costs of, and the projected schedule for, the MRF Project and the Module 6 Project are subject to a number of uncertainties. The ability of the Authority to complete the MRF Project and the Module 6 Project may be adversely affected by various factors including but not limited to: (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the MRF Project and/or the Module 6 Project, (4) material and/or labor shortages, (5) unforeseen site conditions, (6) adverse weather conditions and other force majeure events, (7) contractor defaults, (8) labor disputes, (9) unanticipated levels of inflation and (10) environmental issues. No assurance can be made that the MRF Project and the Module 6 Project will not cost more than the current budget therefor. Any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs, thereby making Enterprise less economically competitive. There can be no assurances that significant increases in costs over the amounts projected by the Authority will not materially adversely affect the financial condition or operations of the Enterprise.

### **Litigation**

The Authority may become a party to litigation that has the potential to have an impact on the Authority's finances. Although the Authority maintains certain insurance policies that provide coverage under certain circumstances and with respect to certain types of incidents, the Authority cannot predict what types of liabilities may arise in the future and whether these may adversely affect the ability of the Authority to pay debt service on the Series 2022 Bonds when due.

### **Flow Control**

Courts have upheld the right of public agencies to use "flow control" to designate disposal sites to be used by haulers. On September 9, 1995, the United States Court of Appeals for the Second Circuit, in *SSC Corp. v. Town of Smithtown* ("**Smithtown**"), confirmed that a governmental entity had authority to include in a contract for solid waste collection by a private company, a provision requiring such company to deliver solid waste to a facility specified by a governmental entity. The Court ruled that such designation of a disposal site did not violate the Commerce Clause of the United States Constitution, which prevents states from enacting legislation that would impinge on interstate commerce.

In 2006, the United States Supreme Court in *United Haulers Association v. Oneida-Herkimer Solid Waste Management Authority* ("**Oneida-Herkimer**") held that flow control ordinances of two counties, which required trash haulers to deliver waste to government-owned processing facilities, were constitutional. In *Oneida-Herkimer*, the Court determined that the municipal flow control ordinances enacted by the County of Oneida and the County of Herkimer benefitted a "clearly public facility" while treating all private facilities equally. However, because

local governments have the responsibility to protect the health, safety, and welfare of their citizens, laws favoring such governmental entities should be judged differently than laws favoring local private entities. In addition, waste disposal historically has been considered a local government function.

This area of law continues to develop and there can be no assurance that the legal arrangement presently exercised by the Members over the flow of solid waste that is delivered to the Enterprise might not be challenged in the future. Such a challenge, if successful, could render such flow control unenforceable in whole or in part. In such event, waste generated within the Authority's service area could be transported to alternate transfer facilities and/or disposal sites and the volume of solid waste received by the Enterprise, and the revenues received by the Authority, could be reduced.

### **Certain Limitations on the Ability of Members to Impose Taxes, Fees and Charges**

**General.** On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which generally became effective on November 6, 1996, limited local governments' authority to impose or increase property-related "fee" or "charge," which is defined as "any levy other than an ad valorem tax, a special tax or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service" (and referred to in this section as a "property-related fee or charge").

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIII A and XIIC of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Proposition 26's amendments to Article XIIC broadly define "tax," but specifically exclude, among other things:

- (1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
  - (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- [ . . . ]
- (6) A charge imposed as a condition of property development.
  - (7) Assessments and property-related fees imposed in accordance with the provisions of Article XIID.

**Property-Related Fees and Charges.** Under Article XIID, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIID, revenues derived from a property-related fee or charge may not exceed the funds required to provide the “property-related service” and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question.

**Initiative Power.** In addition, Article XIIC states that “the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives.”

**Judicial Interpretation of Articles XIIC and XIID.** After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General’s opinion initially indicated that fees and charges for water and wastewater services, which are based on the amount of services consumed, would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIID. However, three recent cases have held that certain types of water and wastewater charges could be subject to the requirements of Article XIID under certain circumstances.

In *Richmond v. Shasta Community Services District*, 32 Cal.4th 409 (2004), the California Supreme Court addressed the applicability of the notice, hearing and protest provisions of Article XIID to certain charges related to water service. In *Richmond*, the Court held that capacity charges are not subject to Proposition 218. The Court also indicated in dictum that a fee for ongoing water service through an existing connection could, under certain circumstances, constitute a property-related fee and charge, with the result that a local government imposing such a fee and charge must comply with the notice, hearing and protest requirements of Article XIID.

In *Howard Jarvis Taxpayers Association v. City of Fresno*, 127 Cal.App.4th 914 (Cal. App.5th 2005), the California Court of Appeal, Fifth District, concluded that water, sewer and trash fees are property-related fees subject to Proposition 218 and a municipality must comply with Article XIID before imposing or increasing such fees. The California Supreme Court denied the City of Fresno’s petition for review of the Court of Appeal’s decision on June 15, 2005.

In *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal.4th 205 (2006), the California Supreme Court addressed the validity of a local voter initiative measure that would have (a) reduced a water agency’s rates for water consumption (and other water charges), and (b) required the water agency to obtain voter approval before increasing any existing water rate,

fee, or charge, or imposing any new water rate, fee, or charge. The court adopted the position indicated by its statement in *Richmond* that a public water agency's charges for ongoing water delivery are "fees and charges" within the meaning of Article XIID, and went on to hold that charges for ongoing water delivery are also "fees" within the meaning of Article XIIC's mandate that the initiative power of the electorate cannot be prohibited or limited in matters of reducing or repealing any local tax, assessment, fee or charge. Therefore, the court held, Article XIIC authorizes local voters to adopt an initiative measure that would reduce or repeal a public agency's water rates and other water delivery charges. (However, the court ultimately ruled in favor of the water agency and held that the entire initiative measure was invalid on the grounds that the second part of the initiative measure, which would have subjected future water rate increases to prior voter approval, was not supported by Article XIIC and was therefore invalid.)

The court in *Bighorn* specifically noted that it was not holding that the initiative power is free of all limitations; the court stated that it was *not* determining whether the electorate's initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay for operating expenses, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on any bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

**Conclusion.** Each Member is responsible for determining whether the notice and protest provisions of Proposition 218 apply to the charges imposed with respect to waste collection services provided by each Member's hauler and, if such notice and protest provisions do apply, such Member is responsible for compliance therewith and with any other applicable provisions. The Authority is not aware of any pending challenge to any of the Members' solid waste collection fees and charges.

Because the Authority does not set public rates with respect to any waste that is collected curbside by Members, or their franchise haulers, if applicable, the Authority does not believe the fees and charges of the Enterprise are subject to Proposition 218.

The Authority has covenanted in the Indenture, except as described in the following sentence, to fix, prescribe and collect rates, fees and charges for the use of the Enterprise at specified levels. For Fiscal Year 2022-23 only, the Authority may satisfy the foregoing covenant by including in Gross Revenues transfers of any moneys in the Rate Stabilization Fund to the Enterprise Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Rate Covenant." The ability of the Authority to collect such fees depends in part on the ability of the Members to establish rates, fees and charges for solid waste collection service provided to collection customers within their respective jurisdictions. In the event that proposed increased service charges cannot be imposed by one or more of such participants as a result of a majority protest, such circumstances may adversely affect the ability of the Enterprise to generate revenues in the amounts required by the Indenture, and to pay principal and interest with respect to the Series 2022 Bonds.

### **Secondary Market for Bonds**

There can be no guarantee that there will be a secondary market for the Series 2022 Bonds or, if a secondary market exists, that any Series 2022 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues

for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

## **TAX MATTERS**

### **Federal Tax Status**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the Series 2022 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Series 2022 Bonds.

### **Tax Treatment of Original Issue Discount and Premium**

If the initial offering price to the public at which a Series 2022 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Series 2022 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "bond premium" for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of the subcaption “– Federal Tax Status” above. The original issue discount accrues over the term to maturity of the Series 2022 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2022 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2022 Bonds who purchase the Series 2022 Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2022 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2022 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Series 2022 Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Series 2022 Bond (said term being the shorter of the Series 2022 Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Series 2022 Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Series 2022 Bond is amortized each year over the term to maturity of the Series 2022 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Series 2022 Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2022 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series 2022 Bonds.

### **California Tax Status**

In the further opinion of Bond Counsel, interest on the Series 2022 Bonds is exempt from California personal income taxes.

### **Other Tax Considerations**

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Series 2022 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Series 2022 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Series 2022 Bonds, or as to the consequences of owning or receiving interest on the Series 2022 Bonds, as of any future date. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Series 2022 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Series 2022 Bonds, the ownership, sale or disposition of the Series 2022 Bonds, or the amount, accrual or receipt of interest on the Series 2022 Bonds.

The proposed form of opinion of Bond Counsel with respect to the Series 2022 Bonds to be delivered on the date of issuance of the Series 2022 Bonds is set forth in APPENDIX D – “PROPOSED FORM OF BOND COUNSEL OPINION.”

## **CERTAIN LEGAL MATTERS**

The validity of the Series 2022 Bonds and certain other legal matters are subject to the approving opinions of Jones Hall, A Professional Law Corporation, as Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix D. Bond Counsel will receive compensation from the Authority contingent upon the sale and delivery of the Series 2022 Bonds. Bond Counsel has assumed no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for the Authority by County Council, as counsel to the Authority, and by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. Payment of the fees and expenses of Bond Counsel, Disclosure Counsel the Municipal Advisor and Underwriter's Counsel is contingent upon the sale and delivery of the Series 2022 Bonds.

Furthermore, from time to time, Jones Hall, A Professional Law Corporation, serves as counsel to the Underwriter with respect to transactions other than the issuance of the Series 2022 Bonds.

## **ABSENCE OF MATERIAL LITIGATION**

To the best knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the authority or, to the knowledge of the Authority, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Indenture or the Series 2022 Bonds, or upon the financial condition, assets, properties or operations of the Authority or construction and completion of the MRF Project and Module 6 Project.

The Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by the Indenture, or the financial conditions, assets, properties or operations of the Authority, including but not limited to the payment and performance of the Authority under the Indenture and the Series 2022 Bonds.

## **RATING**

S&P Global Ratings ("**S&P**") has assigned a rating of "\_\_\_" to the Series 2022 Bonds. A rating is not a recommendation to buy, sell or hold securities. Future events, including the impacts of the COVID-19 pandemic on the Authority, could have an adverse impact on the rating of the Series 2022 Bonds, and there is no assurance that any credit rating that is given to the Series 2022 Bonds will be maintained for any period of time or that a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P circumstances so warrant, nor can there be any assurance that the criteria required to achieve

the rating on the Series 2022 Bonds will not change during the period that the Series 2022 Bonds remain outstanding.

Any qualification, downward revision, lowering or withdrawal of the rating on the Series 2022 Bonds may have an adverse effect on the market price of the Series 2022 Bonds. Such rating reflects only the current view of S&P (which could change at any time), and an explanation of the significance of such rating may be obtained from S&P. Generally, S&P bases its ratings on information and materials furnished to them (which may include information and material from the Authority that is not included in this Official Statement) and on investigations, studies and assumptions by S&P.

The Authority has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the Series 2022 Bonds with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. See the caption "CONTINUING DISCLOSURE" and Appendix E. Notwithstanding such covenant, information relating to rating changes on the Series 2022 Bonds may be publicly available from S&P prior to such information being provided to the Authority and prior to the date by which the Authority is obligated to file a notice of rating change. Purchasers of the Series 2022 Bonds are directed to S&P and its website and official media outlets for the most current ratings with respect to the Series 2022 Bonds after the initial issuance of the Series 2022 Bonds.

### **CONTINUING DISCLOSURE**

The Authority will covenant for the benefit of the owners of the Series 2022 Bonds to cause to be provided to the Municipal Securities Rulemaking Board (i) certain financial information and operating data relating to the Authority by no later than nine months following the end of each Fiscal Year (which Fiscal Year currently begins on July 1 of each year and ends on the next succeeding June 30), commencing March 31, 2023, and (ii) notice of the occurrence of certain enumerated events.

The Annual Report and the notices of enumerated events will be filed by the Authority with the Municipal Securities Rulemaking Board through the Electronic Municipal Access System. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized under the caption APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with the Rule.

In the previous five years, the Authority did not have any outstanding undertakings under the Rule. To ensure compliance with its continuing disclosure undertakings under the Rule in the future, the Authority has designated a single member within the Treasurer-Tax Collector's Office of the County with the responsibility of ensuring timely and complete filings. In addition, the Authority has adopted disclosure policies and procedures.

[The County previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. Members of the Treasurer-Tax Collector's Office of the County assist the County to comply with its undertakings under the Rule. During the past five years, the County failed to timely file its audited financial statements for Fiscal Year 2018-19 and failed to timely file a notice of rating upgrade in 2016. Such audited financial statements have subsequently been posted in corrective filings to EMMA.]

Any failure by the Authority to comply with the provisions of its undertaking will not constitute a default under the Indenture (although owners of the Series 2022 Bonds will have any remedy available at law or in equity as provided in the undertaking). Nevertheless, a failure to comply must be reported in accordance with the Rule. Such a failure may adversely affect the transferability and liquidity of the Series 2022 Bonds.

### **UNDERWRITING**

The Series 2022A Bonds are being purchased by Samuel A. Ramirez & Company, Inc., as Underwriter, at a purchase price of \$\_\_\_\_\_ (which represents the aggregate principal amount of the Series 2022A Bonds (\$\_\_\_\_\_), plus net original issue premium of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_).

The Series 2022B Bonds are being purchased by Samuel A. Ramirez & Company, Inc., as Underwriter, at a purchase price of \$\_\_\_\_\_ (which represents the aggregate principal amount of the Series 2022B Bonds (\$\_\_\_\_\_), plus net original issue premium of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_).

The purchase agreement relating to the Series 2022 Bonds provides that the Underwriter will purchase all of the Series 2022 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the Series 2022 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

### **PROFESSIONAL FEES**

In connection with the issuance of the Series 2022 Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the Series 2022 Bonds. Those professionals include Jones Hall, A Professional Law Corporation, the Underwriter, Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter's Counsel, and the Municipal Advisor.

### **MUNICIPAL ADVISOR**

The Municipal Advisor has assisted the Authority with the structure, timing and terms for the sale of the Series 2022 Bonds. The Municipal Advisor provides municipal advisory services only and does not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments. The fee of the Municipal Advisor is contingent upon the successful closing of the Series 2022 Bonds.

All financial and other information presented in this Official Statement has been provided by the Authority and others from their records. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the Authority or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

**MISCELLANEOUS**

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or Owners of any of the Series 2022 Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

**WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY**

By: \_\_\_\_\_  
Executive Director

## APPENDIX A

### DEMOGRAPHIC INFORMATION ABOUT THE COUNTY OF PLACER

*The obligation of the Western Placer Waste Management Authority (the “Authority”) to pay principal and interest on the Series 2022 Bonds is a limited obligation of the Authority, payable solely from the amounts pledged therefor, and does not constitute an obligation of the Authority or the members, including the County of Placer (the “County”) for which the Authority or the members are obligated to levy or pledge any form of taxation or for which the Authority or the members have levied or pledged any form of taxation.*

*The Authority notes that the below information is the latest available but does not in all instances reflect the impact of the COVID-19 pandemic. Accordingly, the historical information below does not necessarily reflect present economic conditions and future information could be significantly different from the historical information below.*

#### General and Location

The County is located in the State of California (the “State”). The County covers an estimated area of 1,500 square miles, is bordered by the State of Nevada on the east, Nevada County on the north, Yuba and Sutter Counties on the west and by Sacramento and El Dorado Counties on the south. The County is included (along with Sacramento County and El Dorado County) in the three-county Sacramento Metropolitan Statistical Area. There are six incorporated cities in the County, of which four (Auburn, Lincoln, Rocklin and Roseville) have populations of 10,000 or more, with Auburn being the County seat.

A wide range of services is provided by the County to its residents, including sheriff and fire protection, medical and health services, education, library services, judicial institutions, a variety of public assistance programs and other programs. Additional services are provided to residents in specific areas by special districts and service or improvement areas. Some municipal services are provided to incorporated cities within the County boundaries on a contract basis. This permits cities to contract for services without incurring the cost of creating numerous city departments and facilities.

As a legal subdivision of the State, the County is required to deliver state services, including public health, mental health and welfare, as well as Countywide services such as public safety (jail, prosecution and probation) to all County residents. It is also required to provide municipal services to residents in the unincorporated area such as sheriff patrol, parks, planning, roads and libraries.

#### Topography and Climate

The County offers a variety of elevations and terrain. From a minimum of 40 feet above sea level in the southwestern corner of the County near Roseville, the land rises to an elevation of 9,000 feet at the summit of the Sierra Nevada Mountains, near the County’s northeastern boundary. The western portion of the County, an area of rolling foothills, provides the site for several large industrial areas and a major railroad marshaling and switching yard. To the northeast, the terrain becomes more mountainous, advancing from orchard land to high

elevation timberland. The eastern side of the County, particularly the area surrounding Lake Tahoe, provides a setting for high-altitude winter sports and summer recreational activities. Over much of its length, the County is bounded by the American and Bear Rivers.

The climate in the lower elevations is generally characterized by warm summers and mild winters. The higher elevations experience the extremes of winter typical of such climates. In the more populated areas, monthly averages of daily extreme temperatures range from 39 degrees Fahrenheit minimum to 52 degrees Fahrenheit maximum in January, and 58 degrees Fahrenheit and 90 degrees Fahrenheit in July. The average annual rainfall is 36 inches, with an average annual snowfall of 216 inches in the Lake Tahoe area. Approximately 90% of average annual rainfall occurs in the six-month period extending from November to April.

## Population

As of January 1, 2022, the County's population was approximately 409,025. The following table shows population estimates for the County, the cities of Roseville, Rocklin and Lincoln, and the State as of January 1 for the past five calendar years.

### PLACER COUNTY Population Estimates As of January 1

	2018	2019	2020	2021	2022
Roseville	137,824	141,097	147,245	148,794	151,034
Rocklin	66,476	68,869	71,290	71,644	71,663
Lincoln	48,044	48,430	49,731	50,422	51,252
Remaining Incorporated	275,515	281,684	290,862	293,504	296,338
Unincorporated County	113,357	113,661	113,877	114,013	112,687
County Total	388,872	395,345	404,739	407,517	409,025
State of California	39,519,535	39,605,361	39,538,223	39,303,157	39,185,605

Source: California State Department of Finance, Demographic Research Unit.

## Effective Buying Income

Effective buying income (“EBI”) is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of Owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local, non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the County, the State and the United States.

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2018 through 2022 (the most recent year for which annual data is available).

**Effective Buying Income  
As of January 1, 2018 through 2022**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2018	Placer County	\$12,967,927	\$69,226
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Placer County	\$14,736,480	\$74,797
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Placer County	\$14,333,583	\$72,431
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Placer County	\$16,085,312	\$76,947
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	Placer County	\$18,491,490	\$88,051
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448

Source: The Nielsen Company (US), Inc for 2018; Claritas, LLC for 2019 through 2022.

## Employment and Industry

The unemployment rate in the Sacramento--Roseville--Arden--Arcade Metropolitan Statistical Area ("MSA") was 2.9 percent in May 2022, down from a revised 3.3 percent in April 2022, and below the year-ago estimate of 6.5 percent. This compares with an unadjusted unemployment rate of 3.4 percent for California and 3.4 percent for the nation during the same period. The unemployment rate was 2.4 percent in El Dorado County, 2.1 percent in Placer County, 3.1 percent in Sacramento County, and 2.8 percent in Yolo County.

The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry, in the Sacramento--Arden--Arcade--Roseville MSA for the years 2017 through 2021.

### PLACER COUNTY Employment by Industry Annual Averages (March 2021 Benchmark)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b><u>Civilian Labor Force</u></b> <sup>(1)</sup>	1,074,000	1,088,300	1,100,800	1,091,700	1,099,300
Employment	1,024,800	1,046,900	1,060,300	994,000	1,028,800
Unemployment	49,200	41,500	40,500	97,700	70,500
Unemployment Rate	4.6%	3.8%	3.7%	9.0%	6.4%
<b><u>Wage and Salary Employment</u></b> <sup>(2)</sup>					
Agriculture	9,800	9,100	8,700	8,300	9,000
Mining and Logging	400	500	500	600	700
Construction	58,700	64,500	69,400	70,200	74,100
Manufacturing	35,700	36,000	36,800	36,100	37,500
Wholesale Trade	26,500	28,400	28,600	26,500	26,400
Retail Trade	101,400	102,000	100,500	95,200	101,100
Transportation, Warehousing and Utilities	27,400	29,500	32,200	34,300	37,100
Information	12,600	12,400	11,900	10,200	10,000
Finance and Insurance	37,400	36,700	35,200	34,800	34,300
Real Estate and Rental and Leasing	15,200	16,800	17,300	16,900	17,400
Professional and Business Services	132,400	136,000	137,200	132,500	136,700
Educational and Health Services	153,600	159,800	166,600	164,000	168,400
Leisure and Hospitality	103,300	106,200	109,600	83,900	92,800
Other Services	33,000	34,200	35,400	31,000	32,600
Federal Government	14,200	14,100	14,200	14,800	14,500
State Government	118,400	120,400	121,900	121,700	126,800
Local Government	102,600	103,500	105,300	98,900	98,000
Total, All Industries <sup>(3)</sup>	982,500	1,009,900	1,031,300	979,700	1,017,200

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Figures may not total due to rounding.

Source: State of California Employment Development Department.

The table below shows the unemployment rate for the County and the State for calendar years 2017 through 2021.

**PLACER COUNTY AND STATE OF CALIFORNIA  
Unemployment Rate Estimates  
Calendar Years 2017 Through 2021**

Placer County	2017	2018	2019	2020	2021
Unemployment	7,100	6,000	6,000	13,600	9,400
Unemployment Rate	3.9%	3.2%	3.2%	7.3%	5.0%
State of California	2017	2018	2019	2020	2021
Unemployment	927,000	815,500	803,200	1,040,500	1,381,200
Unemployment Rate	4.8%	4.3%	4.2%	5.4%	7.3%

Source: California State Employment Development Department Labor Market Information Division.

### Major Employers

The table below lists the largest employers in alphabetical order, not number of employees, in the County as of July 2022.

**PLACER COUNTY  
Major Employers  
July 2022**

Employer Name	Location	Industry
Backyard Bar & BBQ	Truckee	Restaurants
City of Roseville	Roseville	Government Offices-City/Village & Twp
Costco Wholesale	Roseville	Wholesale Clubs
Golfand Sunsplash Roseville	Roseville	Golf Courses-Miniature
Kaiser Permanente Roseville MD	Roseville	Hospitals
Keller Williams Northeast	Roseville	Real Estate
Northstar California	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Palisades Tahoe-Alpine Meadows	Alpine Meadows	Resorts
Placer County Fire Dept	Auburn	Fire Departments
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County Sheriff	Auburn	Government Offices-County
Placer County Sheriff Dept	Tahoe City	Government Offices-County
PRIDE Industries	Roseville	Employment Agencies & Opportunities
Resort At Squaw Creek A	Alpine Meadows	Hotels & Motels
Roseville Toyota	Roseville	Automobile Dealers-New Cars
Sheriff's Training	Auburn	Government Offices-County
Sierra Joint Cmnty Clg Dist	Rocklin	School Districts
Stagg Howard A Pro Corp	Roseville	Attorneys
Sutter Auburn Faith Hospital	Auburn	Hospitals
Sutter Roseville Med Ctr Fndtn	Roseville	Hospitals
TASQ Technology	Roseville	Importers (whls)
Thunder Valley Casino	Lincoln	Casinos
Union Pacific Railroad Co	Roseville	Railroads
Walmart Supercenter	Roseville	Department Stores

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd Edition.

## Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable transactions in the County during the four quarters of calendar year 2021 were reported to be \$12,617,738,723, a 21.55% increase above the total taxable transactions of \$10,380,854,256 reported during the four quarters of calendar year 2020.

### PLACER COUNTY Taxable Transactions Calendar Years 2017 through 2021 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	8,713	\$7,194,952	13,365	\$9,428,862
2018	8,717	7,724,326	13,794	9,909,906
2019	8,771	7,943,537	14,193	10,341,805
2020	9,165	7,931,068	15,141	10,319,123
2021	8,130	9,627,064	13,720	12,617,739

Source: State Department of Tax and Fee Administration.

## Construction Activity

The following table shows a five-year summary of the valuation of building permits issued in the County.

### PLACER COUNTY Building Permit Valuation (Valuation in Thousands of Dollars)

	2017	2018	2019	2020	2021
<u>Permit Valuation</u>					
New Single-family	\$771,800.5	\$696,737.4	\$693,647.7	\$827,822.1	\$1,323,114.6
New Multi-family	92,565.5	2,338.5	7,896.7	72,442.8	11,183.1
Res. Alterations/Additions	<u>89,429.2</u>	<u>99,341.6</u>	<u>86,964.2</u>	<u>52,330.8</u>	<u>107,613.1</u>
Total Residential	\$953,795.2	\$798,417.5	\$788,508.6	\$952,595.7	\$1,441,910.8
New Commercial	\$138,544.8	\$90,424.3	\$73,609.7	\$58,855.0	\$52,238.1
New Industrial	0.0	7,956.4	268.7	25.0	1,155.5
New Other	57,356.4	68,280.3	110,951.1	76,576.0	73,032.7
Com. Alterations/Additions	<u>94,058.6</u>	<u>84,271.0</u>	<u>78,159.7</u>	<u>49,149.7</u>	<u>58,371.2</u>
Total Nonresidential	\$289,959.8	\$250,932.0	\$262,989.2	\$184,605.7	\$184,797.5
<u>New Dwelling Units</u>					
Single Family	2,500	1,963	2,080	2,552	4,176
Multiple Family	<u>782</u>	<u>19</u>	<u>71</u>	<u>540</u>	<u>66</u>
TOTAL	3,282	1,982	2,151	3,092	4,242

Source: Construction Industry Research Board, Building Permit Summary.

The Authority expects that demand for waste management services will increase with population growth and large-scale development projects in the future. Recent and planned residential developments in the County include the following:

Placer Vineyards. Placer Vineyards is a planned mixed-development on 5,230 acres, located in the southwestern-most portion of the County, bound by Base Line Road on the north, the Sacramento County line on the south, and the Sutter County line on the east. Placer Vineyards is planned for over 14,000 homes, 310 acres of commercial uses, public and regional parks and open space at full-build out.

Riolo Vineyards. Riolo Vineyards is a master planned residential community, located in the southwestern portion of the County, bound by Walerga Road on the east, Watt Avenue on the west, and PFE Road on the south. At full build-out, Riolo Vineyards is anticipated to consist of 933 residential units. Of the planned 933 residential units, 284 units are currently underway with approximately 65 owned by individual homeowners.

Regional University. Regional University is a planned mixed-used development on 1,159 acres, located in the southwestern portion of the County, bounded by Brewer Road to the west, Santucci Boulevard to the east and agricultural land to the north and south. It is part of the Regional University Specific Plan and is planned for 2,269 residential units, a 600-acre private university campus site with associated campus amenities and residential units, and 24.5 acres of commercial uses, parks and open spaces.

Bickford Ranch. Bickford Ranch is a planned residential development on 1,928 acres located in Mid-Placer County, bounded by Sierra College Boulevard to the west, English Colony to the South, and Highway 193 to the north. It is planned for 1,890 residential units, approximately 1,071 acres of open space and 60 acres of parks and recreation centers. Residential development within Bickford Ranch is anticipated to include market rate and active adult residential units, parks, trails and open spaces.

Placer Ranch. Placer Ranch is a planned mixed-use community on 2,213 acres. It is located in the western portion of the County, bound by the City of Roseville to the west and south, and the Sunset Area Plan to the north and east. Placer Ranch is planned to include 5,636 residential units, 406.4 acres of non-residential uses encompassing 5.4 million square feet of space, 377 acres of parks, open space and public uses, and a satellite campus of California State University, Sacramento totaling 301 acres.

## **Transportation**

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County, connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to Los Angeles.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in Roseville, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to

San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in Roseville, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport is located 17 miles west of Roseville via I-80 and I-5. Served by ten major carriers and several commuter airlines, as well as air-freight carriers, the Metro Air Park handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length. Lincoln Municipal Airport is located nine miles north of Roseville and offers fueling and maintenance services to private aircraft. Lincoln Municipal has an elevation of 119 feet and a 6,000-foot runway.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

The Port of Sacramento is located approximately 38 miles from the City of Roseville. The Port handles ocean-going freighters via San Francisco Bay.

**APPENDIX B**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**APPENDIX D**  
**PROPOSED FORM OF BOND COUNSEL OPINION**

## APPENDIX E

## FORM OF CONTINUING DISCLOSURE CERTIFICATE

## WESTERN PLACER WASTE MANAGEMENT AUTHORITY

\$[PAR]  
**SOLID WASTE REVENUE BONDS,  
 SERIES 2022A  
 (MATERIALS RECOVERY FACILITY)  
 (GREEN BONDS)**

\$[PAR]  
**SOLID WASTE REVENUE BONDS,  
 SERIES 2022B  
 (LANDFILL IMPROVEMENTS)**

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Western Placer Waste Management Authority (the “**Authority**”) in connection with the issuance by the bonds captioned above (collectively, the “**Bonds**”). The Bonds are being issued under an Indenture of Trust dated as of September 1, 2022 (the “**Indenture**”), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”)

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the Authority’s fiscal year (currently March 31 based on the Authority’s fiscal year end of June 30).

“*Dissemination Agent*” means, initially, the Authority, and any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement dated \_\_\_\_\_, 2022, executed by the Authority in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Samuel A. Ramirez & Company, Inc., the original purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, with the report for fiscal year 2021-22, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Authority) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Authority’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The Authority shall provide a written statement with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Authority hereunder.

(b) If the Authority does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Authority shall provide (or cause the Dissemination Agent to provide) a notice to the MSRB in a timely manner, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Authority’s Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the Authority for the preceding fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Authority’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited financial statements of the Authority, the Annual Report shall also include financial and operating data with respect to the Authority for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement, as follows:

- (1) Table 2 – Estimated Remaining Landfill Capacity
- (2) Table 3 – Historical Waste Delivered by Material Category
- (3) Table 4 – Historical Waste Delivered by Jurisdiction
- (4) Table 5 – Historical Municipal Solid Waste Delivered by Jurisdiction
- (5) Table 8 – Gross Revenues by Source
- (6) Table 9 – Gross Tipping Fees by Material Category
- (7) Table 10 – Tipping Fee Revenues by Source
- (8) Table 12 – Ten Largest Customers Based on Tipping Fees
- (9) Table 14 – Historical Net Revenues together with debt service coverage, ending cash balance, ending balance in the Rate Stabilization Fund and days cash on hand

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Authority shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which are available to the public through the MSRB. The Authority shall clearly identify each such other document so included by reference. If the document included by reference is a final official statement, it must be available from the MSRB.

#### Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.

- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority.
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority, or the sale of all or substantially all of the assets of the Authority (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of the trustee, if material.
- (15) Incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Authority shall, or shall cause the Dissemination Agent (if not the Authority) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 Business Days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (a)(9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Authority acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier

“material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Authority shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Upon the occurrence of any of these Listed Events, the Authority will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Authority will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Authority’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be the Authority. Any Dissemination Agent may resign by providing 30 days’ written notice to the Authority.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Bond owners or any other party. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Authority for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of California.

Date:

**WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY**

By: \_\_\_\_\_  
Executive Director

**APPENDIX F**  
**FORMS OF SOLID WASTE DELIVERY AGREEMENTS**

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Series 2022 Bonds, payment of principal, interest and other payments on the Series 2022 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Series 2022 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the Western Placer Waste Management Authority (the “Issuer”) nor U.S. Bank Trust Company, National Association (the “Agent”) take any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Series 2022 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2022 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2022 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants, Direct Participants or Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of

securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Direct or Indirect Participant, to the Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Direct or Indirect Participant's interest in the Securities, on DTC's records, to the Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the Enterprise of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX H**

**FORM OF GREEN BONDS PROJECT REPORT**

**[\$[PAR]  
WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
SOLID WASTE REVENUE BONDS, SERIES 2022A  
(MATERIALS RECOVERY FACILITY)  
(GREEN BONDS)**

Date of Issuance: \_\_\_\_\_, 2022  
CUSIP: \_\_\_\_\_

NOTICE IS HEREBY GIVEN, that the Western Placer Waste Management Authority has financed the following project with the above-referenced bonds (the "Bonds"):

Amount Financed	Project Description
\$	

This notice is to provide interested parties with information regarding the use of proceeds of the Bonds. [Once all proceeds of the Bonds have been spent, no further updates will be provided.]/[All proceeds of the Bonds have been spent; no further updates on the projects or the use of the Bonds will be provided.]

Dated: \_\_\_\_\_

**APPENDIX I**  
**COUNTY INVESTMENT POLICY**

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

\$ \_\_\_\_\_  
**SOLID WASTE REVENUE BONDS,  
SERIES 2022A  
(MATERIALS RECOVERY FACILITY)  
(GREEN BONDS)**

\$ \_\_\_\_\_  
**SOLID WASTE REVENUE BONDS,  
SERIES 2022B  
(LANDFILL IMPROVEMENTS)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2022

Western Placer Waste Management Authority  
3013 Fiddymont Road  
Roseville, CA 95747  
Attention: Ken Grehm, Executive Director

Ladies and Gentlemen:

Samuel A. Ramirez & Co., Inc. (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (the “**Purchase Agreement**”) with the Western Placer Waste Management Authority (the “**Authority**”), which, upon acceptance, will be binding upon the Authority and the Underwriter. This offer is made subject to its acceptance by the Authority by execution of this Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., California Time, on the date hereof, and if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority.

The Authority acknowledges and agrees that: (a) the purchase and sale of the Bonds (as such term is defined herein) pursuant to this Purchase Agreement is an arm’s length commercial transaction between the Authority and the Underwriter, and the only obligations that the Underwriter has to the Authority with respect to the transaction that is contemplated hereby expressly are set forth in this Purchase Agreement; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended) to the Authority; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority with respect to the offering that is contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority on other matters); (d) the Underwriter has financial and other interests that may differ from and be adverse to those of the Authority; and (e) the Authority has consulted its own legal, financial, accounting, tax and other advisors to the extent that it has deemed appropriate.

1. Purchase, Sale and Delivery of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements that are set forth herein, the Underwriter agrees to purchase from the Authority, and

the Authority agrees to sell to the Underwriter, all (but not less than all) of the \$ \_\_\_\_\_ Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022A (Materials Recovery Facility) (Green Bonds) (the “**Series 2022A Bonds**”) and the \$ \_\_\_\_\_ Western Placer Waste Management Authority Solid Waste Revenue Bonds, Series 2022B (Landfill Improvements) (the “**Series 2022B Bonds**”) and, together with the Series 2022A Bonds, the “**Bonds**”) and in the aggregate principal amounts specified in Exhibit A. The Bonds shall be dated the Closing Date (as such term is defined herein), and bear interest from said date (payable semiannually on [June 1, 2023] and each December 1 and June 1 thereafter) at the rates per annum and maturing on the dates and in the amounts set forth in Exhibit A. The purchase price for the Bonds shall be the amount specified as such in Exhibit A.

(b) The Bonds shall be substantially in the form that is described in, shall be issued and secured under the provisions of, and shall be payable and subject to redemption as provided in, the Indenture of Trust, dated as of September 1, 2022 (the “**Indenture**”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”), and a resolution adopted by the Board of Directors of the Authority (the “**Board**”) on August 11, 2022 (the “**Resolution of Issuance**”). The Bonds and interest thereon will be payable from Net Revenues of the Authority’s solid waste collection, recycling, processing and disposal system (the “**Enterprise**”) (as such terms are defined in the Indenture). Proceeds of the sale of the 2022A Bonds will be used in accordance with the Indenture to: (i) finance the acquisition and construction of capital improvements at the Authority’s materials recovery facility, (ii) [fund a debt service reserve account][pay a portion of the premium for a reserve fund insurance policy (the “**Reserve Policy**”) issued by \_\_\_\_\_ (the “**Insurer**”)], and (iii) pay costs of issuing the Series 2022A Bonds. Proceeds of the sale of the 2022B Bonds will be used in accordance with the Indenture to: (i) finance the acquisition and construction of capital improvements at the Authority’s sanitary landfill, (ii) [fund a debt service reserve account][pay a portion of the premium for the Reserve Policy], and (iii) pay costs of issuing the Series 2022B Bonds. [The scheduled payment of principal of and interest on the Series 2022A Bonds maturing on June 1, 20\_\_ through June 1, 20\_\_, inclusive and the Series 2022B Bonds maturing on June 1, 20\_\_ through June 1, 20\_\_, inclusive (collectively, the “**Insured Bonds**”) will be secured by a municipal bond insurance policy (the “**Policy**”) to be issued by the Insurer simultaneously with the issuance of the Bonds.]

The Authority is a joint exercise of powers authority created pursuant to an agreement dated as of October 3, 1978 (as amended from time to time, the “**Authority Agreement**”), by and among the County of Placer (the “**County**”) and the cities of Roseville, Rocklin, and Lincoln (collectively, the “**Members**”). The Authority was established to own, operate and maintain a sanitary landfill and related improvements. The Authority has entered into a Solid Waste Delivery Agreement with each of the Members (each, a “**Solid Waste Delivery Agreement**”).

The Series 2022A Bonds are designated as “**Green Bonds**” based on the determination of the Authority that the application of net proceeds of the Series A Bonds to finance the MRF Project (as described in the Official Statement) makes such designation appropriate. No third party certification relating to the Green Bonds designation is being obtained. The Authority is committing [in the Indenture][discuss] to file annual reports describing the actual use of the net proceeds of the Bonds to pay costs of the MRF Project or other projects permitted by the Indenture.

(c) Subsequent to its receipt of the certificate of the Authority (in substantially the form that is set forth in Exhibit B) deeming final the Preliminary Official Statement for the Bonds, which Preliminary Official Statement, including the cover page and all appendices thereto, as supplemented,

is herein collectively referred to as the “**Preliminary Official Statement**,” for purposes of Rule 15c2-12 (“**Rule 15c2-12**”) promulgated by the Securities and Exchange Commission (the “**SEC**”), the Underwriter distributed copies of the Preliminary Official Statement to potential purchasers of the Bonds. The Authority hereby ratifies the use by the Underwriter of the Preliminary Official Statement and authorizes the Underwriter to use and distribute: (i) the final Official Statement dated the date hereof (including all information that was previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12, and any supplements and amendments thereto as have been approved by the Authority, as evidenced by the execution and delivery of such document by an officer of the Authority, the “**Official Statement**”); (ii) the Indenture; (iii) the Continuing Disclosure Certificate of the Authority dated the Closing Date (the “**Authority Disclosure Undertaking**”) related to the Bonds; (iv) this Purchase Agreement; and (v) any other documents or contracts to which the Authority is a party and all information contained therein and all other documents, certificates and statements that are furnished by the Authority to the Underwriter in connection with the transactions that are contemplated by this Purchase Agreement. The Underwriter hereby agrees to deliver a copy of the Official Statement to the Municipal Securities Rulemaking Board (the “**MSRB**”) through the Electronic Municipal Marketplace Access website of the MSRB on or before the Closing Date and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12.

(d) At 8:00 A.M., California Time, on September \_\_, 2022, or at such earlier time or date as shall be agreed upon by the Underwriter and the Authority (such time and date being herein referred to as the “**Closing Date**”), the Authority will deliver: (i) to The Depository Trust Company (“**DTC**”) in New York, New York, each Series of the Bonds in definitive form (all Bonds being in book-entry form registered in the name of Cede & Co. and having the CUSIP numbers that are assigned to them printed thereon), duly executed by the officers of the Authority, as provided in the Indenture; and (ii) to the Underwriter, at the offices of Jones Hall, A Professional Law Corporation (“**Bond Counsel**”), in San Francisco, California, or at such other place as shall be mutually agreed upon by the Authority and the Underwriter, the other documents that are mentioned herein; and the Underwriter shall accept such delivery and pay the purchase price of the Bonds in immediately available funds (such delivery and payment being referred to as the “**Closing**”). Notwithstanding the foregoing, the Underwriter may, in its discretion, accept delivery of the Bonds in temporary form upon making arrangements with the Authority which are satisfactory to the Underwriter relating to the delivery of the Bonds in definitive form.

(e) Except as otherwise disclosed and agreed to by the Authority, the Underwriter agrees to make a bona fide public offering of the Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A; provided, however, that the Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Official Statement. A “bona fide public offering” shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

2. Representations, Warranties and Agreements of the Authority. The Authority represents, warrants and covenants to and agrees with the Underwriter that:

(a) The Authority is duly organized and validly existing as a joint exercise of powers authority under the laws of the State of California (the “**State**”) and has full right and authority to issue the Bonds under the Joint Exercise of Powers Act (California Government Code § 6500 *et seq.*). The Board has duly adopted the Resolution of Issuance. The Indenture was approved by a resolution that was duly adopted at a regular meeting of the Board that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Indenture is in full force and effect and has not been modified, amended or rescinded as of the Closing Date. The Authority has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under this Purchase Agreement, the Indenture and the Authority Disclosure Undertaking (collectively, the “**Authority Documents**”) and to carry out all transactions that are contemplated by each of such documents; (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Resolution of Issuance and the Indenture as provided herein; and (iii) to carry out, give effect to and consummate the transactions that are contemplated by the Authority Documents and the Official Statement;

(b) The Authority has complied, and will at the Closing Date be in compliance, in all material respects, with the Authority Documents, and any immaterial compliance by the Authority, if any, will not impair the ability of the Authority to carry out, give effect to or consummate the transactions that are contemplated by the foregoing. From and after the date of issuance of the Bonds, the Authority will continue to comply with the covenants of the Authority that are set forth in the Authority Documents;

(c) The Board has duly and validly: (i) adopted the Resolution of Issuance; (ii) authorized and approved the execution, delivery and due performance of the Bonds and the Authority Documents; (iii) authorized the preparation, delivery and distribution of the Preliminary Official Statement and the Official Statement; and (iv) authorized and approved the performance by the Authority of its obligations that are contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions that are contemplated by, each of the Authority Documents, the Bonds and the Official Statement; and at the Closing Date, the Authority Documents will be in full force and effect and the Authority Documents and the Bonds will constitute the valid, legal and binding obligations of the Authority and (assuming due authorization, execution and delivery by other parties thereto, where necessary) will be enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors’ rights in general and to the application of equitable principles if equitable remedies are sought;

(d) To the best of the Authority’s knowledge, the Authority is not in breach of or default under any applicable law or administrative rule or regulation of the State or the United States, or of any department, division, agency or instrumentality thereof, or under any applicable court order, administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the performance by the Authority of its obligations under the Bonds or the Authority Documents, and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or the United States, or of any department, division, agency or instrumentality thereof, or under any applicable court order or administrative decree or order,

or a material breach of or default under any loan agreement, note, resolution, trust agreement, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound;

(e) Except for compliance with blue sky or other state securities law filings, as to which the Authority makes no representations, all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Authority of its obligations hereunder, or under the Authority Documents, have been obtained and are in full force and effect;

(f) The Authority may lawfully pledge Net Revenues of the Enterprise to pay the Bonds;

(g) The Authority shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter (unless such supplement or amendment is required by law); provided that any such Underwriter consent shall not be unreasonably withheld. Until the date which is twenty-five (25) days after the “end of the underwriting period” (as such term is defined herein), if any event shall occur of which the Authority is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Authority shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information that is available to it for any supplement to the Official Statement which is necessary, in the Underwriter’s opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the Authority shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term “**end of the underwriting period**” means the later of such time as: (i) the Authority delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice that is delivered pursuant to this provision shall be written notice delivered to the Authority at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period”;

(h) The Indenture creates a valid pledge of the moneys in the Debt Service Fund established pursuant to the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions that are set forth therein. Until such time as moneys have been set aside in an amount that is sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon to maturity or to the date of redemption if redeemed prior to maturity, and premium, if any, the Authority will faithfully perform and abide by all of the covenants, undertakings and provisions that are contained in the Indenture;

(i) Except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending and of which the Authority has received service of process or, to the best knowledge of the Authority, threatened: (i) which would materially adversely affect the ability of the Authority to perform its obligations under the Bonds or the Authority Documents; (ii) that seeks to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture or the pledge of Net Revenues to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the Authority

Documents or any action contemplated by any of said documents; or (iii) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the powers or authority of the Authority with respect to the Bonds, the Authority Documents or any action of the Authority contemplated by any of said documents; nor is there any action pending or, to the best knowledge of the Authority, threatened against the Authority which alleges that interest on the Bonds is not exempt from federal or State income taxation;

(j) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such jurisdictions; provided, however, that: (i) the Underwriter shall be responsible for all costs relating to such determination and qualification; (ii) the Authority shall not be required to register as a dealer or a broker of securities or to consent to service of process in connection with any blue sky filing; and (iii) the Authority will not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction;

(k) Any certificate that is signed by any official of the Authority who is authorized to do so shall be deemed a representation and warranty to the Underwriter as to the statements made therein;

(l) The Authority will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement;

(m) The information contained in the Preliminary Official Statement (other than information relating to DTC and its book-entry system, [information regarding the Insurer, the Policy, and the Reserve Policy,] and information regarding the Underwriter, as to which no view is expressed) was as of the date thereof, and the information contained in the Official Statement (other than information relating to DTC and its book-entry system, [information regarding the Insurer, the Policy, and the Reserve Policy,] and information regarding the Underwriter, as to which no view is expressed) as of its date and as of the Closing Date shall be, true and correct in all material respects, and such information does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(n) The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the Authority as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, the Authority shall cause a final form of the Official Statement to be delivered to the Underwriter in a quantity mutually agreed upon by the Underwriter and the Authority so that the Underwriter may comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15, G-32 and G-36 of the MSRB;

(o) Except as disclosed in the Preliminary Official Statement and the Official Statement, the Authority has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings under Rule 15c2-12;

(p) The Authority shall not voluntarily undertake any course of action that is inconsistent with satisfaction of the requirements that are applicable to the Authority as set forth in this Purchase Agreement; and

(q) The Authority shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exemption of interest on the Bonds from federal or State income taxation.

(r) The financial statements relating to the receipts, expenditures and cash balances of the Authority as of June 30, 2021 attached as Appendix B to the Official Statement fairly represent the receipts, expenditures and cash balances of the Authority. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Authority or in its operations since June 30, 2021 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(s) The Solid Waste Delivery Agreements between the Authority and each of the Members have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the Solid Waste Delivery Agreements are in full force and effect, and constitute the legal, valid, and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights generally, to the exercise of judicial discretion in appropriate cases, to the limitations on legal remedies against public agencies in California, and to the application of equitable principles if equitable remedies are sought.

3. Conditions to the Obligations of the Underwriter. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Authority that are contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents that are furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel and Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, shall be necessary and appropriate;

(b) The information that is contained in the Official Statement will, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant to Section 2(g) hereof, be true, correct and complete in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto pursuant to Section 2(g) hereof, contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) Between the date hereof and the Closing Date, the market price or marketability of the Bonds at the initial offering prices that are set forth in the Official Statement shall not have been materially adversely affected, in the reasonable judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal or State income taxation upon the interest that would be received by the holders of the Bonds;

(2) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or from other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underwriting arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(3) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Authority, its property, income, securities (or interest thereon), or the ability of the Authority to pledge Net Revenues to pay the Bonds as contemplated by the Authority Documents or the Official Statement;

(4) any event occurring, or information becoming known, which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement, or results in the Preliminary Official Statement or the Official Statement containing any untrue statement of a material fact or omitting to state a material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) the declaration of war or the escalation of, or engagement in, military hostilities by the United States or the occurrence of any other national or international emergency, civil unrest, or calamity relating to the effective operation of the government of, or the financial community in, the United States which, in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner that are contemplated in the Preliminary Official Statement or the Official Statement;

(6) the declaration of a general banking moratorium by federal, State of New York or State of California authorities, or the general suspension of trading on any national securities exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds;

(7) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions that are not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(8) the entry of an order by a court of competent jurisdiction which enjoins or restrains the Authority from Collecting Revenues or which order, in the reasonable opinion of the Underwriter, otherwise materially and adversely affects the Authority's finances;

(9) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(10) there shall have been any material adverse change in the affairs of the Authority that in the Underwriter's reasonable judgment will materially adversely affect the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(11) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order;

(12) any rating of the Bonds or the rating of any obligations of the Authority shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(13) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all of the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939, as amended; and

(d) On the Closing Date, the Underwriter shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) The Authority Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(2) The Resolution of Issuance, together with a certificate dated as of the Closing Date of the Authority Secretary to the effect that such resolution has been duly adopted by the Board and has not been modified, amended or rescinded since its adoption;

(3) The Official Statement, duly executed by the Authority, and the Preliminary Official Statement;

(4) An executed certificate relating to the Preliminary Official Statement, in substantially the form attached as Exhibit B;

(5) A certified copy of the Authority Agreement and all amendments thereto and copies of required certificates filed with the Secretary of State and documentation from the Secretary of State with respect to the Authority's good standing;

(6) Copies of the Solid Waste Delivery Agreements, each duly executed and delivered by the respective parties thereto, along with a certificate dated as of the Closing Date of the Authority Secretary to the effect that such copies are true, correct, and complete copies of the Solid Waste Delivery Agreements, that the Solid Waste Delivery Agreements are in full force and effect, and that such agreements have not been modified, amended or rescinded since their respective effective dates;

(7) An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Authority, of Bond Counsel, in the form attached to the Preliminary Official Statement as an appendix, and an unqualified letter of such counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that such approving opinion addressed to the Authority may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion was addressed to it;

(8) A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that: (i) the Purchase Agreement and the Authority Disclosure Undertaking have been duly authorized, executed and delivered by the Authority, and, assuming that such agreements constitute valid and binding obligations of the other parties thereto, as applicable, constitute the legally valid and binding obligations of the Authority enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and general principles of equity (regardless of whether such enforceability is considered in equity or at law); (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the information contained in the Official Statement on the cover and under the captions "INTRODUCTION," "THE FINANCING PLAN," "THE SERIES 2022 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS," "TAX MATTERS" and in Appendices C and D thereof (except that no opinion or belief need be expressed as to any financial or statistical data contained therein), insofar as it purports to summarize certain provisions of the Bonds, the Indenture and the exemption from federal and State income taxation of interest on the Bonds, presents a fair and accurate summary of such provisions;

(9) An opinion, dated the Closing Date and addressed to the Underwriter, of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(10) A certificate or certificates, dated the Closing Date and signed by an authorized officer of the Authority, ratifying the use and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds; and certifying that: (i) the representations and warranties of the Authority in Section 2 are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds and the Authority Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement; (iii) the Authority has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied under the Authority Documents at or prior to the Closing Date;

(11) An opinion, dated the Closing Date and addressed to the Underwriter of the Authority's General Counsel, to the effect that:

(A) the Authority is a joint exercise of powers authority that is duly organized and validly existing under and by virtue of the laws of the State and has full right and authority to issue the Bonds under the Joint Exercise of Powers Act (California Government Code § 6500 *et seq.*);

(B) the Resolution of Issuance was duly adopted at a regular meeting of the Board that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolution of Issuance is in full force and effect and has not been modified, amended or rescinded as of the Closing Date;

(C) The Indenture was approved by a resolution that was duly adopted at a regular meeting of the Board that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Indenture is in full force and effect and has not been modified, amended or supplemented as of the Closing Date, except as amended and supplemented by the Supplemental Indenture;

(D) the execution and delivery by the Authority of the Authority Documents, and compliance by the Authority with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, or agreement to which the Authority is subject to or by which it is bound, the consequence of which could be a material and adverse effect on the performance by the Authority of their obligations under the Authority Documents;

(E) The Solid Waste Delivery Agreements between the Authority and each of the Members have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the Solid Waste Delivery Agreements are in full force and effect, and constitute the legal, valid, and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to

or affecting creditors' rights generally, to the exercise of judicial discretion in appropriate cases, to the limitations on legal remedies against public agencies in California, and to the application of equitable principles if equitable remedies are sought; and

(F) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending of which the Authority has received service of process or, to the best knowledge of such counsel, threatened against the Authority: (i) in any way questioning the existence of the Authority or the titles of the officers thereof to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance of the Bonds or any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions that are contemplated thereby or any proceeding of the Authority or taken with respect to any of the foregoing, or explicitly alleging that the interest that is payable on the Bonds is not exempt from federal or State income taxation or contesting the powers of the Authority to issue the Bonds; (iii) that may result in any material adverse change relating to the Authority that will materially adversely affect the ability to pay the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(12) A certificate of the Trustee and an opinion of counsel to the Trustee dated the Closing Date and addressed to the Authority and the Underwriter to the effect that the Trustee has authorized the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Trustee enforceable in accordance with its terms and that the Trustee has duly authenticated the Bonds;

(13) A letter of Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the Authority ("**Disclosure Counsel**"), dated the Closing Date and addressed to the Underwriter, to the effect that, based on the information made available to it in its role as Disclosure Counsel, without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of its participation in conferences with the Underwriter, counsel to the Underwriter, the Authority, the Authority General Counsel, NHA Advisors, LLC, the Authority's municipal advisor (the "**Municipal Advisor**"), and others, and its examination of certain documents, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds which would lead them to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial, statistical and demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, the engineer's report, [information regarding the Insurer, the Policy, and the Reserve Policy,] and information regarding DTC and its book-entry only system contained in the Preliminary Official Statement and the Official Statement);

(14) Certificates of each Member of the Authority dated the Closing Date substantially to the effect that:

(A) such Member is a general law city, charter city or county, as applicable, of the State of California, duly organized and existing under the laws of the State of California, having the full power and being qualified to enter into and perform its duties under the Authority Agreement and the Solid Waste Delivery Agreement between the Member and the Authority;

(B) the Authority Agreement and the Solid Waste Delivery Agreement have been duly authorized, executed and delivered by such Member and, assuming due authorization, execution and delivery by the other parties thereto, the Authority Agreement and the Solid Waste Delivery Agreement constitute legal, valid and binding obligations of such Member, enforceable against such Member in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights generally, to the exercise of judicial discretion in appropriate cases, to the limitations on legal remedies against political subdivisions in the State of California and to the application of equitable principles if equitable remedies are sought;

(C) no action, suit, proceeding, or investigation at law or in equity before or by any court, public board or body is pending in which service of process has been completed, or to our knowledge is threatened against or affecting such Member (a) to restrain or enjoin the performance of the Authority Agreement or the Solid Waste Delivery Agreement; or (b) in any way contesting or materially affecting the validity or enforceability of the Authority Agreement or the Solid Waste Delivery Agreement; or (c) in any way contesting or affecting the existence of such Member or the title of any officer of such Member; or (d) contesting the power or authority of such Member to perform its obligations under the Authority Agreement or the Solid Waste Delivery Agreement; or (e) contesting the completeness or accuracy of the information relating to such Member in the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the information relating to such Member in the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading;

(D) the performance of the Authority Agreement and the Solid Waste Delivery Agreement and compliance with the provisions on such Member's part contained in the Authority Agreement and the Solid Waste Delivery Agreement will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which such Member is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of such Member to perform its obligations under the Authority Agreement and the Solid Waste Delivery Agreement;

(E) no authorization, approval, consent or other order of the United States of America, the State of California, or other governmental authority or agency within the State of California having jurisdiction over such Member is required for the performance by such Member of the Authority Agreement or the Solid Waste Delivery Agreement;

(F) the notice and hearing requirements of the "Right to Vote on Taxes Act" ("Proposition 218") are not applicable to the imposition of rate and charges for waste collection service of such Member or such Member has complied with the applicable notice and protest procedures for all existing rates and charges for solid waste collection services in accordance with

Proposition 218, and such Member believes that it is in compliance with the requirements of Proposition 218, and there have been no legal challenges to increases in the rates and charges for solid waste collection services implemented by such Member pursuant to Proposition 218 or otherwise;

(G) (a) the information relating to such Member in the Preliminary Official Statement under the captions “THE AUTHORITY AND THE ENTERPRISE — The Authority,” “— Organization and Management,” and “— Solid Waste Delivery Agreements and Waste Collection Practices of Members” is true and accurate in all material respects and (b) the information relating to such Member in the Official Statement under the captions “THE AUTHORITY AND THE ENTERPRISE — The Authority,” “— Organization and Management,” and “— Solid Waste Delivery Agreements and Waste Collection Practices of Members” is true and accurate in all material respects; and

(15) Opinions of Counsels of the Member Agencies. Opinions of the counsels to each Member of the Authority dated the Closing Date and addressed to the Underwriter substantially to the effect that:

(A) such Member is a general law city, charter city or county, as applicable, of the State of California, duly organized and existing and the laws of the State of California, having the full power and being qualified to enter into and perform its duties under the Authority Agreement and the Solid Waste Delivery Agreement between the Member and the Authority;

(B) the Authority Agreement and the Solid Waste Delivery Agreement were duly authorized, executed and delivered by such Member and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of such Member, enforceable against such Member in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors’ rights generally, to the exercise of judicial discretion in appropriate cases, to the limitations on legal remedies against political subdivisions in the State of California and to the application of equitable principles if equitable remedies are sought;

(C) with respect to the County only, the Board of Supervisors of the County held a duly noticed public hearing regarding the Project and the Bonds on [July 26], 2022 in accordance with Section 6586.5(a)(2) of the California Government Code, and following such public hearing, duly adopted Resolution No. \_\_\_ of the Board of Supervisors of the County approving the issuance of the Bonds to finance the Project and finding that the issuance of the Bonds will have significant public benefits within the meaning of Section 6586 of the California Government Code;

(D) no action, suit, proceeding, or investigation at law or in equity before or by any court, public board or body is pending in which service of process has been completed, or to our knowledge is threatened against or affecting such Member (a) to restrain or enjoin the performance of the Authority Agreement or the Solid Waste Delivery Agreement; or (b) in any way contesting or materially affecting the validity or enforceability of the Authority Agreement or the Solid Waste Delivery Agreement; or (c) in any way contesting or affecting the existence of such Member or the title of any officer of such Member; or (d) contesting the power or authority of such Member to perform its obligations under the Authority Agreement or the Solid Waste Delivery Agreement; or (e) contesting the completeness or accuracy of the information relating to such Member in the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the information relating to such Member in the Preliminary Official Statement or the Official Statement

contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading;

(E) the performance of the Authority Agreement and the Solid Waste Delivery Agreement, and compliance by such Member with the provisions of the Authority Agreement and the Solid Waste Delivery Agreement do not and will not in any material respect conflict with or constitute on the part of such Member a violation or breach of, or constitute a default under (a) any agreement or other instrument to which such Member is a party or by which it is bound and with respect to such conflict, violation, breach or default would materially adversely affect the ability of such Member to perform its obligations under Authority Agreement and the Solid Waste Delivery Agreement or (b) any existing law, regulation, court order or consent decree to which such Member is subject;

(F) no authorization, approval, consent or other order of the United States of America, the State of California, or other governmental authority or agency within the State of California having jurisdiction over such Member is required for the performance by such Member of the Authority Agreement or the Solid Waste Delivery Agreement;

(G) the notice and hearing requirements of Proposition 218 are not applicable to the imposition of rate and charges for collection waste collection service of such Member or such Member has complied with the applicable notice and protest procedures for all existing rates and charges for solid waste collection services in accordance with Proposition 218, and such Member believes that it is in compliance with the requirements of Proposition 218 and that it will continue to comply with its covenant to impose rates and charges, including any increases to existing rates and charges, for solid waste collection services within its jurisdiction in conformity with the provisions of Proposition 218, and there have been no legal challenges to increases in the rates and charges for solid waste collection services implemented by such Member pursuant to Proposition 218 or otherwise; and

(H) (a) the information relating to such Member in the Preliminary Official Statement under the captions “THE AUTHORITY AND THE ENTERPRISE — The Authority,” “— Organization and Management,” and “— Solid Waste Delivery Agreements and Waste Collection Practices of Members” is true and accurate in all material respects and (b) the information relating to such Member in the Official Statement under the captions “THE AUTHORITY AND THE ENTERPRISE — The Authority,” “— Organization and Management,” and “— Solid Waste Delivery Agreements and Waste Collection Practices of Members” is true and accurate in all material respects.

(16) A copy of the proof of publication of the notice of public hearing held by the Board of Supervisors of the County accordance with Section 6586.5(a)(2) of the California Government Code;

(17) A copy of the Resolution of the Board of Supervisors of the County adopted on [July 26], 2022 approving the issuance of the Bonds to finance the Project and finding that the issuance of the Bonds will have significant public benefits within the meaning of Section 6586 of the California Government Code;

(18) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution

authorizes the execution and delivery of the Indenture and the authentication and delivery of the Bonds by the Trustee;

(19) Copies of the preliminary and final notices to the California Debt and Investment Advisory Commission relating to the Bonds;

(20) A copy of the debt management policy adopted by the Authority in compliance with Section 8855(i) of the California Government Code;

(21) A copy of the executed Blanket Issuer Letter of Representations by and between the Authority and The Depository Trust Company relating to the book entry system, or an acknowledgement from The Depository Trust Company that such a letter is on file with The Depository Trust Company;

(22) Evidence that the ratings on the Bonds are as set forth in the Official Statement;

(23) [Evidence satisfactory to the Underwriters of the issuance of the Policy by the Insurer;

(24) Evidence satisfactory to the Underwriters that the Trustee shall have received the Reserve Policy from the Insurer;

(25) An opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriters, Bond Counsel and Underwriters' Counsel, with respect to, among other matters, the Policy and the Reserve Policy, and disclosures relating thereto and to the Insurer in the Official Statement;

(26) A certificate of the Insurer, in form and substance satisfactory to the Underwriters, Bond Counsel, and Underwriters' Counsel, with respect to, among other matters, the Policy and the Reserve Policy;

(27) A no-default certificate of the Insurer, in form and substance satisfactory to the Underwriters, Bond Counsel and Underwriters' Counsel]; and

(28) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the statements and information in the Preliminary Official Statement and the Official Statement, of the Authority's representations and warranties herein and the due performance or satisfaction by the Authority at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Authority in connection with the transactions contemplated hereby and by the Official Statement.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds which are contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Authority shall be under any further obligation hereunder, except that the respective obligations of the Authority and the Underwriter set forth in Sections 5, 6 and 8 shall continue in full force and effect.

4. Conditions to the Obligations of the Authority. The Authority's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of the Authority executing the certificate referred to in Section 3(d)(9) hereof, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Authority Documents or the existence or powers of the Authority; and

(b) As of the Closing Date, the Authority shall receive the approving opinion of Bond Counsel referred to in Section 3(d)(6) hereof, dated as of the Closing Date.

5. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the Authority shall pay or cause to be paid (out of any legally available funds of the Authority) all expenses that are incident to the performance of the Authority's obligations hereunder, including, but not limited to, the cost of printing, engraving and delivering the Bonds to the Underwriter, the cost of preparation, printing, distribution and delivery of the Indenture, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter (excluding the fees and disbursements of the Underwriter's counsel), reimbursement to the Underwriter for any meals and travel for Authority employees or officers that were paid for by the Underwriter, the fees and disbursements of the Trustee for the Bonds and Bond Counsel and any accountants, engineers or any other experts or consultants that the Authority has retained in connection with the Bonds and any other expenses that are agreed to by the parties; and

(b) The Authority shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "blue sky" or legal investment memoranda and this Purchase Agreement; expenses to qualify the Bonds for sale under any "blue sky" or other state securities laws; and all other expenses that are incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those which are specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses.

6. Notices. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Authority at 3013 Fiddymont Road, Roseville, CA 95747, Attention: Ken Grehm, Executive Director; and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Samuel A. Ramirez & Co., Inc., 445 South Figueroa Street, Suite 2310, Los Angeles, CA 90071; Attention: Eric McKean.

7. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority and the Underwriter (including their successors or assigns), and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the Authority in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

9. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

10. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Authority.

11. Electronic Signatures. Delivery of an executed counterpart of a signature page of this Purchase Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Purchase Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Purchase Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

12. Counterparts. This Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

13. Establishment of Issue Price for Bonds.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with copies of supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Municipal Advisor identified herein, and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A, the Authority will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”), identified under the column “10% Test Used” in Exhibit C, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to

the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the 10% test has been satisfied as to the Bonds of that maturity or (ii) the Underwriter has sold all Bonds of that maturity to the public; provided that the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit C attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either: all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity; provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter;

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to: (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity; provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer; and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Underwriter will rely on: (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires; and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “**public**” means any person other than an underwriter or a related party;

(ii) “**underwriter**” means: (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common

ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “**sale date**” means the date of execution of this Purchase Agreement by the Authority and the Underwriter.

14. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

Very truly yours,

SAMUEL A. RAMIREZ & CO., INC.

By: \_\_\_\_\_  
Authorized Representative

Accepted By:

WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY

By: \_\_\_\_\_  
Jenine Windeshausen, Treasurer

Time of Acceptance: \_\_\_\_:\_\_\_\_ p.m.

**EXHIBIT A**

\$ \_\_\_\_\_  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY  
 SOLID WASTE REVENUE BONDS, SERIES 2022A  
 (MATERIALS RECOVERY FACILITY)  
 (GREEN BONDS)**

**MATURITY SCHEDULE**

<i><b>Maturity Date (June 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Yield</b></i>	<i><b>Initial Offering Price</b></i>	<i><b>10% Test Used</b></i>	<i><b>Hold the Offering Price Rule Used</b></i>
	\$	%	%			

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<sup>T</sup> Term Bond.

<sup>I</sup> Insured Bond.

<sup>C</sup> Priced to first optional redemption date of June 1, 20\_\_ at par.

\$ \_\_\_\_\_  
**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**  
**SOLID WASTE REVENUE BONDS, SERIES 2022B**  
**(LANDFILL IMPROVEMENTS)**

**MATURITY SCHEDULE**

<i><b>Maturity Date (June 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Yield</b></i>	<i><b>Initial Offering Price</b></i>	<i><b>10% Test Used</b></i>	<i><b>Hold the Offering Price Rule Used</b></i>
	\$	%	%			

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<sup>T</sup> Term Bond.

<sup>I</sup> Insured Bond.

<sup>C</sup> Priced to first optional redemption date of June 1, 20\_\_ at par.

## REDEMPTION PROVISIONS

**Optional Redemption.** The Series 2022A Bonds maturing on or after June 1, 20\_\_, are subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the Authority, on any date occurring on or after June 1, 20\_\_, at the Redemption Price equal to the principal amount of the Series 2022A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Series 2022B Bonds maturing on or after June 1, 20\_\_, are subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the Authority, on any date occurring on or after June 1, 20\_\_, at the Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

**Mandatory Sinking Fund Redemption.** The Series 2022A Bonds maturing on June 1, 20\_\_ are also be subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, 20\_\_, from sinking fund payments made by the Authority to the Debt Service Fund, at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

### Series 2022A Term Bonds Maturing June 1, \_\_\_\_

<i>Year</i> <i>(June 1)</i>	<i>Principal</i> <i>Amount</i>
--------------------------------	-----------------------------------

(maturity)

The Series 2022A Bonds maturing on June 1, 20\_\_ are also be subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, 20\_\_, from sinking fund payments made by the Authority to the Debt Service Fund, at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

### Series 2022A Term Bonds Maturing June 1, \_\_\_\_

<i>Year</i> <i>(June 1)</i>	<i>Principal</i> <i>Amount</i>
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(maturity)

If some but not all of the Series 2022A Term Bonds have been redeemed at the option of the Authority, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Series 2022A Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

The Series 2022B Bonds maturing on June 1, 20\_\_ are also be subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, 20\_\_, from sinking fund payments made by the Authority to the Debt Service Fund, at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

**Series 2022B Term Bonds Maturing June 1, \_\_\_\_**

<i>Year (June 1)</i>	<i>Principal Amount</i>
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(maturity)

The Series 2022B Bonds maturing on June 1, 20\_\_ are also be subject to mandatory redemption in part, by lot, on June 1 in each year commencing June 1, 20\_\_, from sinking fund payments made by the Authority to the Debt Service Fund, at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 1 in the respective years as set forth in the following table.

**Series 2022B Term Bonds Maturing June 1, \_\_\_\_**

<i>Year (June 1)</i>	<i>Principal Amount</i>
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(maturity)

If some but not all of the Series 2022B Term Bonds have been redeemed at the option of the Authority, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Series 2022B Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

**PURCHASE PRICE**

The purchase price of the Series 2022A Bonds shall be \$\_\_\_\_\_, which is equal to the principal amount thereof (\$\_\_\_\_\_) plus a [net original issue premium] of \$\_\_\_\_\_ and less Underwriter’s discount of \$\_\_\_\_\_. The purchase price of the Series 2022B Bonds shall be \$\_\_\_\_\_, which is equal to the principal amount thereof (\$\_\_\_\_\_) plus a [net original issue premium] of \$\_\_\_\_\_ and less Underwriter’s discount of \$\_\_\_\_\_.

As an accommodation to the Authority, on the Closing Date, the Underwriter shall deliver \$\_\_\_\_\_ of the purchase price directly to the Insurer (reflecting payment of the sum of the premium payable with respect to the Policy and the Reserve Policy).

**EXHIBIT B**

**WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

**\$ \_\_\_\_\_\***  
**SOLID WASTE REVENUE BONDS,**  
**SERIES 2022A**  
**(MATERIALS RECOVERY FACILITY)**  
**(GREEN BONDS)**

**\$ \_\_\_\_\_\***  
**SOLID WASTE REVENUE BONDS,**  
**SERIES 2022B**  
**(LANDFILL IMPROVEMENTS)**

**RULE 15c2-12 CERTIFICATE**

The undersigned hereby certifies and represents that the undersigned is the \_\_\_\_\_ of the Western Placer Waste Management Authority (the “**Authority**”), and, as such, is duly authorized to execute and deliver this certificate and further hereby certifies that:

(1) this certificate is being delivered in connection with the sale and issuance of the above-captioned obligations (the “**Bonds**”) in order to enable the underwriter of the Bonds to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the “**Rule**”);

(2) in connection with the sale and issuance of the Bonds, there has been prepared a Preliminary Official Statement dated the date of this certificate setting forth information concerning the Bonds and the Authority (the “**Preliminary Official Statement**”); and

(3) except for the Permitted Omissions, the Preliminary Official Statement is deemed final within the meaning of the Rule. As used herein, the term “**Permitted Omissions**” refers to the offering price(s), interest rates(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all as set forth in the Rule.

\_\_\_\_\_, 2022.

WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
*\* Preliminary; subject to change.*

**EXHIBIT C****WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

\$ \_\_\_\_\_  
**SOLID WASTE REVENUE BONDS,  
 SERIES 2022A  
 (MATERIALS RECOVERY FACILITY)  
 (GREEN BONDS)**

\$ \_\_\_\_\_  
**SOLID WASTE REVENUE BONDS,  
 SERIES 2022B  
 (LANDFILL IMPROVEMENTS)**

**FORM OF ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Samuel A. Ramirez & Co., Inc. (“**Ramirez**”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “**Bonds**”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Ramirez offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “**Initial Offering Prices**”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated \_\_\_\_\_, 2022, by and between Ramirez, as Underwriter (as defined below) and the Issuer (as defined below), Ramirez has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2022), or (ii) the date on which Ramirez has sold at least 10% of such Hold-

the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Western Placer Waste Management Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2022.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Ramirez’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

SAMUEL A. RAMIREZ & CO., INC.

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

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING  
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

# 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: Gore, Karleskint, Weygandt, Roccucci

Noes: Ø

Absent: Ø

Abstain: Halldin

Signed and approved by me after its passage.

  
Dan Karleskint (Apr 20, 2022 11:34 PDT)

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:

RESOLUTION 22-02  
APRIL 14, 2022  
PAGE 2

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.

## AGREEMENT FOR LEGAL SERVICES

### WESTERN PLACER WASTE MANAGEMENT AUTHORITY AND JONES HALL, A PROFESSIONAL LAW CORPORATION, FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES IN CONNECTION WITH ISSUANCE OF SOLID WASTE REVENUE BONDS

This AGREEMENT FOR LEGAL SERVICES is entered into this 11th day of August 2022, between the WESTERN PLACER WASTE MANAGEMENT AUTHORITY (the "Client") and JONES HALL, A PROFESSIONAL LAW CORPORATION, San Francisco, California ("Attorneys").

#### *BACKGROUND:*

1. The Client wishes to finance the acquisition and construction of capital improvements at the Client's Materials Recovery Facility and the Western Regional Sanitary Landfill (the "Project").
2. The Client has proposed to issue Solid Waste Revenue Bonds (the "Bonds") to finance the Project.
3. In order to effectuate the issuance and sale of the Bonds, the Client requires the services of nationally recognized bond counsel and disclosure counsel.

#### *AGREEMENT:*

In consideration of the foregoing and the mutual covenants contained in this Agreement, the Client and Attorneys agree as follows:

Section 1. Attorney-Client Relationship. Upon execution of this Agreement, the Client will be Attorney's client, and an attorney-client relationship will exist between Client and Attorneys. Attorneys' services as bond counsel and disclosure counsel are limited to those contracted for in this Agreement; the Client's execution of this Agreement will constitute an acknowledgment of those limitations. Attorneys' representation of the Client will not affect, however, our responsibility to render an objective Bond Opinion.

Attorneys will act as an independent contractor in performing the services required under this Agreement, and under no circumstances shall Attorneys be considered an agent, partner, or employee of the Client.

Section 2. Scope of Engagement as Bond Counsel. Attorneys shall perform all of the following services as bond counsel in connection with the issuance and sale of the Bonds for the purpose of financing the Project:

- a. Consultation and cooperation with County staff, Client and Client's staff to assist in the formulation of a coordinated financial and legal issuance of the Bonds.
- b. Preparation of all legal proceedings for the authorization, issuance and delivery of the Bonds; including (a) preparation of a notice of public

hearing and resolutions of the governing board of the County and governing board of the Authority authorizing the issuance and sale of the Bonds and approving related documents and actions, (b) preparation of all financing documents, including an indenture of trust, (c) preparation of all documents required for the closing of the issue, (d) supervising the closing, and (e) preparation of all other proceedings incidental to or in connection with the issuance and sale of the Bonds.

- c. Advising the Client, from the time Attorneys are hired as Bond Counsel until the Bonds are issued, as to compliance with federal tax law as required to ensure that interest on the Bonds is exempt from federal income taxation.
- d. Upon completion of proceedings to Attorneys' satisfaction, providing a legal opinion (the "Bond Opinion") approving the validity and enforceability of the proceedings for the authorization, issuance and delivery of the Bonds, and stating that interest on the Bonds is (a) excluded from gross income for purposes of federal income taxes and (b) exempt from California personal income taxation. The Bond Opinion will be addressed to the Client, and may also be addressed to the underwriter of the Bonds and other participants in the financing.
- e. Review those sections of the official statement or other form of offering or disclosure document to be disseminated in connection with the sale of the Bonds involving summary descriptions of the Bonds, the legal proceedings leading to the authorization and sale of the Bonds, the legal documents under which the Bonds will be issued, and federal tax law and securities law provisions applicable to the Bonds, as to completeness and accuracy.
- f. Assist the Client in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds.
- g. Prepare a debt management and disclosure policy for the Authority.
- h. Provide disclosure training to Authority elected officials and staff.
- i. Such other and further services as are normally performed by bond counsel in connection with similar financings.

Attorneys' Bond Opinion will be delivered by Attorneys on the date the Bonds are exchanged for their purchase price (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date, will cover certain matters not directly addressed by such authorities, and will represent Attorneys' judgment as to the proper treatment of the Bonds for federal income tax purposes. Attorneys' opinion is not binding on the Internal Revenue Service ("IRS") or the courts. Attorneys cannot and will not give any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986 (the "Code"), the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Client acknowledges that future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to

federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. Attorneys will express no opinion regarding any pending or proposed federal tax legislation.

In rendering the Bond Opinion, Attorneys will rely upon the certified proceedings, opinions and other certifications of public officials and other persons furnished to Attorneys without undertaking to verify the same by independent investigation, and Attorneys will assume continuing compliance by the Client with applicable laws relating to the Bonds.

Section 3. Scope of Engagement as Disclosure Counsel. Attorneys shall perform all the following services as disclosure counsel in connection with the issuance and sale of the Bonds for the purpose of financing the Project:

- a. Prepare the Official Statement (both preliminary and final) or other disclosure documents in connection with the offering of the Bonds.
- b. Confer and consult with the officers and administrative staff of the County and Authority as to matters relating to the Official Statement.
- c. Attend all meetings of the Authority and any administrative meetings at which the Official Statement is to be discussed, deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the Official Statement, or when specifically requested by the Client to attend.
- d. On behalf of the Client, prepare the bond purchase contract pursuant to which the Bonds will be sold to the underwriter and a continuing disclosure certificate of the Client to assist the underwriter with complying with Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12").
- e. Subject to the completion of proceedings to the satisfaction of Attorneys, provide a letter of Attorneys addressed to the Authority and underwriter that, although Attorneys are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that Attorneys have independently verified the accuracy, completeness or fairness of any such statements, no facts have come to Attorneys' attention that cause Attorneys to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Bond Insurance Policy and the Insurer (if any), and information concerning the Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and the appendices to the Official Statement, which Attorneys will expressly exclude from the scope of this sentence) as of the date of the Official Statement or the date hereof contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 4. Excluded Services. Our duties in this engagement are limited to those expressly set forth above in Section 2 and Section 3, except as expressly set forth in a written amendment to this Agreement. Among other things, our duties do not include:

- a. Preparing requests for tax rulings from the Internal Revenue Service, or “no-action” letters from the Securities and Exchange Commission.
- b. Preparing blue sky or investment surveys with respect to the Bonds.
- c. Drafting state constitutional or legislative amendments.
- d. Pursuing test cases or other litigation, such as contested validation proceedings, except as set forth above.
- e. Making an investigation or expressing any view as to the creditworthiness of the Client or the Bonds.
- f. After Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking under Securities and Exchange Commission Rule 15c2-12.
- g. Representing the Client in Internal Revenue Service examinations, audits or inquiries, or Securities and Exchange Commission investigations.
- h. After Closing, unless specifically requested to do so by Client, and agreed to by Attorneys, providing continuing advice to the Client or any other party concerning any actions that need to be taken regarding the Bonds; e.g., actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds).
- i. Reviewing or opining on the business terms of, validity, or federal tax consequences of any investment agreement that the Client may choose as an investment vehicle for the proceeds of the Bonds, unless the Client and Attorneys agree on the terms of such review and compensation for such review.
- j. Reviewing or opining on the business terms of, validity, or federal tax consequences of any derivative financial products, such as an interest rate swap agreement, that the Client may choose to enter into in connection with the issuance of the Bonds, unless the Client and Attorneys agree on the terms of such review and compensation for such review.
- k. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

Section 5. Conflicts; Prospective Consent. Attorneys represent many political subdivisions, investment banking firms and financial advisory firms, including the underwriter of the Bonds. It is possible that during the time that Attorneys are representing the Client, one or more of Attorneys’ present or future client will have transactions with the Client. It is also possible that Attorneys may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. Attorneys do not believe such representation, if it occurs, will adversely affect Attorneys’ ability to represent the Authority as provided in this

Agreement, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of the Authority, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this Agreement will signify the Client's consent to Attorneys' representation of others consistent with the circumstances described in this paragraph.

Section 6. Compensation. For the bond counsel services performed by Attorneys under Section 2 above, the Authority will pay Attorneys a flat fee of ninety-five thousand dollars (\$95,000) if the Bonds are issued in a single transaction, and, if the Bonds are issued in two transactions within two years of each other, seventy-five thousand dollars (\$75,000) for the first transaction and sixty-five thousand dollars (\$65,000) for the second transaction.

For the disclosure counsel services performed by Attorneys under Section 3 above, the Authority will pay Attorneys a flat fee of seventy-five thousand dollars (\$75,000) if the Bonds are issued in a single transaction, and, if the Bonds are issued in two transactions within two years of each other, sixty-five thousand dollars (\$65,000) for the first transaction and forty-five thousand dollars (\$45,000) for the second transaction.

In addition, the Authority shall pay to Attorneys all direct out-of-pocket expenses for travel outside the State of California (if any), messenger and delivery service, photocopying, closing costs, legal publication expenses and other costs and expenses incurred by Attorneys in connection with their bond counsel services hereunder (including transcript preparation), up to a maximum of one thousand dollars (\$1,000).

Payment of Attorneys' fees and expenses is entirely contingent on the successful issuance of the Bonds, will be due and payable upon the delivery of the Bonds and will be payable solely from the proceeds of the Bonds and from no other funds of the Client, and is due upon the issuance of the Bonds. The fee is not set by law, but is negotiable between Attorneys and Client.

Section 7. Responsibilities of the Client.

(a) General. The Client will cooperate with Attorneys and furnish Attorneys with certified copies of all proceedings taken by the Client, or otherwise deemed necessary by Attorneys to render an opinion upon the validity of the proceedings. During the course of this engagement, Attorneys will rely on the Client to provide Attorneys with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. Attorneys are not responsible for costs and expenses incurred incidental to the actual issuance and delivery of the Bonds, including the cost of preparing certified copies of proceedings required by Attorneys in connection with the issuance of the Bonds, and printing and publication costs.

(b) Federal Tax Law-Related Responsibilities. The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. As a condition of Attorneys issuing their opinion, you will be required to make certain representations and covenants to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. Attorneys' opinion will assume the accuracy of these representations and compliance with these covenants. Attorneys

will not undertake to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. In this regard, Client agrees to familiarize itself with the relevant requirements and restrictions necessary for the Bonds to qualify for exemption from federal income taxation and to exercise due diligence both before and after issuance of the Bonds in complying with these requirements.

Section 8. Termination of Agreement.

(a) Termination by Client. This Agreement may be terminated at any time by the Client with or without cause upon written notice to Attorneys.

(b) Termination by Attorneys. This Agreement may be terminated by Attorneys upon 15 days' written notice to Client if Client fails to follow written legal advice given by Attorneys.

(c) Termination Upon Issuance of Bonds. This Agreement shall terminate upon the issuance of the Bonds.

(d) Consequences of Termination. In the event of termination, all finished and unfinished documents shall at the option of the Client become its property and shall be delivered to the Client by Attorneys.

Section 9. Licenses, Permits, Etc. Attorneys represent and warrant to Client that they have all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Attorneys to practice their profession. Attorneys represent and warrant to Authority that Attorneys shall, at their sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Attorneys to practice their profession at the time the services are performed.

Section 10. Insurance. Attorneys shall file with Client concurrently herewith a Certificate of Insurance, in companies acceptable to Client, with a Best's Rating of no less than A:VI, for the coverage shown in Exhibit A. All costs of complying with these insurance requirements shall be included in Attorneys' fee(s). These costs shall not be considered a "reimbursable" expense under any circumstances.

Section 11. Licenses, Permits, Etc. Attorneys represent and warrant to Client that they have all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Attorneys to practice their profession. Attorneys represent and warrant to Authority that Attorneys shall, at their sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Attorneys to practice their profession at the time the services are performed.

Section 12. Hold Harmless and Indemnification. Attorneys are skilled in the professional calling necessary to the services and duties agreed to be performed and the Client rely upon the skills and knowledge of Attorneys. Attorneys shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Attorneys agree to protect, defend, indemnify and hold harmless the Client and its officers, agents and employees, from and against any and all liability, losses, damages, costs and expenses resulting from any professional malpractice or intentional misconduct of Attorneys, their officers, employees, agents or subcontractors in the performance of services under this Agreement.

Section 13. Notice. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

<p>CLIENT: Western Placer Waste Management Authority 3013 Fiddymont Road Roseville, CA 95747 Attn: Executive Director Tel: (916) 543-3960</p>	<p>ATTORNEYS: Jones Hall, A Professional Law Corp. 475 Sansome Street, Suite 1700 San Francisco, CA 94111 Attn: Christopher K. Lynch (415) 391-5780</p>
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WITH COPIES TO COUNSEL:  
Robert K. Sandman  
Assistant Authority Counsel  
Western Placer Waste Management Authority  
Placer County Counsel's Office  
175 Fulweiler Ave.  
Auburn, CA 95603  
Tel: (530) 889-4044

Section 14. Standard of Performance. Attorneys shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Attorneys is engaged in the geographical area in which Attorneys practice their profession. All products of whatsoever nature which Attorneys delivers to Authority pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Attorneys' profession.

Section 15. Personnel.

(a) Attorneys shall assign only competent personnel to perform services pursuant to this Agreement. In the event that Client, in their sole discretion, at any time during the term of this Agreement, desire the removal of any person or persons assigned by Attorneys to perform services pursuant to this Agreement, Attorneys shall remove any such person immediately upon receiving notice from Client of the desire of Client for removal of such person or persons.

(b) Attorneys agree that Chris Lynch will be the lead attorney with respect to Bond Counsel services and Juan Galvan will be the lead attorney with respect to Disclosure Counsel services. Reassignment or substitution of this individual by Attorneys without the prior written consent of Client shall be grounds for cancellation of the Agreement by Client, and payment shall be made only for that work performed by the assigned individuals listed in this Agreement or approved by Client.

Section 16. Non-Discrimination. Attorneys shall not discriminate in their employment practices because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.

Section 17. Governing Law. This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California.

Section 18. Entirety of Agreement. This Agreement contains the entire agreement of Client and Attorneys with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

Section 19. Alteration. No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties.

Section 20. Records. Attorneys shall maintain, at all times, complete detailed records with regard to work performed under this Agreement in a form acceptable to Client, and Client shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this Agreement, no payments shall be made to Attorneys until Client are satisfied that work of such value has been rendered pursuant to this Agreement. However, Client shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

Section 21. Ownership of Information. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of Client, and Attorneys agree to deliver reproducible copies of such documents to Client on completion of the services hereunder. Client agree to indemnify and hold Attorneys harmless from any claim arising out of reuse of the information for other than this Project.

Section 22. Waiver. One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.

IN WITNESS WHEREOF, the Client and Attorneys have executed this Agreement as of the date first above written.

**WESTERN PLACER WASTE MANAGEMENT  
AUTHORITY**

\_\_\_\_\_  
Ken Grehm,  
Executive Director

Approved as to Form:

By \_\_\_\_\_  
Authority Counsel

**JONES HALL, A PROFESSIONAL LAW  
CORPORATION**

  
\_\_\_\_\_  
Christopher K. Lynch,  
Vice President

  
By \_\_\_\_\_  
Secretary

*\*If Attorneys are a corporation, this agreement must be signed by two corporate officers, one of which must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer or other officers to bind the corporation.*

**Exhibits**

A. Insurance Requirements

**EXHIBIT A**

**INSURANCE REQUIREMENTS**

ATTORNEYS shall file with CLIENT concurrently herewith a Certificate of Insurance, in companies acceptable to CLIENT, with a Best's Rating of no less than A:VII showing.

**A. WORKER'S COMPENSATION AND EMPLOYEES LIABILITY INSURANCE**

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to Attorneys' employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the Western Placer Waste Management Authority".

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the Western Placer Waste Management Authority, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this agreement by the ATTORNEYS.

Attorneys shall require all subcontractors/subconsultants to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the Western Placer Waste Management Authority upon demand.

**B. GENERAL LIABILITY INSURANCE:**

1. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of Attorneys, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:
  - a. Contractual liability insuring the obligations assumed by Attorneys in this Agreement.
2. One of the following forms is required:

- a. Comprehensive General Liability;
  - b. Commercial General Liability (Occurrence); or
  - c. Commercial General Liability (Claims Made).
3. If Attorneys carry a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
- One million dollars (\$1,000,000) each occurrence
  - Two million dollars (\$2,000,000) aggregate
4. If Attorneys carry a Commercial General Liability (Occurrence) policy:
- a. The limits of liability shall not be less than:
    - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
    - One million dollars (\$1,000,000) for Products-Completed Operations
    - Two million dollars (\$2,000,000) General Aggregate
  - b. If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).
5. Special Claims Made Policy Form Provisions:
- Attorneys shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of Western Placer Waste Management Authority, which consent, if given, shall be subject to the following conditions:
- a. The limits of liability shall not be less than:
    - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
    - One million dollars (\$1,000,000) aggregate for Products Completed Operations
    - Two million dollars (\$2,000,000) General Aggregate
  - b. The insurance coverage provided by Attorneys shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.
- Conformity of Coverages - If more than one policy is used to meet the required coverages, such as a separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the Western Placer Waste Management Authority as noted above. In no cases shall the types of policies be different.
- C. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

1. "The Western Placer Waste Management Authority, its officers, agents, employees, and volunteers are to be covered as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
2. "The insurance provided by the Attorneys, including any excess liability or umbrella form coverage, is primary coverage to the Western Placer Waste Management Authority with respect to any insurance or self-insurance programs maintained by the Western Placer Waste Management Authority and no insurance held or owned by the Western Placer Waste Management Authority shall be called upon to contribute to a loss."
3. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the Western Placer Waste Management Authority."

D. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

E. PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than one million dollars (\$1,000,000).

If Attorneys sub-contract in support of Attorneys' work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the subcontractor in an amount not less than one million dollars (\$2,000,000) in aggregate.

The insurance coverage provided by the Attorneys shall contain language providing coverage up to one (1) year following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

F. ADDITIONAL REQUIREMENTS:

Premium Payments - The insurance companies shall have no recourse against the Western Placer Waste Management Authority and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Policy Deductibles - The Attorneys shall be responsible for all deductibles in all of the Attorneys' insurance policies. The maximum amount of allowable deductible for insurance coverage required herein shall be twenty-five thousand dollars (\$25,000), except for the Professional Liability Insurance deductible which shall be two hundred fifty thousand dollars (\$250,000).

Attorneys' Obligations – Attorneys' indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Verification of Coverage - Attorneys shall furnish the Western Placer Waste Management Authority with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Western Placer Waste Management Authority before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Attorneys' obligation to provide them. The Western Placer Waste Management Authority reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Material Breach - Failure of the Attorneys to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.