

Napa-Vallejo Waste Management Authority

City of American Canyon
City Council Meeting Chambers
4381 Broadway Street, Ste 201 - American Canyon, CA 94503



NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY

Agenda - Final

Thursday, March 13, 2025

10:00 AM

Napa-Vallejo Waste Management Authority

Mary Luros, Chair
Andrea Sorce, Vice Chair
Belia Ramos, Member
Pierre Washington, Member
Bernie Narvaez, Alternate Member
Peter Bregenzer, Alternate Member
Liz Alessio, Alternate Member
David Oro, Alternate Member

Chris Celsi, Executive Director
Tracy Schulze, Auditor
Marie Nicholas, Secretary/Clerk
Thomas C. Zeleny, Legal Counsel
Robert Minahen, Treasurer

Members of the public are encouraged to participate in the meeting by submitting written comments electronically to the Executive Director at NVWMA@countyofnapa.org. This email will be monitored during the meeting. Public comments will be accepted until the Chair closes public comment for each item during the meeting. All comments will be distributed to the Board members and included in the records.

**Submit Public Comments Via Email @:
NVWMA@countyofnapa.org**

GENERAL INFORMATION

The Napa-Vallejo Waste Management Authority meets the 2nd Thursday of each month at 10:00 A.M. at 4381 Broadway Street, Suite 201, American Canyon, California 94503. The meeting room is wheelchair accessible. Requests for disability related modifications or accommodations, aids or services may be made no less than 72 hours prior to the meeting date by contacting 707 253-4471.

The Agenda is divided into two sections:

CONSENT ITEMS

These matters typically include routine financial or administrative actions, as well as final adoption of ordinances that cannot be both introduced and adopted at the same meeting. Any item on the CONSENT CALENDAR will be discussed separately at the request of any person. CONSENT CALENDAR items are usually approved with a single motion.

ADMINISTRATIVE ITEMS

These items include significant policy and administrative actions, and are classified by program areas. Immediately after approval of the CONSENT CALENDAR, ADMINISTRATIVE ITEMS will be considered.

All materials relating to an agenda item for an open session of a regular meeting of the Napa-Vallejo Waste Management Authority which are provided to a majority or all of the members of the Board by Board members, staff or the public within 72 hours of, but prior to the meeting, will be available for public inspection, at the time of such distribution, in the office of Auditor Controller, 1195 Third Street, Suite B-10, Napa CA 94559, Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., except for County holidays. Materials distributed to a majority or all of the members of the Board at the meeting will be available for public inspection at the public meeting if prepared by the members of the Board or Napa Vallejo Waste Management staff, and after the public meeting if prepared by some other person. Availability of materials related to agenda items for public inspection does not include materials which are exempt from public disclosure under Government Code sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22.

ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA, please proceed to the rostrum and, after receiving recognition from the Chair, give your name and your comments or questions. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the specific subject under discussion. Time limitations shall be at the discretion of the Chair or Board.

AGENDA AVAILABLE ONLINE AT www.countyofnapa.org

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT

In this time period, anyone who wishes to speak to the Authority Board of Directors regarding any subject over which the Board has jurisdiction, that is not on the agenda, or to request consideration to place an item on a future Board agenda, may do so at this time. Individuals will be limited to a three minute presentation. The Board of Directors will take no action as a result of any item presented at this time.

5. PRESENTATIONS AND COMMENDATIONS
6. APPROVAL OF MINUTES

- A. Approval of Board Minutes for the January 9, 2025 Regular Meeting. [25-324](#)
Attachments: [2-13-25 Minutes](#)

7. CONSENT ITEMS

8. ADMINISTRATIVE ITEMS

- A. DISCUSSION AND POSSIBLE ACTION: Staff is seeking direction from our Board to pursue a loan and term length for the construction of a proposed Construction and Demolition building at the Devlin Road Transfer Station property. In addition, staff is also asking the Board to consider adjusting the required Operational Capital Reserve Policy levels to allow the Authority to reduce the amount of funds needed for borrowing. If directed, staff will evaluate and return with an analysis and recommendations. [25-151](#)

Attachments: [Finance Memo - Attachment 1](#)
[R3 Workbook - Attachment 2](#)
[Board Meeting Memo](#)

- B. Executive Director to report on Authority related activities. [25-325](#)

9. FACILITIES BUSINESS ITEMS

10. OTHER BUSINESS ITEMS

- A. REQUESTED ACTION: Discussion and possible action to amend the Authority Bylaws to change the meeting day to another day in the month, change the meeting time, both or take no action at this time. [25-319](#)

Attachments: [Resolution](#)
[Board Availability](#)
[Board Availability - Alternates](#)
[Board Availability - Summary](#)

- B. Reports of current information relevant to the Authority by the member jurisdictions: [25-326](#)

11 CLOSED SESSION

12. ADJOURNMENT

The next regularly scheduled meeting of the Authority Board of Directors will be held April 10, 2025.



Napa-Vallejo Waste
Management Authority
Agenda Letter

Napa-Vallejo Waste Management Authority **Agenda Date:** 3/13/2025

File ID #: 25-324

TO: Napa-Vallejo Waste Management Authority Board of Directors
FROM: Chris Celsi, Executive Director
REPORT BY: Chris Celsi, Executive Director
SUBJECT: Approval of Minutes

RECOMMENDATION

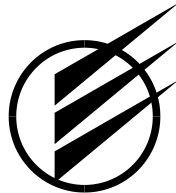
Approval of Board Minutes for the January 9, 2025 Regular Meeting.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Please refer to the attached January 9, 2025 Minutes.



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY
MINUTES OF THE THURSDAY FEBRUARY 13, 2025**

10:00 A.M. REGULAR MEETING OF THE BOARD OF DIRECTORS

1. CALL TO ORDER

The Napa-Vallejo Waste Management Authority met Thursday, February 13, 2025, at the City of American City Hall. Vice-Chair Sorce called the meeting to order at 10:05 a.m.

2. ROLL CALL

The following Directors were present: Vice-Chair Sorce, Director Washington, Director Narvaez, and Director Alessio. Chair Luros and Director Ramos were excused.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT – NONE

5. PRESENTATIONS AND COMMENDATIONS – NONE

6. APPROVAL OF MINUTES

A. APPROVAL OF MINUTES

Approval of Board Minutes for the February 13, 2025, Regular Meeting.

Item 6A: **Approved as submitted PW-LA**

7. CONSENT ITEMS

- A.** Executive Director requests acceptance of Napa-Vallejo Waste Management Authority - Internal Audit Report for the quarter ended December 31, 2024.
- B.** Approval and authorization for Executive Director to execute two change orders totaling \$55,720.40 with Benchmark Civil Construction, Inc. for the ACSL Leachate Line Improvement project, for a new contract total of \$336,200.82. Approval and authorization to amend and increase the Capital Project Budget Item 25801 - ACSL Leachate Line Improvement from \$300,000 to \$370,000.
- C. REQUESTED ACTION:** Approval and authorization for the Chair to sign the Second Amendment to Agreement 2023-02 with Sonoma RSA, Inc. DBA RSA+, for engineering, architectural and related services to support design and construction of the C&D Building at the Devlin Road Transfer Station, Project #17810. (Fiscal Impact: None; Discretionary)

8. ADMINISTRATIVE ITEMS

- A.** Executive Director to report on Authority related activities.
- B.** Approval of the Determination of the Members' 2024 Calendar Year Waste Quantities used to set the next Fiscal Year's weighted voting, as set forth in Section 8.3(c) of the Authority's Joint Powers Formation Agreement.

9. FACILITIES BUSINESS ITEMS – NONE

10. OTHER BUSINESS ITEMS

A. FUTURE AGENDA ITEMS – Discussion on possible change of Board meeting date/time or both due to accommodations for conflicting schedules. Since there were two Alternate Board Members, it was recommended that the item be moved to the next regular meeting on March 13, 2025.

B. REPORTS FROM JURISDICTIONS

DISCUSSION ITEM: Reports of current information relevant to the Authority by the member jurisdictions:

- i. Vallejo: - No Report
- ii. Napa City: - Kevin Miller reported for the City
- iii. Napa County: - No Report
- iv. American Canyon: - No Report

Item 10B Reports only – No Taken Action

11. CLOSED SESSION

12. ADJOURNMENT

The Meeting adjourned at 10:30 A.M. The next meeting of the Authority Board of Directors will be a Regular Meeting to be held on March 13, 2025.

ATTEST: Marie Nicholas
Marie Nicholas, NVWMA Secretary

KEY

Vote: PW=Pierre Washington, ML=Mary Luos, BR=Belia Ramos, AS=Andrea Sorce
LA=Liz Allesio, BN=Bernie Narvaez

The maker of the motion and second are reflected respectively in the order of the recorded vote.
Notations next to vote: N = No; X = Excused; A = Abstain; B = Absent



Napa-Vallejo Waste
Management Authority
Agenda Letter

Napa-Vallejo Waste Management Authority **Agenda Date:** 3/13/2025

File ID #: 25-151

TO: Napa-Vallejo Waste Management Authority Board of Directors
FROM: Chris Celsi, Executive Director
REPORT BY: Chris Celsi, Executive Director
SUBJECT: C&D Facility Construction Loan and Term Length

RECOMMENDATION

DISCUSSION AND POSSIBLE ACTION: Staff is seeking direction from our Board to pursue a loan and term length for the construction of a proposed Construction and Demolition building at the Devlin Road Transfer Station property. In addition, staff is also asking the Board to consider adjusting the required Operational Capital Reserve Policy levels to allow the Authority to reduce the amount of funds needed for borrowing. If directed, staff will evaluate and return with an analysis and recommendations.

EXECUTIVE SUMMARY

The Napa Vallejo Waste Management Authority proposes to develop a new facility for processing Construction & Demolition (C&D) waste materials at its Devlin Road Transfer Station (DRTS) facility in American Canyon. The Authority owns the Devlin Road Transfer Station located at 889 Devlin Road in the City of American Canyon. The transfer station receives municipal solid waste for processing and transfer to a long-term disposal site. The transfer station is operated by Northern Recycling Operations and Waste Services, LLC, under the terms of a contract with the Authority.

The current operation includes separate processing of waste materials originating from construction and demolition sites to recover recyclable products. This process is currently conducted in an open area of the site and is exposed to public view and to the weather. The Authority desires to move the process into a dedicated building to; improve employee and customer safety, remove it from public view, help control dusts and odors, increase recovery of recyclables, and improve the quality of storm water runoff from the site. The goal is to cover and partially enclose a working area of approximately 133,000 sq. ft. and provide associated site improvements.

The Authority will need funding to pay for the construction costs of the proposed building with an estimated cost of \$38 million. The Authority has \$17 million available in cash surplus, leaving a funding gap of \$21 million. The Authority is seeking direction to pursue a financing plan. building to; improve employee and customer safety, remove it from public view, help control dusts and odors, increase recovery of recyclables, and improve the quality of storm water runoff from the site. The goal is to cover and partially enclose a working area of approximately 133,000 sq. ft. and provide associated site improvements.

The Authority will need funding to pay for the construction costs of the proposed building with an estimated cost of \$38 million. The Authority has \$17 million available in cash surplus, leaving a funding gap of \$21 million. The Authority is seeking direction to pursue a financing plan.

At the April 2017 Board of Directors meeting, the Board authorized the Executive Director to enter into negotiations for the possible purchase of additional property adjacent to the south property line of the DRTS. That property is currently owned by Napa Airport Partners, LLC. The subject 17-acre parcel (“Property”) would serve as buffer between DRTS and surrounding parcels and provide room for future expansion of DRTS facilities if necessary. Staff subsequently engaged Bill Kampton of Colliers International to provide information and advice and to interface with the Seller. This purchase was finalized in June 2017.

At the July 2018 Board of Directors’ meeting, the Board authorized a professional services agreement with J.R. Miller and Associates, Inc. to conduct a predesign study of a potential processing facility for recycling of construction and demolition debris at the Devlin Road Transfer Station. The facility currently processes C&D in an outdoor area of the site that is not particularly well suited for such an operation. The study was initiated due to the Authority's desire to improve the following factors:

- Safety of Customers and Employees
- Quality of Storm Water Runoff
- Control of Dust and Odors
- Weather Protection for Employees and Recycled Materials
- Site Aesthetics
- Traffic Circulation and Wait Times

At the March 2019 Board of Directors’ meeting, the Board gave direction for staff to proceed with Environmental Review, Permitting and Design Development for the C&D facility.

In July 2019, the Authority entered into an agreement with RSA+ Sonoma to design the C&D facility. Due to COVID, this project was put on hold for a period. This design was completed in October 2024. Included in this design was to provide an engineer’s estimate of what the construction costs would be. RSA+ estimated this cost to be approximately \$32 million. Based on RSA+’s estimate, we added 10% contingency costs and additional \$1.8 million in soft costs, which includes construction management costs and other fees. The total estimated cost of this construction is approximately \$38 million.

Over the past several years, the Authority has been saving funds to pay for this construction project. Currently, the Authority has approximately \$17 million available for construction costs. The Authority must secure all estimated funds needed to seek construction bids. Therefore, the Authority will need to secure financing for approximately \$21 million for the remaining estimated construction costs. A financing plan includes borrowing funds which will influence our current gate rates at the transfer station. Our current non-franchisee rates are \$77 per ton. Our current franchisee (which are the members of the JPA) rates are \$73 per ton. Both of these rates are scheduled to increase by \$1 per ton on July 1, 2025 and October 1, 2025 respectively.

In July 2023, the Authority entered into an agreement with R3 Consulting Group to help negotiate a new agreement with our transfer station operator and study this proposed construction project's estimated costs and the impacts it would have on our current rates. R3 was given our past years audited financial statements to determine how impactful this project would be on the Authority's rates, based on different financial modeling. R3 also engaged with KNN Public Finance, LLC to determine estimated interest rates over loan term lengths of 10, 15, 20 and 25 years based on \$21 million of borrowed funds. ATTACHMENT 1 is the Finance Memo from R3 that outlines the financing plan. It is a working draft memo until all the terms are finalized. It is hopeful, we can reduce the amount borrowed by either lesser bid costs, reduction of reserve amounts or both.

R3 has also provided a financial workbook that shows our estimated rate increases based on the interest and term of the loan (ATTACHMENT 2). This workbook estimates our financial standing for the next ten years. During R3's presentation, they will provide the Board options of different loan term lengths. This will inform the Board of the impacts the different term lengths will have on our Transfer Station rates in the near and distant future.

Staff is seeking the Board's direction on a financing plan with the preferred borrowing term, (10-, 15-, 20-, or 25-year term). Staff is also seeking the approval to revisit the Authority's reserve policies and possibly use current reserves to reduce the amount required to borrow, and to allow the Authority more flexibility with funding future projects and continue with lower rates.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? Yes
Is it currently budgeted? No
Is it Mandatory or Discretionary? Discretionary
Discretionary Justification: Construction of C&D building will improve site. Will need to increase rates.
Is the general fund affected? Yes
Future fiscal impact: Differing term lengths will affect DRTS rates
Consequences if not approved: Will not be able to construct new C&D building

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

To:	Chris Celsi, Executive Director - NVWMA
From:	Scott Hanin, Principal R3 David Brodsly, Managing Director, KNN Public Finance, LLC
Date:	March 6, 2025
Subject:	Construction & Demolition Debris Financing Plan -- DRAFT

Introduction

R3 Consulting Group, Inc. (R3) and KNN Public Finance, LLC, are engaged by the Napa Vallejo Waste Management Authority (JPA) to research and provide financing options for construction of the JPA's Construction and Demolition (C&D) Facility. As the first step in the process, we have identified the most likely financing approach and estimated the total amount financed and the annual payments. As the variables are refined, our model will be updated to more accurately reflect the final amount financed and annual debt service payments for the JPA.

One of the key observations at this stage of financial planning is that it does not appear that the JPA has the capacity to finance this project under its current rates. Based on the current 10-year projections, the tip fees will not generate significant enough net revenue to fund the amount required for issuance costs, debt service and debt service coverage. Action towards an increase in rates will be the most important next step in developing any plan of finance and ensuring creditworthiness.

Background

Given the expected \$32-36 million construction cost and \$2 million in soft costs of the project, it is reasonable to assume that most of the necessary funding would be raised through the public sale of bonds or via a private placement borrowing, with the repayment of the borrowing spread over future years. Debt financing is appropriate not only to address the practical challenge of accumulating a large amount of revenues prior to construction, but also to equitably spread the cost of construction in a way that future beneficiaries of the project share in that cost.

Two of the primary ways that governments finance services are taxes and charges for services. Services that are financed with charges are typically municipal utilities, including water, wastewater, electricity, and solid waste collection, processing, and disposal. Public services that are financed out of rates and fees are referred to as municipal enterprises and are generally financially self-sustaining without the use of other sources. The JPA is such an independent municipal enterprise. It is reasonable to assume that the source of financing for the project, both any funds on hand that are contributed to construction as well as the debt service payments on the borrowed amounts, will be the JPA itself. We would expect future debt service to be factored into the amount charged to users for the disposal and processing of solid waste at the facility.

Under California law, most municipal enterprises can legally borrow money without a vote of the people. Such borrowings are typically executed through the public sale of revenue bonds (or a bond-like instrument called revenue certificates of participation) or through a privately placed bank loan. No matter the specific security type, the fundamental features of revenue-secured debt

obligations are the same. The term “revenue bond” will be used to describe all debt repaid from JPA revenues.

Investors in utility revenue bonds rely on expectations that system revenues will be sufficient to pay operating expenses, debt service and other costs of the system. Revenue bonds are secured by a pledge of “net revenues,” i.e., revenues available after the payment of operating and maintenance expenses (excluding the non-cash expense of depreciation), in recognition that the utility must have sufficient resources to operate the system and provide a service to be viable, continue to levy fees for service, and repay its debt in the long term. Generally, investors expect that net revenues will be greater than the amount needed for debt service, to provide additional resources for pay-as-you-go capital and for funding reserves. This excess or “coverage” also ensures that, if revenues are lower than expected or expenditures higher, there is sufficient cushion to absorb these contingencies and still have sufficient net revenues to pay debt service. Pay-as-you go projects can be deferred; the prior commitment to pay debt service cannot.

The decision as to the type of borrowing—whether to sale revenue bonds in the public bond market or seek a loan from a bank or other private lender—will reflect a couple of factors. Private placements are typically less than fifteen years, so if the JPA desires a longer repayment term, a bond issue would probably be necessary. Private placements are simpler to execute, as they do not require preparation of an offering document (called an “official statement”) or the need to obtain a bond rating, which can accelerate the financing. On the other hand, the all in cost of borrowing (ignoring staff cost) is higher for a private placement than a bond issue.

Public Sale of Revenue Bonds

Analysis

To dimension the on-going cost of constructing the facility, we have prepared a pro-forma bond sizing for a bond issuance. Key assumptions in that pro-forma are:

Project proceeds: the bond sizing below assumes the construction estimate in 2025-27 of roughly \$37,000,000, offset by \$17,000,000 funds on hand and available to be allocated to the project. For the purposes of this analysis, we have assumed that all these funds would be contributed to project costs. The financing assumes generating a net project amount of \$21,000,000.

Debt Service Coverage: to sell revenue bonds, the issuer typically covenants to set rates at a level, throughout the life of the bond issue, so that they are expected to produce coverage at a ratio set forth in the bond documents. Generally, higher coverage results in higher ratings, and thus lower interest costs. While solid waste revenue bonds are less common than bonds for water and wastewater systems—and thus there are no established market standards in the solid waste sector—a coverage requirement of 1.5-times to 2.0-times represents a reasonable starting assumption for financial planning. This level of coverage would address investor preferences and may be consistent with funds already set aside annually to comply with the JPA’s operating and capital fund balance requirements. Evaluating the appropriate assumptions regarding debt service coverage will be part of the refinement of a plan of finance; given the JPA’s relatively low level of on-going capital needs, “coverage” requirements may be addressed in part through available reserves rather than recurring revenues.

Debt Service Reserve Fund: many bond issues are upsized to fund one year’s worth of debt service, which provides additional security to investors. Those funds typically remain on hand throughout the life of the bond issue and are used to make the final debt service payments. Funding a reserve would be appropriate for a solid waste financing. Based on current estimates,

each scenario below includes funding a Debt Service Reserve equal to the maximum annual debt service payment of the financing.

Costs of issuance: depending on the borrowing mechanism, the JPA will need to appoint a variety of professionals (bond counsel, disclosure counsel, municipal advisor, and a feasibility consultant), pay fees for bond ratings, and compensate the underwriters for distributing bonds to investors. In this case, we assume \$300,000 of bond proceeds will be used for these purposes.

Interest rate: The analysis on the next page assumes the public issuance of “BBB” category revenue bonds based upon market conditions as of March 4, 2025, plus 100 basis points (1.00%). Note that the final interest rate is subject to the actual loan structure, the credit rating of the transaction is sold as bonds, and market conditions at the time that interest rates are locked.

Term: for the sake of this proforma, we have run 4 scenarios of varying repayment term: 10, 15, 20, and 25 year terms. The appropriate term will reflect the useful life of the various components of the facility and financial policy decisions.

Based on the above assumptions, annual debt service ranges from approximately \$1.7 million a year to \$2.9 million a year. In setting fees, and assuming 1.5-times coverage, this would require \$2.5 million to \$4.4 million in net revenues (the difference between total revenues and all operating and maintenance expenses except depreciation). Should private placement financing be possible and the selected option, certain variables may change the debt service payment.

In addition to establishing the rate covenant and the term of the borrowing, there will be several other factors in determining the final plan of finance for the project. While it would seem premature to make these decisions at this stage of the project, a few of them are identified here, as they may want to be addressed in planning for the rate increases necessary to accommodate this debt.

Prefunding interest during construction: the bond sizing above assumes that the JPA would begin paying debt service six months after the bond sale, before any of the project has been placed in service. To the extent the JPA wanted to defer making debt service payments, additional funds could be borrowed to make such payments, referred to as “capitalized interest.” Of course, under such a structure debt service would be higher once payments begin. If the JPA pre-funded three years of interest out of bond proceeds (the most allowed under the rules for tax-exempt bonds), the size of the bond issue would increase about \$5.0 million, increasing annual debt service about \$323,000 a year (for the 25-year scenario).

Project Financing

Scenario:	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Financing Term:	10 years	15 years	20 years	25 years
Sources				
Par Amount	\$23,115,000	\$23,125,000	\$22,880,000	\$23,000,000
Bond Premium	614,461	496,030	389,243	92,774
Total Sources	\$23,729,461	\$23,621,030	\$23,269,243	\$23,092,774
Uses				
Project Fund Deposit: ¹	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000
Debt Service Reserve Fund: ²	2,311,500	2,203,825	1,854,450	1,674,750
Cost of Issuance: ³	300,000	300,000	300,000	300,000
Underwriter's Discount: ⁴	115,575	115,625	114,400	115,000
Rounding:	2,386	1,580	393	3,024
Total Uses:	\$23,729,461	\$23,621,030	\$23,269,243	\$23,092,774
True Interest Cost: ⁵	4.57%	4.83%	5.14%	5.38%
Total Payments:	\$29,946,750	\$33,607,000	\$37,642,475	\$42,414,700
Average Annual Payments: ⁶	\$2,936,888	\$2,201,568	\$1,852,341	\$1,672,208
Total Net Payments: ⁷	\$26,941,800	\$30,411,454	\$34,675,355	\$39,483,888
Average Annual Net Payments: ⁷	\$2,867,572	\$2,135,648	\$1,796,857	\$1,622,071

¹ Project fund deposit assumes no interest earnings.

² Debt service reserve fund sized to maximum annual debt service payment.

³ Cost of issuance includes estimated fees for bond and disclosure counsel, credit rating, municipal advisor, trustee, financial printer, etc.

⁴ Underwriter's discount assumed at \$5.00 per \$1,000 of bond par amount.

⁵ True interest cost based upon public sale of "BBB" category revenue bonds +100 bps, as of March 4, 2025.

⁶ Commences with FY27, the first full fiscal year payment.

⁷ Net of estimated earnings on debt service reserve fund assumed at 3.00% per year for term of financing and corpus of reserve fund to offset final year's payment.

Next Steps

Once the other project variables are agreed upon (length of borrowing and available funds to be used for the project), R3 will project the impact on franchised and self-haulers to the facility. It is currently assumed that the annual debt service coverage requirement would be calculated using the current tip fee calculation methodology and collected through the tip fee(s). We will update the financing model when construction and other capital costs are finalized.

ATTACHMENT 2

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Tons per year	290,823	290,823	290,823	290,823	290,823	290,823	290,823	290,823	290,823	290,823
Min. Loads:										
No. of Min Loads:	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Price per Load:	\$ 44.00	\$ 47.52	\$ 48.95	\$ 50.41	\$ 51.93	\$ 53.48	\$ 55.09	\$ 56.74	\$ 58.44	\$ 60.20
Annual Revenue:	\$ 2,464,000	\$ 2,661,120	\$ 2,740,954	\$ 2,823,182	\$ 2,907,878	\$ 2,995,114	\$ 3,084,967	\$ 3,177,516	\$ 3,272,842	\$ 3,371,027
Franchise Loads:										
Tons Franchise:	137,252	137,252	137,252	137,252	137,252	137,252	137,252	137,252	137,252	137,252
Price per Ton:	\$ 72.00	\$ 73.00	\$ 78.84	\$ 81.21	\$ 83.64	\$ 86.15	\$ 88.74	\$ 91.40	\$ 94.14	\$ 96.96
Oct	\$ 73.00	\$ 78.84	\$ 81.21	\$ 83.64	\$ 86.15	\$ 88.74	\$ 91.40	\$ 94.14	\$ 96.96	\$ 99.87
Annual Revenue:	\$ 9,985,064	\$ 10,620,540	\$ 11,064,398	\$ 11,396,330	\$ 11,738,220	\$ 12,090,367	\$ 12,453,078	\$ 12,826,670	\$ 13,211,470	\$ 13,607,814
Non-Franchise Loads:										
Tons non-franchise:	130,332	130,332	130,332	130,332	130,332	130,332	130,332	130,332	130,332	130,332
Price per Ton:	\$ 77.00	\$ 83.16	\$ 85.65	\$ 88.22	\$ 90.87	\$ 93.60	\$ 96.41	\$ 99.30	\$ 102.28	\$ 105.34
Annual Revenue:	\$ 10,035,544	\$ 10,838,387	\$ 11,163,539	\$ 11,498,445	\$ 11,843,398	\$ 12,198,700	\$ 12,564,661	\$ 12,941,601	\$ 13,329,849	\$ 13,729,745
Clean Dirt:										
Tons:	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Price per Ton:	\$ 40.00	\$ 43.20	\$ 44.50	\$ 45.83	\$ 47.21	\$ 48.62	\$ 50.08	\$ 51.58	\$ 53.13	\$ 54.72
Annual Revenue:	\$ 280,000	\$ 302,400	\$ 311,472	\$ 320,816	\$ 330,441	\$ 340,354	\$ 350,564	\$ 361,081	\$ 371,914	\$ 383,071
TOTAL	\$ 22,764,608	\$ 24,422,447	\$ 25,280,363	\$ 26,038,774	\$ 26,819,937	\$ 27,624,535	\$ 28,453,271	\$ 29,306,869	\$ 30,186,075	\$ 31,091,657
		7.3%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Increase		8.0%	3%	3%	3%	3%	3%	3%	3%	3%
	290,263									



NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY

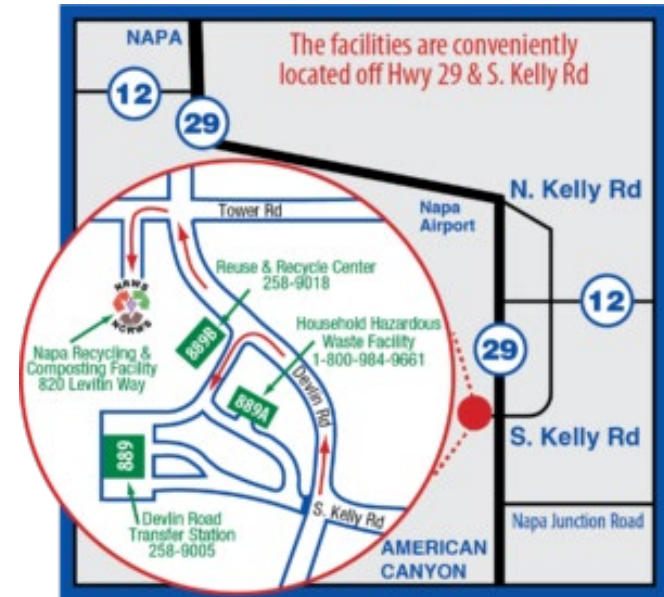
NVWMA
Board Meeting

Proposed C&D Building & Future Rate Impacts

March 13, 2025

AGENDA

- Background
- C&D Facility Overview
- Construction & Financing Costs
- Financing Options
- Tip Fee Impacts
- Board Discussion & Direction



- The JPA owns and is responsible for regulating rates at the Devlin Road Recycling and Transfer Facility (DRRTF)
- Northern Recycling Operations & Waste Services, LLC. (NROWS) has operated the DRRTF since 2006
- NROWS has submitted a proposal that would provide for a new 15-year operating agreement
- The JPA and NROWS have been developing plans for a new Construction & Demolition(C&D) Recycling Facility adjacent to the DRRTF which would replace the current outdoor C&D sort line located behind the transfer station



Current C&D Facility

“Phase 1”

- Operation of outdoor 2.6-acre pad – originally anticipated to last two to three years (*per 2006 NROWS proposal*)
- Super-Ptarmigan Machinery (*original equipment provider*)

Focus on Mixed C&D, recoverable dry commercial & self-haul

- Source Separated Materials to City of Napa MDF
- Most of the achieved diversion is from Alternative Daily Cover (ADC)

Year	Tonnage (inbound)	Facility Diversion Rate	Diversion achieved thru ADC
2023	283,041	28%	23%
2022	271,658	28%	22%



Background

Process: Initial proposal (12/6/24) > negotiations > Revised proposal (2/21/25)

Assumptions:

- 290,000 inbound tons, held steady
- **CPI** adjustment after year 2
- Goals: Maintain cost effectiveness, achieve modest diversion improvement

Cost Proposal Components

Monthly Baseline: \$609,418 yr 1, \$722,294 yr 2 (increase for C&D facility capital)

Variable Tonnage: Every ton over 290,000 per year @ \$22.37 yr 1, \$24.38 yr 2

Diversion Incentive: Escalating based on tier of C&D Diversion achieved

Monthly Incentive for increased C&D diversion		
65% to 70%	\$ 15,548	\$ 15,548
70% to 75%	\$ 31,096	\$ 31,096
75% to 80%	\$ 46,644	\$ 46,644



Construction & Financing Costs

Projected Construction Costs	\$32,000,000
10% Contingency	3,200,000
Soft Costs	<u>1,910,000</u>
Total	\$37,110,000

Projected Financing Overview

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Term:	10 years	15 years	20 years	25 years
Project Borrowing	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000
Debt Service Reserve	\$ 2,311,500	\$ 2,203,825	\$ 1,854,450	\$ 1,674,750
Cost of Issuance	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Underwriter's Discount	\$ 115,575	\$ 115,625	\$ 114,400	\$ 115,000
Rounding	\$ 2,386	\$ 1,580	\$ 393	\$ 3,024
	\$ 23,729,461	\$ 23,621,030	\$ 23,269,243	\$ 23,092,774

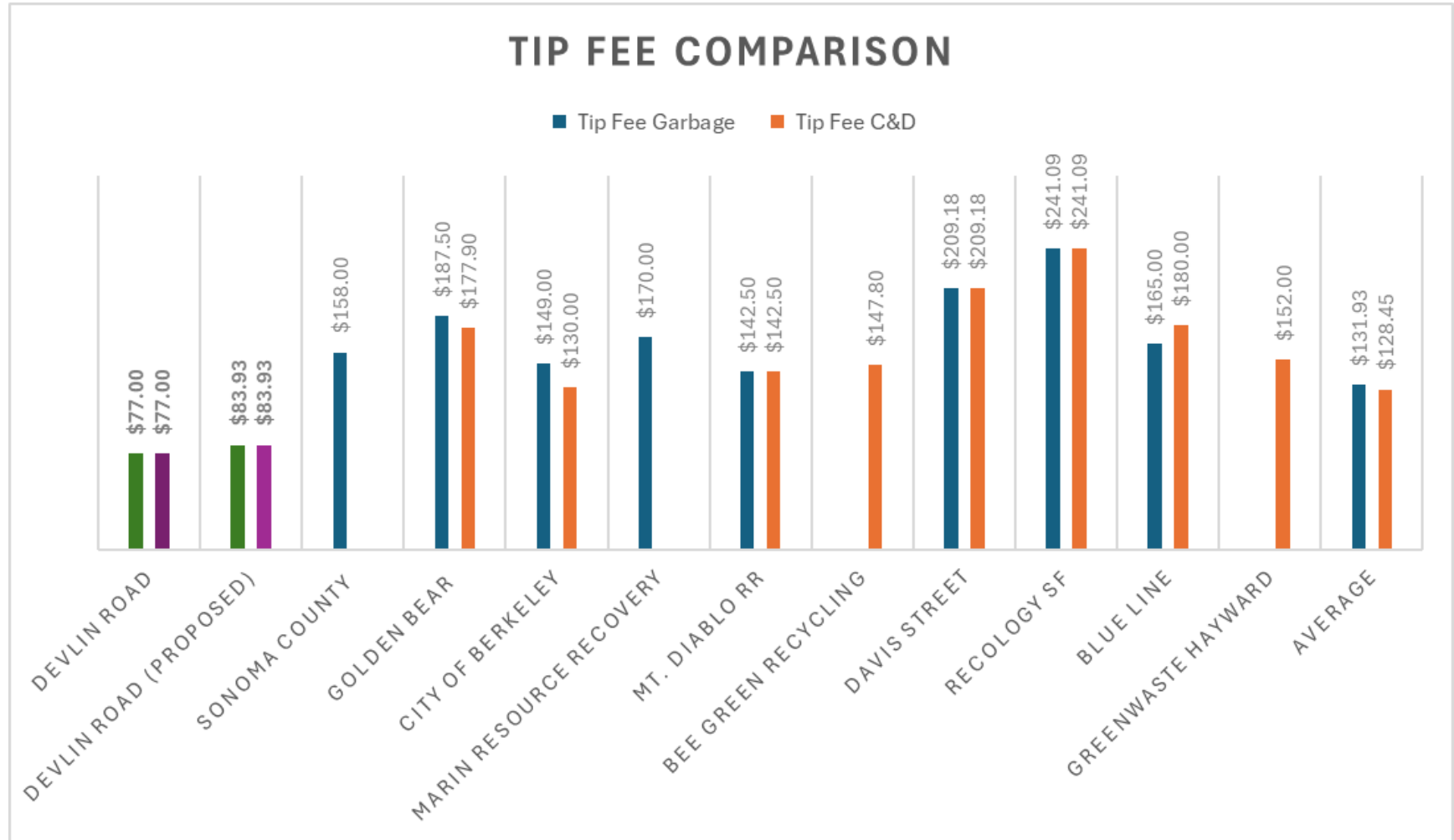


Financing Costs

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Term:	10 years	15 years	20 years	25 years
True Interest Cost	4.6%	4.8%	5.1%	5.4%
Total Payments	\$29,946,750	\$33,607,000	\$37,642,475	\$42,414,700
Average Annual Payments	\$2,936,888	\$2,201,568	\$1,852,341	\$1,672,208
Approximate Rate Increase	10.00%	8.00%	7.00%	6.00%



Tip Fee Impacts



Questions for the Board?

- Should the JPA go forward with the new C&D facility?
- If yes, should the staff pursue facility financing?
- If yes, is there a desired term?
- Other?



Questions & Comments/Discussion





Napa-Vallejo Waste Management Authority

Agenda Letter

Napa-Vallejo Waste Management Authority **Agenda Date:** 3/13/2025

File ID #: 25-325

TO: Napa-Vallejo Waste Management Authority Board of Directors
FROM: Chris Celsi, Executive Director
REPORT BY: Chris Celsi, Executive Director
SUBJECT: Executive Director's Report

RECOMMENDATION

Executive Director to report on Authority related activities.

EXECUTIVE SUMMARY

The Executive Director will report on recent activities relating to the Authority.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Executive Director will report on recent activities concerning the Authority.



Napa-Vallejo Waste Management Authority

Agenda Letter

Napa-Vallejo Waste Management Authority **Agenda Date:** 3/13/2025

File ID #: 25-319

TO: Napa-Vallejo Waste Management Authority Board of Directors

FROM: Chris Celsi, Executive Director

REPORT BY: Chris Celsi, Executive Director

SUBJECT: Changing the regular meeting schedule of the Board of Directors

RECOMMENDATION

REQUESTED ACTION: Discussion and possible action to amend the Authority Bylaws to change the meeting day to another day in the month, change the meeting time, both or take no action at this time.

EXECUTIVE SUMMARY

Section 4 of the Authority Bylaws specifies that regular meetings of the Board shall be held at 10:00 a.m. on the second Thursday of each month, with some exceptions for holiday weeks. This creates a scheduling conflict for some of the Directors.

This action requests the regular meeting date of the Board be changed to another day in the week, change the meeting time or both. Staff will amend the Bylaws to reflect a new meeting date agreed to by the Board and return next month with an amended meeting calendar.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	No
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	A change in the meeting schedule is necessary accommodate the Directors schedule.
Consequences if not approved:	The Authority may lack a quorum for some Board meetings.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed activity is not a project under the California

Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), as an organizational or administrative activity that will not result in direct or indirect physical changes in the environment, and therefore CEQA is not applicable.

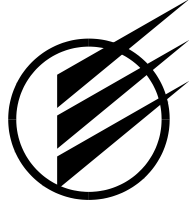
BACKGROUND AND DISCUSSION

Section 4 of the Authority Bylaws specifies that regular meetings of the Board shall be held at 10:00 a.m. on the second Thursday of each month. If the meeting will occur in the same week as the New Year's holiday, the July 4 holiday, or Labor Day or Veteran's Day, the Bylaws indicate the meeting will be held on the third Thursday of that month.

At our last Board meeting on February 13, 2025, staff was asked to query the alternate Board members to determine their availability or unavailability on the dates and times when most of the regular Board members are available. Included is the spreadsheet each regular Board member received (Attachment 1) and each alternate Board member received (Attachment 2) with the request to determine availability (or unavailability). Attachment 3 is the summary of regular members' availability.

Based on the responses from the current Board and their alternates, the current meeting time appears to be most favorable to the majority of regular and alternative members. A suggestion was made about possibly starting the current meeting at 9:30 am, which would allow members to meet other commitments. Another possibility appears to be the second, third or fourth Wednesday from 9:30 am - 11:30 am.

If the Board agrees on a new day or time for regular meetings, staff will finalize the amendment to the Bylaws and return in April with amended meeting calendar for approval.



NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY

RESOLUTION NO. 2025-04

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NAPA-VALLEJO WASTE MANAGEMENT AUTHORITY
AMENDING THE BYLAWS TO CHANGE THE
REGULAR MEETING SCHEDULE**

WHEREAS, the Board of Directors has adopted bylaws for the conduct of Authority business, pursuant to Section 8.1 of the Napa-Vallejo Waste Management Authority Joint Powers Agreement; and

WHEREAS, Section 4 of the Authority Bylaws indicates that regular meetings of the Board shall be held at 10:00 a.m. on the second Thursday of each month; and

WHEREAS, the Authority has three new Directors, not all of whom can conveniently attend Board meetings on the current date and time; and

WHEREAS, the Board desires to change the regular meeting schedule in the Bylaws to maximize the chance that all Directors are available;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. Authority staff is directed to amend Section 4 of the Bylaws to revise the regular meeting schedule as follows:

4. REGULAR MEETINGS: TIME AND LOCATION. Regular meetings of the Board shall be held on the first / second / third / fourth Monday / Tuesday / Wednesday / Thursday / Friday of each month, unless otherwise specified by the Board. Regular meetings shall commence at _____ a.m. / p.m. and shall continue until all business is completed unless the Board determines by majority vote to continue all or some of the remaining items to a later meeting. The location of Regular meetings shall be as noted below, except that such locations may be changed for a given Regular meeting by the Chair or Executive Director with the approval of the Chair to any other location within the building specified below, without amendment of these Bylaws, as long as the new location is posted in writing on the door of the room noted below prior to and during the meeting.

MEETING LOCATION:

City of American Canyon
4381 Broadway, Suite 201
American Canyon, California 94503

2. Authority staff is further directed to return next month with an amended meeting calendar for the rest of 2025, for the Board’s consideration.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Directors of the Napa-Vallejo Waste Management Authority at a regular meeting held on the ____ day of _____, 2025, by the following vote:

AYES: DIRECTORS _____

NOES: DIRECTORS _____

ABSTAIN: DIRECTORS _____

ABSENT: DIRECTORS _____

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Thomas C. Zeleny</u> Authority Counsel</p> <p>Date: <u>February 27, 2025</u> PL Doc. No. 126909</p>	<p>APPROVED BY THE AUTHORITY BOARD OF DIRECTORS</p> <p>Date: _____ Processed By: _____ Secretary of the Authority</p>	<p>ATTEST: MARIE NICHOLAS Secretary of the Authority</p> <p>By: _____</p>
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Board Availability or (Un)Availability

AM	Monday	Tuesday	Wednesday	Thursday	Friday
8:00					
8:30					
9:00					
9:30					
10:00				Second Thursday Monthly	
10:30					
11:00					
11:30					
PM					
12:00					
12:30					
1:00					
1:30					
2:00					
2:30					
3:00					
3:30					
4:00					
4:30					
5:00					

Alternates

Board (un)Availability

Week 1

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00					
8:30					
9:00					
9:30					
10:00					
10:30					
11:00					
11:30					
PM					
12:00					
12:30					
1:00					
1:30					
2:00					
2:30					
3:00					
3:30					
4:00					
4:30					
5:00					

Week 2

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00					
8:30					
9:00					
9:30					
10:00				Board Meeting	
10:30					
11:00					
11:30					
PM					
12:00					
12:30					
1:00					
1:30					
2:00					
2:30					
3:00					
3:30					
4:00					
4:30					
5:00					

Week 3

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00					
8:30					
9:00					
9:30					
10:00					
10:30					
11:00					
11:30					
PM					
12:00					
12:30					
1:00					
1:30					
2:00					
2:30					
3:00					
3:30					
4:00					
4:30					
5:00					

Week 4

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00					
8:30					
9:00					
9:30					
10:00					
10:30					
11:00					
11:30					
PM					
12:00					
12:30					
1:00					
1:30					
2:00					
2:30					
3:00					
3:30					
4:00					
4:30					
5:00					

**Board (un)Availability
SUMMARY**

Week 1

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00	xxx	xxx	xxx	xxx	xxx
8:30	xxxx	xxx	xxx	xxx	xxxx
9:00	xxxx	xxx	xx	xx	xxxx
9:30	xxx	xx	x	x	xxx
10:00	xxx	xx	x	x	xxx
10:30	xxx	xx	x	x	xxx
11:00	xxx	xx	x	x	xxxx
11:30	xxx	xx	x	xx	xxxx
PM					
12:00	xx	xx	xx	xx	xxx
12:30	xx	xx	xx	xx	xxx
1:00	xx	xxx	xx	xxx	xxx
1:30	xx	xxx	xx	xxx	xxx
2:00	xx	xxx	xx	xx	xxx
2:30	xx	xxx	xx	xx	xxx
3:00	xx	xxx	xxx	xx	xxx
3:30	xx	xxx	xxx	xx	xxx
4:00	x	xxx	xxx	xx	xxx
4:30	x	xxx	xxx	xx	xxx
5:00	x	xxx	xxx	xx	xxx

Week 2

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00	xxx	xxx	xxx	xxx	xxx
8:30	xxxx	xxx	xxx	xxx	xxxx
9:00	xxxx	xxx	xxx	xx	xxxx
9:30	xxx	xx	xx	x	xx
10:00	xxx	xx	xx	Board Meeting	xx
10:30	xxx	xx	xx	x	xx
11:00	xxx	xx	xx	x	xxx
11:30	xxx	xx	xx	xx	xxx
PM					
12:00	xx	xx	xx	xx	xx
12:30	xx	xx	xx	xx	xxx
1:00	xx	xx	xx	xxx	xxx
1:30	xx	xx	xx	xxx	xxx
2:00	xx	xx	xx	xx	xxx
2:30	xx	xx	xx	xx	xxx
3:00	xx	xxx	xxx	xx	xxx
3:30	xx	xxx	xxx	xx	xxx
4:00	xx	xxx	xxx	xx	xxx
4:30	xx	xxx	xxx	xx	xxx
5:00	xx	xxx	xxx	xx	xxx

Week 3

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00	xxx	xxx	xxx	xxx	xxxx
8:30	xxxx	xxx	xxx	xxx	xxxx
9:00	xxxx	xxx	xx	xx	xxxx
9:30	xxx	xx	xx	x	xx
10:00	xxx	xx	x	x	xx
10:30	xxx	xx	x	x	xx
11:00	xxx	xx	x	x	xxx
11:30	xxx	xx	x	xx	xxx
PM					
12:00	xx	xx	xx	xx	xx
12:30	xx	xx	xx	xx	xxx
1:00	xx	xxx	xx	xxx	xxx
1:30	xx	xxx	xx	xxx	xxx
2:00	xx	xxx	xx	xx	xxx
2:30	xx	xxx	xx	xx	xxx
3:00	xx	xxx	xxx	xx	xxx
3:30	xx	xxx	xxx	xx	xxx
4:00	x	xxx	xxx	xx	xxx
4:30	x	xxx	xxx	xx	xxx
5:00	x	xxx	xxx	xx	xxx

Week 4

Am	Monday	Tuesday	Wednesday	Thursday	Friday
8:00	xxx	xxx	xxx	xxx	xxx
8:30	xxxx	xxx	xxx	xxx	xxxx
9:00	xxxx	xxx	xx	xx	xxx
9:30	xxx	xx	x	x	xx
10:00	xxx	xx	x	x	xx
10:30	xxx	xx	x	x	xx
11:00	xxx	xx	x	x	xxx
11:30	xxx	xx	x	xx	xxx
PM					
12:00	xx	xx	xx	xx	xx
12:30	xx	xx	xx	xx	xxx
1:00	xx	xxx	xx	xxx	xxx
1:30	xx	xxx	xx	xxx	xxx
2:00	xx	xxx	xx	xx	xxx
2:30	xx	xxx	xx	xx	xxx
3:00	xx	xxx	xxx	xx	xxx
3:30	xx	xxx	xxx	xx	xxx
4:00	xx	xxx	xxx	xx	xxx
4:30	xx	xxx	xxx	xx	xxx
5:00	xx	xxx	xxx	xx	xxx



Napa-Vallejo Waste
Management Authority
Agenda Letter

Napa-Vallejo Waste Management Authority **Agenda Date:** 3/13/2025

File ID #: 25-326

TO: Napa-Vallejo Waste Management Authority Board of Directors
FROM: Chris Celsi, Executive Director
REPORT BY: Chris Celsi, Executive Director
SUBJECT: Reports from Jurisdictions

RECOMMENDATION

Reports of current information relevant to the Authority by the member jurisdictions:

EXECUTIVE SUMMARY

- i. Vallejo: Andrea Sorce
- ii. Napa City: Mary Luros
- iii. Napa County: Belia Ramos
- iv. American Canyon: Pierre Washington

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.