

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM**

Meeting Date: May 28, 2008

Executive Summary

***Request for Approval of Conversion of Bonds to new Term Interest Rate Periods
and Remarketing Agent and Tender Agent***

Prepared by: *Michael Smith*

Applicant: Waste Management, Inc.	Remarketing Amount: \$21,720,000
Project: Various Cities and Counties	Bond Series: 1998A/B
Location: throughout California	

Summary: Waste Management, Inc. requires consent of the Authority to appoint

- 1) Banc of America Securities, LLC to serve as the Remarketing Agent, and
- 2) the Bank of New York Trust Company, N.A. as Tender Agent

for the Authority’s 1998 bonds due to a mandatory tender and consequent remarketing of bonds initially issued in a 10-year Term Interest Rate mode in 1998.

Borrower: Waste Management Inc. (“WMI”) is a publicly owned company and is the largest solid waste collection and disposal company in North America with operations throughout the United States, Canada and Puerto Rico.

Legal Questionnaire: None required.

Prior Actions and Financings: The Authority previously issued \$13,520,000 aggregate principal amount of Solid Waste Disposal Refunding Revenue Bonds (USA Waste Services, Inc. Project) Series 1998A and \$8,200,000 aggregate principal amount of Solid Waste Disposal Refunding Revenue Bonds (USA Waste Services, Inc. Project) Series 1998B (the “1998A/B Bonds”). Waste Management, Inc. is the successor entity to USA Waste Services, Inc.

Pursuant to Indentures (the “1998A/B Indentures”) for the 1998A/B Bonds, the appointment of any Remarketing Agent shall terminate (subject to renewal by the Authority or replacement by a successor Remarketing Agent as provided in the 1998A/B Indentures) fifteen days prior to the commencement of any Term Interest Rate of three years or longer. The current Term Interest Rate Period for the 1998A/B Bonds ends on May 31, 2008. Further, the 1998A/B Indentures provide that adjustments to any new Term Interest Rate Periods requires consent of the Authority.

Current Request: Pursuant to Sections 8.11 and 8.14 of the 1998A/B Indentures, WMI requests the Authority to appoint Banc of America Securities, LLC to serve as the Remarketing Agent and to appoint the Bank of New York Trust Company, N.A. as Tender Agent for the 1998A/B Bonds. Further, pursuant to section 2.03(D)(II) of each of the 1998 A/B Indentures, WMI requests the Authority to consent to the adjustment to new Term Interest Rate Periods for the 1998 A/B Bonds. This is not a request for new or additional financing or for an extension of previously approved financing requests; rather, this is a request for approval of a remarketing

agent and tender agent to carry out a mandatory tender of bonds and to remarket such bonds with a new rate that were previously issued in June 1998.

Discussion: The current request was received on April 24, 2008, and it is occasioned by the mandatory tender on June 1, 2008 and consequent remarketing of bonds originally issued by CPCFA in 1998.

Because the bonds were issued at a ten-year term interest rate period with a mandatory tender on June 1, 2008, WMI must prepare for the mandatory tender and remarketing of the bonds on June 1, 2008 in accordance with the provisions of the 1998A/B Indentures under which the bonds were issued. With respect to the remarketing itself, WMI can remarket the bonds in various modes and has chosen to remarket them in a two-to-five-year Term Rate Mode.

The Indentures require that the Authority approve the appointment of various participants associated with the remarketing and tender of bonds. Regardless of the interest rate mode, WMI will need to appoint a Tender Agent or Agents and a Remarketing Agent or Agents for each series of bonds as required under the 1998A/B Indentures. WMI requests that the Authority approve the appointment of the Bank of New York Trust Company, N.A. as Tender Agent and Banc of America Securities, LLC as the Remarketing Agent as well as consent to the remarketing of the 1998A/B Bonds as required under the 1998A/B Indentures.

Financing Team:

- Remarketing Agents:** Banc of America Securities, LLC.
- Tender Agent:** Bank of New York Trust Company, N.A.
- Company Counsel:** Hunton & Williams
- Bond Counsel:** Orrick Herrington & Sutcliffe
- Issuer’s Counsel:** Attorney General’s Office
- Bond Structure:** Multi-modal including Weekly and Term Interest Rate Modes

Staff Recommendation: Staff recommends approval of WMI’s request to appoint Banc of America Securities, LLC as Remarketing Agent and Bank of New York Trust Company, N.A. as Tender Agent for the 1998A/B Bonds.

**RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY RELATING TO
APPOINTMENT OF REMARKETING AGENT AND TENDER AGENT**

WHEREAS, the California Pollution Control Financing Authority (“Authority”), approved the application of USA Waste Services, Inc. (“USA Waste”) for financial assistance in the acquisition and construction of certain pollution control facilities (the “1998A/B Project”) and issued \$13,520,000 aggregate principal amount of Solid Waste Disposal Refunding Revenue Bonds (USA Waste Services, Inc. Project) Series 1998A and \$8,200,000 aggregate principal amount of Solid Waste Disposal Refunding Revenue Bonds (USA Waste Services, Inc. Project) Series 1998B (collectively, the “1998A/B Bonds”) pursuant to those certain Indentures, dated as of June 1, 1998 (collectively, the “1998A/B Indentures”), to provide such financial assistance; and

WHEREAS, the proceeds received from the sale of the 1998A/B Bonds were loaned to USA Waste pursuant to the terms and provisions of those certain Loan Agreements, dated as of June 1, 1998 (collectively, the “1998A/B Loan Agreements”) to finance the 1998A/B Project as further described in the 1998A/B Loan Agreement; and

WHEREAS, Waste Management, Inc. (“WMI”) is successor to USA Waste; and

WHEREAS, the Indentures provide for the appointment by WMI of a Remarketing Agent and a Tender Agent with the approval of the Authority; and

WHEREAS, in connection with the mandatory purchase of the 1998A/B Bonds on June 1, 2008 and the commencement of a new Term Interest Rate Period for the 1998A/B Bonds on such date, WMI has requested the Authority to approve the appointment of a Remarketing Agent and a Tender Agent; and

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct.

Section 2. As requested by WMI, the Authority hereby approves the appointment of Banc of America Securities LLC as Remarketing Agent for the 1998A/B Bonds.

Section 3. As requested by WMI, the Authority hereby approves the appointment of The Bank of New York Trust Company, N.A. (successor trustee to Chase Bank of Texas, National Association, for the Bonds) as Tender Agent for the 1998A/B Bonds.

Section 4. The Authority hereby consents to the commencement of new Term Interest Rate Periods for the 1998A/B Bonds.

Section 5. The Executive Director or Deputy Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts and to enter into any agreements, including (without limitation) to execute and deliver any and all certificates, which, with the advice of the Attorney General, they may deem necessary or advisable in order to effectuate the purpose of this resolution.

Section 6. This Resolution shall take effect immediately upon its passage and remain in full force and effect thereafter.