

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 5, 2007
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by Brady Hill.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: \$140,175,000

Project Name: Waste Management Inc.

- Various locations as noted in the following table:

Facility Name	Facility Address	County
Altamont Landfill	10840 Altamont Pass Road, Livermore, 94551	Alameda
Davis Street Recycling	2615 Davis Street, San Leandro, 94577	Alameda
Davis Street Transfer Station	2615 Davis Street, San Leandro, 94577	Alameda
Davis Street MRF	2615 Davis Street, San Leandro, 94577	Alameda
Livermore Dublin Disposal	6175 Southfront Road, Livermore, 94551	Alameda
Tri-Cities RDF Landfill	7010 Auto Mall Parkway, Fremont, 94538	Alameda
WM of Alameda County	172 98 th Ave., Oakland, 94603	Alameda
WM of Central Valley – Kettleman City	35251 Old Skyline Road, Kettleman City, 93239	Kings
El Sobrante Landfill	10910 Dawson Canyon Road, Corona, 92883	Riverside
Moreno Valley WMCR	17700 Indian Street, Moreno Valley, 92551	Riverside
Guadalupe Rubbish Disposal Company	15999 Guadalupe Mines Road, San Jose, 95120	Santa Clara
Kirby Canyon Landfill	910 Coyote Creek Golf Dr., San Jose, 95037	Santa Clara
Anderson Landfill	18703 Cambridge Road, Anderson, 96007	Shasta
Anderson-Cottonwood Disposal	8592 Commercial Way, Redding, 96002	Shasta
GI Industries	195 Los Angeles Ave. West, Simi Valley, 93065	Ventura
Simi Valley Landfill	2801 Madeira Road, Simi Valley, 93065	Ventura

Project Sponsor Information:

Name: Waste Management Inc.
Address: 1001 Fannin Street, Suite 4000
Houston, TX 77002
Principals: David P. Steiner, Lawrence O'Donnell III, Robert G. Simpson,
Jeff Harris, Duane C. Woods, Brett Frazier, James E. Trevathan,
Patrick J. DeRueda, Mark A. Weidman, Rick L. Wittenbraker,
David A. Aardsma, Lynn M. Caddell, Barry H. Caldwell,
Jay Romans, Carlton Yearwood and Cherie C. Rice
Contact: David LaPaul
Phone: (713) 287-2658

Project User Information:

Name: Same as Project Sponsor
Address: Same as Project Sponsor
Contact: Same as Project Sponsor
Phone: Same as Project Sponsor

Project Financing Information:

Bond Counsel: Hawkins, Delafield & Wood
Underwriter: Banc of America Securities LLC
Credit Enhancement Provider: Bank of America (Letter of Credit)
Private Placement Purchaser: Not applicable
TEFRA Hearings: October 9, 2007; October 16, 2007; October 23, 2007;
October 30, 2007

Project Sponsor's principal activity: According to the application, the Project Sponsor's principal activity is the collection, disposal and recycling of solid waste.

First Tier Business (Yes/No): No

Regulatory Mandate (Yes/No): Yes

Sources of Funds:

Tax-Exempt Bond Proceeds	\$140,175,000
Other Sources	\$ 0
Total Sources	\$140,175,000

Uses of Funds:

Equipment (Containers)	\$ 5,900,000
Equipment (Trucks)	\$ 5,600,000
Equipment (Primary)	\$ 1,700,000
Landfill Expenditures	\$ 95,350,000
Leachate & Methane Gas Systems	\$ 26,025,000
Facility Improvements	\$ 5,600,000
Total Uses	\$140,175,000

Description of Proposed Project: According to the application, the proposed project consists of improvements to (a) existing landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas system, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) facility improvements, and (vi) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them into service, and to (b) existing hauling and transfer station facilities, including (i) acquisition of new solid waste collection vehicles, containers, and related equipment, (ii) solid waste disposal sorting and processing equipment, (iii) facility improvements, and (iv) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service.

Environmental impact:

- 1) Air Quality: According to the application, the improved capacity and efficiency of the Transfer Stations and Manufacturing Recycling Facilities will reduce air pollution by reducing the length of truck routes and the number of trucks on the road due to the centralization of transfer stations within the service areas. In addition, through Leachate and Methane Gas Recovery Systems, the Project Sponsor will continue to address the challenge of gas seepage from landfills within the State of California.
- 2) Water Quality: According to the application, the construction of new landfill cells at the landfill facilities included in the Project, will ensure protection of groundwater due to state-of-the-art liners and systems for mitigating infiltration and runoff of water seeping through the refuse.
- 3) Energy Efficiency: According to the application, the construction and/or expansion of transfer stations and MRFs will improve energy efficiency by reducing the length of the truck routes and the number of trucks on the road due to the centralization of transfer stations and MRFs within the service areas.
- 4) Recycling of Commodities: None indicated.
- 5) Safety and Compliance: According to the application, the Project Sponsor is in compliance with all the state and federal environmental regulations regarding the operation of the proposed facility and its existing facilities that it currently operates.
- 6) Consumer Costs Savings and Efficiencies: None indicated.

Local government support: The Project Sponsor indicates that it has support from each of the California political jurisdictions in which the Company operates and provides solid waste collection and disposal services; and seeks to be an active member of the community and a strong corporate participant in the State through employment opportunities, recycling programs, community education and other neighborhood oriented programming.

Legal Questionnaire: No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Recommendation: Staff recommends that the Committee approve \$33,900,000 in tax-exempt bond allocation on a carryforward basis.