

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 18, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by: Richard Fischer

Applicant:	California Municipal Finance Authority
-------------------	--

Allocation Amount Requested:	\$75,000,000
-------------------------------------	--------------

Project Information:	Name: Waste Management, Inc. Project
	Project Address: See Attachment A
	Project City, County, Zip Code: Various

Project Sponsor Information:	Name: Waste Management, Inc.
	Address: 1001 Fannin Street Houston, Texas 77002
	Principals: Charles C. Boettcher, James C. Fish, Jr., John J. Morris, Devina A. Rankin, Steven R. Batchelor, Tara J. Hemmer, Tamala Oates-Forney, Nikolaj H Sjoqvist and Michael J. Watson
	Contact: Jeff Bennett
	Phone: (713) 394-5262

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: Orrick, Herrington & Sutcliffe LLP
	Underwriter: Bank of America / Merrill Lynch
	Credit Enhancement Provider: N/A
	Private Placement Purchaser: N/A
	TEFRA Adoption Date: See Attachment B

Project Sponsor's Principal Activity:	According to the Applicant, they are in engaged in the collection, recycling, transportation and disposal of solid waste.
--	---

First Tier Business (Yes/No):	Yes
--------------------------------------	-----

Regulatory Mandate (Yes/No):	Yes
-------------------------------------	-----

Details of Transaction:

Sources of Funds:	
Tax-Exempt Bond Proceeds	\$ 75,000,000
Refunding 2016 & 2017 Bonds	\$ 750,000
Total Sources	\$ 75,750,000
Uses of Funds:	
Landfill Improvements	\$ 74,347,085
Final Capping and Closure Expenditures	\$ 652,915
Cost of Issuance (incl. discount)	\$ 750,000
Total Uses	\$ 75,750,000

Description of Proposed Project:

According to the Applicant, the majority of the Bond proceeds will be directed toward the construction, development and/or closing and capping activities at existing landfill facilities. Certain equipment may be acquired to support the construction of new disposal cells and liners while other equipment may facilitate final closure of completed sections of landfill facilities. A portion of the Bond proceeds will be directed towards the construction, development and installation of buildings and land improvements at an existing transfer station. Certain equipment and/or fixtures may be installed in such buildings to more efficiently meet and exceed the State 's diversion targets.

Environmental Impact:

- 1) Air Quality:
 Present transfer stations and Manufacturing Recycling Facilities ("MRFs") are improving their capacity and efficiency by reducing the length of truck routes and the number of trucks on the road due to the centralization of the transfer stations within the service area.
 Leachate and Methane Gas Recovery Systems will continue to address the challenge of gas seepage from landfills located within the state of California.
- 2) Water Quality:
 The construction of new landfill cells at the facilities included in the project will ensure protection of groundwater due to the state-of-the-art liners and systems mitigating infiltration and runoff of water seeping through the refuse.
- 3) Energy Efficiency:
 The construction and /or expansion of the transfer stations and MRFs will improve the energy efficiency by reducing the length of truck routes and the number of trucks on the road due to the centralization of the transfer stations and MRFs within the service areas.
- 4) Recycling of Commodities:
 N/A
- 5) Safety and Compliance:
 The Project will be compliant with all State and local regulations.
- 6) Consumer Costs Savings and Efficiencies
 The Project will enhance the company's operating efficiencies which will provide flexibility in future rate structures.

Jobs:

RETAINED	NEW
353	33

Local Government Support:

The Project Sponsor has stated that they have the support of each government entity where their company is currently located.

Legal Questionnaire:

No information was disclosed that raised any question regarding the financial viability or legal integrity of the Project Sponsor.

Recommendation:

Staff recommends that the Committee approve \$75,000,000 in tax exempt bond allocation.