

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 16, 2020
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: \$150,000,000

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: Jones Hall, A Professional Law Corporation
Underwriter: BofA Securities, Inc.
Credit Enhancement Provider: N/A
Private Placement Purchaser: N/A
TEFRA Adoption Date: N/A

Project Sponsor's Principal Activity:

According to the Applicant, they are engaged in the collection, recycling, transportation and disposal of solid waste.

First Tier Business (Yes/No): No

Regulatory Mandate (Yes/No): Yes

Details of Transaction:

Sources of Funds:			
Tax-Exempt Bond Proceeds	\$	150,000,000	
Other Company Sources (Closing costs)	\$	1,500,000	
Total Sources	\$	151,500,000	
 Uses of Funds:			
Landfill Improvements	\$	145,293,697	
Final Capping and Closure Expenditures	\$	4,706,304	
Cost of Issuance (incl. discount)	\$	1,500,000	
Total Uses	\$	151,500,000	

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
386	11

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 \$150,000,000 in tax exempt bond allocation.

Attachment A

District Name	Address
Altamont Landfill	10840 Altamont Pass Road, Livermore, CA 94551-9722
Anderson Landfill	18703 Cambridge Road, Anderson, CA 96007-9165
Kirby Canyon Landfill	910 Coyote Creek Golf Drive, Morgan Hill, CA 95038
McKittrick Waste Landfill	56533 Highway 58 West, McKittrick, CA 93251-9729
Palmdale Landfill	1200 West City Ranch Road, Palmdale, CA 93551-4456
Lancaster Landfill	600 E Avenue F, Lancaster, CA 93535-6412
Simi Valley Landfill	2801 North Madera Road, Simi Valley, CA 93065-6208
Azusa Landfill	1211 West Gladstone, Azusa, CA 91702-5142
Redwood Landfill	8950 Redwood Highway, Novato, CA 94945-1435
Guadalupe Rubbish Disposal Co	15999 Guadalupe Mines Road, San Jose, CA 95120-5022
WM of Central Valley (Kettleman Hills)	35251 Old Skyline Road, Kettleman Hills, CA 93239-0471
Sun Valley Recycling Park	9227 Tujunga Avenue, Sun Valley, CA 91352-1542