

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
Meeting Date: December 12, 2017

Request to Approve Amendments to Resolution No. 17-01-578 and the Indenture prepared in connection with the Bonds approved for Republic Services, Inc.

Prepared by: Andrea Gonzalez

Summary. Staff requests Authority approval to amend Resolution No. 17-01-578 (the “Final Resolution) and the Indenture (the “Indenture) for California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Republic Services, Inc. Project) Series 2017 (the “Bonds”) to correct a drafting error in the sale and remarketing guidelines in item no. 2 of Exhibit C to the Final Resolution and Exhibit E of the Indenture.

Background. On November 14, 2017, CPCFA approved the Final Resolution relating to financing for solid waste disposal facilities for Republic Services, Inc. and/or its affiliates (the “Borrower”), including a form of Indenture for the Bonds.

The Bonds were issued on November 21, 2017 and have a long-term rating of “BBB+” and a short-term rating of “A-2” from S&P Global Ratings. The Authority’s bond issuance guidelines (the “Guidelines”) provide, in part, that bonds rated a minimum of BBB- may be *initially placed* with no more than 35 Qualified Institutional Buyers (“QIBs”). As a result of a scrivener’s error, Exhibit C to the Final Resolution and Exhibit E of the Indenture included a restriction regarding *remarketing* of Bonds to no more than 35 QIBs that is inconsistent with the Guidelines and the intent of the financing parties, and more restrictive than what the Guidelines require.

On November 16, 2017, at the direction of the Borrower, Bond counsel and a representative of Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriter”), after consultation with the Executive Director, submitted a letter requesting an amendment to the Resolution and the Indenture to correct this error, together with a companion resolution authorizing the amendment of the Final Resolution and a form of supplemental indenture.

Section 9.1(B)(2) of the Indenture permits the modification or amendment of the Indenture by the Authority and the trustee with the written consent of the Borrower and without the consent of Bondholders for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority, at the direction the Borrower, may deem necessary or desirable and not inconsistent with this Indenture.

The amendments requested are in conformity with this section of the Indenture. They are made at the direction and with the consent of the Borrower. Their intent is to reflect the intent of the financing parties by restoring consistency between the Guidelines of the Authority and those contained in item no. 2 of Exhibit C to the Final Resolution and Exhibit E of the Indenture.

Staff Recommendation. Staff recommends an amendment to Resolution No. 17-01-578 and the Indenture for Republic Services, Inc. and/or its affiliates.

**Final Resolution No. 17-01-578A
Application No. 917**

**RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY PROVIDING FOR
AMENDMENT OF THE FINAL RESOLUTION AND AMENDMENT TO INDENTURE
RELATING TO FINANCING FOR SOLID WASTE DISPOSAL FACILITIES FOR
REPUBLIC SERVICES, INC. AND/OR ITS AFFILIATES**

December 12, 2017

WHEREAS, California Pollution Control Financing Authority (the “Authority”) has previously issued an aggregate principal amount of up to \$100,000,000 of its California Pollution Control Financing Authority Solid Waste Disposal Revenue Bonds (Republic Services, Inc. Project), Series 2017 (the “Bonds”) pursuant to an Indenture, dated as of November 1, 2017 (the “Indenture”), by and between the Authority and Deutsche Bank Trust Company Americas, as trustee (the “Trustee”), and loaned the proceeds thereof to Republic Services, Inc., and/or its affiliates (collectively, the “Borrower”) pursuant to a Loan Agreement, dated as of November 1, 2017 (as amended and supplemented, the “Loan Agreement”), by and between the Authority and the Borrower; and

WHEREAS, the Bonds were authorized pursuant to a Final Resolution of the Authority adopted on November 14, 2017 (the “Final Resolution”); and

WHEREAS, due to a drafting error, the sale and remarketing guidelines in item no. 2 of Exhibit C to the Final Resolution and Exhibit E of the Indenture included a restriction regarding remarketing of Bonds to no more than 35 Qualified Institutional Buyers that was inconsistent with: 1) the Authority’s bond issuance guidelines for bonds with this rating category, and 2) the intent of the financing parties; and

WHEREAS, pursuant to Section 9.1(B)(2) of the Indenture, the Indenture may be modified or amended from time to time by the Authority and the Trustee with the written consent of the Borrower and without the consent of Bondholders for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority, at the direction the Borrower, may deem necessary or desirable and not inconsistent with this Indenture; and

WHEREAS, the Borrower has made a request to modify the Final Resolution and the Indenture to cure the defects referenced above; and

WHEREAS, the Authority will amend the Final Resolution and Authority and the Trustee will enter into a First Supplemental Indenture, dated as of December 1, 2017 (the “First Supplemental Indenture”) pursuant to 9.1 of the Indenture; and

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

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

Section 2. The Authority hereby amends the Final Resolution such that item no. 2 of Exhibit C to the Final Resolution now shall provide that, “Bonds may be initially placed with no more than 35 QIBs in any one offering.”

Section 3. The Authority hereby approves the form of a First Supplemental Indenture, on file with the Authority, with such insertions, deletions or changes therein as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 4. Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the effectuate the purposes of this Resolution, including, but not limited to execution of any amendments to documents necessary including any amendments to offering documents relating to the Bonds. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including, without limitation, any certifications.

Section 5. The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 19, 2016, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 6. Except as amended herein, the Final Resolution remains in full force and effect.

Section 7. This Resolution shall take effect immediately upon its adoption.