



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approval of assignment of franchise for refuse collection and processing to U.S.A. Waste Services, Inc.

MEETING DATE: Wednesday August 20, 1997

PREPARED BY: Kirk J. Evans, Assistant to the City Manager

RECOMMENDED ACTION: That City Council approve the resolution assigning the franchise for refuse collection and processing to U.S.A. Waste Services, Inc.

BACKGROUND INFORMATION: United Waste Systems, Inc. has entered into an agreement to merge with U.S.A. Waste Services, Inc. You will recall that California Waste Removal Systems (CWRS) recent merger with United Waste Systems was approved by City Council June 18, 1997.

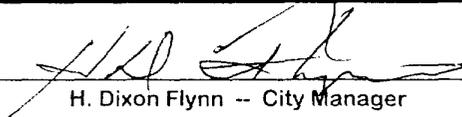
The franchise agreement specifies that assignment requires City consent. Assignment of the agreement to U.S.A. Waste Services, Inc. requires that U.S.A. Waste assume all terms and conditions of the agreement and the rate methodology. Services provided to the City of Lodi under the City's franchise with California Waste Removal Systems will continue to be provided by CWRS, whose ultimate corporate parent will be U.S.A. Waste Services, Inc.

Staff has obtained materials relevant to this merger from the internet. These are attached.

FUNDING: N/A


Kirk J. Evans
Assistant to the City Manager

APPROVED: _____


H. Dixon Flynn -- City Manager

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Monday April 14 6:27 AM EDT

USA Waste and United Waste jointly announce merger agreement

HOUSTON and GREENWICH, Conn.--(BUSINESS WIRE)--April 14, 1997-- [USA Waste Services Inc](#) and [United Waste Systems Inc](#) today announced that the companies have entered into a definitive merger agreement which has been approved by each company's board of directors.

Upon closing of the transaction, United Waste stockholders will receive 1.075 shares of USA Waste common stock for each United Waste common share. The equity value of the transaction, based upon Friday's USA Waste closing stock price, is approximately \$1.7 billion. The closing is subject to approval by the stockholders of the companies, antitrust clearance, qualification of the merger as a tax-free pooling-of-interests transaction, and other customary closing conditions. The companies anticipate that the merger should close during the third quarter of 1997.

After the merger, USA Waste will have annualized revenues of approximately \$2.1 billion, total assets in excess of \$4.5 billion, and will operate 155 landfills, 270 collection companies, and 153 transfer stations, serving over three million customers in 42 states, the District of Columbia, Canada, Mexico, and Puerto Rico.

The existing senior management team of USA Waste, John E. Drury, chairman and chief executive officer, Rodney R. Proto, president and chief operating officer, and Earl E. DeFrates, executive vice president and chief financial officer, will retain their respective positions in the merged company. United Waste's senior management team, including Bradley Jacobs, chairman and chief executive officer, John Milne, vice chairman and chief acquisition officer, and Michael Nolan, chief financial officer, will assist the merged company with transition matters and future acquisitions. United Waste will designate two persons to the board of directors of USA Waste.

John E. Drury, chairman and CEO of USA Waste, said, "We are very pleased to be combining with a company as successful as United Waste. We anticipate significant synergies and enhanced growth opportunities to result from this merger, which we expect will be accretive to our earnings."

Drury added, "United Waste's secondary market focus complements our predominantly urban market strategy. We are particularly enthusiastic about the \$500 million in acquisition opportunities United Waste has identified in and around its existing service areas, and we will encourage United Waste's fine acquisition professionals to pursue these opportunities."

Bradley Jacobs, chairman and CEO of United Waste Systems Inc., commented, "We are excited to team up with USA Waste, a company that shares our commitment to disciplined and profitable growth. This merger will allow us to capitalize on opportunities in many new services areas."

Donaldson, Lufkin & Jenrette Securities Corp. acted as USA Waste's financial advisor. Goldman, Sachs & Co. acted as financial advisor to United Waste.

USA Waste Services Inc. and United Waste Systems Inc. are integrated, non-hazardous solid waste companies. USA Waste, the third largest solid waste company in North America, currently serves over two million municipal, commercial, industrial and residential customers in 36 states with 119 landfills, 203 collection companies and 80 transfer stations. United Waste, the sixth largest solid waste company in North America, owns or operates 36 landfills, 67 collection companies and 73 transfer stations, serving more than 850,000 customers in 21 states. Certain statements provided in this release constitute forward-looking statements that involve a number of risks and uncertainties. These risks and uncertainties may cause actual results to differ materially from expected results and are described in detail in the Securities and Exchange Commission filings which have been made by USA Waste and United Waste.

CONTACT: USA Waste Services, Inc.
Lew Nevins, 713/512-6228 or 212/892-7434
or
United Waste Systems, Inc.
Michael Nolan, 203/622-3131
<http://www.uwst.com>
or
Dewe Rogerson Inc.
Debra Wasser, 212/688-6840

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[Questions or Comments?](#)



For further information contact:

Debra Wasser
Dewe Rogerson, Inc.
212/688-6840

Michael Nolan
United Waste Systems, Inc.
203/622-3131

UNITED WASTE SYSTEMS COMPLETES 22 ACQUISITIONS WITH ANNUALIZED REVENUES OF APPROXIMATELY \$74 MILLION

Greenwich, CT, July 29, 1997 -- United Waste Systems, Inc. (NASDAQ:UWST) today announced that it has completed 22 acquisitions consisting of four landfills, 22 collection companies and three transfer stations. The companies acquired have total annualized revenues of approximately \$74 million, the majority of which are in or around the Company's existing service areas.

Commenting on the acquisitions, Bradley S. Jacobs, Chairman and Chief Executive Officer of United Waste said, "These acquisitions immediately create greater market density in many of our operating regions while expanding our geographic base to new service areas. Our letter of intent backlog currently stands at approximately \$141 million of annualized revenues. We look forward to the completion of our pending merger with USA Waste Services, Inc., North America's third largest waste management company."

California

The largest acquisition in California is California Waste Recovery Systems, Inc., based in Lodi, CA. California Waste has total annualized revenues of approximately \$18 million, 70% of which is derived from long-term municipal franchise agreements. California Waste operates a collection company, a transfer station and a landfill, and serves more than 65,000 customers in Lodi and in Sacramento and San Joaquin counties. The Company also acquired Modesto Garbage Company, Inc., a collection company headquartered in Modesto, CA with total annualized revenues of approximately \$13 million. This acquisition has been closed into escrow pending customary franchise approvals. The Modesto Garbage Company serves approximately 50,000 customers in the cities of Modesto and Patterson and in Stanislaus county.

Southern Region

In the Southern Region, the Company acquired eight collection companies and two transfer stations with approximately \$18 million in annualized revenues.

In Florida, the Company acquired a collection company and transfer station in the Venice/Englewood area with annualized revenues of approximately \$9 million derived primarily from exclusive franchise agreements. This acquisition has also been closed into escrow pending customary franchise approvals. The acquired company serves over 50,000 customers in Sarasota, Charlotte and Lee counties.

In Kentucky, the Company acquired four tuck-in collection companies and one transfer station with total annualized revenues of approximately \$6 million.

The Company also acquired three tuck-in collection companies in Florida, Illinois and West Virginia with combined annualized revenues of approximately \$3 million.

Michigan

In Michigan, the Company acquired an integrated landfill and hauling company in Whitehall, with annualized revenues of approximately \$12 million. The acquired operations currently serve approximately 50,000 customers in the western portion of Michigan's lower peninsula, and will complement United Waste's existing Michigan operations.

Rocky Mountain Region

In the Rocky Mountain Region, the Company acquired two landfills, one of which is scheduled to be constructed by year end, and four collection companies, with approximately \$4 million in annualized revenues. The acquired operations are located in Arizona, Nebraska,

North Dakota, Texas and Utah.

Iowa/New England

The Company acquired several tuck-ins in Iowa and New England with combined annualized revenues of approximately \$3 million.

Five of the acquisitions announced today, representing approximately \$44 million of annualized revenues, will be accounted for as poolings of interests.

On April 14, 1997, the Company announced that it had entered into a definitive merger agreement with USA Waste Services, Inc. (NYSE:UW). The completion of the merger with USA is subject to approval by the stockholders of the companies, antitrust clearance, and other customary conditions. The Company and USA have scheduled stockholder meetings on August 26, 1997 to vote on the merger.

Based on the closing price of USA's common stock on Monday, July 28, the pending transaction is currently valued in excess of \$2 billion.

United Waste Systems, Inc. is the nation's sixth largest solid waste management company, and owns or operates 40 landfills, 86 collection companies and 79 transfer stations, serving over 1.1 million customers in 25 states.

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United Waste Systems, Inc.
Four Greenwich Office Park, Greenwich, CT 06830
Phone: 203-622-3131 Fax: 203-622-6080 E-mail: info@uwst.com

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RESOLUTION NO. 97-126

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING CALIFORNIA WASTE RECOVERY SYSTEMS REQUEST
FOR APPROVAL OF ASSIGNMENT OF FRANCHISE AGREEMENT WITH THE
CITY OF LODI FOR REFUSE COLLECTION AND PROCESSING

=====

RESOLVED, that the City Council of the City of Lodi does hereby approve California Waste Recovery Systems request for approval of assignment of the franchise agreement to U. S. A. Waste Services, Inc.

Dated: August 20, 1997

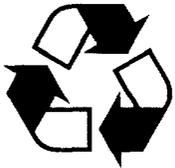
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I hereby certify that Resolution No. 97-126 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 20, 1997, by the following vote:

AYES: COUNCIL MEMBERS -
NOES: COUNCIL MEMBERS -
ABSENT: COUNCIL MEMBERS -
ABSTAIN: COUNCIL MEMBERS -

ALICE M. REIMCHE
City Clerk

**California
waste
removal systems**



AUG - 8 1997

August 5, 1997

Mrs. Alice Reimche
City Clerk
City of Lodi
P.O. Box 3006
Lodi, California 95241

RE: Placement on Agenda - City Council

Dear Mrs. Reimche:

We are pleased to announce that United Waste Systems, Inc. ("United Waste") has entered into an agreement to merge with U.S.A. Waste Services, Inc. ("U.S.A."), a publicly held company that is traded on the New York Stock Exchange. We anticipate that the merger will become effective on approximately August 20, 1997, and that services provided to the City under the City's Agreement with California Waste Removal Systems ("CWRS") will continue to be provided by CWRS, whose ultimate corporate parent will be U.S.A.

We respectfully request placement on the Lodi City Council agenda for approval of assignment of our Agreement for Refuse Collection and Processing to U.S.A. Waste Services, Inc. We would ask that this item be placed on the agenda for the August 20th meeting.

CWRS looks forward to continuing its relationship with the City, and we look forward to U.S.A.'s involvement with the City.

Please do not hesitate to call me at 209-369-8274 if you have any questions.

Respectfully,

A handwritten signature in black ink, appearing to read "Thomas A. Sanchez".

Thomas A. Sanchez
Division General Manager

TAS:cdm

cc: Dixon Flynn, City Manager

1333 E. TURNER ROAD, GATE 1 • P.O. BOX 241001 • LODI, CALIFORNIA 95241-9501 • (209) 369-8274

RESOLUTION NO. 97-126

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING CALIFORNIA WASTE RECOVERY SYSTEMS REQUEST
FOR APPROVAL OF ASSIGNMENT OF FRANCHISE AGREEMENT WITH THE
CITY OF LODI FOR REFUSE COLLECTION AND PROCESSING

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Dated: August 20, 1997

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I hereby certify that Resolution No. 97-126 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 20, 1997, by the following vote:

AYES: COUNCIL MEMBERS – Land, Mann, Sieglock and Pennino
(Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - Warner


ALICE M. REIMCHE
City Clerk

CITY COUNCIL

PHILLIP A. PENNINO, Mayor

JACK A. SIEGLOCK
Mayor Pro Tempore

KEITH LAND

STEPHEN J. MANN

DAVID P. WARNER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET

P.O. BOX 3006

LODI, CALIFORNIA 95241-1910

(209) 333-6702

FAX (209) 333-6807

H. DIXON FLYNN

City Manager

ALICE M. REIMCHE

City Clerk

RANDALL A. HAYS

City Attorney

August 22, 1997

Mr. Dave Vaccarezza
California Waste Recovery Systems
P.O. Box 241001
Lodi, CA 95241-9501

Dear Dave:

Please find enclosed certified copy of Resolution No. 97-126 entitled, "A Resolution of the Lodi City Council Approving California Waste Recovery Systems Request for Approval of Assignment of Franchise Agreement with the City of Lodi for Refuse Collection and Processing" which was approved by the Lodi City Council at its regular meeting of August 20, 1997.

Should you have any questions, please do not hesitate to call our office.

Sincerely,


Jennifer M. Perrin
Deputy City Clerk

JMP

Enclosure

RESOLUTION NO. 97-126

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING CALIFORNIA WASTE RECOVERY SYSTEMS REQUEST
FOR APPROVAL OF ASSIGNMENT OF FRANCHISE AGREEMENT WITH THE
CITY OF LODI FOR REFUSE COLLECTION AND PROCESSING

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Dated: August 20, 1997

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I hereby certify that Resolution No. 97-126 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 20, 1997, by the following vote:

- AYES: COUNCIL MEMBERS – Land, Mann, Sieglock and Pennino
(Mayor)
- NOES: COUNCIL MEMBERS - None
- ABSENT: COUNCIL MEMBERS - None
- ABSTAIN: COUNCIL MEMBERS - Warner

The Foregoing Document is Certified
To Be A Correct Copy Of The Original
On File In This Office.

Jennifer M. Perrin
Deputy City Clerk, City of Lodi

By Jennifer M. Perrin
Dated: 8/22/97

Alice M. Reimche
ALICE M. REIMCHE
City Clerk