

WASTE MANAGEMENT INC

Form 11-K

May 27, 2011

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2010**

**or**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-12154**

**WASTE MANAGEMENT RETIREMENT SAVINGS  
PLAN FOR BARGAINING UNIT EMPLOYEES**

**Waste Management, Inc.**

**1001 Fannin Street**

**Suite 4000**

**Houston, TX 77002**

---

WASTE MANAGEMENT RETIREMENT SAVINGS PLAN  
FOR BARGAINING UNIT EMPLOYEES  
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

<u>Report of Independent Registered Public Accounting Firm</u>	1
Audited Financial Statements	
<u>Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2010</u>	3
<u>Notes to Financial Statements</u>	4
Supplemental Schedule	
<u>Schedule H, Line 4(i) Schedule of Assets (Held At End of Year)</u>	12
<u>EX-23.1</u>	

---

**Table of Contents**

Report of Independent Registered Public Accounting Firm

Administrative Committee

Waste Management Retirement Savings Plan  
for Bargaining Unit Employees

We have audited the accompanying statements of net assets available for benefits of the Waste Management Retirement Savings Plan for Bargaining Unit Employees (the Plan ) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ McConnell & Jones LLP

Houston, Texas

May 27, 2011

**Table of Contents**

Waste Management Retirement Savings Plan  
For Bargaining Unit Employees  
Statements of Net Assets Available for Benefits  
December 31, 2010 and 2009

	<b>2010</b>	<b>2009</b>
<b>ASSETS:</b>		
INVESTMENTS, at fair value:		
Plan interest in the Master Trust (Note 3)	\$ 9,658,077	\$ 6,070,397
Total investments	9,658,077	6,070,397
<b>RECEIVABLES:</b>		
Employee contributions	43,268	299
Employer contributions	15,508	16
Notes receivable from participants	286,389	200,450
Total receivables	345,165	200,765
Net assets, reflecting investments at fair value	10,003,242	6,271,162
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(44,070)	(8,050)
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 9,959,172</b>	<b>\$ 6,263,112</b>

*The accompanying notes are an integral part of these financial statements.*

**Table of Contents**

Waste Management Retirement Savings Plan  
For Bargaining Unit Employees  
Statement of Changes in Net Assets Available for Benefits  
Year Ended December 31, 2010

ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS:

Contributions:

Employee	\$ 1,596,120
Employer	1,725,714

3,321,834

Net investment gain from the Master Trust (Note 3)	923,380
--	---------

Interest income on notes receivable from participants	12,453
---	--------

Total additions	4,257,667
-----------------	-----------

DEDUCTIONS FROM NET ASSETS AVAILABLE FOR BENEFITS:

Benefits paid to participants	561,607
-------------------------------	---------

Total deductions	561,607
------------------	---------

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	3,696,060
---	-----------

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	6,263,112
-------------------	-----------

End of year	\$ 9,959,172
-------------	--------------

*The accompanying notes are an integral part of these financial statements.*

**Table of Contents**

Waste Management Retirement Savings Plan  
For Bargaining Unit Employees  
Notes to Financial Statements  
December 31, 2010

**1. Description of Plan**

The following description of the Waste Management Retirement Savings Plan for Bargaining Unit Employees (the Plan ) provides only general information. Participants should refer to the Summary Plan Description and the plan document for a more complete description of the Plan s provisions.

**General**

The Plan is a defined contribution plan available to all eligible employees, and their beneficiaries, of Waste Management Holdings, Inc. and subsidiaries ( Waste Management ), and its affiliates (as defined in the Plan). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ).

**Administration**

The board of directors of Waste Management, Inc. (the Company ), the parent of Waste Management, has named the Administrative Committee of the Waste Management Employee Benefit Plans (the Administrative Committee ) to serve as administrator and fiduciary of the Plan. Waste Management has entered into a Defined Contribution Plans Master Trust Agreement (the Master Trust ) with State Street Bank and Trust Company ( State Street ) whereby State Street serves as trustee of the Plan. Lion Connecticut Holdings, Inc., a wholly-owned indirect subsidiary of ING America Insurance Holdings Inc. ( ING ), serves as recordkeeper.

**Eligibility**

Employees (as defined by the Plan) are eligible to participate in the Plan following completion of a 90-day period of service (as defined by the Plan) if they are covered by a collective bargaining agreement that provides for participation in the Plan.

Individuals who are ineligible to participate in the Plan consist of (a) leased employees; (b) individuals providing services to Waste Management as independent contractors; (c) certain nonresident aliens who have no earned income from sources within the United States of America; and (d) individuals who are participants in certain other pension, retirement, profit-sharing, stock bonus, thrift or savings plans maintained by Waste Management or the Company other than the Waste Management Pension Plan for Collectively Bargained Employees or such other plans as may from time to time be determined by the Administrative Committee.

**Contributions**

Participants may contribute from one percent to 25 percent of their pre-tax compensation, as defined by the Plan, not to exceed certain limits as described in the plan document ( Employee Contribution ). After-tax contributions are not permitted by the Plan. In addition, participants that are age 50 or older are eligible to make pre-tax catch-up contributions not to exceed certain limits described in the Plan document. Participants may also contribute amounts representing distributions from other qualified plans ( Rollover Contribution ). The Plan was amended to provide for Employer Contributions on behalf of eligible participants under the terms of certain applicable collective bargaining agreements.

**Investment Options**

In 2009 and 2010, the Plan, through its investments in the Master Trust, offered participants (a) five common/collective trust funds; (b) a Company common stock fund; (c) a self-managed account, which allows participants to select various securities sold on the New York Stock Exchange, American Stock Exchange and NASDAQ; (d) six target retirement-date funds, which are also common/collective trust funds; and (e) a stable value fund, which includes direct investments and investments in common/collective trust funds, managed by Galliard Capital Management ( Galliard ). With respect to the self-managed account, several restrictions apply and a minimum balance is required to participate. The Plan utilizes cash equivalents to temporarily hold monies pending settlement for transactions initiated by participants.

**Table of Contents**

Each participant who has invested in the Company common stock fund has the right to vote the shares of stock in his or her account with respect to any matter that comes before the shareholders for a vote. Additionally, if a participant invests in the self-managed account, the participant has the right to vote the shares of any common stock held in the participant's account.

**Vesting**

Participants are immediately vested in their Employee Contributions, Rollover Contributions and Employer Contributions, plus earnings thereon.

**Participant Accounts**

Each participant's account is credited with the participant's Employee Contribution, Rollover Contribution and any Employer Contribution and an allocation of investment income and loss and expenses. Investment income and loss is allocated to a participant's account based upon a participant's proportionate share of the funds within the Master Trust.

**Payment of Benefits**

Upon retirement, disability or termination of employment, participants or, in the case of a participant's death, their designated beneficiaries, may make withdrawals from their accounts as specified by the Plan. Prior to termination, participants who have reached age 59-1/2 may withdraw from the vested portion of their accounts. Distributions are made by a single lump-sum payment or direct rollover. Distributions of accounts invested in Company common stock may be taken in whole shares of common stock or cash.

Participants may make withdrawals from the pre-tax portion of their accounts, excluding certain earnings, in the event of proven financial hardship of the participant. Not more than one hardship withdrawal is permitted in any 12-month period, and the participant is not permitted to contribute to the Plan or any other plans maintained by the Company for six months after receiving the hardship distribution.

**Notes Receivable from Participants**

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. No allowance for credit losses has been recorded as of December 31, 2010 and 2009. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded. Participants who are active employees may obtain loans of not less than \$1,000 and a maximum of 50 percent of a participant's vested accounts (excluding any amounts invested in the self-managed account) immediately preceding the loan grant date. In no event shall a loan exceed \$50,000, reduced by the greater of (a) the highest outstanding balance of loans during the one-year period ending on the date before a new loan is made or modified, or (b) the outstanding balance of loans on the date a new loan is made or modified. Not more than one loan shall be outstanding at any time, except for multiple loans which (a) result from a merger of another plan into this Plan, or (b) result from a participant's loan becoming taxable under Section 72(p) of the Internal Revenue Code of 1986, as amended (the Code). Interest rates and repayment terms are established by the Administrative Committee. Such loans shall be repaid by payroll deduction or any other method approved by the Administrative Committee. The Administrative Committee requires that: (a) repayments be made no less frequently than quarterly; (b) loans be repaid over a period not to exceed 54 months; and (c) repayments, including interest, be made in equal periodic payments over the term of the loan and applied to principal using a level amortization over the repayment period. Prepayment of a participant's total principal amount outstanding is allowed at any time.

**Administrative Expenses**

Master Trust administrative expenses, including trustee, recordkeeping and investment management fees, are allocated in proportion to the investment balances of the underlying plans and are netted against investment income. Loan administration fees are charged directly to the account balance of the participant requesting the loan. Administrative expenses are reflected as a reduction of Master Trust investment income and are included in Net investment gain from the Master Trust in the accompanying Statement of Changes in Net Assets Available for Benefits. In 2010, Waste Management elected to pay certain audit and legal fees of the Plan.



## **Table of Contents**

### **Reclassifications**

Certain reclassifications have been made to the prior period financial information in order to conform to the current year presentation.

## **2. Summary of Accounting Policies**

### **Basis of Accounting**

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Benefits are recorded when paid to participants.

### **Use of Estimates**

The preparation of the financial statements, and accompanying notes and schedule, requires management to make estimates that affect accounting for, and recognition and disclosure of, plan assets and liabilities and additions and deductions to/from net assets available for benefits. These estimates must be made because certain information used is dependent on future events, cannot be calculated with a high degree of precision from available data or simply cannot be readily calculated based on generally accepted methods. In some cases, these estimates are particularly difficult to determine and management must exercise significant judgment. Actual results could differ materially from the estimates and assumptions used in the preparation of the financial statements.

### **Investments**

The purpose of the Master Trust is the collective investment of the assets of participating employee benefit plans of Waste Management and the Company. The Master Trust's assets are allocated among participating plans by assigning to each plan those transactions (primarily contributions, benefit payments and certain administrative expenses) which can be specifically identified, and by allocating among participating plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust. Corporate stocks, mutual funds and publicly-traded partnership interests held by the Master Trust are stated at fair value based on quoted market prices as of the financial statement date. The fair values of the common/collective trust funds held by the Master Trust are generally based on net asset values established by State Street (the issuer of the common/collective trust funds) based on fair values of the underlying assets. The investment options available within the Plan include a stable value fund that invests in fully benefit-responsive guaranteed investment contracts ( GICs ) and synthetic investment contracts ( Synthetic GICs ). In accordance with authoritative guidance issued by the Financial Accounting Standards Board ( FASB ), the fully benefit-responsive investment contracts held by the stable value fund are reported at fair value. However, contract value is the relevant measurement attribute for fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Accordingly, the Statements of Net Assets Available for Benefits present both the fair value of the fully benefit-responsive investment contracts and an adjustment from fair value to contract value to arrive at Net Assets Available for Benefits. The fair value measurement of these investments is discussed further in Note 4. Short-term investments (included in amounts reported as common/collective trust funds herein) are stated at cost, which approximates fair value.

The Master Trust records purchases and sales of securities on a trade-date basis and dividends on the ex-dividend date. Interest income is recorded on the accrual basis.

### **Risks and Uncertainties**

The Plan provides for investments in various securities that, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and participant account balances.

**Table of Contents****3. Plan Interest in the Master Trust**

The Plan investments are held in the Master Trust along with the Waste Management Retirement Savings Plan (the Non-Union Plan ). As of December 31, 2010 and 2009, the Plan's beneficial interest in the net assets of the Master Trust was 0.67% and 0.48%, respectively.

Neither the Plan nor the Non-Union Plan has an undivided interest in the investments held in the Master Trust since each plan's interest in the investments of the Master Trust is based on the account balances of the participants and their elected investment fund options. However, the Plan's beneficial interest in each of the underlying investment fund options does not vary significantly from the Plan's beneficial interest in the total net assets of the Master Trust.

The net assets of the Master Trust consist of the following:

	<b>December 31,</b>	
	<b>2010</b>	<b>2009</b>
Assets:		
Investments, at fair value:		
Common/collective trust funds	\$ 959,174,765	\$ 805,023,187
Stable value fund	344,899,671	326,037,431
WM common stock	111,844,911	103,671,704
Corporate stocks other than WM common stock	14,363,774	10,959,252
Mutual funds	20,124,526	16,405,708
Publicly-traded partnership interests and other	424,601	290,033
<b>Total investments</b>	<b>1,450,832,248</b>	<b>1,262,387,315</b>
Interest receivable	282	216
Cash, non-interest bearing	74,641	4,624
Securities sold receivable, net		51,787
<b>Total assets</b>	<b>1,450,907,171</b>	<b>1,262,443,942</b>
Liabilities:		
Administrative fees payable	705,257	689,511
Securities purchased payable, net	140,366	
<b>Total liabilities</b>	<b>845,623</b>	<b>689,511</b>
Net assets reflecting investments at fair value	1,450,061,548	1,261,754,431
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(9,548,644)	(3,044,004)
<b>Net assets, fully benefit-responsive investment contracts at contract value</b>	<b>\$ 1,440,512,904</b>	<b>\$ 1,258,710,427</b>

Respective interests in the net assets of the Master Trust by the Non-Union Plan and the Plan are as follows:

	<b>December 31,</b>	
	<b>2010</b>	<b>2009</b>
Net assets reflecting investments at fair value:		

Edgar Filing: WASTE MANAGEMENT INC - Form 11-K

Non-Union Plan interest	\$ 1,440,403,471	\$ 1,255,684,034
Plan interest	9,658,077	6,070,397
Total	\$ 1,450,061,548	\$ 1,261,754,431
Adjustment from fair value to contract value for fully benefit-responsive investment contracts:		
Non-Union Plan interest	\$ (9,504,574)	\$ (3,035,954)
Plan interest	(44,070)	(8,050)
Total	\$ (9,548,644)	\$ (3,044,004)
Net assets, fully benefit-responsive investment contracts at contract value:		
Non-Union Plan interest	\$ 1,430,898,897	\$ 1,252,648,080
Plan interest	9,614,007	6,062,347
Total	\$ 1,440,512,904	\$ 1,258,710,427

**Table of Contents**

Income or loss from investments held in the Master Trust for the year ended December 31, 2010, was as follows:

Net appreciation in fair value of:		
Common/collective trust funds	\$ 116,116,987	
Stable value fund	9,853,145	
WM common stock	9,476,553	
Corporate stocks other than WM common stock	1,504,790	
Mutual funds	1,487,235	
Publicly-traded partnership interests and other	68,580	
Total net appreciation in fair value of investments		\$ 138,507,290
Interest		507
Dividends WM common stock		3,892,543
Dividends other than WM common stock		534,579
Other income/(expense)		5,849,999
Total investment gain		148,784,918
Administrative fees		3,309,663
Net investment gain		\$ 145,475,255
Non-Union Plan interest in net investment gain from the Master Trust		\$ 144,551,875
Plan interest in net investment gain from the Master Trust		923,380
		\$ 145,475,255

**4. Investment Contracts**

The trust funds held by the Master Trust include a stable value fund that invests in fully benefit-responsive GICs and Synthetic GICs. The following disclosures provide information about the nature of these investments and how fair values of these investments are measured.

*Guaranteed Investment Contracts* GICs are contracts that provide a specified rate of return for a specific period of time. The fair values of the GICs included in the Plan's Stable Value Fund are measured by the investment manager using a discounted cash flow methodology. Under this approach, the cash flows of each individual contract are discounted at the prevailing interpolated swap rate as of the appropriate measurement date.

*Synthetic Guaranteed Investment Contracts* Synthetic GICs are comprised of (a) individual assets or investments placed in a trust and (b) wrapper contracts that guarantee that participant transactions will be executed at contract value. The investment portfolio of a Synthetic GIC when coupled with a wrapper contract attempts to replicate the investment characteristics of traditional GICs.

The fair value of the Synthetic GICs included in the Plan's stable value fund are measured as follows:

*Fair value of individual assets and investments* Individual assets and investments are valued at representative quoted market prices when available. Short-term securities, if any, are stated at amortized cost, which approximates fair value. Debt securities are valued by a pricing service based on market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders. Investments in regulated investment companies or collective investment funds are valued at the net asset value per share or unit on the valuation date. Any accrued interest on the underlying investments is also included as a component of the fair value of those investments.

*Fair value of wrapper contracts* The fair value of wrapper contracts is determined using a market approach discounting methodology that incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged for the Synthetic GIC. This difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of the appropriate measurement date.

The interest crediting rates for the traditional GICs are agreed to in advance with the issuer. The interest crediting rates for Synthetic GICs are calculated on a quarterly basis using the contract value, and the value, yield and duration of the underlying securities, but cannot be less than zero.

**Table of Contents**

During 2010, the stable value fund's average yield based on actual earnings was 2.28% and 2.98% during 2010 and 2009, respectively, and its average yield based on the interest rate credited to participants was 3.16% and 3.07% during 2010 and 2009, respectively.

There are certain events not initiated by the Plan participants that could limit the ability of the Plan to transact with the issuer at GIC or Synthetic GIC contract value. Examples of such events include, but are not limited to: material amendments to the Plan documents or administration; changes to the participating Plans' competing investment options including the elimination of equity wash provisions; bankruptcy of the Plan Sponsor or other events that would cause a significant withdrawal from the Plan; full or partial termination of the Plan; failure of the Plan to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA; any change in tax code, laws or regulations applicable to the Plan; and delivery of any communication to Plan participants designed to influence participants not to invest in the Fund. The Plan Sponsor does not believe that the occurrence of any of these events, which would limit the Plan's ability to transact with the issuer at its contract value is, probable. Contract issuers are generally not allowed to terminate GICs or Synthetic GICs and settle at an amount different from contract value unless there is a breach of contract which is not corrected within the time permitted by the contract.

**5. Fair Value Measurements**

FASB-issued authoritative guidance associated with fair value measurements provides a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value, giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In measuring the fair value of our assets and liabilities, we use market data or assumptions that we believe market participants would use in pricing an asset or liability, including assumptions about risk when appropriate.

The following tables provide by level, within the fair value hierarchy, a summary of investments of the Master Trust measured at fair value on a recurring basis:

**Fair Value Measurements at December 31, 2010**

	<b>Total</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Using Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Common/collective trust funds -				
Short-term investment fund	\$ 1,672,227	\$	\$ 1,672,227	\$
Small cap investment fund	65,811,512		65,811,512	
Large cap investment fund	73,649,818		73,649,818	
S&P 500 investment fund	211,654,748		211,654,748	
Bond market investment fund	69,962,560		69,962,560	
International investment fund	98,821,660		98,821,660	
Target date retirement funds	437,602,240		437,602,240	
<b>Total common/collective trust funds</b>	<b>959,174,765</b>		<b>959,174,765</b>	
Stable value fund	344,899,671		344,899,671	
WM common stock	111,844,911	111,844,911		
Corporate stocks - other than WM common stock	14,363,774	14,363,774		
Mutual funds	20,124,526	20,124,526		

Edgar Filing: WASTE MANAGEMENT INC - Form 11-K

Publicly-traded partnership interests and other	424,601	424,601		
Total Investments of the Master Trust	\$ 1,450,832,248	\$ 146,757,812	\$ 1,304,074,436	\$

**Table of Contents**

	<b>Fair Value Measurements at December 31, 2009</b>			
	<b>Total</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Using Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Common/collective trust funds -				
Short-term investment fund	\$ 4,823,872	\$	\$ 4,823,872	\$
Small cap investment fund	47,635,305		47,635,305	
Large cap investment fund	65,474,846		65,474,846	
S&P 500 investment fund	181,572,139		181,572,139	
Bond market investment fund	54,012,817		54,012,817	
International investment fund	87,176,367		87,176,367	
Target date retirement funds	364,327,841		364,327,841	
<b>Total common/collective trust funds</b>	<b>805,023,187</b>		<b>805,023,187</b>	
Stable value fund	326,037,431		326,037,431	
WM common stock	103,671,704	103,671,704		
Corporate stocks other than WM common stock	10,959,252	10,959,252		
Mutual funds	16,405,708	16,405,708		
Publicly-traded partnership interests and other	290,033	290,033		
<b>Total Investments of Master Trust</b>	<b>\$ 1,262,387,315</b>	<b>\$ 131,326,697</b>	<b>\$ 1,131,060,618</b>	<b>\$</b>

**6. Federal Income Taxes**

The Plan has received a determination letter from the Internal Revenue Service (the "IRS") dated November 30, 2001, stating that the Plan, as then designed, was then in compliance with the applicable requirements of the Internal Revenue Code (the "Code"). The Plan has been amended since receiving the determination letter. The Plan administrator and counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the Code. If an operational issue is discovered, the Plan Sponsor has indicated that it will take any necessary steps to bring the Plan's operations into compliance with the Code.

On January 11, 2010, Waste Management filed an application for a renewed favorable determination letter.

**7. Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2010 and 2009:

	<b>2010</b>	<b>2009</b>
Net assets available for benefits per the financial statements	\$ 9,959,172	\$ 6,263,112
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	44,070	8,050
<b>Net assets available for benefits per the Form 5500</b>	<b>\$ 10,003,242</b>	<b>\$ 6,271,162</b>



Edgar Filing: WASTE MANAGEMENT INC - Form 11-K

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2010:

Net increase in net assets available for benefits per the financial statements	\$ 3,696,060
Adjustment from fair value to contract value for fully benefit-responsive investment contracts at December 31, 2009	(8,050)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts at December 31, 2010	44,070
Net increase in assets available for benefits per the Form 5500	\$ 3,732,080

The accompanying financial statements present fully benefit-responsive investment contracts at contract value. The Form 5500 requires fully benefit-responsive investment contracts to be reported at fair value. Therefore, the adjustment from fair value to contract value for fully benefit-responsive investment contracts represents a reconciling item.

**Table of Contents**

**8. Plan Termination**

Although it has not expressed any intention to do so, subject to the terms of any applicable collective bargaining agreement, the Company has the right to terminate the Plan subject to the provisions of ERISA.

**9. Bond Fund Performance Settlements**

During 2007, there was a decline in the market value of the bond market fund that included a negative divergence from the performance benchmark. The decline led to initiation of a class-action lawsuit against State Street and its affiliate, State Street Global Advisors, Inc., with the Plan included in the represented class. A proposed settlement of that action was reached in November 2009.

In January 2010, after an evaluation of available alternatives and a verification of the methodology utilized by the class, including recommendations from independent advisors, the Administrative and Investment Committees for the Plan determined it was prudent for the Plan to participate in the class settlement. Following court approval of the settlement, the Master Trust for the Plan received a payment of \$4,973,459 in May 2010.

In February 2010, the Securities and Exchange Commission announced that it had entered into a separate settlement agreement with State Street to resolve the SEC investigation into losses incurred by, and disclosures made with respect to, certain active fixed income strategies managed by State Street Global Advisors. Under the terms of the SEC agreement, the Master Trust for the Plan received an additional payment of \$869,391 in March 2010.

In 2010, total settlement payments, including interest, of \$5,846,428 were included in Other income/(expense) for the Master Trust, consisting of \$5,834,373 for the Non-Union Plan and \$12,055 for this Plan. Settlement proceeds were distributed on September 10, 2010 to impacted Plan participants, based on their daily account holdings during the third quarter of 2007.

**10. Related Party Transactions**

Certain investments of the Plan are managed by State Street. State Street is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. The stable value fund is managed by Galliard, a subsidiary of Wells Fargo Bank, N.A., custodian for the fund. Therefore, these transactions qualify as party-in-interest transactions. Additionally, a portion of the Plan's assets are invested in the Company's common stock. Because the Company is the plan sponsor, transactions involving the Company's common stock qualify as party-in-interest transactions. All of these transactions are exempt from the prohibited transactions rules.

**Table of Contents**

Waste Management Retirement Savings Plan  
For Bargaining Unit Employees  
Schedule H, Line 4(i) Schedule of Assets (Held At End of Year)  
EIN: 36-2660763 Plan: 007  
December 31, 2010

<b>Identity of Issue</b>	<b>Description of Investment</b>	<b>Current Value</b>
*Notes Receivable from Participants	Various maturity dates with interest rates ranging from 4.25% to 9.25%	\$ 286,389

\* Party-in-interest

**Table of Contents**

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

WASTE MANAGEMENT RETIREMENT  
SAVINGS PLAN FOR BARGAINING  
UNIT EMPLOYEES

Date: May 27, 2011

By: /s/ Krista DelSota  
Krista DelSota  
Vice President, Compensation, Benefits  
and  
Human Resources Information  
Management  
Waste Management, Inc.

Member, Administrative Committee of  
the Waste  
Management Employee Benefit Plans

13

---

**Table of Contents**

**INDEX TO EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
23.1	Consent of Independent Registered Public Accounting Firm 14