



WASTE CONNECTIONS INC.
Connect with the Future®

Amador Disposal Service Inc.
6500 Buena Vista Road
Yone, CA 95640

April 23, 2008

Gerri Silva
County of El Dorado
2850 Fairlane Ct., Bldg "C"
Placerville, CA 95667

RE: Request for annual rate adjustment

Dear Gerri,

This letter is in response to your letter dated April 3, 2008 regarding Amador Disposal's request for our annual rate adjustment;

1. Attached please find the financial statements for Amador Disposal for both 2006 and 2007 (prepared on a calendar year, our fiscal year) as requested.
 - a. In addition, included with the 2006 and 2007 financial statements, please find our updated revenue, operating costs, and pass-through projections for 2008 and 2009. We have updated the projections to coincide with the calendar year financial statements, and to include the disposal cost at WERS, of which was erroneously omitted in the original submission of our projections.
2. Due to the time constraints of waiting for the PPI index for May of 2008 to be published (to coincide with our original index point of May 2006); along with direction we have received from El Dorado County staff, we have agreed to use January as our new basis. The original fuel surcharge was set at 3.24%; therefore this number is the basis for all future modifications. To avoid the compounding impact of increases or decreases in the PPI for diesel (since the fuel surcharge is not rolled into the base rates) we agreed to measure back to the 2006 starting point. (Due to seasonal pricing fluctuations, we must always use the same month going forward in order to accurately gauge the impact of changes in fuel prices. Going forward, each year we will begin with January 2006, and calculate the change in the index until January of the year in which a change is requested. The change in the index will be applied to the base 3.24% fuel surcharge.)

Based on the change in the PPI from Jan-06 to Jan-08, we are requesting an increase in our fuel surcharge of 1.37% to 4.61%. (Please see attached calculations.)

3. Our original rate increase request was based on the change in CPI over the last two years equivalent to a 7.3% change. The email correspondence that was received last year from Kevin Malone to remove Amador Disposal's request for an annual rate adjustment was based on the fact that we did not submit the request in time per our franchise agreement,

and therefore, we would remove our annual rate adjustment request from consideration for 2007. It was not meant as our forfeiture of the ability to recover increased costs long term. We have already paid the penance of not having the ability to offset increased costs last year with additional revenue. (\$22,236, 2007 revenue x 3.5% CPI) After finalizing our 2006 and 2007 financial statements, we would like to amend our original proposed annual adjustment from the 7.3% to 15.0%. As detailed on the 2006 and 2007 financial statements, our income from operations for both of these years is negative. While the impact of the rate increase implemented in October 2006 is notable on the 2007 financial statements, we still end the year at a loss. Please note that a 35% rate increase would be necessary to bring our income from operations to a 10% margin.

In addition to this, we also propose an increase of this magnitude next year (2009), actual metrics to be determined based on actual operating results for 2008, to bring our business to a sustainable level of return.

(The upcoming two year projections include a 15% rate adjustment effective July 1, 2008, and then a 12.5% rate adjustment effective July 1, 2009, along with an increase in our fuel surcharge of 1.37% effective July 1, 2008.)

Please see the attached updated rate schedules with the FS at 4.61% and rate adjustment at 15.0%.

If you have any additional questions or want to discuss further please feel free to contact me.

Regards,



Jason Craft

District Manager
Waste Connections Inc.
Amador/Calaveras Disposal

cc: Kevin Malone, WCN

AMADOR DISPOSAL, INC.
(A WHOLLY-OWNED SUBSIDIARY OF WASTE CONNECTIONS, INC.)
EL DORADO COUNTY COLLECTION OPERATIONS
SCHEDULE OF REVENUES AND EXPENSES
 Projection Based Upon YEAR ENDING December 31, 2007

	ACTUAL YEAR ENDING December 31, 2006	ACTUAL YEAR ENDING December 31, 2007	PROJECTION YEAR ENDING December 31, 2008	PROJECTION YEAR ENDING December 31, 2009
REVENUES:				
Hauling	609,326	634,739	686,692	785,816
Other Revenue	100	588	588	588
	<u>609,425</u>	<u>635,327</u>	<u>687,280</u>	<u>786,404</u>
EXPENSES:				
Amortization	2,143	2,076	2,076	2,076
Allocations	18,181	26,837	27,760	28,757
Brokerage Cost	-	-	-	-
Franchise Taxes	25,726	36,825	39,839	45,590
Depletion	-	-	-	-
Depreciation	32,605	30,190	33,208	36,530
Disposal Landfill	269,299	251,139	259,967	269,104
Equipment/Vehicle Rental	503	373	386	400
Licenses	4,435	2,658	2,751	2,848
Property Taxes	1,660	1,984	2,054	2,126
Bad Debt Provision	(1,423)	13,043	13,501	13,976
Bank Fees	651	526	545	564
Contributions	44	13	14	14
Coffee Bar	-	-	-	-
Computer Software	1	92	95	98
Computer Supplies	579	143	148	153
Credit and Collection	249	347	360	372
Data Processing	2,947	3,226	3,340	3,457
Gifts to Customers	-	-	-	-
Invoice Printing Costs	-	-	-	-
MRF Processing Fees	-	-	-	-
Legal	-	-	-	-
Lodging	471	(6)	(7)	(7)
Outside Storage	-	-	-	-
Political Contributions	-	-	-	-
Registration Fees	-	-	-	-
Other Taxes	-	-	-	-
Training	-	-	-	-
Bonuses and Commissions	28	302	313	324
Capitalized Costs	-	-	-	-
Contract Labor	362	2,945	3,048	3,155
Drug Testing	64	90	93	97
Health Insurance	13,303	12,536	13,100	13,690
Miscellaneous	6	3	3	3
Wages O.T.	22,550	20,476	21,196	21,941
Payroll Taxes	11,174	10,567	10,938	11,323
Pension and Profit Sharing	813	687	712	737
Safety and Training	1,284	1,405	1,454	1,506
Salaries	19,318	17,862	18,490	19,140
Uniforms	2,251	1,951	2,020	2,091
Vacation Sick Pay	6,822	5,554	5,749	5,951
Wages	77,745	81,344	84,203	87,163
Bldg & Property	4,006	5,826	6,029	6,241
Bonds Expense	76	73	76	79
Cover Cost	-	-	-	-
Engineering Fees	43	367	380	393
Insurance	16,873	26,337	27,654	29,037

Laboratory Fees	171	141	146	151
Leachate Treatment	-	-	-	-
Monitoring and Maint	-	-	-	-
Other Taxes	-	-	-	-
Penalties and Violations	18,785	55	57	59
Permits	283	659	662	706
Postage	383	767	794	822
Professional Fees	946	1,316	1,362	1,410
Royalties	-	-	-	-
Security Services	219	223	230	239
Subcontract Expense	-	-	-	-
Gain/Loss on Sale of Asset	5,126	(274)	(284)	(294)
Advertising and Promotions	1,877	1,531	1,586	1,641
Dues and Subscriptions	809	858	888	919
Entertainment	-	-	-	-
O/S Sales Exp	-	-	-	-
Empl & Commun Activly	692	810	838	868
Meals	150	247	256	265
Communications	2,749	2,953	3,057	3,164
Equipment and Maint Repair	3,172	5,665	5,864	6,070
Freight	126	43	45	46
Fuel Expense	31,627	32,813	37,735	43,395
Office Supply and Equip	1,165	797	825	854
Oil and Grease	1,834	1,120	1,288	1,482
Operating Supplies	8,836	7,155	7,406	7,667
Parts and Materials	15,314	12,485	13,109	13,765
Real Estate Rentals	3,871	3,750	3,881	4,018
Tires	12,202	6,324	6,547	6,777
Towing Expense	1,493	771	798	826
Travel	1,038	1,060	1,097	1,136
Utilities	2,876	2,547	2,637	2,730
Extraordinary Gain/Loss	-	-	-	-
Minority Interests	-	-	-	-
NSF Fees	(58)	(120)	(125)	(129)
Recycling Materials	-	-	-	-
	<u>670,675</u>	<u>641,484</u>	<u>672,234</u>	<u>707,510</u>
Income from operations	(61,249)	(6,157)	15,046	78,894
Intercompany Interest expense	(1,653)	(1,452)	(1,503)	(1,556)
Other Income expense	-	-	-	-
Income before income tax provision	(59,596)	(4,704)	16,550	80,450
Disallowed Items				
Penalties and Violations	(18,785)	(55)	(57)	(59)
Contributions	-	-	-	-
Credit and Collection	-	-	-	-
Gifts to Customers	(44)	(13)	(14)	(14)
Legal	-	-	-	-
Net Income (Before Income Tax)	<u>(40,768)</u>	<u>(4,637)</u>	<u>16,620</u>	<u>80,523</u>
Income Tax Provision	(16,572)	(1,885)	6,756	32,732
Net Income (After Tax)	(24,196)	(2,752)	47,790	

Amador Disposal
Fuel Surcharge Calculation
 For the Period January, 2008 through January, 2008

Item	Data Source	Beginning Period (Jan 08)	Current Period (Jan 08)	Index Change	% Increase	Beginning Fuel Surcharge	Ending Fuel Surcharge
Diesel Fuel	PPI Commodity, #2 Diesel Series ID:wpu057303	197.1	280.5	83.4	42.31%	3.24%	4.61%
							1.37%

Bureau of Labor Statistics Data - Windows Internet Explorer provided by Waste Connections, Inc.

http://data.bls.gov/cgi-bin/srgate

U.S. Department of Labor
Bureau of Labor Statistics
 Bureau of Labor Statistics Data

Date extracted on: April 14, 2008 (08:11 PM)

PPI Commodity Data

Series Catalog:

Series ID : wpu057303

Net Seasonally Adjusted
 Group : Fuels and related products and power
 Item : #2 diesel fuel
 Base Date : 9200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	197.1	196.2	206.5	230.4	239.6	246.9	237.5	250.2	201.3	197.5	197.2	203.0	216.9
2007	180.9	193.5	220.2	238.0	226.5	227.0	243.5	231.2	246.2	249.6	296.7(P)	271.9(P)	235.5(P)
2008	280.5(P)	286.7(P)											

P : Preliminary. All indexes are subject to revision four months after original publication.

WCI of California / Amador Disposal Inc.
El Dorado County Rates

Fuel Surcharge	CPI	Fuel Surcharge*
3.24%	15.00%	4.61%

<u>Service</u>	<u>Current Rate w/CPI & Fuel (Effective 10/1/06)</u>	<u>Rate Net of Adjustment for '08 FS</u>	<u>Rate w/CPI</u>	<u>Rate w/CPI & Fuel (Proposed Effective Date of 7/1/08)</u>
<u>Resi</u>				
32 gal	\$ 14.13	\$ 13.69	\$ 15.74	\$ 16.47
45 gal	\$ 16.97	\$ 16.44	\$ 18.91	\$ 19.78
(2) 32 gal	\$ 20.90	\$ 20.24	\$ 23.28	\$ 24.35
96 gal	\$ 25.69	\$ 24.88	\$ 28.61	\$ 29.83
Additional 45 gal	\$ 6.76	\$ 6.55	\$ 7.53	\$ 7.88
<u>Comm</u>				
1 Yard	\$ 54.21	\$ 52.51	\$ 60.38	\$ 63.17
1.5 Yard	\$ 81.34	\$ 78.79	\$ 90.61	\$ 94.79
2 Yard	\$ 108.47	\$ 105.07	\$ 120.83	\$ 126.40
6 Yard	\$ 162.71	\$ 157.60	\$ 181.24	\$ 189.60
<u>R/O</u>				
6 yd	\$ 209.01	\$ 202.45	\$ 232.82	\$ 243.55
10yd	\$ 275.31	\$ 266.67	\$ 306.67	\$ 320.81
20 yd	\$ 331.50	\$ 321.10	\$ 369.27	\$ 386.29
30yd	\$ 488.81	\$ 473.47	\$ 544.49	\$ 569.59



Kevin W Gilliland/PV/EDC
12/02/2008 02:58 PM

To Cynthia C Johnson/PV/EDC@TCP
cc Kerri A Williams/PV/EDC@TCP
bcc
Subject Fw: Notice of Public Hearing

Hi CJ,

This person cannot attend the upcoming hearing on 12/9 so they've emailed me their protest. Could you please have this recorded for the public comment portion of the hearing? This is regarding Amador Disposal, Legistar #08-1532.

Thanks!

Kevin Gilliland
El Dorado County
Environmental Management
530-621-6664

----- Forwarded by Kevin W Gilliland/PV/EDC on 12/02/2008 02:54 PM -----



Pgbuni@aol.com
12/02/2008 01:06 PM

To kevin.Gilliland@edcgov.us
cc
Subject Notice of Public Hearing

Waste Connections Inc.

Amador Disposal Service
6500 Buena Vista Road
Ione, CA 95640

December 2, 2008

Re: Notice of Public Hearing

Dear Sirs,

A high level presentation of your staff's Business Plan includes a general rate increase an additional increases associated with an enhanced residential recycling program.

This plan includes as a customer's opinion are objectives. These potential measures of your administrative matters are being requested at a time of recession. This time a request of this nature may result in a disaster. Families today are struggling with common threads, such as staying in their homes, feeding there families, with no cost of living increases.

Recommendation for your administration is to review there program for another time in the future.

California as we all know have hardships and your proposal to increase rates will only complicate with additional hardships.

Sincerely,

Resident
Pat Gouveia
4715 Creekside Drive
Grizzly Flats, CA 95636