



WASTE CONNECTIONS INC.  
*Connect with the Future<sup>®</sup>*

January 16, 2008

Ms. Gerri Silva  
Director, Environmental Services  
County of El Dorado  
2850 Fairlane Court, Bldg. C  
Placerville, CA 95667

**Re: El Dorado County Solid Waste Services Agreement**

Dear Ms. Silva:

As you know, El Dorado Disposal, Inc. (EDD) is one of seven solid waste franchise holders in El Dorado County. Unless otherwise extended, EDD's franchise agreement with El Dorado County will expire on December 31, 2012. EDD owns the material recovery and transfer facility on Bradley Street in Diamond Springs and also has maintenance and operating facilities on Truck Street in El Dorado County. This facility is the only significant solid waste infrastructure on the western side of El Dorado County, and serves approximately 75% of the counties' residents and businesses.

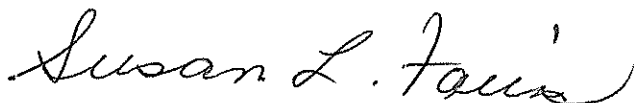
For several years the County has considered a highway connector that would link Missouri Flat Road to Highway 49, north of Diamond Springs. The purpose as stated by the county is to alleviate traffic congestion in Diamond Springs and to open areas south of the Missouri Flat Road – Highway 50 interchange to retail development. In 2006 and 2007 EDD has been in discussions with developers with regard to the relocation of EDD's facilities described above.

The relocation has required several initial steps including finding and obtaining rights to sufficient property at a good location for an integrated facility.

EDD has done its due diligence and believes it has located and obtained rights to a property adequate for our needs and those of the county. EDD has also obtained preliminary cost estimates to relocate its facilities, which will be sized to accommodate growth as projected for the next thirty years in Western El Dorado County. Our initial estimates indicated that the project will cost about \$7,000,000, without land costs. That amount includes a state of the art material recovery and transfer facility including single stream sorting, c&d sorting, green waste and transfer; an expanded household hazardous waste collection facility, buy back center and office complex. In order to make the necessary investments, EDD is initiating discussions with its El Dorado county franchise holders in an effort to extend its agreements for a period sufficient to provide a reasonable rate of return on such an investment. To that end, EDD is requesting authority to negotiate an extension of its agreement with county solid waste staff. We believe that an extension through December 31, 2027 will allow EDD to recover its investment and assure the county a long-term stable platform with which to grow and comply with AB939 statutory requirements.

If you have any questions regarding this request, please call me at 530-295-2816.

Sincerely,



Sue Farris  
District Manager

cc: Jim Little