

SIERRA DISPOSAL SERVICE

541-6414 . 2140 Ruth Ave. . South Lake Tahoe, California 96150-4357

May 24, 2010

Ms. Gerri Silva, Director of Environmental Management
El Dorado County
2850 Fairlane Ct.
Placerville, CA 95667

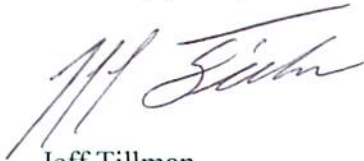
RE: Sierra Disposal Service

Dear Ms. Silva:

Pursuant to Section 19 – Compensation, Paragraph B of the Franchise Agreement between Eldorado County and South Tahoe Refuse Company, Inc, dba Sierra Disposal Services, Inc. (“SDS”), SDS is providing thirty day notice that rates will increase 0.71% to become effective on July 1, 2010 due to increased disposal costs. The last rate increase for SDS was January 1, 2009.

SDS is currently paying \$70.28 per ton to the El Dorado Disposal MRF (please see the attached copy of the most recent SDS invoice from El Dorado Disposal MRF for April 2010). Starting July 1, 2010, based on the new El Dorado Disposal MRF tip fee of \$71.76 per ton and including the applicable franchise fees, a rate adjustment of 0.71% is required to reimburse the company for the pass-through El Dorado Disposal MRF increases. The components of the 0.71% rate increase are 0.67% for pass-through from El Dorado Disposal MRF and 0.04% for applicable pass-through franchise fees. Attached for your review are the calculations for the rate increase as well as a schedule of the new rates.

Sincerely yours,



Jeff Tillman
South Tahoe Refuse, dba Sierra Disposal Services, Inc.