



WASTE CONNECTIONS INC.
Connect with the Future®

Waste Connections of California, Inc.
dba Amador Disposal Service, Inc.
P.O. Box 1270
Diamond Springs, CA 95619
(530) 626-4141

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

RE: Amador Disposal Service Franchise

February 25, 2015

Dear Ms. Silva,

During our September 2014 meeting to discuss the new franchise agreement for Waste Connections of California, Inc, doing business as El Dorado Disposal (EDDS), we had mentioned possibly combining or incorporating the Amador Disposal Service (ADS) Franchise into the El Dorado Disposal Franchise Agreement. You had recommended that we prepare a letter requesting consolidation and outlining the benefits of combining the two agreements. There are benefits to the Rate Payer, to the County and to El Dorado Disposal. I have tried to summarize those benefits in the following paragraphs.

Collapsing the two franchise agreements into one is a logical next step. The service areas are adjacent to one another and are currently serviced out of the same yard, the El Dorado Disposal yard. Combining the two franchise agreements provides for economies of scale. With "like" services for residential trash and recycling (including carts, vouchers, universal waste collection, for example), operationally we become more efficient. We have trucks in neighboring service areas that can assist when necessary, cutting down on potential down time in the case of a break down. By consolidating the two franchise agreements, only one external audit is required versus two. Reporting provided to the County would incorporate both service areas in one report. Requests and preparing of rate making packages would be reduced to one instead of two. These consolidations would be beneficial to both El Dorado Disposal and the County in terms of a reduction in administrative time and expense. Curbside greenwaste service will not be part of the proposal for the ADS service area as prior surveys conducted in the service area indicate these services are not desired by the customers at this time.

Consolidating the franchise agreements would create economies of scale that would allow El Dorado Disposal to provide similar services at equitable rates across the service areas, instead of requiring higher rates for the more rural (i.e. Amador) customers. Additionally, the goals in the new Solid Waste Rate Setting Policies and Procedures manual are to keep the rate-setting process simple, straight-forward and fair. Therefore, by folding the Amador Agreement into the EDDS Agreement, the tedious exercise of allocating costs to each specific service area would be eliminated along with the need for a separate rate review. Also, by maintaining a separate franchise agreement for ADS, based on the new Solid Waste Rate Setting Manual, an audit specific to that service area would be required which would burden the much smaller ADS customer base heavily. By spreading the audit cost over the larger customer base, the impact to rate payers would be reduced.

In summary, residents, El Dorado Disposal and the County will benefit from a single consolidated agreement. There will be separate service areas and rate structures dependent upon the service level. Further, the consolidated agreement will provide for efficiencies through a stream-lined process, ensuring a unified vision of the Solid Waste Management Plan. We are formally requesting the concept of consolidating the El Dorado Disposal Service and Amador Disposal Service franchise agreements into the El Dorado Disposal Service franchise agreement dated October 21, 2014 be considered by the El Dorado County Board of Supervisors. We look forward to moving this proposal forward.

Sincerely,

Sue VanDelinder
Amador Disposal Service
916-801-0200