

March 26, 2009

City of Los Alamitos  
Ms. Nita McKay  
Interim City Manager  
3191 Katella Avenue  
Los Alamitos, CA 90720

Dear Ms. McKay,

Subject: County of Orange Waste Disposal Agreements

Since 1997, the County and Cities of Orange County have enjoyed the benefits of waste disposal agreements that fulfill city waste disposal needs and provide for the financial stability of the County disposal system. These agreements expire June 30, 2010.

OC Waste & Recycling and the Waste Management Committee of the Orange County City Manager's Association worked since 2006 to negotiate another multi-year agreement to continue this mutually beneficial relationship. The parties successfully completed negotiations in December 2008.

The new agreement is substantially the same as the current waste disposal agreement, including the County's covenant to provide solid waste disposal services and County indemnification of city "arranger" liability. The current disposal rate, which has been in effect since 1997 with no increase, is \$22.00 per ton. The primary difference between the prior and new agreements is that the contract disposal rate will increase to \$29.95 on July 1, 2010 and then adjust annually in accordance with increases to the consumer price index. The term of the new agreement will be from July 1, 2010 to June 30, 2020.

The new agreement, new contract disposal rate and revised posted disposal rate (both rates effective on July 1, 2010) were approved by the Orange County Board of Supervisors on March 24, 2009 (Resolution attached). By this transmittal, OC Waste & Recycling, on behalf of the County, invites your city to execute the new agreement.

For the agreement to take effect, cities representing more than 85% of the "acceptable" waste generated in the County, as shown in Appendix 1 to the agreement, must approve and execute the agreement by July 23, 2009. If this condition is not met, the agreements will not be adopted and County staff will return to the Board of Supervisors to present alternative rate strategies. If this condition is met, cities choosing to adopt and execute an agreement after July 23, 2009 will be required to pay a disposal rate greater than the \$29.95 contract rate, potentially 10% or higher.

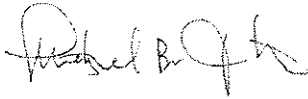
The agreement is attached, along with supplemental information intended to aid in preparation of an item for your city council.

Should your city choose to execute the agreement, please return three wet signature copies to the below address. The County will retain two copies and return one to the city. Please also include a copy of the resolution, minute order or other documentation confirming that your City Council has approved the agreement.

OC Waste & Recycling  
300 N. Flower Street, Suite 400  
Santa Ana, CA 92703  
Attention: Jeff Southern

OC Waste & Recycling stands ready to further assist you by providing additional information or by making a presentation to your city council and/or staff. Please contact Rochelle Carpenter at (714) 834-4060 or Jeff Southern at (714) 834-2652.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael B. Giancola". The signature is fluid and cursive, with the first name being the most prominent.

Michael B. Giancola, Director

Attachments:  
Waste Disposal Agreement  
Summary of Major Provisions  
Board Resolution  
Staff Report Information