



December 22, 2008

Mr. Trent Cave  
Executive Director  
Napa Vallejo Waste Management Authority  
1195 Third Street, Room 101  
Napa, CA 94559

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DEPT. OF  
ENVIRONMENTAL MANAGEMENT

RE: Use of Alternative Disposal Sites for Residual from JPA Transfer Operations

Dear Trent:

Per our discussion this past week, there may be some interest on the part of the Keller Canyon Landfill Company in utilizing an alternative affiliated disposal facility for a portion of the residuals generated from the JPA service area. This will most likely occur on periodic basis but would provide some flexibility in terms of managing peak waste flow periods at Keller Canyon.

The alternative proposed facility is Allied's Forward Landfill which is located in Manteca, CA. The Forward Landfill is a wholly owned subsidiary of Allied Waste Industries. It is a fully permitted Class II facility which incorporates the same design and environmental control features that exist at the Keller Canyon Landfill. Keller Canyon Landfill would of course pay for the incremental cost differential associated with delivery of the material to the Forward Landfill. The Forward Landfill is listed as an alternative disposal facility in the current disposal agreement and Allied would provide the same indemnification and liability assumptions as outlined in the existing disposal agreement.

At present we would envision the last load of the day (approximately 150 tons) being shipped to the Forward Landfill and the remaining residual continuing to be delivered to the Keller Canyon Landfill. Pending approval from the JPA, our intent would be to begin movement of residual to the Forward Landfill in very early 2009.

We would appreciate the opportunity to meet with you and discuss this proposal in greater detail at your earliest convenience. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Michael Caprio". The signature is written in a cursive style with a large, prominent "M" and "C".

Michael Caprio  
Area Vice President  
Central California