

WUTC Meeting Agenda

1. Introductions
2. Big Picture Waste Connections
 - a. Ongoing discussions/concessions about incentive plans and costs tied with the interconnectedness of Waste Connections
 - b. Recent staff changes at WUTC and the Company have potentially highlighted them.
 - i. Considered bringing them up at our quarterly meetings.
 - ii. Actions and results at Olympic too pronounced to wait.
3. Big Picture Olympic
 - a. 16% is not an outsized increase after 12 years, with a few recent years of hyperinflation. Staff is nearly cutting this request in half.
4. Specific concerns at Olympic
 - a. Insurance/Risk related costs.
 - i. WACC 480-07-520(4)(i) calls for normal costs
 - ii. Periodic averaging can accomplish this for volatile costs
 1. Averaging while cherry picking nullifies the process
 - iii. UTC has practiced averaging frequently in the past
 - iv. Arbitrary discounting.....damage to a Civic may be allowed, but a BMW not allowed due to \$\$?
 - v. Are all claims now akin to a penalty? Where does it stop?
 - vi. Staff dictating how the Company runs its business.
 1. San Luis Obispo—3rd party no-deductible insurance cost +/- 3% of revenue for each of past two years. Washington high deductible Divisions, 1.3%
 - b. Severance costs
 - i. Company has HR and legal counsel assessing costs and risks. Alternative is potential legal costs. Should Staff dictate these decisions without full information?
5. Ongoing concerns—a sense that Staff is prescribing how we do what we do, or at least forcing an unreasonable burden on the Company's shareholders.
 - a. Incentive Plans
 - i. Consistently paid
 - ii. Not fox in the henhouse
 - iii. Attracts/retains the best, entrepreneurial, self-motivated employees
 - iv. Technology has made them practical
 - v. Society moving toward the carrot structure
 - b. Travel between sites
 - i. We are Waste Connections
 - ii. Shared resources lowers costs overall, but they must be portable
 - c. Relocation
 - i. Allows us to meet immediate business with experienced leaders quickly
 - ii. Allows us to train managers for those times/places they are needed