



WASTE CONNECTIONS, INC.
Connect with the Future®

Ronald J. Mittelstaedt
Executive Chairman

October 21st, 2022

Ms. Judy Erlandson
Public Works Manager, City of Livermore
City Hall
1052 S. Livermore Ave.
Livermore, CA 94550

via email: jaerlandson@LivermoreCA.gov

Re: **Letter of Commitment 10/21/22**

Dear Ms. Erlandson,

This letter is in response to our discussion with you on October 12TH which follows your email correspondence on October 11th. Our goal is to address your remaining concerns and provide Staff with additional support to continue moving our proposed transaction forward. All elements of our previous commitments dated September 27th and October 10th have been added to this letter for ease.

Waste Connections commits as follows:

1. Retaining current staff and related compensation:
 - a. Our plan is to retain all full-time staff members of LSI.
 - b. Regarding compensation, non-union employees will continue to receive base compensation/wages at or above current base amounts and exempt employees will have the opportunity to earn bonus or incentive compensation greater than they previously received by participating in Waste Connections' incentive compensation programs.
 - c. We will honor existing union collective bargaining agreements and the compensation arrangements set forth in those agreements.

2. Medical Benefits transition:
 - a. For Teamster and Machinist Union employees, we will continue to offer union healthcare benefits that include coverage through Kaiser Permanente. For non-union employees, we will offer a very competitive healthcare benefit package through Blue Cross Blue Shield. We will not be offering non-union medical coverage through Kaiser Permanente.
 - b. Health and Benefit Plans – at this point we haven’t had an opportunity to speak with the Livermore Sanitation employees (union or non-union) about their existing plans or coverage. Our objective, as it always is, is to make the transition as smooth as possible for our employees. There will be no benefit change for the union employees which represents the majority of the employees at LSI. For the non-union employees there could be a change, but we believe it will be received favorably with enhanced benefit packages for the employees to choose from. Our intent for the non-union employees will be to keep them as financially whole as possible for comparable coverage. If they choose to select a more comprehensive benefit package it may result in an out-of-pocket expense for the employee.
3. Consistency of services and honoring franchise agreement:
 - a. We are prepared to continue to provide the same quality of service that LSI currently provides.
 - b. We will comply with all franchise agreement requirements, including but not limited to: (i) providing reports required by the agreement, (ii) adhering to the rate adjustment methodology set forth in the agreement, (iii) utilizing local billing and customer service staff, and (iv) abiding by the liquidated damages provisions set forth in the agreement.
4. EV and zero emission: As “zero-emission” collection vehicles become a viable alternative in their production capacity, cost, and durability, we will use commercially reasonable efforts to deploy them for service in the City of Livermore if that is the direction the City desires to pursue at that time. As we discussed, it will likely take several years before any such deployment commences.
5. WCN Corporate structure: Please see the attached Organization Chart.
6. References from City Staff with San Jose and Milpitas:
 - a. For San Jose, please contact Jeff Anderson at (408) 975-2518.
 - b. For Milpitas, please contact Elaine Marshall at (408) 586-2603.
7. Legal:
 - a. We agree that that we will not assign the franchise agreement to a third party for at least five years and at any time an assignment would require the City of Livermore’s approval.

- b. We agree that we will prepare a guarantee form.
 - c. We agree that we will assume any potential liabilities from Livermore Sanitation, Inc.
8. SB1383- Waste Connections will partner with the City of Livermore to follow the requirements of SB 1383. Our goal is to spend the contracted \$100,000 on SB 1383 to satisfy the wishes of the City of Livermore which currently exist in the rate structure. We propose the following with the understanding that the costs are covered in the rate structure and any amount above what is currently in the franchise agreement would require reimbursement through the rate structure. It is not anticipated the below events will exceed the contracted amount at this time.
- a. Host two (2) compost giveaway events per year at the Livermore Sanitation facility at 7000 National Drive in Livermore or elsewhere within the City at locations designated by City. Attendees at each event may pick up to two (2) 1 or 1.5 cubic yard bags of compost per event. Contractor shall provide at least 3,000 bags of compost for each event.
 - b. Deliver up to one hundred (100) cubic yards of bulk compost to a location (e.g., Compost Hub) designated by City up to once each month. Compost can be picked up at each location

These compost events and the existing \$100,000 will be completed in the calendar year. We will provide the city with an outline of what we've spent related SB 1383 to encourage maximum participation.

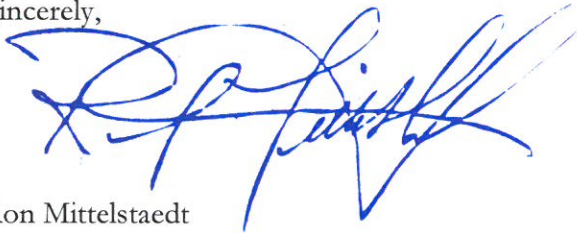
9. Response to HF&H report – it is our commitment to adhere to the Franchise Agreement. This includes addressing the following items laid out in the HF&H report.
- a. Including a single-family search feature on the website.
 - b. Participation in City community events.
 - c. Visits to schools.
 - d. Maintaining a local call center with sufficient staffing.
 - e. Adhering to customer service call wait times.
 - f. Commitment to avoid missed pickups.
 - g. Commitment to perform periodic billing audits.
10. LSI will remain a wholly owned subsidiary of Waste Connections US, Inc. as Waste Connections will be acquiring the common stock in the purchase of Livermore Sanitation, Inc.
11. Logos and Branding – it is our plan to keep the existing logo and name for Livermore Sanitation, Inc. once we close on the acquisition; this is typically what we do. For example, we acquired Green Team in San Jose more than 20 years ago and they have continued under the name and logo to this day. This does not mean we will remove our right or ability to change our name or logo if we feel there is a benefit to our organization

or communities we serve in the future, and we would notice the City of such intent should it ever occur.

12. Outreach plan- The Waste Connections team is working with Livermore Sanitation, Inc. team on submitting a proposed post card following the request of the City of Livermore, and posting a Frequently Asked Questions document on the Livermore Sanitation website. City staff will have a proposal draft very soon to approve before we go to print.

We acknowledge that both the HF&H report and this letter will be made public. If you have any questions about the matters discussed above, please call me directly at (916)-931-0020.

Sincerely,



Ron Mittelstaedt
Executive Chairman
Waste Connections, Inc
4359 Town Center Blvd, Suite 215
El Dorado Hills, CA 95762

Ron Mittelstaedt
(Executive Chairman
Board of Directors)

Worthing Jackman
(President & CEO)
The Woodlands, TX

Corporate

Darrell Chambliss
(Chief Operating Officer)
The Woodlands, TX

Corporate

Dan Schooler
(Region Vice President)
Vancouver, WA

Western Region

Sue Vandelinder
(Division Vice President)

- El Dorado Disposal
- Greenwaste of Tehama & Tehama Landfill
- Mammoth Disposal
- Lassen County
- Pahrump Hauling
- Nevada Site Services
- C&S Disposal - Ukiah
- C&S Disposal - Lakeport

Adam Gooderham
(Division Vice President)

- Green Team
- Potrero Hills Landfill
- Garden City Sanitation
- Milpitas Sanitation
- Livermore Sanitation
- Chiquita Canyon LF
- San Luis Garbage & MRF