



James Smith
District Manager

9900 Giles Lane
Austin, Texas 78754
(512) 759-3823
(512) 759-5004 Fax

February 22, 2010

Hon. Dan Gattis
Williamson County Judge
710 Main Street, Suite 101
Georgetown, TX 78626

Subject: Re: Waste Management of Texas, Inc. ("WMTX") and Williamson County
("County") Landfill Operating Agreement – Master Recycling Plan

Dear Judge Gattis:

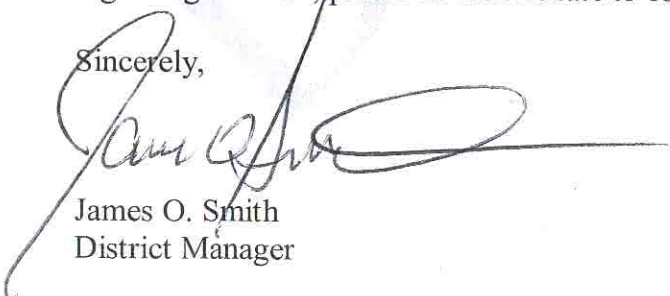
This letter sets forth the status of recycling activities at the Williamson County Landfill, and the parties' plans for various recycling activities going forward. The discussions that WMTX has had with the County regarding recycling have been beneficial, and have led to the joint development of this Master Recycling Plan as called for in the Landfill Operation Agreement ("Agreement").

Items that this Master Recycling Plan ("Plan") addresses include:

- (1) Citizens collection center for recyclable materials
- (2) Compost and mulch recycling
- (3) Aluminum and steel can recycling
- (4) Plastic container recycling
- (5) Clear and colored glass recycling
- (6) Newsprint recycling
- (7) Cardboard recycling
- (8) Tire recycling
- (9) HHW collection Center
- (10) Pilot Recycling projects

Pursuant to the Agreement, WMTX must receive the County's approval of this jointly developed Plan before WMTX begins implementing its recommendations contained in the Plan. WMTX looks forward to receiving the County's approval. In the meanwhile, should the County have any questions regarding the Plan, please do not hesitate to contact me at 512/748-4235.

Sincerely,



James O. Smith
District Manager

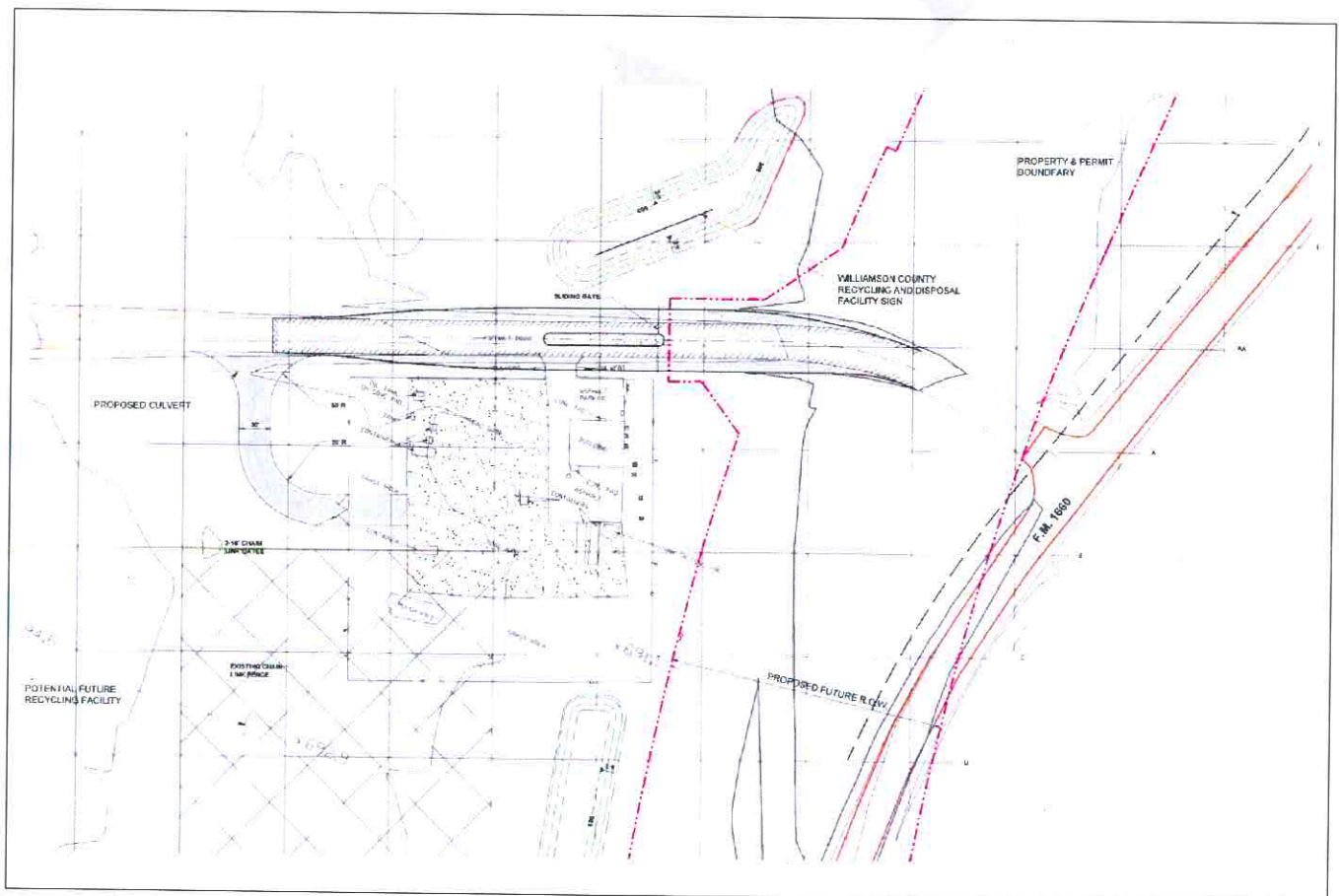
WMTX MASTER RECYCLING PLAN

February 2010

1. CITIZENS RECYCLING CENTER FOR RECYCLABLE MATERIALS

WMTX assumed the operating responsibilities for the existing citizens' collection center located at the Landfill and operated by the County in 2009 as required by the Agreement. At that time, the facility was accepting paper, newsprint, cardboard, plastics, metal, used oil, aluminum, appliances, and used electronics. WMTX has since increased the number of items that we will accept at the facility to include those items listed above as well as paint, light bulbs of all kinds, and batteries. WMTX began charging customers a small fee for any appliances that contained Freon to off-set the cost to properly recycle those items. All other services are still being provided at no cost to the County or the users of the facility.

The facility currently receives a great deal of traffic and appears to meet the needs of the County residents that live in the area. Future plans include relocating the entrance in conjunction with the construction of the new landfill entrance and increasing the paved area at the center for improved all weather access. If the County agrees with these changes to the facility, WMTX is prepared to complete these upgrades in 2010.



2. COMPOST AND MULCH RECYCLING

The facility currently accepts and diverts all clean loads of wood waste from the landfill. In 2009, WMTX purchased two grinders and support equipment to process this material for use on site. We have continued the practice of providing the mulch for use to local citizens and the County at no charge. We are currently in discussions with local companies that may be willing to purchase a portion of the wood waste stream for use as an alternate fuel source. The addition of a composting operation is currently under review, but since wood waste is the main component of a composting operation and we are currently using all we receive, we do not have plans to add that service within the next two to three years. If the market conditions change, WMTX has the expertise to add this service quickly.



3. RECYCLING: ALUMINUM, STEEL CANS, PLASTICS, NEWSPRINT, CARDBOARD

WMTX accepts aluminum and steel cans, plastics, newsprint, and cardboard at the citizens' drop-off center. WMTX is currently looking into the feasibility of constructing a commercial single stream recycling transfer operation at the landfill. The facility would be constructed adjacent to the existing citizens' drop off center and would be used as an outlet for both residential and commercially collected recyclables. Due to the lack of any confirmed recycling volumes, it would be difficult to justify a full blown processing center. This facility would be designed to provide an outlet in Williamson County for residential or commercial single stream recycling routes. The material would arrive at the facility go through a very simple sorting system that would remove one or two commodities, and then the remaining material would be loaded into transfer trucks and moved to a single stream processing center.

A facility of this type would be able to handle about 1,000 tons per month. If volumes grew beyond that number, additional processing and/or transfer facilities may be needed. Because of the unique conditions within Williamson County, it is very difficult to predict what if any recycling volumes will be sent to the landfill facility. This approach will give the County and WMTX an outlet in the County, and as volumes grow or conditions change, it is easily expandable.

4. CLEAR AND COLORED GLASS RECYCLING; TIRE RECYCLING.

Clear and colored glass recycling has been considered and based on the lack of a viable market for the glass, a project to recycle glass at this time is not viable.

Tires are currently accepted at the landfill for a fee. The tires are currently sent off-site where they are shredded by a third party vendor or they are sent to a tire recycling facility. The number of tires received at the landfill is relatively small and does not support an expanded recycling system.

5. HOUSEHOLD HAZARDOUS WASTE ("HHW") COLLECTION CENTER

HHW collection and disposal events are being held throughout the County on a semiannual basis. This approach combined with the addition of paints to the products that are accepted for recycling at the Citizens drop off center has given County residents a reasonable outlet for proper disposal of their HHW. Because of the cost associated with constructing, permitting and operating a full time HHW collection center, the construction of such a facility would require users to pay a significant charge for disposal of their HHW. It would also place the County in direct competition with a for-profit center that is currently in operation in the County. The HHW days have been successful, and the citizens enjoy obtaining proper disposal of their HHW free of charge. At the present time, there is not a need for a County owned HHW Collection Center Building.

6. PILOT RECYCLING PROJECTS

In 2008 and 2009, WMTX constructed two pilot recycling projects at the Williamson County landfill. Both of these pilots were successful and will continue to operate at the landfill.

Asphalt shingles are currently being removed from the waste stream and processed for reuse in the production of asphalt paving or new roofing materials. Because this is a pilot project, a number of changes to the process and the end product have taken place during the last two years. It is expected that these types of changes will take place in the future not only to respond to the needs of the end users but to handle changes in the volume of shingles received at the landfill.



Construction and demolition waste or C&D waste is also being recycled at the facility. This second pilot project was constructed and tested in 2009 and is currently being used to remove a portion of the C&D waste stream from the landfill. The system is designed to remove metal, masonry products, clean wood, paper, cardboard and some plastics from the waste stream. Because of the high variability within this type of waste, only selected loads are being processed. Currently most of the separated material is used on site for road base or erosion control, but we are in discussions with local companies that are interested in using a portion of the processed waste as an alternate fuel.

Concrete recycling is also available for selected projects. WMTX has a third party concrete recycler who will provide mobile crushing equipment on an as needed basis. This is a for fee service.

