

November 4, 2007

Dear Fellow ECUA Members:

A recent report from the Executive Director to the board detailed a number of actions taken recently by the Board of County Commissioners (BCC) that will make it more difficult and more expensive for Allied Waste to operate commercially in Escambia County. As I see the situation, the additional problems created for Allied's commercial operation might affect its residential service in either or both of two ways:

1. The additional difficulties created for Allied's commercial operation make it less likely that Allied will make needed improvements in its residential-collection operation. The making of such improvements was already problematic. With added financial pressures on Allied's commercial operation, it is even less likely than before that Allied will commit the additional resources that are needed.
2. The additional difficulties created for Allied's commercial operation make it more likely that Allied will choose to terminate its residential-collection franchise. The imposition of flow control by the BCC will have a sizable effect on Allied's profit margin—much more effect than it will have on ECUA Sanitation's bottom line. I think it possible that Allied will choose to walk away from its Escambia County operations, both commercial and residential. It is my understanding that Allied can terminate its residential service simply by giving ECUA thirty days' notice.

It is my opinion that ECUA should take the next necessary step toward being in a position to deal with either of these heightened probabilities. That step is to purchase the garbage containers that ECUA would need in order to serve the Allied residential-franchise area.

Yours truly,

Larry Walker  
Member, District 5