Wasco County Landfill

Proposal for Metro Solid Waste Disposal

Prepared for Metro

January 24, 2018

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Wasco
County Landfill

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In order to conserve paper and pursuant to RFP 3355 Addendum #3, December 22, 2017, the hard copy of this proposal includes Parts A-D from the RFP without attaching paper copies of the Questionnaire attachments, except Appendix G. Disposal Price Proposal Spreadsheet. A USB drive is attached containing a single PDF file, which contains the entire contents of the proposal, including all attachments.

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Wasco
County Landfill

A—Transmittal Letter

January 24, 2018

Metro Procurement Services
Attn: Julie Hoffman RFP 3355
600 NE Grand Avenue
Portland, OR 97232-2736

Subject: RFP #3355 Disposal Services—Proposal from Wasco County Landfill

Dear Ms. Hoffman and Proposal Review Committee Members:

Enclosed is Wasco County Landfill's (WCL's) proposal to Metro for solid waste disposal. We are excited about the opportunity to support Metro in providing solid waste management services for Clackamas, Multnomah, and Washington counties.

WCL is proposing Waste Connections' district manager Kevin Green to serve Metro as contract manager and central point of contact. He can be reached at (541) 965-1339, KevinG@wcnx.org.

WCL hereby states that its proposal will be valid for one year from the closing date of this RFP.

In addition, WCL hereby acknowledges that it has reviewed RFP #3355 Disposal Services and its Addenda #1 through #5 in their entirety.

If you should have any questions or need additional information, please do not hesitate to contact Kevin or me.

Sincerely,

Wasco County Landfill, Inc.

Jason Hudson
Contractual Authority
Division Vice President, Columbia River Division
Waste Connections of Washington, Inc.
12115 NE 99th St., Suite 1830
Vancouver, WA 98682
JasonH@wcnx.org
(360) 944-2374

B—Questionnaire

Introduction

Wasco County Landfill, Inc. (WCL), a wholly-owned subsidiary of Waste Connections, Inc. (WCI) is pleased to submit this proposal to dispose of Metro Municipal Solid Waste (MSW) at WCL.

About Wasco County Landfill

In 1999, WCI acquired WCL. WCL is located about five miles southeast of The Dalles, Oregon, near the intersection of Interstate 84 and U.S. Route 197. The junction of these highways forms a major connection point for regional commercial truck transportation. Due to WCL's close proximity to the Metro region, it provides an enormous environmental benefit if trucking is the preferred mode of transportation.

The landfill is inconspicuously situated amid high rolling hills in an arid region of dry farmland and orchards, with a view of the Columbia River, The Dalles Dam, Mount Hood, and Mount Adams. Rainfall in the vicinity averages between 10 and 14 inches a year. Current and proposed landfill operations are not visible from surrounding properties. Farming activities around the landfill have remained unaffected by its presence, and WCL maintains a longtime tradition of cooperating with its neighbors to ensure that this history of compatible uses continues. WCL will have a landfill gas collection system in place by January 1, 2020 if awarded the Metro disposal contract.

Wasco
County Landfill

Key information about WCL includes the following:

- Subtitle D Regional Landfill: Accepts MSW, Special Waste, Asbestos, C&D, and Liquids for Solidification
- Remaining Capacity: 30,586,500 CY
- Annual tons per year: 680,000 tons per year or 2,600 tons per day (open 5 days/week)
- Permitted landfill footprint: 175 acres
- Total property: 335 acres
- 17 employees (Operators, Laborers, Office Staff, Sales Staff, Mechanic)

About WCI

For information about WCI's history, operating values, and North American operations, please see **Attachment A—About Waste Connections, Inc.**

A. Organizational Information

A.1. Firm Name

Wasco County Landfill, Inc. (WCL), a wholly owned subsidiary of Waste Connections, Inc., is the entity that will enter into the Metro agreement.

A.2. Firm Information

	Landfill	Project Manager
Name	Wasco County Landfill, Inc.	Kevin Green
Title		District Manager
Address	2550 Steele Road The Dalles, OR 97058	2550 Steele Road The Dalles, OR 97058
Telephone	(541) 296-4082	(541) 965-1339
E-Mail Address		KevinG@wcnx.org
Website	www.wascocountylandfill.com	
Federal Tax ID	94-3367269	

A.3. Years Using Present Name

The name Wasco County Landfill, Inc. has been in use since, June 2000—17 years.

A.4. Names Used, Incorporation Information

Wasco County Landfill, Inc. was registered on June 30, 2000 in the State of Oregon, No. 761935-81 and has continuously used the business name since then.

A.5. Corporate Ownership

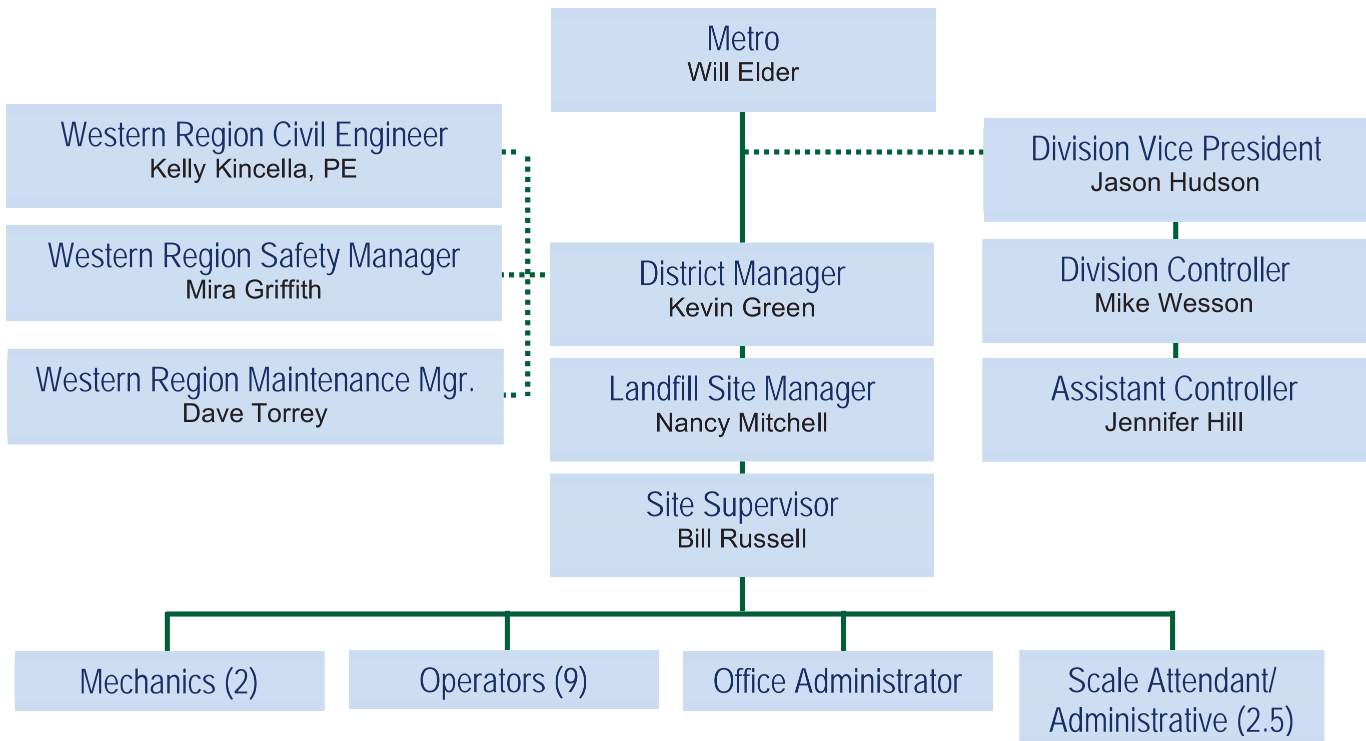
Wasco County Landfill, Inc. is an indirect, wholly-owned subsidiary of Waste Connections, Inc. Waste Connections, Inc. is a publicly-traded corporation whose common shares are traded under the ticker symbol WCN on both the New York Stock Exchange and the Toronto Stock Exchange. No other entities will be participating in the execution of the proposal.

A.6. Supervisory Structure

Landfill Organizational Chart

The following organizational chart demonstrates how local landfill staff is supported by WCI's regional resources. To increase management efficiency, decision-making is done at the local landfill level wherever possible, while strategic support and guidance are performed at the regional level.

Please see Section B.3.A.3)a) (2) Management Résumés for the office locations and contact information, roles, responsibilities, and experience of the supervisory team.



A.7. Litigation That is Material to Contract Performance

There are no lawsuit(s) material to WCI's ability to carry out the functions outlined in the RFP for Waste Disposal Services.

B. Evaluation Criteria

WCL's statement of qualifications (3355) submitted June 23, 2017 included performance data for the landfill. We have included in this submittal **Attachment B—WCI's Landfill Expertise**, which highlights WCI's leadership in landfill technology development.

B.1. Environmental

B.1.A. LFG Emissions Management and Beneficial Use

Initial Plans

Wasco County Landfill (WCL) is currently developing initial plans for the construction of a landfill gas (LFG) collection and control system (GCCS) for installation beginning in 2018 if awarded the Metro disposal contract. While finalizing the design for the first phase of GCCS construction, WCL will evaluate the selection of a beneficial use project to be implemented shortly after completion of the initial phase of the GCCS.

A feasibility study has been prepared to evaluate potential options available to WCL for a LFG beneficial use project. The first step for evaluating potential LFG beneficial use projects was to estimate the quantity of LFG that would potentially be available shortly after installation of a GCCS at the landfill. The future LFG projections were estimated, to the extent possible, through the U.S. Environmental Protection Agency's Landfill Gas Emissions Model (LandGEM). Two models were prepared for the LFG generation models: a low-flow and high-flow condition. The two models were developed to provide a range of potential LFG generation, with the variation being the waste acceptance rates and the moisture content of the waste. Following LFG generation modeling, an industry average active GCCS efficiency of 75 percent was applied to the projected LFG generation rates. Based on the LFG generation modeling and assumed GCCS extraction efficiency, the potential collection rate of LFG is estimated at 550 standard cubic feet per minute (scfm) to 920 scfm, for the low- and high-flow models, respectively. Based on these preliminary LFG projections, a short-term LFG beneficial use option is being considered, along with a list of potential long-term LFG beneficial use options for WCL.

Short-Term

During the construction of the GCCS, WCL will finalize the layout and facility design, equipment selection, permitting, and contractual agreement with their utility provider for the installation of the beneficial use project. Based on the options evaluated in the feasibility study, WCL is proposing to install a microturbine to generate electricity from the LFG. The size of the microturbine has yet to be finalized; sizing will depend on the quantity and quality of LFG actually recovered once the GCCS is installed. However, based upon initial LFG collection estimates and industry standards for microturbines, WCL anticipates the microturbine will be a 30 kilowatt (kW) or 65 kW Capstone renewable gas model, or equivalent. These microturbines are ideal for projects with a generation potential less than one megawatt (MW). The use of microturbines has certain advantages such as

low emissions, the ability to link modules, and minimal footprint. These advantages make them relatively easy to implement in a short period of time after the GCCS installation has been completed. Another advantage of microturbines is their ability to generate electricity from a lower methane content LFG. Microturbines can operate on LFG with a methane content as low as 35 percent, approximately 300 British thermal units per cubic foot (Btu/cf). In addition, the microturbine will be the first renewable gas-to-electricity project for the Wasco Co-operative (Wasco Co-op) utility, from which WCL receives their grid power.

The Wasco Co-op allows renewable electric generation projects for their customers, limiting commercial facilities to a 100 kW nameplate project. Preliminary discussions with the Wasco Co-op indicate that for a larger scale project, which would mean providing more than 100 kW of power to the Wasco Co-op grid, the utility would be interested in entering into an agreement to accept the generated power in order to receive Renewable Portfolio Standard (RPS) credit. In this scenario, WCL would be able to negotiate rates rather than the Wasco Co-op purchasing power from WCL at the wholesale rate, and WCL would not be limited to a 100 kW facility. At this time, WCL will most likely only install a project less than 100 kW, so that additional LFG can be utilized in the future for Renewable Natural Gas (RNG) production and to minimize project duration.

The installation of the initial GCCS will include a blower system and flare station. The final location for the flare station is in initial planning stages. The beneficial use project will be constructed near the flare station facility. A portion of the LFG, a minimum of 20 to 40 scfm, depending on the selected size of the microturbine, will be delivered to a LFG conditioning system. The LFG conditioning system will include a Hydrogen Sulfide (H2S) removal vessel; chiller for the removal of moisture and lowering of LFG dew point; a compressor to pressurize the LFG to a minimum inlet pressure to the microturbine; and media vessels for removal of siloxanes and Volatile Organic Compounds (VOCs) from the LFG. The LFG would then be compressed to approximately 100 pounds per square inch (psig) to meet manufacturer's requirements for inlet pressure to the microturbine(s). Excess LFG will be diverted to the flare for destruction.

Based on the existing facilities at the Landfill and the future flare station, an average future electrical demand of 60 kW per hour at the WCL is assumed for the estimated energy generation and savings. This electrical consumption estimate is based on a site electric bill for October 12 through November 11, 2017, with a usage of 6,710 kWh. Once the GCCS is online, there will be electrical consumption from the new blower and flare station. The total estimated electrical consumption for the site is estimated at 35 kW. The electrical consumption of the LFG conditioning equipment would need to be included as well. This is estimated at approximately 0.5 kWh/scfm, or 25 kW for a 50 scfm LFG conditioning skid. The total future site electrical consumption is estimated at 60 kW.

The balance of electricity generated after the amount utilized by WCL would be distributed to the local Wasco Co-op electric grid through their net metering program. Excess electricity generated by a microturbine would be credited to WCL's monthly electricity bill from the Wasco Co-op. On an annual basis, any excess credits accrued by WCL would be paid out at the cost of wholesale electric power purchased by the Wasco Co-op. For 2016, this cost was the Bonneville Power Administration's wholesale power rate of $0.0365 per kWh.

WCL will update Metro throughout the development of the system.

B.1.A.1) LFG Collection Systems Efficacy

Please see **Attachment C—WCL GCCS Plan Drawings** for detailed information on the system design.

B.1.A.2) LFG Data Totals Per Month

Please see proposal sections B.1.A.1) through B.1.A.4), where future plans for LFG are described.

B.1.A.3) Beneficial Use of LFG

WCL will evaluate the selection of a beneficial use project to be implemented shortly after completion of the initial phase of the GCCS.

B.1.A.4) Future Plans for LFG

Please see proposal sections B.1.A.1) through B.1.A.4), where future plans for LFG are described.

B.1.B. Landfill Equipment Data

The following table covers equipment currently utilized at WCL. **WCL will utilize equipment, including tippers, that meet EPA Tier 4 or the most current EPA Emissions Level Standards as part of this contract.**

Type of Equipment	Make	Model	Qty	Emission Certification
Compactor	Caterpillar	826K	1	EPA Tier 4i
Haul Truck	Caterpillar	725	1	EPA Tier 2
Excavator	Komatsu	PC220	1	EPA Tier 3
Dozer	Caterpillar	D8T	1	EPA Tier 3
Dozer	Caterpillar	D8T	1	EPA Tier 4f
Tipper	Columbia Industries/CAT	C76.6	1	EPA Tier 3
Tipper	Columbia Industries/JD	JD Powertech E	1	EPA Tier 3
Service Truck	Ford	F650	1	LEV-II
Water Truck	International	7400	1	PRE-EMISSION

B.2. Operational Considerations and Reduced Risk to Metro—Efficient and Conservation-Oriented

Transportation to WCL—The Most Efficient Option That Minimizes Environmental Impact

With the closest proximity to Portland of all of the regional landfills, WCL is located 94 miles from Metro Central Station (MCS) and 94 miles from Metro South Station (MSS). These distances are a minimum of 54 miles closer than the Roosevelt Regional Municipal Solid Waste Landfill, located at 500 Roosevelt Grade Rd, Roosevelt, WA 99356 and 48 miles closer than Columbia Ridge Landfill, located at 18177 Cedar Springs Lane, Arlington, OR 97812—a reduction of 108 miles and 96 miles per round trip, respectively.

Operational Efficiency

Reducing this distance results in at least two fewer hours per trip—making it possible for a single truck to make two round trips to WCL each day—within the 12-hour daily limit for drivers. **With the implantation of Electronic logging in December of 2017, utilizing WCL will likely be the only option that can safely and legally accommodate two round trips per day to the selected landfill(s). Additionally, this may have a positive impact on work-life balance for drivers.**

Minimized Environmental Impact

Shorter distances also mean a lower carbon footprint, which support's Metro's Conservation Mission.

Overall Operations

In addition to the information addressed in Section B.2. below, WCI has included overall operations information in **Attachment D—Operations Plan for WCL**.

B.2.A. Staging and Storage Areas

Trailers will be staged at the designated staging area on-site at WCL. The transportation company will stage full trailers during WCL-provided staging hours and take empty trailers prior to leaving the site. The staging area will be maintained by WCL. Please see **Attachment E—Facility Site Plan**.

B.2.B. Site Location and Facility Site Plan

Please see **Attachment E—Facility Site Plan** and **Attachment F—Site Access Routes and Nearby Roads**.

B.2.C. Container and Trailer Unloading

Trailers will be staged at the designated staging area. The transportation company will have access to the site 24 hours per day Monday–Friday to stage trailers and containers. WCL will be accessible during weekends when necessary. If subcontracting is desired by selected transportation company, we will give preference to a COBID subcontractor to shuttle trailers/containers from the staging area to the tipper. Based on conversations with interested transportation companies, we are proposing to own, operate, and staff the tipper. In accordance with Transportation RFP 3396, costs associated with shuttling and tipping will be included in the rate provided to Metro by the transportation company.

B.2.C.1) Turn Times

WCL proposes at least 6–8 tips per hour, which is similar to its current tipper turn times.

B.2.C.2) Traffic Management

WCL will send updated site plans with a detailed map indicating access routes to the tipping area anytime there is a change to routes or tipper location, or as requested by Metro or the transporter. All new drivers will receive a site operation and safety orientation upon arrival at WCL that discusses all designated areas. CB Radios are required on site at all times. Drivers will have the ability to communicate with scale house and all site operations staff via CB Radio. Sufficient signage will guide the transporter throughout the site. WCL will maintain the access road and tipping area during inclement weather. WCL will assure that containers and trailers from Metro will have unfettered access to the tipping area.

B.2.D. Landfill Equipment Inventory

Please see Proposal Section B.1.B. Landfill Equipment Data for this information.

B.2.D.1) Intermodal Yard Equipment Inventory

No intermodal yard is being used by or proposed by WCL for this contract.

B.2.D.2) Equipment and Facility Maintenance

WCI has an in-depth and extensive equipment maintenance program. It covers specific guidelines, records retention, preventative maintenance (PM), and inspections. PM is performed at intervals of 250, 500, 750, 1,000, 1,250, 1,500, 1,750, and 2,000 hours. To facilitate this PM work, the mechanic is informed of the amount of engine oil, hydraulic oil, and other material that have been consumed since the previous PM work, and the mechanic will be informed of the findings on a daily basis. (Please see **Attachment G—Equipment Daily Inspection Report** for details.) The oil and fluids used during the PM Service are logged into work orders. Coolant test strip results are also logged into the work order and the test strip will be attached to the work order. In addition, the mechanic:

- Inspects all fluid transport lines to identify any potential leakage problems—all significant leaks will be repaired immediately;
- Inspects all wiring to identify any probable electrical short circuits—all significant wiring problems will be repaired immediately;

- Inspects electrical cut-off switches and makes sure that they are fully functional—if not properly functioning, the switch(es) will be repaired or replaced immediately; and
- Visually inspects all fire extinguishers mounted on the machine and any fire suppression systems to identify any obvious problems—any problems noted will be reported to the Landfill/Site manager ASAP.

Repairs that are incomplete or do not require immediate attention, are logged on the pending repair form and attached to the work order for the equipment files. The landfill/site manager will be responsible for managing the necessary repairs in a timely manner (within 100 hours of operation).

All oil leakage or potential electrical shorts will be noted by the mechanic. Those that are not deemed significant will be noted on the pending repair form and brought to the site manager's attention.

The site manager will instruct the equipment operators to inspect items noted above for degradation during the daily operator inspection. Any significant problems will be identified on the daily equipment inspection forms.

All active equipment is entered into our Equipment Management System, which is used by WCI equipment operators who follow a regimented daily inspection, preventative maintenance, and work order schedule. Weekly "fleet walks" are performed to inspect every aspect of active machines, including cabs, brakes, seats, documentation, tires, fire extinguishers, first aid kits, and signage.

Monthly facility Inspections are performed to assure all compliance and maintenance concerns are addressed. The inspection includes extensive review of the yard and all buildings. Corrective action items are noted and completed within 30 days or immediately if it is a safety-related issue. Please see **Attachment H—Facility Compliance Review Form RPT-F008** for more information.

Third-party contractors may perform service on equipment, buildings, or grounds. Preference will be given to COBID contractors wherever possible for this work.

B.2.D.3) Safety Programs and Policies

Safety Culture

All WCI employees are expected to support and participate in WCI's Safety and Health Program. Together, through teamwork, we can eliminate workplace injuries, accidents and illnesses.

Safety is WCI's #1 Operating Value. At WCI, we believe safety is not a department. Rather, safety is the responsibility of each and every employee—it is engrained in our culture 24/7. In fact, WCI has the best safety record in the solid waste industry. The safety of our employees, customers, and communities comes before anything else, period! At WCI, the emphasis is on safety as a culture, not a policy.

WCL Safety Record

Wasco County Landfill has not had an injury onsite in four years.

It is WCI's culture to conduct all operations in a safe and healthful manner. The safety and health of every employee is a fundamental consideration in every business decision, and all reasonable precautions will be taken to protect employees from injury and illness. We are equally committed to protecting the public, company property, and our customers from events that could cause harm or economic losses due to our operations.

We obsessively strive for **zero** incidents and to prevent the occurrence of all work-related injuries, illnesses, and property losses. It is our philosophy that, by tirelessly striving to eliminate unsafe conditions and actions, we will achieve this.

In the event of occupational injury or illness our goals include

- prompt, quality medical care;
- return to gainful employment;
- prompt payment of appropriate benefits; and
- vigorous resistance of fraudulent claims.

Drug Testing

In addition, all prospective WCI employees are subject to pre-employment, nine-panel drug testing, which includes screening for prescription pain medications. Today, these drugs are widely abused and are not detected in the current U.S. Department of Transportation five-panel testing program. Throughout employment, all personnel in safety-sensitive positions are subject to WCI's nine-panel random drug testing program. Additionally, U.S. Department of Transportation (DOT)-regulated employees are subject to the DOT's random drug testing program.

Safety and Health Manual

The Waste Connections Corporate Safety and Health Manual (please see **Attachment J—Corporate Safety and Health Manual**) contains specific requirements that are based on the following principles in providing an effective safety program.

- Managers and Supervisors are responsible for the safety of operations under their control and will be evaluated according to their safety record and performance.
- A safe work environment will be provided by eliminating or controlling hazards with appropriately designed equipment and facilities, safe operating procedures, and personal protective equipment.
- All applicable safety regulations, codes, and accepted work practices will be followed. Specific rules and procedures will be established and followed at every operation.
- Each employee working in operations will be medically qualified, informed of any hazards associated with his or her job and trained in safe work procedures, the use of personal protective equipment and other means intended to provide required protection.
- All employees are responsible for performing their job activities in a safe and reasonable manner in accordance with local safety rules, any safety-related instructions given to them, and the training they have received.
- All unsafe acts, conditions, and incidents must be reported to supervisors and investigated and corrected immediately.
- Employees are responsible to promptly report to their supervisor any occupational injury or illness and to cooperate in a medical treatment plan.

Daily Tailgate Meetings

Daily tailgate meetings with all staff cover a range of topics, including safety. The Western Region Safety Team sends out a topic daily and the landfill will cover any incidents from the previous day or any close calls. The landfill site manager discusses any corrective actions that may be needed and how the landfill team can avoid a similar incident in the future. We have annual region and corporate

safety audits that cover the most recent WCI and OSHA requirements. WCL is expected to improve safety every year or it will be subject to additional auditing.

Monthly Departmental Safety Education Meetings

On a monthly basis each of the departments—operations, mechanics/maintenance, and administrative—hold safety education meetings on topics related to their work scope. Please see **Attachment K—Departmental Safety Meeting Annual Schedule** for topic details.

Safety Committee

The safety committee is comprised of staff representing each functional area of the facility and the site manager. In order to ensure active participation from all landfill staff and individual ownership in the program, members serve for one year, with half of the committee being replaced every six months.

The safety committee conducts facility, vehicle, and equipment safety inspections with appropriate supervisor(s); assists in accident investigation to uncover trends; reviews accident reports to identify causal factors; and promotes and publicizes safety.

Safety committee meetings are mandatory for members and take place at least once each month. During the meetings, the safety committee looks for safety trends; the status of action plans and follow-up is discussed; incident and accident, injury, hazard observation, and inspection reports are reviewed; and new plans for action are developed.

B.2.D.3)a) Safety Training

All of WCI's employees are trained to comply with all applicable safety regulations, codes, and accepted work practices. Each employee will be informed of any hazards associated with his or her job and trained in safe work procedures, the use of personal protective equipment, and other means intended to provide required protection. Training is conducted upon hire of every new employee, prior to an employee being placed in a new position, prior to conducting different work from that to which they are accustomed, and monthly on required topics and as needed.

WCI's safety program includes accident and injury prevention training, safety meetings, safety committee meetings, driver/operator management, reporting and safety assessments, route and work observations, spill response, regulatory training, including, without limitation, lock-out/tag-out training, fire prevention training, medical and first aid training, heat and cold stress, accident prevention, defensive driving, SMITH system training, PPE training, and blood-borne pathogen training.

Please see **Attachment L—Disposal Operations Employee Training** for additional information.

B.2.D.3)b) Incident Reporting

Incident Reporting

WCL's operations management staff investigate incidents as soon as possible to determine direct and root causes. They correct (directly and indirectly) incident causes as soon as possible.

WCL's operations management staff report:

- All injuries using **Attachment M—Injury Report Form** according to instructions provided by the district's state workers' compensation regulations.
- Any vehicle accident or property damage incident to the insurance company according to the instructions from the Corporate Claims Department and Claims Reporting Manual, using **Attachment N—Vehicle Accident Report** to assist in gathering the required information
- Any fatality or hospitalization of an employee (or outsourced laborer) to the regional and corporate safety departments immediately and to OSHA within eight hours, or as otherwise required by state OSHA regulations.
- All work-related inpatient hospitalizations, amputations, and losses of an eye to Region and Corporate Safety immediately and to OSHA within 24 hours, or as otherwise required by state OSHA regulations.
- Motor vehicle incidents to state agencies as required.

B.2.D.3)c) Illness and Injury Prevention Programs (I2P2)

We do the right thing, at the right time, for the right reason. WCI utilizes a variety of safety initiatives in our Drive to Zero illnesses or injuries. These illness and injury prevention programs include weekly region safety conference calls to discuss all incidents and proactive discussion to avoid any future incidents. WCL encourages employees with a contagious illness to stay home in an effort to prevent the spread of illnesses.

Safety Metrics and Tracking

WCL's operations management staff

- Record OSHA-recordable injuries and illnesses on the OSHA 300 Log within seven calendar days of occurrence. (OSHA-recordable injuries are occupationally related and require medical treatment beyond First Aid. The landfill maintains copies of the Log for the current year and the last five years.)
- Post the completed OSHA 300A Summary for the previous year by February 1 each year, and keep posted until April 30.
- Take disciplinary action for injuries, incidents and near misses resulting from violations of safety policies, regulations or work rules.
- Look for trends in causal factors for incidents and injuries and use this information to focus incident prevention efforts.
- Train employees on incident reporting procedures and supervisors in incident investigation and reporting techniques.
- Use the Incident/Injury Improvement Form to document training conducted post incident.

Recordable spills will be reported to the National Response Center. All spills will be reported to site management. Site management will conduct a spill response review in applicable cases to assess the cause, procedures, training, and root cause.

Incident/Injury Counseling and Prevention

WCI has established a policy to respond to preventable/at-fault incidents and injuries. This policy was put in place to identify dangerous situations and to correct unsafe behavior. Proper investigation of incidents and injuries by district management is the key to this process. The following steps are taken for post-incident/Injury counseling and prevention:

1. **Incident/Injury Improvement Program.** Following a preventable incident or injury the incident/Injury Improvement Program form (please see **Attachment O—Accident/Injury Improvement Program Form [PA-F001])** is used to document disciplinary action, additional work observations and additional training that will be conducted. Form is reviewed and signed by supervisors and the employee(s) involved in the incident.
2. **Observation.** If an unsafe act is identified by a supervisor, the work observation form (please see **Attachment P—Work Observation Form [RPT-F006]**) is used to provide documentation of corrective action. The supervisor provides immediate instruction to the employee so he/she can safely perform the task/activity.
3. **Additional Training.** Employees are given additional training/retraining on any subject identified through observation or incident investigation.
4. **Written Warning.** After a preventable/at-fault incident or injury occurs, the employee may be placed on written warning. The written warning may outline the performance standard expected of all WCI employees.
5. **Termination of Employment.** Employees may be terminated for failure to work safely. As a guideline, any combination of three preventable/at-fault incidents/injuries in a 12-month period is grounds for termination.

The disciplinary sequence can be modified at the discretion of Management depending upon the seriousness and/or the consequence of the transgression. Even a first violation can result in termination of employment.

B.2.D.3)d) Inspections

In addition to daily inspections and ongoing observation of equipment by operators, regular inspections of the facilities, equipment, and grounds are conducted by WCL's safety committee. Equipment inspections include daily equipment inspections and weekly manager/mechanic fleet walks for brakes, cabs, cranes, jacks, ladders and fire extinguishers, tanks, shop tools, and tires. Please see **Attachment H—Facility Compliance Review Form RPT-F008**) for details on grounds inspections. Please see **Attachment I—Weekly Site Monitoring Form**, which is used to track leachate collection, leak detection, water supply, and general site inspection.

B.2.D.3)e) Investigations

Close-Call Investigations. A close call or near miss is treated the same as an incident. If a close call occurs, the Incident Review Board, consisting of all management staff and the employee(s) involved, will meet to discuss the cause, determine whether it was preventable or non-preventable, determine root causes and define any retraining. The Board will also discuss how the close call can be avoided in the future.

The applicable investigation will be performed in the event of an accident, injury, close call, or spill. Please see **Attachment R—Spill Prevention, Control, and Countermeasure Plan**, **Attachment M—Injury Report Form**, and **Attachment N—Vehicle Accident Report,** which are used as tools to record, analyze, and track incident/accident data. An Incident Review Board will meet to discuss the

cause, determine whether it was preventable or non-preventable, determine root cause, and define any retraining and related documentation.

B.2.D.3)f) OSHA Reportable Incidents or Accidents in the Last Five Years at the Landfill

WCL has had **one OSHA-reportable incident in the last five years. On May 18, 2014, an employee was in the shop utilizing a grinder on a sheet of metal. The employee was wearing proper PPE, but a piece of metal got into his eye. The employee had to go on light duty. He is still an employee at the landfill and has no long-term effects from the incident.**

B.2.D.4) General Contingency Plans

B.2.D.4)a) Site and External Communications During Service Outages

Site Communications: Two-way radios and CBs are used at the landfill. Each piece of equipment, the office, and the scale house are equipped with a CB, and each employee is equipped with a two-way radio. The radios and CBs are transportable and provide the capability to transmit voice communications between remote and non-fixed locations on site.

External Communications: Depending on the severity of a service outage, the site will attempt to communicate via cell phone, text, landline, or email. WCL will work with Metro and the transporter on a detailed communication tree to be utilized in the event of a service outage. The site will continue to attempt to reach Metro in the event of an outage until contact is made.

B.2.D.4)b) Work Stoppages

WCI's operating values are not lip service—we invest in our workforce—empowering employees with growth and advancement opportunity, creating a culture of Servant Leadership, and making WCI both a safe and a great place to work.

WCI's employee satisfaction and high morale are reflected in the company's strong growth and low turnover rate, which sits at 8.7% over the last 12 months at WCL. Additionally, an average of only 4.3% percent of employees have voluntarily left WCI in 2017. In 2017 alone, 584 employees were promoted from within WCI, rather than from outside of the company. Though WCI sees experience gained at other companies as important, the company's focus is on promoting employees who have demonstrated performance consistent with the company's values and understand our culture.

WCL is non-union and does not anticipate any labor problems during the term of this contract. However, if there was a labor dispute or shortage, WCI would bring in a "Blue Team" of replacement workers from across the country to operate the landfill. Waste Connections has two other landfills and seven transfer stations in the area that can quickly send assistance.

B.2.D.4)c) Inclement Weather

WCI has successfully managed landfill operations in every weather condition—from hurricanes, snow storms, blizzards, and tornadoes to droughts and desert heat—keeping landfills safe and operational.

WCL may shut down the tippers if wind gusts exceed 45 miles per hour. The site would resume tipping trucks as soon as it is safely possible to do so. Trailers would be staged during such a delay.

In the event of inclement weather, the site would follow its emergency action plan. After employee and customer safety, the primary focus would be assuring that all onsite roads and the staging area are maintained for truck traffic. If the site is unable to open, trucks would either continue to the contingency site or wait until the site is able to reopen. Communication will continue with customers throughout any inclement weather delays.

B.2.D.4)d) Equipment Failure

The landfill has backups for machines that would be used for this project. In the event that more than one machine experiences a failure, the site would either transfer a machine from another local site or rent a machine as soon as possible. The site would ensure that operations are not delayed. If a tipper fails, then Metro loads would receive priority on an alternate tipper. Additionally, we have the ability to extend operating hours to ensure loads can be tipped.

B.2.D.4)e) Landfill Closed for Over 24 Hours

A full operational day has not been missed due to inclement weather at WCL. Disruptions longer than one day will be addressed and coordinated with Metro, but would require staging trailers until operations resume. If there are significant delays, WCL will extend hours or open on weekends to make sure Metro Transfer Stations are caught up. WCL can operate 24/7 as needed to cover any delays. In the event of a closure greater than two days, WCL would draw upon the resources of WCI's Finley Buttes Regional Landfill, located 89 miles away in Boardman, Oregon.

B.2.D.4)f) Route Closures (Routine or Otherwise)

Access road maintenance is conducted in a manner that facilitates the use of other roads on the landfill site to maintain access to tipping area. In the event that roads or highways leading to WCL are closed due to weather conditions, etc., WCL staff will be available via telephone to answer questions from transportation companies about conditions in the vicinity. In the event that WCL is inaccessible due to road or highway closures for longer than two days, WCL would draw upon the resources of Finley Buttes Regional Landfill, located 89 miles away in Boardman, Oregon. For longer-term closures, WCL would work with Metro and the transportation company to secure other modes of transportation to Finley Buttes Regional Landfill or to a Metro-approved backup landfill located on the west side of the region.

B.2.D.4)g) Spill Response and Control Procedures

Discharges are prevented using operational and engineering controls. Employees are provided instruction on the proper handling and transfer of petroleum products. The site utilizes secondary containment procedures. In the event of a small spill, employees will clean it assuming it is safe to do so. In the event of a larger spill, the site would utilize a qualified spill response contractor. The site maintains spill kits onsite which are located in the maintenance shop, transfer station, and tire shredder area. All petroleum products are recycled if possible. If it is not possible to recycle petroleum products, the site will dispose of it in accordance with the DEQ Solid Waste Disposal Permit. Recordable spills will be reported to the National Response Center. All spills will be reported

to site management. Site management will conduct a spill response review in applicable cases to assess the cause, procedures, training, and root cause.

B.2.D.4)h) Accident/Incident Investigation

Please refer to **Proposal Section B.2.D.3)e) Investigations**.

B.2.D.4)i) Potential for a 20 Percent Reduction in Metro MSW Tons Being Delivered

WCL is able to handle a 20 percent reduction in Metro tonnage without laying off employees. Overtime at WCL would be reduced in conjunction with a reduction in Metro MSW tons being delivered. In the event of a long-term decrease in tonnage, WCL will right-size headcount through attrition or relocation where applicable.

B.2.E. WCL Experience and Qualifications

B.2.E.1) Comparable Projects

Jurisdictions Served by WCL for MSW Disposal and References for Each

Jurisdiction	Received Waste Since	Tons Received in 2017	Tons Received in 2016
Lewis County, WA Steve Skinner (800) 749-5980, Steve.Skinner@lewiscountywa.gov	2017	52,281	0
Grays Harbor Co., WA Mark Cox (360) 964-1647, mcox@co.grays-harbor.wa.us	2014	53,526	51,661
Skamania Co., WA Brad Uhlig (509) 427-3926, uhlig@skamania.wa.us	2010	7,810	6,863

Note: The contact information above was also included in response to RFP 3355, p. 3, item XVI.B., “Three references from municipalities which have similar waste streams to Metro that have used the landfill in the last five years.”

Landfill-to-Energy Partners

Please see proposal sections B.1.A.1) through B.1.A.4), where future plans for LFG are described. WCL is exploring potential partnership options for the future Landfill to Energy Plant.

B.2.E.2) Financial Capability and Risk

The parent company of WCL, Waste Connections, Inc. (WCI) is the third largest solid waste company in North America, with reported annual revenues of approximately $3.38 billion in 2016 and $3.47

billion for the nine-month period ending September 30, 2017.[1] WCI had approximately $11.2 billion in total assets and $5.7 billion of total equity as of year-end 2016.[2]

WCI's debt-to-equity ratio, total equity, and debt rating is superior to the industry's leading competitors, offering Metro minimized risk in comparison. As of September 30, 2017, Waste Connections, Inc.'s debt-to-book equity ratio was 0.6569, with an average of 0.8938 over the last five (5) years.[3] As a publicly-traded company with an equity market value of over $18.5 billion, our current debt-to-equity market value ratio is approximately 0.21.

WCI is an investment grade-rated, publicly traded company (NYSE and TSX symbol WCN) and subject to oversight by the U.S. Securities and Exchange Commission (SEC) and applicable Canadian securities regulators. All of WCI's public financial information, including annual reports and 10K financials, is available at the "Investor Relations" section of its website at http://wasteconnections.investorroom.com/.

Information demonstrating the financial stability of WCI and its subsidiaries, including FBRL, is available within the following documents included in **Attachment R—Financial Information**.

- 2016 Annual Report
- 2016 Form 10-K financial information provided by the SEC
- (We have not included WCI's 2015 Annual Report, as WCI did not release a 2015 Annual Report, due to its merger with Progressive Waste.)
- 2015 Form 10-K financial information provided by the SEC
- 2014 Annual Report
- 2014 Form 10-K financial information provided by the SEC

An electronic copy of the PDF file containing the proposal, including the 10-Ks, is included on the enclosed USB drive.

B.3. Community and Diversity

B.3.A. Reference Letters from Host County and Other Organizations

Please see **Attachment S—Reference Letters.**

B.3.A.1) Diversity Acknowledgement

Waste Connections, Inc. hereby acknowledges Metro's definition of diversity in its entirety.

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[1] Waste Connections, Inc. 2016 Annual Report, Letter to Shareholders, available at http://wasteconnections.investorroom.com and WCI's Q3 2017 10-Q, available at http://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=11853406&type=HTML&symbol=WCN&companyName=Waste+Connections+Inc.&formType=10-Q&dateFiled=2017-10-26&cik=0001318220

[2] Waste Connections, Inc. 2016 Annual Report, Selected Financial Data, available at http://wasteconnections.investorroom.com

[3] https://ycharts.com/companies/WCN/debt_equity_ratio

B.3.A.2) Workforce Diversity Programs

WCI is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available people in every job. WCI policy prohibits unlawful discrimination based on sex, race, color, creed, gender, religion, marital status, age, national origin or ancestry, physical or mental disability, medical condition, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unlawful. Where federal, state, or local laws differ, the law that provides the most protection to the employee will prevail.

WCI is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of WCI and prohibits unlawful discrimination by any employee of WCI, including supervisors and coworkers.

The WCI Recruiting Department participates in the following activities to assure WCL will hire and maintain a diverse workforce:

- Hosting diversity job/career fairs, such as the Annual Diversity Employment Day
- Partnering with UTI Diesel Program (developed a tuition reimbursement program for all students that get hired into WCI)
- Partnering with the MSU Diesel Tech program and establishing a Women in Trades program
- Partnering with organizations to focus on hiring candidates with special needs (partnered with Best Buddies, Ability Solutions, and Innovative Services Northwest)
- Maintaining strong military outreach throughout the company including partnering with multiple military bases and their employment departments
- Following "ban the box"—an international campaign by civil rights groups and advocates for ex-offenders, aimed at persuading employers to remove from their hiring applications the check box that asks if applicants have a criminal record
- Participating in First Source Hiring whenever possible for the duration of this contract

WCL will make every effort to hire and retain a workforce that matches or exceeds the diversity of Wasco County, Oregon. If WCL falls below these levels, we will review our hiring strategies to improve our diversity. Census data for Wasco County, Oregon, as of July 2016 shows the following information that will be considered by WCL in our hiring practices.

Demographic	Wasco County July 2016 Census Data	Demographics at WCL
Female	50.2%	30.7%
White Alone; Not Hispanic or Latino	91%	92.3%
Hispanic or Latino	17.4%	15.4%
Two or More Races	2.4%	0%
American Indian or Alaska Native Alone	4%	0%
Black or African American	0.7%	0%

For additional information of WCI's EEO Plan, please see **Attachment T—Corporate Policy Manual Table of Contents** and **Attachment U—Employee Handbook, Including EEO and ADA Policies**. A fully copy of the Corporate Policy Manual is available upon request.

B.3.A.3) Staffing: Wage and Benefits Packages; Resumes

Wages Relative to Living Wage

Position Level *(e.g., Operations, Journey Level, Entry Level, Apprentice)*	**Position Title**	**** Percent of Workforce in This Position at WCL**	**Average Hourly Wage for Position**	**Percent of Living Wage** *($25.59 in Wasco Co.)*
Operations	Lead Operator	7.1%	$26.89	105%
Journey	Journey Level Operator	42.8%	$25.59	100%
Apprentice	Apprentice Level Operator	7.1%	$21.75	85%
Entry	Entry Level Operator	7.1%	$19.19	75%
Operations	Mechanic Lead	7.1%	$28.00	109%
Journey	Mechanic	7.1%	$25.59	100%
Administrative	Scale Attendant/Administrative	21.4%	$18.00	70%

* WCL proposes to use the most current living wage at the start of the contract (January 1, 2020) as a benchmark. Today's living wage numbers are utilized in this table.

** Please see B.3.A.3)a)(1) Number and Type of Positions, and Where Each Will Be Based, which includes staff counts on which this calculation is based.

Employee Benefits Package

WCI employees receive a benefits package that includes medical, dental, vision, life insurance, short-term disability, long-term disability, 401K, employee assistance program, emergency travel assistance, and prepaid legal plan. Please see **Attachment V—Overview of Employee Benefits** for detailed information.

Medical. WCI offers a choice between two medical plans: a traditional PPO and a high-deductible health plan. The plans have the same network of providers and facilities and cover the same services, including preventive care at 100%.

Dental. WCI's dental plan helps pay the cost of dental expenses. It is designed to encourage preventative dental care. Employees may use any provider they choose, but they will generally save money if using a dentist in the network.

Vision. WCI's vision plan offers access to quality vision care and helps the employee save money on eye exams, eye glasses, and contact lenses.

Life Insurance. WCI offers life and AD&D insurance coverage at no cost to the employee. In addition, employees may elect more coverage for themselves, their spouse, and/or their children.

Short-Term Disability. WCI offers a voluntary short-term disability program to help replace a portion of income when an employee is unable to work due to a non-work-related injury or health condition.

Long-Term Disability. WCI offers company-paid long-term disability benefit to replace a portion of the employee's income when they cannot work for an extended period of time. Additional long-term disability coverage can be purchased on top of the company-paid benefit.

401(k). WCI offers a 401(k) plan with a generous employer match. The plan provides a wide range of investment options, including a suite of Target Date funds that are based on expected retirement dates.

Employee Assistance Program (EAP). WCI provides an EAP for extra support in dealing with challenging issues at home or work. This program is provided at no cost to the employee.

Emergency Travel Assistance. WCI provides an emergency travel assistance program to help in finding medical care or services when traveling more than 100 miles from home.

Prepaid Legal Plan. WCI offers a voluntary prepaid legal plan benefit. Employees may enroll in the coverage for prepaid legal services for a variety of different legal matters, such as will and estate planning and family law.

Wage Increases and Advancement

WCI utilizes a "servant leadership"-based management approach that emphasizes employee support, empowerment, and growth. Our Operating Values are the foundation for this approach. WCI encourages, and always prefers, local leadership development and advancement. WCI is proud to have five women in positions that directly support WCL.

WCL performs annual wage reviews for each employee. Several factors are taken into consideration including safety compliance, performance, personal skills, growth, knowledge, and goals. The district manager and site manager meet with each employee throughout the year to discuss their progress and what leadership support is needed to help employees meet or exceed their individual goals. Employees may receive inflation increases or raises on an annual or bi-annual basis, depending on the results of their individual wage review.

Employees are always encouraged to seek advancement opportunities. All of the operations leaders, including the district manager, site manager, office manager, lead operator and lead mechanic; at WCL were promoted from within the organization. Leadership development programs are utilized to track the training progress of future leaders with a goal of advancement within 18 to 24 months. Additionally, all hourly employees are eligible for an annual individual and group Safety Bonus.

WCL will report wage review and leadership development information to Metro on an annual basis.

B.3.A.3)a) Staffing Plan

B.3.A.3)a)(1) Number and Type of Positions, and Where Each Will Be Based

Type of Position	Total Number of FTE Staff	Location(s) and Number of Staff
Division Vice President	1	Vancouver, WA
Division Controller	1	Vancouver, WA
Region Engineer	2	Vancouver, WA

Type of Position	Total Number of FTE Staff	Location(s) and Number of Staff
District Manager	1	Wasco County Landfill/Finley Buttes Regional Landfill
Controller	1	Vancouver, WA
Sales	1	Vancouver, WA
Site Manager	1	Wasco County Landfill, Inc.
Lead Operator	1	Wasco County Landfill, Inc.
Journey Level Operator	6	Wasco County Landfill, Inc.
Apprentice Level Operator	1	Wasco County Landfill, Inc.
Entry Level Operator	1	Wasco County Landfill, Inc.
Mechanic	2	Wasco County Landfill, Inc.
Scale Attendant/Administrative	3.5	Wasco County Landfill, Inc.

B.3.A.3)a) (2) Management Résumés

Division Vice President—Jason Hudson

12115 NE 99th St #1830, Vancouver, WA 98682
(503) 318-1572, JasonH@wcnx.org

Role and Responsibilities. Jason is the division vice president for Waste Connections' operations in parts of Oregon and Washington. He will provide interface with Metro on a regular basis as part of this contract. Jason's involvement with the site includes long-term planning, division-level financial coordination and overall operations assistance. In addition, Jason will provide guidance to contract and WCL manager Kevin Green for a continually enhanced program for reliable operations. He will ensure that Kevin has the financial, staffing, and equipment resources needed to cost-effectively support Metro.

Background. Jason grew up working at his family's garbage and recycling company in St. Helens, Oregon. After graduating from Oregon State University, Jason became a part owner in Hudson Garbage Service until he and his partner sold to Waste Connections, Inc., in 2000. Jason has since been promoted to roles with increased responsibility, including district manager for Waste Connections, Inc.'s operations in Columbia County; Portland, Oregon; and Clark County, Washington. He currently is employed as a division vice president for the Southern and Eastern Washington and Northern Oregon operations for WCI, overseeing nine collection companies, eight transfer stations, and two landfills. Jason is a member of Rotary and is Vice President of the Humane Society of Southwest Washington. Jason holds a bachelor of science in business management from Oregon State University.

References

- Brian Carlson, City of Vancouver, (360) 487-7131, brian.carlson@cityofvancouver.us
- Pete Capell, City of Camas, (360) 834-6864, PCapell@cityofcamas.us
- Mike Davis, Clark County, (360) 397-6118 ext. 4920, mike.davis@clark.wa.gov

Wasco
County Landfill

District Manager—Kevin Green

2550 Steele Road, The Dalles, OR 97058

(541) 296-4082, KevinG@wcnx.org

Role and Responsibilities. As WCI's district manager for Wasco County Landfill and Finley Buttes Regional Landfill, Kevin will act as Metro's central point of contact. He will lead interface with Metro on a regular basis as part of this contract, including related monthly meetings and annual reports, as requested in the Metro RFP. Kevin will also be the point of contact for and work directly with the transportation company or companies. He will work with landfill site manager Nancy Mitchell to coordinate waste receipt and disposal at the WCL and provide safe, efficient, and environmentally compliant disposal of Metro's solid waste. Kevin's leadership at WCL includes safety/environmental compliance, operations management, engineering support, financial responsibility, and short-term and long-term planning.

Background. Kevin has over five years of experience in the solid waste industry in various roles including safety compliance, recycling operations and landfill operations including his current role as District Manager of WCI's Oregon Landfills. Kevin's leadership responsibilities include safety/environmental compliance, operations management, engineering support, project management and financial responsibility as well as short-term and long-term planning. He is a certified instructor for the Solid Waste Association of North America (SWANA) Manager of Landfill Operations (MOLO) course and sits on the SWANA Board of Directors in Washington state as the Nominating Chair and Young Professionals Representative. Kevin holds a Bachelor Degree from the University of Oregon.

References

- Richard Dietrich, General Manager, Dietrich Trucking, (360) 448-0455
- Steve Kramer, Wasco County Commissioner, (541) 993-2051
- Scott Windsor, President, Solid Waste Association of North America – Evergreen Chapter and Solid Waste Director, City of Spokane, (509) 625-7806

Landfill Site Manager—Nancy Mitchell

2550 Steele Road, The Dalles, OR 97058

(541) 296-0482, NancyM@wcnx.org

Role and Responsibilities. Nancy will provide local site leadership with operations staff including safety, staffing, operations management, emergency coordination, and short-term and long-term planning.

Background. Nancy has worked in solid waste management since 1992 and has managed landfill operations at Wasco County Landfill, Inc. since 2000. At WCL, Nancy manages the day-to-day operations; executes precautions necessary to ensure safety and compliance with WCI standards, OSHA, and state and federal regulations; manages equipment maintenance, labor and material costs; assists in effective use of the budget via asset allocation; monitors operating metrics; and diagnoses and improves processes. Nancy began her career at Wasco County Landfill, Inc. as a scale attendant.

References

- Richard Dietrich, General Manager, Dietrich Trucking, (360) 448-0455
- Lisa Farquharson, President/CEO, The Dalles Area Chamber, (541) 240-1050

- Steve Kramer, Wasco County Commissioner (541) 993-2051

Western Region Civil Engineer—Kelly Kincella, PE

501 SE Columbia Shores Blvd. Vancouver, WA 98661
(360) 448-6968, KellyK@wcnx.org

Role and Responsibilities. As a permitting and environmental compliance specialist, Kelly will work with the contract manager to facilitate all necessary permit applications and permits. She will monitor compliance for the landfill and manage third-party consultants completing environmental objectives.

Background. Since 2011, Kelly has worked with WCL on construction- and compliance-related projects. She has managed regulatory reporting and various construction projects at the landfill. Her engineering career began in 2010. She has designed, permitted, and constructed small transfer stations, soil repositories in Idaho, storm water treatment systems, fleet and equipment wash facilities, and composting operations throughout her career. For WCI, Kelly has assisted in managing environmental compliance and construction projects in eight western states, including several multi-million-dollar projects where she served as project foreman. Kelly holds a bachelor of science in civil engineering from University of Idaho and is a licensed professional engineer.

References

- Roger North, Vista Engineering, (503) 987-0254
- Sean Hanrahan, PBS, (360) 213-0433
- Kevin Lakey, SCS, (425) 289-5447

Division Controller—Mike Wesson

12115 NE 99th St #1830, Vancouver, WA 98682
(360) 449-8382, MikeWe@wcnx.org

Role and Responsibilities. As division controller, Mike oversees the financial functions of the Columbia River division. He will work in tandem with the contract manager and the contract administrator to ensure the finances of the contract are maintained and reported per generally accepted accounting principles (GAAP). Mr. Wesson is also responsible for overseeing the monthly financial close, monthly financial reporting, annual budgeting, and quarterly accounting representation reporting for the division.

Background. Between 2003 and 2006, Mike was a staff accountant for Enterprise Rent-A-Car, responsible for 10 rental branches across Oregon. In 2006, he began working for Waste Connections, Inc. as a staff accountant responsible for the financial reporting of four hauling companies and one portable toilet business in Southern Oregon. In 2008, Mike was promoted to assistant controller. In 2009, he became a district controller and was then promoted to division controller of the Central Oregon Division in 2011. In May 2013, Mike was given the opportunity to be the division controller for the Columbia River Division, where he oversees six district and assistant controllers and 14 districts. Mike is responsible for the monthly financial reporting and forecasting of these districts as well as the budget process, government reporting, internal controls, AP process, capital expenditures, and pro forma preparation. Mike holds a bachelor of science in accounting from Oregon State University.

References

- Michael Livermore, Tualatin Youth Basketball Association, (503) 691-6742
- Joe Wonderlick Association of Oregon Recyclers, , (503) 572-1056
- Angela Galimanis, Lawrence PR, (503) 799-8091

Jennifer Hill, Assistant Controller

12115 NE 99th St #1830

Vancouver, WA 98682

(360) 566-6922; jennifersi@wcnx.org

Role and Responsibilities. As assistant controller, Jennifer will oversee the financial aspects of the project, including, not limited to, overseeing accounts receivable. She will review and ensure accuracy of tickets, timely invoice submission, and reconciliation of accounts.

Background. Jennifer has been with WCI for almost three years with her career beginning in the Northern Washington area as the assistant controller for the LRI Landfill. After a year, her scope of responsibility increased to include WCI's Oregon Landfills. Prior to this, Jennifer began her accounting career at an oil service company, M-I SWACO A Schlumberger Company in 2006. She served as a district controller there until joining WCI in 2015. She has extensive knowledge in internal controls, budgeting, financial analysis, and auditing.

References

- Jose Lozano, Previous Environmental Solutions Manager, M-I SWACO a Schlumberger Co (661) 303-3190
- Cassandra Keeter, Office Manager, M-I SWACO A Schlumberger Co (661) 321-5400
- George Duvendack, LRI Landfill Manager, Waste Connections (253) 847-7555

Western Region Safety Manager—Mira Griffith

501 SE Columbia Shores Blvd. Vancouver, WA 98661

(360) 448-6950, MiraG@wcnx.org

Role and Responsibilities. As safety manager, Mira Griffith will provide expertise and guidance for the health and safety programs and compliance for the contract, including facility inspections, safety training, substance abuse programs, and compliance with OSHA. She will provide support and training pursuant to the Waste Connections, Inc. Health and Safety Policy Manual.

Background. Mira has worked in the solid waste and recycling industry since joining WCI in 1999. Mira has gained increasing responsibility within the WCI safety and environmental compliance department, assisting the corporate safety director in development and utilization of the current health and safety program. She has visited sites throughout the company to implement and improve each location's safety program. She has been the regional safety manager for WCI's operations in the Western states since 2008. Prior to becoming the region safety manager, Mira was a driver supervisor at WCI's Vancouver facility in 2007 and 2008. From 2004 to 2006, Mira was the regional safety and benefits coordinator, working from WCI's Northwest Region office located in Clark County, Washington. In this role, she was the key employee responsible for successfully complying with Washington's Department of Labor and Industries self-insurance program. In 1999, she started as an administrative assistant at WCI's corporate office.

References

- Del Lisk, Vice President Safety Services, LYTX, (858) 380-3009
- Susan Eppes, President, EST Solutions, (832) 435-3472
- Lloyd Andrews, President, EnvirOSH Services, (281) 290-8309

Western Region Maintenance Manager—Dave Torrey

501 SE Columbia Shores Blvd. Vancouver, WA 98661

(360) 448-6960, DaveT@wcnx.org

Role and Responsibilities. As Western Region maintenance manager, Dave Torrey will provide guidance for maintenance operations—ensuring the proper preventive maintenance schedules are completed, compliance with State of Oregon regulations and that equipment is operating in a safe and efficient manner. Mr. Torrey will evaluate equipment needs to ensure that operations will consistently have the equipment needed to serve Metro.

Background. Dave began his career in the solid waste industry in 1985. He understands how important well-maintained equipment is to achieve service to our customers and promoting safety in the community. As Western Region maintenance manager since 2007 at WCI, he hires and mentors maintenance managers and mechanics, provides safety training, develops maintenance policy, and conducts maintenance and performance audits. Mr. Torrey's career began at Clark County Disposal (CCD) and continued there when CCD was acquired by BFI, and when Waste Connections, Inc. acquired BFI.

References

- Tom Stassens, General Manager, DSU Peterbilt, (360) 957-4500
- Jeff Allen, Region Sales Manager, McNeilus Truck Manufacturing, (801) 946-6016
- Adam Roth, National Account Manager, Castrol Oil, (503) 369-7663

B.3.A.3)a) (3) Describe How Fluctuations in Activity/Waste Flow Will Be Accommodated

In the event of a short-term increase in activity/waste flow, WCL may utilize resources throughout the region or company including equipment and personnel. If there is a short-term decrease, WCL may scale-back regular overtime hours associated with Metro tonnage. In the event of a long-term increase in activity/waste flow, WCL will review the potential need for full-time or part-time headcount additions. In the event of a long-term decrease in activity/waste flow, WCL will make all efforts to retain employees. If the decrease is significant (over 20%) over a period greater than 6 months, WCL will right-size headcount through attrition or offer to relocate employees to another Waste Connections district.

B.3.A.3)a) (4) Schedules by Position

WCL's proposed staffing schedule below will support smooth operations and turnaround times during peak hours of landfill operations and will accommodate Metro's preferred transportation company as indicated in Section XV.C, page 3 of 8 in the RFP.

Position	Monday	Tuesday	Wednesday	Thursday	Friday
Lead Operator	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30
Operator	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30
Operator	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30
Operator	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00
Operator	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00
Operator	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00
Operator	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30
Operator Apprentice	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00
Operator Entry	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00
Mechanic	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30	6:00–2:30
Mechanic	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00	9:30–6:00
Scale Attendant	6:30–5:00	6:30–5:00	6:30–5:00	6:30–5:00	
Scale Attendant/Administrative		6:30–5:00	6:30–5:00	6:30–5:00	6:30–5:00
Part-Time Office	6:30-12:30	6:30-12:30	6:30-12:30	6:30-12:30	6:30-12:30

B.3.A.3)a) (5) Position Descriptions

In addition to the roles and responsibilities described for the management positions in Section B.3.A.3)a) (2) Management Résumés, the responsibilities for operations, maintenance, and administrative staff are described below.

Operator

Responsibilities include operating bulldozers, wheel loaders, motor grader, and scraper; performing routine inspection and maintenance on vehicles such as checking oil, water, and tires; ensuring proper care in the use and maintenance of equipment and supplies; litter pick-up; and promoting continuous improvement of workplace safety and environmental practices.

Mechanic

Responsibilities include performing repairs, preventative maintenance services, inspections, and diagnoses of vehicles and heavy equipment; making service calls for emergency equipment breakdowns; conducting safety checks on vehicles and heavy equipment; completing paperwork utilizing fleet maintenance software program; and reviewing, completing, and assigning repairs identified on Daily Inspection Reports.

Scale Attendant/Office Administrator

Responsibilities include greeting and directing all customers and employees upon entry of the landfill; tracking weight information from scale to computer system and gathering appropriate signatures; calculating payments for customers; ensuring that incoming garbage loads are safe and

do not contain inappropriate material; weighing trucks in and out; entering truck information into computer system; ensuring that customers and employees conduct all business in a safe manner and wear all required personal protective equipment (PPE); providing general upkeep of the scale house; filing and answering phones; and approaching all encounters with employees, customers and vendors in a friendly, service-oriented manner.

Training Specifications by Position

Please see **Attachment W—Operator Training Program, Attachment X—Preventative Maintenance Mechanic Training Checklist,** and **Attachment Y—Scale Attendant Training Program** for training specifications.

Full-Time, Dual Role, Temporary, and/or Part-Time Positions

All WCL employees will be full-time, except for one part-time administrative staff person. Other temporary and/or part-time positions will be considered in the event of a short-term increase in tonnage, such as a short-term/large special waste project or significant short-term increase in contract MSW tonnage. Scale attendants will support office administrative staff by performing administrative duties as described in the Scale Attendant responsibilities above.

Support Staff Locations

- Division Vice President: Jason Hudson, Vancouver, Washington
- Division Controller: Michael Wesson, Vancouver, Washington
- District Manager: Kevin Green, The Dalles, Oregon, and Boardman, Oregon
- Assistant Controller: Jennifer Hill, Vancouver, Washington
- Sales: Jocelyn Jones, Vancouver, Washington
- Region Engineer: Wes Gavett, Vancouver, Washington
- Region Engineer: Kelly Kincella, Vancouver, Washington
- Region Maintenance Manager: Dave Torrey, Vancouver, Washington

Positions Shared Between Facilities

- District Manager Kevin Green splits his time between Wasco County Landfill and Finley Buttes Regional Landfill
- Finley Buttes Regional Landfill may send employees to WCL in the event of a significant short-term increase in tonnage.

B.3.A.3)b) Temporary Labor Policy

Temporary Labor would be used only in the event of a short-term significant increase in tonnage. Full-time positions will be added in the event of a long-term significant increase in tonnage.

B.3.A.4) COBID-Certified Subcontractors and Suppliers

Although WCL is not aware of any COBID firms that provide load shuttling services at landfills, we are exploring the use of one as part of this contract depending on who is selected as the transporter. WCL may also utilize a COBID-certified firm to operate the tipper as part of this contract. Wherever opportunities are available, WCL will give deference to COBID firms that are established in the future

for maintenance, litter control, cell construction, etc. WCI will also provide guidance to subs in getting qualified for COBID.

WCL will report realized and accurate COBID utilization on an annual basis or for each project phase throughout the year.

In addition, WCI hereby certifies that it does not discriminate and will not discriminate, in violation of ORS 279A.110, against any minority, women, or emerging small business enterprise certified under ORS 200.055, or a business enterprise that is owned or controlled by or that employs a disabled veteran, as defined in ORS 408.225 in obtaining any required subcontract.

B.3.A.5) Sustainability

At WCL, we are proud of our sustainable work practices and we consistently work hard to be great stewards of the environment. The following sustainability programs have been implemented at WCL:

- Future Landfill Gas-to-Energy Plant
- LED lighting throughout our office, transfer station and shop
- On-site kitchen composting
- On-site recycling
- Automated sinks to reduce water consumption
- Low-flow toilets

Upon contract award, the following sustainability programs will be implemented:

- Follow City of Portland Sustainability at Work initiatives

B.3.A.6) County Host Fee

Current Wasco County Host Fee: $1.55/ton

Host Fees are deposited into the County General Fund. The General Fund covers the county road system, local parks, and a variety of other county initiatives. Per the WCL's agreement with Wasco County the Host Fee is on an annual CPI schedule. Additionally, WCL pays an HHW Fee of $8.12/ton for all tons from Wasco, Hood River and Sherman Counties. This payment helps fund quarterly HHW events for our local communities.

DEQ Fee: $1.82/ton

Communicating Host Fee Benefits

Wasco County will send out a quarterly newsletter highlighting the benefits to the County and county residents from Host Fees paid from Metro MSW tons. Additionally, WCL will increase our contributions made to county civic organizations through donations, support and volunteering.

B.4. Cost

Pursuant to RFP 3355 Addendum #5, January 12, 2018, we have completed the following information requested therein:

Per-Ton Payment Retained by WCL for Disposal (Excluding Tipping): Redact ed

Itemized Per-Ton Payments to Other Entities

Entity	Price Per Ton (Fees and Taxes, Excluding Those Applicable to Tipping)
Wasco County Host Fee	Red
DEQ Fees	Reda
PROPOSED DISPOSAL PRICE PER TON	Reda

(The sum of the per-ton payment retained and the itemized per-ton payments to other entities provided above must match what is entered as the Disposal Price per ton submitted in Appendix G)

Please see **Attachment Z—Cost Forms (Appendix G)**, which breaks out Appendix G into five separate pages to aid in readability:

1. Pricing Input Form
2. CPI Assumption and Disposal Price Per Ton for Metro Central Station (MCS)
3. Disposal Price Per Ton for Metro South Station (MSS)
4. Disposal Price Per Ton for Metro Central Station (MCS) and Metro Central Station (MCS)
5. Proposal Total Cost Present Value

B.4.A. Proposed Cost Per Ton

Please see the completed Pricing Input Form on page 1 of **Attachment Z—Cost Forms (Appendix G)** for WCL's proposed cost per ton.

B.4.B. Proposed Annual CPI Adjustment

Please see the completed Pricing Input Form on page 1 of **Attachment Z—Cost Forms (Appendix G)** for WCL's proposed annual CPI adjustment.

Attachment A—About Waste Connections, Inc.

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About Waste Connections, Inc.

Overview of Waste Connections, Inc.

Waste Connections, Inc. (WCI) is the third largest publicly traded solid waste services company in North America. WCI is a publicly traded (NYSE and TSX symbol WCN) regional, integrated environmental services company that provides solid waste collection, transfer, disposal, and recycling services, as well as petroleum exploration and production (E&P) throughout the United States and Canada. For more information, see http://www.wasteconnections.com/. From its principal executive offices in Vaughan, Ontario, Canada, and it principal administrative offices in The Woodlands, Texas, WCI serves residential, commercial, industrial, and exploration and production (E&P) customers in 38 U.S. states and five Canadian provinces. WCI owns or operates a network of 271 solid waste collection operations; 133 transfer stations; seven intermodal facilities; 71 recycling operations; 94 active municipal solid waste ("MSW"), E&P, and/or non-MSW landfills; 23 E&P liquid waste injection wells; and 16 E&P waste treatment and oil recovery facilities illustrated in the map below.

Growth

Since its founding in 1997 in Vancouver, Washington, WCI has grown into the third largest solid waste and recycling services provider in North America through a series of acquisitions of private and

publicly-traded waste companies; divestitures from other solid waste companies; privatization of governmental operations; and successfully bidding, securing, and maintaining a large number of municipal contracts.

Management Philosophy and Financial Resources

The WCI corporate philosophy is based on the belief that the solid waste service business is a local business best managed by professionals living and working in the communities we serve. WCI strives to provide service excellence for those communities that place their trust in our company and are always dedicated to putting our customers first. We look to technology and growth to help our customers, employees, and shareholders "Connect with the Future."

Both corporate-wide and locally, we are committed to improving the environment for the future of the communities we live in and serve. We believe that our services play an integral part in improving the environment and are always mindful of having the most cost-effective waste management solutions for our customers. In addition, we are committed to the safety of our workers and have programs in place to continually upgrade our risk management and environmental policies.

WCI's ability to effectively and ethically operate has been driven by our emphasis on integrity since the inception of the Company. Integrity is imperative throughout the organization—not only in the financial and accounting arena, but also in compliance with laws governing our employees, anti-trust and competitive practices. It also applies to our environmental track record as we work with regulators in a large number of states. WCI is committed to this value and continuously strives to have the systems in place to ensure the preservation of integrity. A strong internal and external audit program has been and will continue to be integral to the corporate philosophy.

The WCI Statement of Values, created by a team of corporate, region and district employees, guides our daily and long-term decisions.

Statement of Values

Honoring our commitments provides our stakeholders peace of mind and establishes us as the premier solid waste services company in the markets we serve. This creates a safe and rewarding environment for our employees while protecting the health and welfare of the communities we serve, thereby increasing the value for our shareholders

Operating Values

Safety. We strive to assure complete safety of our employees, our customers, and the public in all of our operations. Protection from accident or injury is paramount in all we do.

Integrity. We define integrity as "saying what you will do and then doing it." We keep our promises to our customers, our employees and our stockholders. Do the right thing, at the right time, for the right reason.

Customer Service. We provide our customers the best possible service in a courteous, effective manner, showing respect for those we are fortunate to serve.

A Great Place to Work. We maintain a growth culture where our employees can maximize their potential personally and professionally. Our objective is to provide an environment where people enjoy what they do and take pride in their work. We wish to embody a work hard, play harder culture.

To Be the Premier Solid Waste Services Company in the U.S. and Canada. We continue to provide superior returns, remain environmentally responsible, and continue to grow in a disciplined way, deploying resources intelligently and benefiting communities we live in.

Vision of the Future

Our goal is to create an environment where self-directed, empowered employees strive to consistently fulfill our constituent commitments and seek to create positive impacts through interactions with customers, communities, and fellow employees, always relying on our Operating Values as the foundation for our existence.

Local Autonomy and Economy of Scale

WCI believes that decentralization provides a low-overhead, highly efficient operational structure that gives WCI a strategic competitive advantage. Local employees are empowered and supported to make decisions. This employee empowerment results in responsive and timely service provided by people who know the community—from WCI's district and facility managers to the customer service representatives answering the phone. These empowered employees are backed by WCI's financial management, accounting, information systems, environmental compliance, risk management, and personnel functions, which are centralized and shared among locations to improve productivity, lower operating costs and control certain assets. While district management operates with a high degree of autonomy, WCI's regional and senior officers monitor district operations and require adherence to accounting, purchasing, marketing, and internal control policies, particularly with respect to financial matters.

Financial Stability

WCI has been operating in the State of Washington since 1997. WCI is the third largest solid waste company in North America, with annual revenues projected to be $4.5 billion in 2017 and an enterprise value of $21 billion dollars. WCI has an investment grade rating by Fitch and Standard & Poor's.

Attachment B—WCI's Landfill Expertise

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WASTE CONNECTIONS, INC.
Connect with the Future

WCI's Landfill Expertise

With 94 landfills currently in operation, WCI brings extensive experience in landfill cell development, cell construction, project management, construction quality assurance, regulatory cooperation, and construction cost controls. WCI constructs well over 100 acres of landfill cells each year, splitting between single composite liners and double composite liners. It is routine for many WCI landfills to be undertaking some level of capping or closure activities every year.

WCI operates facilities across the continental United States and Canada, and WCI managers are intimately familiar with variations in state and local regulations, regulatory enforcement, and local permitting processes and requirements.

Technological Leadership

WCI goes beyond landfill construction and operation. WCI engineers and scientists are actively working to research and develop new and improved methods of handling waste more effectively, processing the waste more efficiently, and extracting energy out of waste. WCI teamed with Blue Ridge Services, Inc. (www.blueridgeservices.com) to develop the most comprehensive landfill operator waste compaction training modules in the industry. WCI is partnering with other companies to develop similar modules for other landfill and transfer station operations.

WCI is an active sustaining member of the National Solid Wastes Management Association (NSWMA) technical advisory group and many of our team members are active in Solid Waste Association of North America (SWANA). WCI is a major sustaining sponsor of the Global Waste Management Symposium and an active participant of its business and technical committees.

In addition, WCI has partnered with the California State University School of Engineering at California Polytechnic University (Cal Poly) in San Luis Obispo, California, for research and development of new methods of waste handling, processing, and energy extraction. Cal Poly and private industry have partnered to create the Global Waste Research Institute (GWRI) in order to study waste management practices and their impact upon the environment. WCI has committed its landfills as research sites and provided GWRI with an initial grant of $1 million to initiate GWRI's endeavors. GWRI is currently investigating several landfills in North America in order to determine temperature, moisture, and other climatic relationships to methanogenic gas (*i.e.*, landfill gas) production, in an effort toward improving gas generation and extraction.

WCI also contributes annually to, and sits on the boards of, the Bioreactor Research Foundation and the Environmental Research and Education Foundation (EREF). The Bioreactor Research Foundation has been a joint effort of several solid waste companies, municipalities and universities. It is focused on aerobic and anaerobic processes in landfills and their impact on carbon segregation and global warming. EREF accumulates funds from corporate donations and fundraising activities to sponsor research relating to various aspects of the solid waste industry.

Beyond these cutting-edge research efforts, WCI is actively evaluating all of the various alternatives for waste-to-energy conversion and energy extraction methodologies currently under investigation

across the United States. WCI has developed relationships with many of the companies involved in these research efforts and remains quite interested in the developments.

While landfills and waste disposal operations are important parts of WCI's business, they are only part of a broad spectrum of waste collection, processing, transportation, waste diversion, beneficial reuse, and recycling services WCI offers. The full breadth of services can be examined by accessing www.WasteConnections.com and reviewing both WCI's latest Annual Report to Shareholders and Sustainability Report.

Leachate Management

Proper leachate management in the wet Pacific Northwest climate starts first by minimizing the volume of leachate generated. WCI has a demonstrated track record in addressing these issues in similar climate conditions. The LRI Landfill in Pierce County has demonstrated success in reducing leachate generation by 25-percent over a 2-year period. WCI will continue to implement best management practices (BMPs) already in use by the Headquarters Landfill and assess and implement new measures as warranted.

WCI's approach to leachate management and mitigation includes:

- Proactive planning with respect to fill sequencing and progression of the landfill's active disposal area.
- Construction and maintenance of storm water run-on diversion structures to prevent storm water flow into areas of exposed waste.
- Grading and drainage of areas that have a potential to contribute to leachate generation.
- Minimizing the size of the active disposal area and exposure to precipitation and storm water.
- Timely placement of sufficient low-permeability intermediate cover soils in areas of the landfill that will remain inactive for extended periods of time.
- Timely placement and anchoring of temporary plastic cover over areas of intermediate cover soil.
- Monitoring and inspecting areas of cover soil and plastic for settling and any degradation that warrants timely repair and replacement.

As indicated, WCI will assess leachate management BMPs at the Headquarters Landfill and make changes if necessary up to and including regrading and enhancement of intermediate cover areas and replacement of temporary plastic cover.

Attachment C—WCL GCCS Plan Drawings

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Point Table

Point #	Elevation	Northing	Easting
100	723.00	11249.97	9633.06
101	744.07	11487.53	10185.50
102	751.25	11598.46	10358.05
103	755.52	11693.59	10435.25
104	758.00	11861.32	10654.16
105	728.00	11204.50	9600.21
106	736.82	10955.00	9646.09

Notes:
1. Aerial Topography is Cooper Aerial Surveys Company and was flown on April 2, 2017..

REV	DATE	DESCRIPTION	DRN BY	DES BY	CHK BY
0	7-23-17	Issued for Review	GF	GF	GF

Finley BioEnergy LLC
4088 Orchard Drive
Lake Oswego, Oregon 97035
Tel: (503) 635-1233
Fax: (503) 635-1447

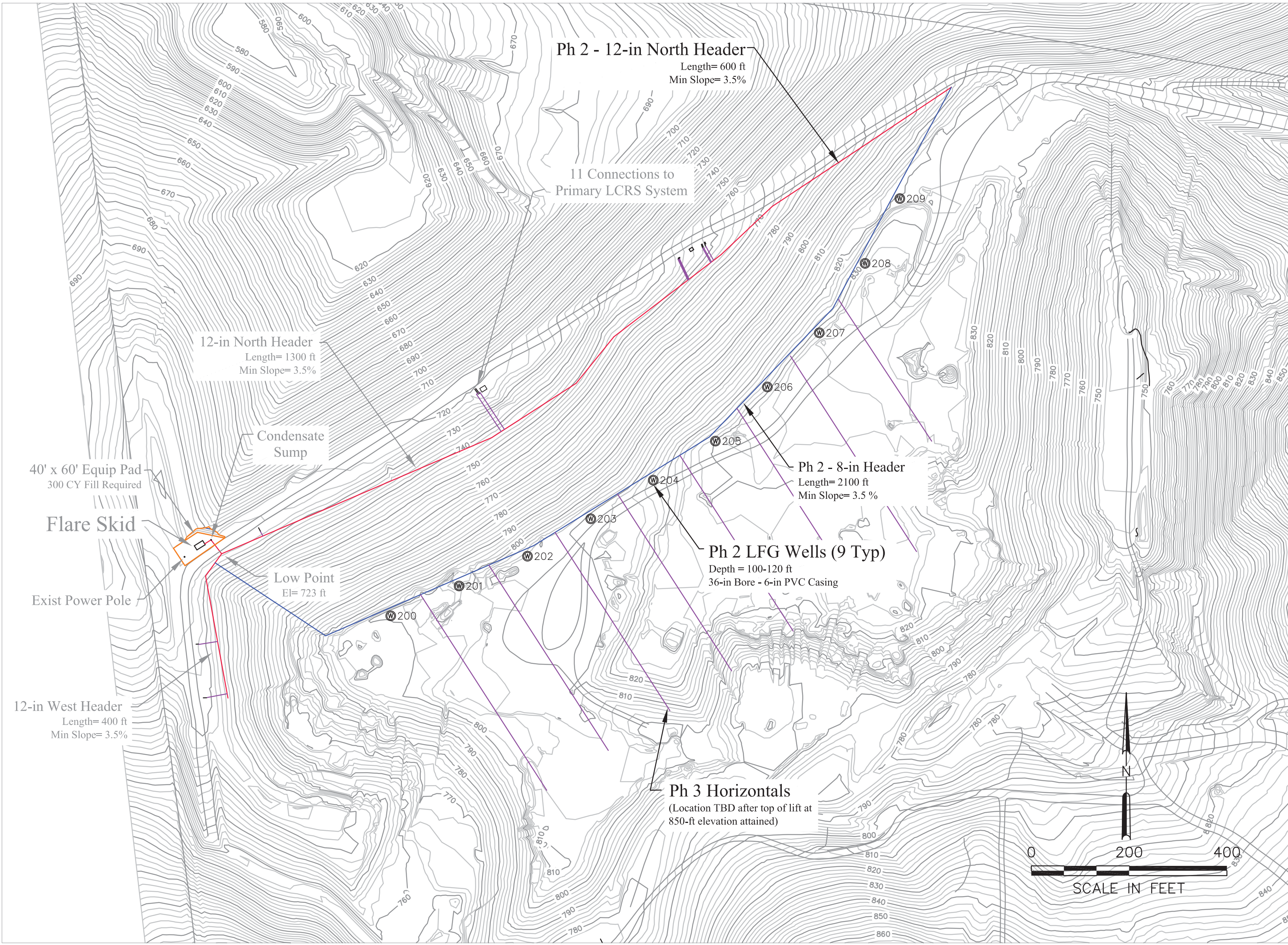
FINLEY BIOENERGY LLC
WASCO COUNTY LANDFILL
THE DALLES, OREGON

2017 Landfill GCCS Plan

Phase 1 - Site Plan

DRAWING NO. 1

PROJECT NO.



Well Table

Well #	Elevation	Northing	Easting
200	800.00	11123.14	9978.87
201	800.78	11184.11	10118.69
202	808.00	11245.08	10258.51
203	810.36	11321.50	10387.91
204	817.06	11400.43	10515.61
205	830.00	11480.26	10642.70
206	828.27	11590.94	10748.95
207	831.87	11701.62	10855.21
208	830.72	11843.61	10948.81
209	820.00	11976.04	11019.83

Notes:
1. Aerial Topography is Cooper Aerial Surveys Company and was flown on April 2, 2017..

REV	DATE	DESCRIPTION	DRN BY	DES BY	CHK BY
0	7-23-17	Issued for Review	GF	GF	GF

Finley BioEnergy LLC
4088 Orchard Drive
Lake Oswego, Oregon 97035
Tel: (503) 635-1233
Fax: (503) 635-1447

FINLEY BIOENERGY LLC
WASCO COUNTY LANDFILL
THE DALLES, OREGON

2017 Landfill GCCS Plan

Phase 2 and 3 - Site Plan

DRAWING NO. 2

PROJECT NO.

Wasco
County Landfill

Attachment D—Operations Plan for WCL

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OPERATIONS PLAN

WASCO COUNTY LANDFILL

THE DALLES, OREGON

(OCTOBER 2015)

REVISED JANUARY 2017

PREPARED FOR:

WASCO COUNTY LANDFILL, INC.

2550 STEELE ROAD
THE DALLES, OR 97058

PREPARED BY:

489 N. 8TH STREET, SUITE 201
HOOD RIVER, OREGON 97031

REVISION SCHEDULE

This Operations Plan should be revised and updated to address the changes in site conditions, site operations, new or revised government regulations, new or revised operating permits, and additional on-site equipment or procedures.

Any changes or revisions to the Operations Plan should be made by an authorized representative of Waste Connections, Inc. or Wasco County Landfill, such as the Division Vice President, Manager, District Manager, Engineering Manager, Site Manager, Landfill Supervisor or Environmental Manager, and documented below. The signature of this representative attests that the revision information to the Operations Plan is true and accurate.

REVISION NUMBER	DATE	AUTHOR	REASON
0	7/20/09	Vista Consultants	Solid waste permit renewal
1	4/30/11	Nancy Mitchell	Annual review
2	6/20/12	Nancy Mitchell	Annual review
3	7/24/13	Nancy Mitchell	Annual review
4	9/30/14	Nancy Mitchell	Annual review
5	9/10/15	Vista Consultants	Plan update
6	1/24/17	Vista GeoEnvironmental Services	Added Section 17.20 designating Finley Buttes as back up disposal facility. Personnel update.
7			
8			
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10			

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ACRONYMS AND ABBREVIATIONS

ACM	Asbestos-Containing Material
ADC	Alternative Daily Cover
AOP	Title V Air Operating Permit
ASR	Auto Schredder Residue
BSE	Bovine Spongiform Encephalopathy
CEG	Conditionally Exempt Generator
CFR	Code of Federal Regulations
DEQ	Oregon Department of Environmental Quality
DM	District Manager
DVP	Division Vice President
EMP	Environmental Monitoring Plan
EPCRA	Emergency Planning and Community Right-to-Know Act
H	Horizontal
HASP	Health and Safety Plan
HDPE	High Density Polyethylene
HSIS	Hazardous Substance Information Survey
IN	Inches
LCRS	Leachate Collection and Removal System
LEPC	Local Emergency Planning Committee
LFG	Landfill Gas
LFGMP	Landfill Gas Monitotring Plan
LMP	Leachate Management Plan
LS	Landfill Supervisor
LSCS	Leachate Secondary Collection System
MgCl	Magnesium Chloride
MSDS	Material Safety Data Sheets
MSW	Municipal Solid Waste
NMOC	Non-Methane Organic Constituents

ACRONYMS AND ABBREVIATIONS (CONTINUED)

NSPS	New Source Performance Standards
OAR	Oregon Administrative Rule
OERS	Oregon Emergency Response System
ORS	Oregon Revised Statutes
PCB	Polychlorinated Biphenyls
PCS	Petroleum Contaminated Soils
PEL	Permissible Explosive Limit
PPE	Personal Protective Equipment
PPM	Parts Per Million
SAP	Sampling and Analysis Plan
SDCS	Sump Drain Collection System
SDS	Safety Data Sheet
SERC	State Emergency Response Commission
SPCCP	Spill Prevention Control and Countermeasure Plan
SWDP	Solid Waste Disposal Site Permit No. 53
SWMP	Special Waste Management Plan
SWPCP	Stormwater Pollution Control Plan
TSCA	Toxics Substances Control Act
USEPA	United States Environmental Protection Agency
V	Vertical
VISTA	Vista GeoEnvironmental Services, LLC
W.M.	Willamette Meridian
WCL	Wasco County Landfill

1 INTRODUCTION

1.1 PLAN OVERVIEW

This Operations Plan describes the general operational and management practices for the Wasco County Landfill (WCL) in The Dalles, Oregon. The purpose of this Operations Plan is to provide a guide to landfill personnel with information and instructions for conducting site operations, maintenance, and emergency procedures, and to comply with the solid waste regulations.

Vista GeoEnvironmental Services, LLC (VISTA) has updated the Operations Plan to reflect the current stage of development and operations at WCL and the associated inspection, maintenance, and repair activities conforming to this Plan to comply with the site's renewed **Solid Waste Disposal Site Permit No.53** (SWDP) issued by the Oregon Department of Environmental Quality (DEQ), the lead regulatory agency for WCL, on December 11, 2014.

This Operations Plan also references or incorporates by reference the following:

- Health and Safety Plan (HASP);
- Environmental Monitoring Plan (EMP) (SCS Engineers, June 2015), which includes the following plans:
  - EMP Appendix B - Sampling and Analysis Plan (SAP) (June 2015);
  - EMP Appendix C - Landfill Gas Monitoring Plan (LFGMP) (June 2015);
  - EMP Appendix D - Anhydrous Magnesium Chloride Salt Monitoring Plan (MgCl Plan) (June 2015);
- Stormwater Pollution Control Plan (SWPCP) (SCS Engineers, March 2012);
- Spill Prevention and Countermeasure Control Plan (SPCCP) (SCS Engineers, January 2012);
- Special Waste Management Plan (SWMP) (Vista Consultants, October 2015) – included as **Attachment A**; and
- Leachate Management Plan (LMP) (Vista Consultants, October 2015) – included as **Attachment B**.

1.2 PLAN UPDATES

This Plan will require reassessment and modification as the facility develops and changes, when alternative methodologies that would improve site performance need to be incorporated, or as required by the issuance of new or revised permits.

This Plan may have page updates for minor or unforeseen changes that may occur without necessitating an entire revision of the Plan.

1.3 PLAN REVIEW

WCL personnel should be familiar with the Operations Plan and perform an annual review. Table 1-1 provides documentation for reviewing and recording the date(s) and personnel who perform the review.

TABLE 1-1: PLAN REVIEW

DATE	REVIEWER	TITLE	SIGNATURE

2 REGULATIONS & PERMITS

2.1 REGULATIONS

In 1991, the United States Environmental Protection Agency (USEPA) adopted regulations under Subtitle D of the Resource Conservation and Recovery Act, 42 USC §§ 9601 et seq. for public or private landfills that receive MSW. The Subtitle D regulations (codified in Subpart 257 and 258, Title 40, Code of Federal Regulations [CFR]) establish minimum standards for landfill design, operation, location, closure, and post-closure.

In 1993, the State of Oregon adopted the USEPA Title 40, CFR 258, "Criteria for MSW Landfills" (MSW Criteria) under Oregon Administrative Rule (OAR) 340-94-10, implementing the federal regulations and establishing minimum statewide standards for all MSW landfills. WCL has conformed to the MSW Criteria since these regulations were adopted.

This Plan is consistent with, and WCL is designed and managed to comply with, the laws and regulations under 40 CFR 258 and the OAR, Chapter 340, Divisions 93 through 97, summarized in Table 2-1, which govern solid waste and establish permitting, operations, closure, financial assurance, and engineering requirements for landfills, incinerators, composting facilities, sludge land application sites, and transfer stations:

- Division 93: Solid Waste - General Provisions;
- Division 94: Solid Waste – Municipal Solid Waste Landfills;
- Division 95: Solid Waste – Land Disposal Sites Other Than MSW Landfills;
- Division 96: Solid Waste – Special Rules for Selected Solid Waste Disposal Sites;
- Division 97: Solid Waste – Disposal Fees.

TABLE 2-1: REGULATIONS

REGULATORY AREA	FEDERAL	OREGON
MSW Landfills	*MSW Landfills*, 40 CFR 258	*MSW Criteria*, OAR, Chapter 340, Division 94
▪ Operating Criteria - Open Burning - Surface Water - Surface Drainage Control - Gas Control - Cover Material - Cover Frequency - Access Control - Vector and Bird Control	*Operating Criteria*, 40 CFR 258, Subpart C	*Operating Criteria* OAR 340-094-0040

TABLE 2-1: REGULATIONS

REGULATORY AREA	FEDERAL	OREGON
- Permitted Waste - Operations Plan - Leachate - Endangered Species - Access Roads - Site Screening - Fire Protection - Signage - Truck-washing Facilities - Sewage Disposal - Salvage - Litter Control - Waste Weighing - Recordkeeping		
▪ Groundwater Monitoring and Corrective Action	*Groundwater Monitoring and Corrective Action,* 40 CFR 258, Subpart E	*Groundwater Monitoring and Corrective Action* OAR 340-094-0080
▪ Closure and Post-Closure Care: Closure Permits - *Closure Permit* - *Application Contents* - *Report* - *Termination* - *Effect*	40 CFR, §258.60	*Closure and Post-Closure Care: Closure Permits* OAR 340-094-0100
▪ Closure and Post-Closure Care: Closure Plans - *Types* - *Requirements* - *DEQ Approval* - *Amendment*	40 CFR 258, Subpart F	*Closure and Post-Closure Care: Closure Plans* OAR 340-094-0110 OAR 340-094-0115
▪ Closure Requirements	40 CFR 258, Subpart F	*Closure Requirements* OAR 340-094-0120
▪ Post-Closure Requirements	40 CFR 258, Subpart F	*Post-Closure Care Requirements* OAR 340-094-0130
▪ Financial Assurance Criteria	40 CFR 258, Subpart G	*Financial Assurance* OAR 340-094-0140 OAR 340-094-0145
Air Quality	*Federal Clean Air Act,* 42 USC 7401, et seq.	*General Air Pollution Procedures and Definitions*

TABLE 2-1: REGULATIONS

REGULATORY AREA	FEDERAL	OREGON
		OAR 340-200
▪ MSW Landfills	*New Source Performance Standards (NSPS) for MSW Landfills*, 40 CFR Part 60, Subpart WWW	*New Source Performance Standards,* OAR 340, Division 238
	National Emission Standards for Hazardous Air Pollutants for MSW Landfills, 40 CFR Part 63, Subpart AAAA	
▪ General Air Pollution Procedures and Definitions		*General Air Pollution Procedures and Definitions* OAR 340, Division 200
▪ Visible Emissions and Nuisance Requirements		*Visible Emissions and Nuisance Requirements* OAR 340, Division 208
▪ Air Pollution Sources		*Stationary Source Notification Requirements,* OAR 340, Division 210; *Stationary Source Testing and Monitoring,* OAR 340, Division 212; *Stationary Source Reporting,* OAR 340, Division 214
▪ Air Operating Permit	*State Operating Permit Programs,* 40 CFR Part 70; *Federal Operating Permit Programs*, 40 CFR Part 71	*Oregon Title V Air Operating Permits* OAR 340, Division 218
▪ Oregon Title V Operating Fees	*State Operating Permit Programs,* 40 CFR Part 70	*Oregon Title V Operating Fees,* OAR 340, Division 220
▪ New Sources of Toxic Air Pollutants – Controls		*Major New Source Review*, OAR 340, Division 224
▪ Requirements for Fuel Burning Equipment and Fuel Sulfur Content		*Requirements for Fuel Burning Equipment and Fuel Sulfur Content,* OAR 340, Division 228
▪ Asbestos	*National Emission Standard for Asbestos*, 40 CFR Part 61, Subpart M	*Asbestos Requirements* OAR 340, Division 248
▪ Open Burning		*Rules for Open Burning*, OAR 340, Division 264

2.2 PERMITS

DEQ, the lead regulatory agency that reviews and approves WCL's siting, design, construction, operation, inspection, monitoring, and closure, has issued three operating permits for landfill operations at WCL:

- SWDP;
- National Pollutant Discharge Elimination System Industrial Stormwater Discharge Permit (NPDES); and
- Title V Air Operating Permit (AOP).

2.2.1 SWDP

On December 14, 2014, DEQ issued the SWDP that specifies WCL's operational and procedural requirements, based on the findings and technical information contained in the following documents:

- Solid Waste Disposal Site Permit renewal application dated January 13, 2014; and
- Land Use Compatibility Statements from Wasco County dated March 19, 1997 and December 1, 2000.

The SWDP will expire on September 1, 2024.

2.2.2 NPDES PERMIT

NPDES Stormwater Discharge Permit No. 1200-Z was issued by DEQ on July 1, 2012 and includes conditions and requirements for stormwater management at WCL, including the preparation of the SWPCP.

The NPDES will expire on June 30, 2017.

2.2.3 AOP

The DEQ issued the AOP, number 33-0007-TV-01 on June 7, 2013. The AOP covers all the operational and procedural requirements, emission standards, and other requirements related to air pollution. The AOP places limits on the operation of the facility and requires the monitoring of point sources and diffuse area-wide sources of potential air contaminants (i.e., LFG, fugitive dust).

The AOP will expire on June 1, 2018.

3 SITE INFORMATION

3.1 SITE LOCATION

WCL is located at 2550 Steele Road, approximately 3.5 miles southeast of The Dalles, Oregon in an unincorporated part of Wasco County, at approximately longitude W121°08'20" and latitude N 45°33'40". WCL is located in the North ½ of Section 24, Township 1 North, Range 13 East, Willamette Meridian (W.M.). The landfill is situated in a predominantly rural, agricultural area with cherry and wheat farms adjacent to the property. The nearest residence is approximately 0.5 miles northwest of the site.

3.2 SITE HISTORY

The WCL site was originally used for agricultural purposes, but was developed as a refuse disposal facility during the 1950's with few modifications to the natural topography. WCL began permitted operations as a MSW landfill in mid-1973 and serves the mid-Columbia counties that include Wasco and Hood River counties in Oregon, parts of Klickitat and Skamania Counties in Washington, as well as other areas of the Pacific Northwest.

WCL is owned and operated by Wasco County Landfill, Inc. The facility has also operated under the names, "Northern Wasco County Landfill" and "Wasco County – Northern Wasco County Landfill".

4 LANDFILL DEVELOPMENT

4.1 OVERVIEW

Subsection 5.2 of the SWDP authorizes WCL to develop 213.19 acres for landfill disposal. The limits of waste disposal are defined by the Conditional Use Permits issued by Wasco County and a DEQ-approved Site Development Plan and approved amendments to that plan as referenced in Subsection 10.2 of the SWDP. In accordance with these documents, the landfill has been, and will continue to be, developed and closed in phases. The landfill is divided into four separate areas, known as Phase I, II, III, and IV.

4.2 PHASE I

Phase I is the oldest portion of the landfill, occupying about 25 acres in the south-central part of the property, with the southern limit bordering Steele Road. Phase I is unlined has been covered with an interim cover consisting of approximately 3 feet of compacted soil.

4.3 PHASE II

Phase II is approximately 15 acres. This area contains the stormwater retention basin, which is located near the site entrance and scale house facilities. Phase II has not been developed for solid waste disposal. Phase II will eventually be incorporated into Phase IV when the stormwater retention basin is decommissioned.

4.4 PHASE III

Phase III has been developed as three lined sub-cells: Cell A (1995), Cell B (1997), and Cell C (1999). Phase III has been filled and is covered with an interim cover consisting of approximately 3 feet of compacted soil. Glass is stored on top of the Phase III interim before being used beneficially on site or hauled to a recycling facility.

All the cells were constructed to Subtitle D standards, incorporating composite primary liners, leachate collection and removal systems (LCRSs) and leachate secondary containment systems (LSCSs) under the main leachate collection lines. The LCRSs and LSCSs in the three sub-cells are connected. The systems gravity-drain to the LCRS and LSCS sumps at the northeast corner of Cell B. In 1997, riser pipes for the LCRS and LSCS sumps were installed from the sumps to the edge of the Cell B liner.

In addition, a SDCSs was constructed below the liner systems in Phase III to capture and remove water generated at seeps at or near the design bottom elevation of the landfill. The system extends to the southeast corner of Cell C and terminates in a sump. A 10 inch diameter HDPE solid wall riser pipe extends from the sump up the side slope, to its termination just beyond the Phase III C limits on the perimeter bench. The riser pipe houses a submersible pump system to remove water collected by the SDCS.

4.5 PHASE IV

Phase IV is being developed incrementally in a generally north to south direction, with development moving from lower to higher topographic elevations in a manner that controls the stability of the landfill development. Development to date has included Cells 1 (2001), 1A (2003), 1B (2011), 2 (2002), 2A (2011), 2B (2014), 3A (2004), 3B (2005), 3C (2007), 3D (2010), and 3E (2014). Development of Phase IV will eventually include developing the Phase II retention pond area and filling over Phases I and III.

All Phase IV cells have been constructed to Subtitle D standards, incorporating composite primary liners, LCRSs, and LSCSs under the main leachate collection lines. In addition, underdrains and sump drain collection systems (SDCSs) were installed to manage potential groundwater seeps below the cells during construction.

5 SUPPORT FACILITIES AND UTILITIES

5.1 SUPPORT FACILITIES

The support facilities are the buildings, structures, and systems that support the operation and maintenance of the landfill.

5.1.1 OFFICE / SCALE HOUSE

A double-wide trailer is used as a combined Office and Scale House.

5.1.2 MAINTENANCE BUILDING

WCL has an approximately 1,800 square foot metal-sided Maintenance Building and a separate Lunchroom Building.

5.2 UTILITIES

5.2.1 ELECTRICAL DISTRIBUTION SYSTEM

WCL has an electrical distribution system for the Office / Scale house, Maintenance Building, and Lunchroom Building. The system is located within the Phase I area where there is minimal chance for an electrical system disruption. Should there be a power failure, the Office / Scale house can use power generators that are on-site. Electrical service has also been extended to power the control panels and pumps for the LCRSs, LSCSs and SDCSs in the Phase III and Phase IV areas.

5.2.2 SEPTIC TANK AND DRAINAGE FIELD

Sewage disposal from the Office / Scale House is treated by a septic and drain field system. Portable toilets located near the Maintenance Building and Lunchroom on the access road to the disposal area are serviced once a week.

5.2.3 POTABLE WATER

The Office / Scale house and Maintenance Building and Lunchroom are tied in to a potable water service.

5.2.4 FIRE WATER

A 10,000 gallon capacity water tank is located between Office / Scale house and the Maintenance Building. Additionally, WCL has a 4,000-gallon capacity water truck which it keeps available for any fire-fighting needs.

6 MANAGEMENT & PERSONNEL

WCL is managed and operated by a variety of on- and off-site WCI staff. The personnel associated with the management and operations of WCL are shown in Tables 6-1 and 6-2.

6.1 MANAGEMENT

WCL management directs daily operations and maintenance at the site. The management positions are identified and described to clearly show areas of responsibility and authority to ensure safe and effective implementation of operational goals and WCI policies.

The chain of command for WCL includes the following:

Landfill Supervisor (LS) and Office Staff report to the Site Manager to: review goals and objectives; provide status reports; discuss problems and issues; and receive direction on corrective measures.

The Site Manager reports to the District Manager (DM) and the Division Vice President (DVP) to: review goals and objectives; report on operations; discuss problems and issues; and assess additional assistance requirements.

6.1.1 DISTRICT VICE PRESIDENT (DVP)

The DVP is responsible for all WCL activities with authority over operations, engineering, finance, safety, and environmental compliance, and plans for long-term goals and objectives for the site as well as implementing these plans and providing technical assistance to the site personnel.

The DVP is located off-site at Waste Connection's office in Vancouver, Washington and is normally not involved in daily operations of the landfill.

6.1.2 DISTRICT MANAGER (DM)

The DM acts as in interface between the DVP and WCL personnel. The DM is responsible for coordinating WCL policies and procedures with site personnel and supports daily operations and long term planning.

6.1.3 ENVIRONMENTAL MANAGER

The Environmental Manager is responsible for special waste evaluation and regulatory compliance oversight for site operating permits and the associated compliance reporting.

6.1.4 SITE MANAGER

The Site Manager is responsible for overall management of the landfill and its daily operations, having the authority for regulatory compliance; personnel staffing; site safety and training; operations and maintenance of the landfill and support facilities; direction of emergency procedures; and management of consultants

and contractors on a daily basis. The Site Manager is located on-site, supervising employees and providing public relations, marketing, and financial assistance in conjunction with landfill operations.

6.1.5 LANDFILL SUPERVISOR

The Landfill Supervisor (LS) is responsible for operations and maintenance activities associated with waste received at the site, including the supervision of all equipment operators; laborers; temporary operations employees; maintenance personnel; and contractors utilized for maintenance activities. The Landfill Supervisor coordinates with the Site Manager to ensure that adequate equipment and personnel are scheduled for landfilling activities.

6.2 PERSONNEL

All non-management positions at the landfill fall into the following categories:

- Equipment Operators;
- Maintenance Personnel;
- Laborers;
- Scale House Attendants; and
- Office Clerks.

The number of people on-site varies based on shift and operational requirements. Sufficient personnel shall be available to operate WCL. At least two landfill personnel are on site at all times, including a certified landfill operator and at least one person at the working face.

6.2.1 EQUIPMENT OPERATORS

Equipment operators perform tasks assigned by the LS, implementing plans and operations at the site as directed. Equipment operators are trained to operate and maintain one or more of the following pieces of equipment used at the landfill to place, compact, and/or cover waste or associated landfill operations:

- Air Compressor, Welder, Light Plant and other maintenance equipment;
- Compactor;
- Crawler Tractor;
- Hydraulic Tipper;
- Motor Grader;
- Water Truck; and
- Wheel Loader.

The Landfill Supervisor provides training to each equipment operator. Individuals are not allowed to operate equipment until training is complete.

Additionally, equipment operators typically are responsible for documenting the disposal locations of regulated special wastes.

6.2.2 MAINTENANCE PERSONNEL

Equipment operators complete routine maintenance of the equipment, such as oil changes, lubrication, equipment washing, and minor repairs. Major component repair or warranty work is performed by contract or non-employee personnel.

6.2.3 LABORERS

Laborers are used to perform unskilled manual labor tasks such as litter control, manual excavation and backfill, and grounds maintenance. The Site Supervisor manages laborers.

6.2.4 OFFICE STAFF

Office staff are responsible for scale house operations and all administrative tasks at WCL, including: maintaining the visitor register; billing; report preparation for regulatory compliance and internal reporting; payroll; personnel record maintenance; electronic data acquisition system operation; supply and parts requisition; and Operating Record filing. In conjunction with scale house operations associated with the receipt of waste, office staff collect the daily quantity of waste received by weight, waste shipment records, and documents associated with special wastes receipt. Scale house attendants receive training and are supervised by the Site Manager.

TABLE 6-1: ON-SITE PERSONNEL

TITLE	FUNCTION
Site Manager *Nancy Mitchell* nancym@wcnx.org	▪ Directs day-to-day activities to ensure compliance with the Operations Plan, operating permits, and regulations; ▪ Provides training for new employees on site safety procedures; ▪ Enforces all corporate rules and policies; ▪ Personnel – hiring, firing, training, evaluation, and discipline; ▪ Directly in charge of all personnel and equipment involved in site operations; ▪ Conducts or designates others to perform inspections of operations; ▪ Responsible for emergency procedures; and ▪ Reports to DM and DVP.
Office Staff	▪ Present when the site is open; ▪ Maintain a log of all waste loads received; ▪ Initiate the waste screening process; ▪ Document and weigh incoming loads; ▪ Direct drivers to the Disposal Area; ▪ Manage paper work associated with special waste and asbestos; ▪ Maintain the logs for accidents; fires; unusual wastes; rejected loads; and non-employee visitors; ▪ Maintain a complaint log in accordance with Subsection 8.6 of the SWDP; ▪ Maintain records; ▪ Report to Landfill Manager.

TABLE 6-1: ON-SITE PERSONNEL

TITLE	FUNCTION
Landfill Supervisor *William Russell*	▪ Directs daily landfill operations and responsible for all aspects of safety associated with field operations; ▪ Supervises and schedules the field personnel (Equipment Operators, Laborers); ▪ Trains Equipment Operators; ▪ Responsible for facility and equipment maintenance; ▪ Observes waste unloading, performs random load checks, and waste screening for unacceptable wastes; ▪ Oversees environmental control systems; ▪ Overall facility housekeeping; ▪ Operations authority when the Landfill Manager is off-site; and ▪ Reports to Site Manager.
Equipment Operators	▪ Perform daily operations under direction of Site Supervisor; ▪ Observe incoming waste loads to screen for unacceptable wastes; ▪ Perform random load inspections (Section 10.7); ▪ Safely and efficiently operate heavy and / or specialized equipment; ▪ Direct waste unloading at designated locations; ▪ Spread and / or compact refuse at the active working face; ▪ Place daily and/or interim cover at the end of each day of operations; ▪ Keep the unloading area clear and available; and ▪ Report to Site Supervisor.
Maintenance Personnel & Laborers	▪ Maintain and repair all landfill equipment; ▪ Perform litter control; ▪ Conduct facility maintenance; ▪ Perform other duties as assigned; and ▪ Report to Site Supervisor.

TABLE 6-2: OFF-SITE PERSONNEL

TITLE	FUNCTION
Division Vice President *Jason Hudson* jasonh@WasteConnections .com 503.318.1572	▪ Overall responsibility for all planning; management; operational; administrative; and fiscal activities; ▪ Primary source of public information; ▪ Responsible for personnel assignments; work authorization; site safety; financial management; and environmental management; ▪ Authority to propose modifications to the Plan; and ▪ Maintains compliance with permits.
District Manager *Kevin Green* keving@wcnx.org 541.965.1339	▪ Site responsibility for planning; management; operational; administrative; and fiscal activities; ▪ Primary source of public information; ▪ Maintain site contact with regulatory personnel.
Engineer *Wes Gavett* wesg@wcnx.org 360.921.0098	▪ Provides engineering and scientific support; and ▪ Responsible for performing a variety of technical and general duties, including routine engineering functions; design; construction oversight; data management; and data analysis based upon established engineering principles.
Environmental Manager *Steve Young* stevey@wcnx.org 360.448.6952	▪ Responsible for monitoring compliance with applicable governmental and company environmental requirements; ▪ Provides environmental technical support; and ▪ Responsible for performing a variety of technical and general duties, including managing systems to ensure compliance; technical training; permit assistance; and performance auditing.

7 TRAINING

7.1 OVERVIEW

This section describes the training procedures that are used to educate and inform personnel in facility operations, waste identification, waste handling procedures, leachate management procedures, health and safety precautions, and emergency procedures. A comprehensive list of the training programs is found in the HASP. WCL personnel are provided training to comply with regulations, permits, and policies in conjunction with landfill operations and health and safety. During operating hours, there is at least one employee on site who is trained in first aid, CPR, and work-place safety. Landfill personnel must read and be familiar with the contents of the Operations Plan.

The training programs at WCL include the following:

- New Employee Orientation;
- CPR and First Aid;
- Emergency Procedures;
- Hazard Communication;
- Personal Protective Equipment (PPE);
- Hazardous Waste and Special Waste Identification;
- Leachate Management; and
- General Safety.

Personnel are trained in the specific tasks required to successfully perform their job duties. The majority of the training is on-the-job given by experienced or certified personnel. Employees are encouraged to further their education by attending external courses. Relevant training courses include the following:

- SWANA's Manager of Landfill Operations;
- SWANA's Waste Screening at MSW Management Facilities;
- 24 or 40-hour HAZWOPER Training;
- Asbestos Worker Training; and
- OSHA Training.

Training documentation and certificates of operator training are maintained in files on site.

7.2 TRAINING LOG

A training log is maintained to track and summarize the training that each employee has received to ensure certifications are maintained up-to-date and follow-up or refresher training is conducted.

7.3 HEALTH & SAFETY

A significant aspect of WCL operations is maintaining a safe working environment. Stringent health and safety procedures are a top priority at WCL to prevent accidents and potentially dangerous situations. WCL visibly maintains its record for work days without a lost work day and incident on the outside of the scale house / office trailer.

Health and safety procedures for all WCL employees are presented in the HASP located in the scale house/office trailer. Safety policy updates are addressed at monthly employee meetings. It is the responsibility of each individual to perform his or her duties properly to prevent dangerous situations developing at WCL.

7.4 NEW EMPLOYEE ORIENTATION

The Site Manager and/or Landfill Supervisor conduct New Employee Orientation training. New employees receive eight (8) hours of introductory training, providing basic information on the following:

- WCI corporate safety guidelines and policies;
- WCL operations and maintenance procedures;
- Hazard communication; and
- Personal protective equipment.

As part of regularly scheduled weekly and monthly safety meetings, the Site Manager and/or Landfill Supervisor conduct refresher training. Records of New Employee and Refresher Training are kept in personnel files and the training log.

7.5 CPR & FIRST AID

In addition to New Employee Orientation training, new employees receive 8 hours of CPR and First Aid training conducted by a third party. Following initial training, a CPR Refresher Course is completed, with a First Aid Refresher Training completed every two (2) years. Certificates of completion are awarded upon conclusion of the training. Records of training dates are maintained in personnel files.

7.6 EQUIPMENT OPERATOR CERTIFICATION

The Landfill Supervisor trains all Equipment Operators. Training includes instruction of operating techniques; demonstration of operations; actual operations; review of forms and requisite maintenance procedures. Records of satisfactory completion of training are kept in personnel files.

7.7 EMERGENCY PROCEDURES

The Site Manager or Landfill Supervisor conducts training on emergency procedures involving injuries, fires, spills, explosions, and weather-related emergencies during weekly and monthly safety meetings. Each

employee is trained on the use of fire extinguishers and small water hoses and fighting waste, range, or facility fires in the initial stage.

7.8 HAZARD COMMUNICATION

The Site Manager conducts Hazard Communication training to each employee as required by OAR 437, Division 155, during weekly or monthly safety meetings and includes the following:

- Employee Right-to-Know;
- Material Safety Data Sheet (MSDS) and Safety Data Sheet (SDS) information and availability;
- Permissible Exposure Limits (PEL); and
- Written Hazard Communication Program availability.

Records of the employees attending the training, including the subjects covered, are kept in personnel files and the training log.

7.9 PPE

The Landfill Supervisor or another qualified instructor conducts training on the importance and use of PPE during the New Employee Orientation training. The initial training covers:

- Use of equipment;
- Handling, cleaning, and storage of the equipment;
- Locations of the equipment;
- WCL policy concerning replacement of broken or worn equipment;
- Required training for special equipment, such as respirators; and
- Review of mandated use or limited use of PPE based on situations that may require additional PPE, along with associated requisite training and fitting.

Additionally, specialized training for additional use of PPE, is provided as needed or required and may involve third-party instructors or organizations for certification. Records of the employees attending the training, including the subjects covered, as well as any specialized training or certifications, are kept in personnel files and training log.

7.10 HAZARDOUS WASTE AND SPECIAL WASTE IDENTIFICATION

The Site Manager and Landfill Supervisor train all WCL personnel to identify and detect hazardous waste and special wastes. The instruction includes describing the major characteristics of these wastes, informing the employees of their associated hazards, and training the employees to look for identifying indicators such as labels, container types, fumes, and heat. Hazardous waste and special waste are covered comprehensively in the SWMP contained in **Attachment A**.

8 ANCILLARY OPERATIONS

8.1 MOBILE EQUIPMENT

The equipment available for routine operations is shown on Table 8-1. Equipment deletions, substitutions, and/or replacements may, and do occur at the discretion of management. If equipment repair or replacement is necessary to continue landfill operations, then backup equipment may be leased, borrowed, or purchased.

TABLE 8-1: WCL OPERATING EQUIPMENT

EQUIPMENT	FUNCTION
ADT Truck	Haul road rock on site and cover placement
Compactor	Compact waste
Dozers – 3	Push cover material and waste
Excavator	Handle trash materials and liquid solidification box
Loader	Off-loading and moving of dirt
Motor Grader	Maintains site roads, truck tipping areas and any drainage courses
Support Vehicles – 2	Transportation on site
Service Truck	General operations support
Trailer Tipper	Empty trash from trailers
Water Truck - 2	Dust Suppression and leachate distribution

8.2 SCALES

WCL is equipped with 80-foot electronic scales manufactured by Rice Lake Weighing Systems that weigh incoming and outgoing vehicles. The scales are checked and recalibrated, if required, quarterly. The State of Oregon, Department of Agriculture, Measurement Standards Division, annually inspects the scales.

8.3 FUEL STORAGE

Equipment is fueled from a 6,000-gallon capacity, double-walled, above-ground diesel tank that is located within the Phase IV lined footprint.

8.4 WATER STORAGE

WCL maintains a 4,000-gallon water truck and a 10,000-gallon capacity above-ground storage tank located near the Maintenance Building that are used for fire protection, dust suppression, establishment of vegetation, and other site operations requiring water.

8.5 RECYCLING

WCL has a designated recycling area proximate to the Office / Scale house for the public to dispose of single-stream recyclables (newsprint, cardboard, plastics, aluminum cans and glass) for off-site processing.

8.6 TRUCK WASHING

The landfill equipment is periodically washed using a pressure washer or fire hose on the active, lined portion of the landfill. Wash water is allowed to percolate into the landfill to the leachate collection system as leachate.

9 GENERAL OPERATIONS

9.1 SECURITY

The site is secured using locking steel gates, perimeter fencing, bar wire, natural topography, and monitoring of customers entering and leaving the active face and Office / Scale house to prevent unauthorized waste disposal, scavenging, and personal injury to unauthorized personnel. WCL's development and site layout have integrated the following considerations to ensure security at the site:

- Preventing unauthorized entry;
- Protecting the property;
- Controlling waste acceptance; and
- Preventing unacceptable waste disposal.

9.1.1 ACCESS CONTROL

Locking entrance gates off Steele Road provide control access to WCL, prevent unauthorized vehicle access, discourage illegal dumping of wastes, and scavenging. One gate leads directly to the scale house and scale (there is no bypass lane), a second gate provides access to the Maintenance Building, a third gate provides equipment access, and a fourth gate allows access to the Phase III area. The gates are kept locked when the site is closed. During operating hours, the gate attendant and all operations personnel are responsible for site security. In addition to the entrance gates, a combination of perimeter fencing and naturally steep terrain also prevent unauthorized access to the site.

All vehicles must stop at the Office / Scale house for instructions. Individuals delivering waste are processed by the Scale house Attendant. Customers are restricted to vehicle routes through the site entrance; across the scales; to the active working face on permanent and temporary site access roads; back to the scales on the same roads; and then exiting at the site entrance.

Visitors who are not delivering waste must sign in and out of the facility. Visitors to the site are accompanied by WCL personnel, or directed to specific areas of the facility. WCL personnel also ensure that visitors have the appropriate PPE, including hard hat, safety vest, and other equipment as necessary. During site inspections, WCL personnel accompany inspectors and auditors. Contractors are provided limited unescorted access to their specific work areas.

9.1.2 PROPERTY PROTECTION

Several measures are in place to ensure protection of the property:

- Secured premises controlled by entrance gates, boundary fencing and razor wire, and natural terrain;
- Continuous monitoring of the entrance to the facility and Office / Scale house;
- Closed and locked entrance gates, when the site is closed;

- Regular site maintenance to control fire and safety hazards; and
- Coordination with local police and fire departments.

Any unusual activities or occurrences are reported to the Landfill Supervisor, the Site Manager, and the District Manager depending on the circumstances, these individuals subsequently report to the Division Vice President. Matters involving the destruction of property and vandalism are reported to the Wasco County Sheriff. Other incidents are handled internally. Incidents involving personal injury, equipment damage, etc. require completion of accident reports.

9.1.3 WASTE ACCEPTANCE CRITERIA

Waste acceptance control at WCL includes the following:

- Fenced site and entrance gates;
- Confirmation of driver information, permits, and authorization;
- Pre-authorization of special wastes; and
- Recording vehicle identification, load weight, driver name, company name, and other information.

9.1.4 PREVENTION OF UNACCEPTABLE WASTE

In addition to measures included in **Section 9.1.3**, *Waste Acceptance Criteria*, WCL has waste screening protocols to exclude prohibited waste entering WCL. These protocols include the following:

- Education of, and communication with, waste generators and haulers;
- Pre-screening and approval of special wastes;
- Pre-inspection of wastes by the hauler or the transfer facility prior to delivery to WCL;
- Checking special waste authorization documents at the Office / Scale house;
- Observation of waste containers, trucks, and waste as loads are discharged and compacted into the landfill; and
- Coordination with DEQ to develop special waste criteria.

9.2 SIGNAGE

Signs posted at the entrance indicate:

- Name of the facility;
- Name of the operating authority;
- Hours of operation;
- Emergency phone number;

- SWDP number; and
- Authorized and prohibited wastes.

9.3 OPERATING HOURS AND DAYS

WCL is open for commercial traffic from 7:00 a.m. to 4:00 p.m., Monday to Friday. The public hours are 8:00 am to 3:00 pm Monday through Friday. WCL can, at its discretion, operate at other hours.

9.4 CUSTOMERS

WCL accepts wastes hauled to the site by private haulers and commercial contractors using truck or truck and trailer configurations.

9.5 ROADS

Access roads from the landfill property line to the active area and disposal area are graded and maintained to promote drainage and prevent unstable subgrade conditions. Access road drainage is directed to ditches and other conveyance structures that are maintained to accommodate stormwater flows. Track-out is controlled by grading the access road to the active operational area and by providing a gravel surface on the access roads. During the summer months, the roads are watered to control dust.

9.6 OPEN BURNING

Open burning of any material is prohibited at WCL (Subsection 6.3 of the SWDP). Furthermore, the landfill operating procedures are designed to minimize the potential for fire. If a hot load is inadvertently unloaded at the working face, or if a hot load is detected before unloading, the following procedures are applied:

1. Isolate the load, or excavate the materials burning in the landfill, and move it away from other combustible materials.
2. Extinguish the hot spots with water and/or mix with soil cover material.
3. If a hot load is observed before dumping, prepare an isolated area away from the active face with water and/or soil and unload the hot materials and attempt to suffocate the material.
4. Spread the hot materials in thin lifts.
5. Let the material stand overnight in a secured area and make a final check the next day for hot spots before placing into the landfill.
6. If a load contains burnt material, observe the material, set it aside, wet it down and/or cover with soil and monitor before disposing.

Fire protection for landfill equipment includes frequently inspecting vehicles and removing debris from undercarriages and engine compartments, repairing oil and fuel leaks, and providing portable fire extinguishers in the cab of each vehicle. The scale house is also equipped with fire extinguishers for fighting

small fires. A water truck is filled and on-site at all times to immediately extinguish any fire that may occur on the landfill.

10 WASTE ACCEPTANCE

10.1 OVERVIEW

WCL accepts waste at WCL in accordance with the SWDP as summarized in **Section 10.2 and Table 10-1**. Certain wastes, designated as "special wastes" by DEQ or WCL, require closer scrutiny, laboratory analyses, and special handling to ensure that such materials meet regulatory and WCL requirements for safe handling. The process is covered in the DEQ-approved SWMP, copy of which is incorporated into this Operations Plan in **Attachment A**.

10.2 PERMITTED WASTES

The Subsection 5.3 of the SWDP specifies the authorized wastes that may be accepted at WCL. However, not all of these wastes are automatically accepted for disposal; some require special approval, management, and disposal procedures under the DEQ-approved SWMP, a copy of which is in **Attachment A**.

TABLE 10-1: PERMITTED WASTES

PERMITTED WASTE	REGULATION OR REFERENCE
Domestic solid waste	OAR 340-093-0030(31) that includes residential, commercial and institutional wastes, as defined in ORS 459A.100.
Construction and demolition waste	OAR 340-093-0030(20).
Agricultural waste	OAR 340-093-0030(2).
Industrial solid waste	OAR 340-093-0030(44).
Asbestos-containing material (ACM)	Managed and disposed in accordance with Subsection 9.9 of the SWDP and the DEQ-approved SWMP (**Attachment A**).
Waste tires – removal/storage or disposal	Managed and disposed in accordance with Subsection 9.10 of the SWDP and the DEQ-approved SWMP (**Attachment A**).
Clean-up materials contaminated by hazardous substances (e.g., Petroleum Contaminated Soils [PCS])	Managed and disposed in accordance with OAR 340-093-0170 and the DEQ-approved SWMP (**Attachment A**).
Sewage sludge and septage	Managed and disposed in accordance with the DEQ-approved SWMP (**Attachment A**).
Polychlorinated biphenyls (PCB) containing waste	Exempt from Toxic Substances Control Act (TSCA) regulations; contains PCBs in concentrations statistically less than 50 parts per million (ppm); and is managed and disposed in accordance with the DEQ-approved SWMP (**Attachment A**).
Bovine spongiform encephalopathy (BSE) waste	Managed and disposed in accordance with the DEQ-approved SWMP (**Attachment A**).

TABLE 10-1: PERMITTED WASTES

PERMITTED WASTE	REGULATION OR REFERENCE
Empty, rigid pesticide containers	Decontaminated, verified, and altered per OAR 340-109-0020
Free liquid containing solid waste	Managed and solidified prior to disposal in accordance with the DEQ-approved SWMP (**Attachment A**).

Subsection 5.3 of the SWDP specifies the procedures for WCL to request DEQ authorization to accept other compatible wastes for disposal:

- Implementation of DEQ-approved SWMP; and
- Demonstration that the proposed waste is not a hazardous or prohibited waste, and does not represent a threat to human health or the waters of the state.

10.3 PROHIBITED WASTES

Subsection 6.1 of the SWDP lists the following prohibited wastes:

- Hazardous waste as defined in OAR 466.005 and OAR 340 Division 101 and CFR 258.20(b);
- Explosives; and·
- Radioactive material as defined in temporary provisions compiled as notes preceding ORS 459.376 entitled "Limitation on Disposal of Certain Radioactive Materials".

10.4 OUT-OF-STATE WASTE

WCL may accept out-of-state waste, if it meets the waste acceptance criteria. If WCL accepts out-of-state waste from local and regional governments, the State of Oregon under Oregon Revised Statutes (ORS) 459.055 requires local governments outside of Oregon (with WCL contracts exceeding 75,000 tons per year), to implement waste reduction and recycling programs if they transport waste to Oregon landfills. These programs must be at least as effective as Oregon programs in similar jurisdictions. The local governments must apply to and be accepted by the DEQ before wastes can be disposed of in Oregon.

10.5 INCOMING WASTE SCREENING

Drivers of incoming vehicles initially stop at the Office / Scale house where an attendant:

1. Records hauler identification, including vehicle or container identification numbers;
2. Collects information about waste origin and waste type.
3. Confirms permit for material disposal or contract authorizing acceptance. Drivers disposing of special waste provide the attendant with their pre-approved special waste permit obtained in accordance with the SWMP found in **Attachment A**, which specifies the material to be disposed and

the period that the waste profile is issued for. Any special waste handling information or disposal requirements will be clearly identified on the issued form and provided to the site operations personnel. In some circumstances, the scale attendant informs the equipment operators via radio of a delivery of special waste.

4. If practical, visually inspects all open or uncovered incoming loads for the presence of prohibited, regulated, or unacceptable wastes. If such wastes are found, these materials are rejected at the gate.
5. Enters appropriate information in computer system and initializes weighing system.
6. Weighs vehicle.
7. Authorizes and directs hauler, or holds truck for inspection by Site Supervisor.
8. Directs the hauler to the appropriate disposal area. Signage is placed along the access roads providing clear directions to specific locations. Customers may request information at the Office / Scale house for instruction on traffic direction and location of support facilities. Safety rules and requirements are also provided to ensure that customers are fully informed of possible hazards.

10.6 WORKFACE SCREENING

Haulers unload their waste in front of the working face or it is unloaded for them by the use of a tipper. After the vehicle reaches the appropriate active fill area, Equipment Operators observe each load for the presence of hazardous wastes, prohibited wastes, or non-permitted special wastes. If any unacceptable waste is observed, it is isolated for further direction from the Landfill Supervisor.

10.7 RANDOM LOAD CHECK INSPECTIONS

As part of WCL's waste screening procedures to exclude prohibited waste and manage acceptable wastes, a randomly selected waste loads is screened once a week. Employees who inspect loads are trained to identify hazardous wastes, special wastes, and prohibited wastes.

Random load check inspections include:

1. Emptying waste loads in a separate area on the working face.
2. Screening and inspecting the emptied waste, noting materials of concern.
3. Isolating suspected or identified unauthorized waste and contacting the Environmental Manager to further investigate.
4. **If hazardous waste is identified**, WCL is required to notify DEQ within 24-hours upon discovery of prohibited wastes. Notification will include digital photos of the waste to document its quantity, nature, identity, and source.
5. **For hazardous, or suspected hazardous waste**, WCL initiates characterizing and removing the waste within 24-hours of discovery or completing removal of the waste from site within 90 days, unless DEQ approves otherwise.

6. **For non-hazardous prohibited waste**, WCL begins isolating or removing the waste within 24-hours of discovery, and removes non-putrescible, non-hazardous prohibited waste for disposal, within 60-days. If the site is unable to remove the waste within 60 days, WCL must request approval from DEQ to store the waste on site.

10.8 LEACHATE AND CONDENSATE

Subsection 5.5 of the SWDP permits landfill leachate and landfill gas condensate removed from all on-site disposal units to be recirculated into lined portions of Phase IV, provided the recirculation design and operation:

- Enhances leachate / condensate evaporation in the waste mass; and
- Does not return appreciable amounts of leachate / condensate back to the leachate collection system.

The Leachate Management Plan is included as **Attachment B**.

10.9 SALVAGING AND RECYCLING

Subsection 5.6 of the SWDP authorizes salvaging and recycling in a controlled and orderly manner.

11 WASTE DISPOSAL PROCEDURES

11.1 FILL PROGRESSION AND PHASING

The landfill is developed incrementally by designing and constructing disposal cells, based on various criteria, to facilitate the efficient and controlled placement of waste. Each incremental cell development sequence will typically have a minimum of one year of capacity. A fill plan is developed for each cell based on slope stability and operational constraints, including the stage of filling of adjacent cells.

11.2 INITIAL LIFT PLACEMENT IN NEW CELLS

Special care is taken in new cells when placing the first 10 feet of waste above the operations layer to protect the underlying liner system from potential damage. The following should be observed:

1. Waste in the initial lift should be devoid of any materials that could penetrate or puncture the LCRS and/or liner (i.e., demolition material, lumber, re-bar or other rigid, linear or bulky materials).
2. Before a traffic path is established on the operations layer to haul waste in the initial waste lift, the operations layer thickness is increased by at least 2 to 3 feet along the traffic path.
3. Landfill equipment must not be operated directly on the operations layer above the liner system; a minimum of 10 feet of un-compacted refuse is placed above the operations layer before operating heavy point-load equipment, such as compactors or wheel loaders.
4. The sloped working face of the first lift is not compacted; moderate compaction is applied to only the top portion of the first lift.

11.3 WASTE PROCESSING AT THE WORKING FACE

Haulers unload their waste on a tipping pad near the working face or it is unloaded for them by the use of a tipper. The equipment operators observe the waste for unacceptable materials, and push acceptable waste to the working face to be spread and compacted.

11.4 COMPACTING WASTE

The systematic compaction of waste has several benefits, including:

- Reduces the volume of waste material and conserves airspace;
- Improves landfill stability by reducing total and differential waste settlement;
- Allows for easier and more economical cover placement;
- Improves litter control;
- Minimizes vector problems; and
- Creates a more aesthetic operation.

To achieve systematic compaction the equipment operators:

1. Separate large or bulky objects from refuse at the working face, placed in the upper portion of the advancing waste layer, and crushes the material to prevent bridging and voids that could result in localized subsidence.
2. Spread the waste in two to three-foot thick layers to attain a lift thickness of about 10 to 20 feet.
3. Make a minimum of four passes over spread waste to compact the material.
4. Advance the lift face across the cell area.
5. Grade final lift to design slopes.
6. Maintain maximum slope grade of 3 horizontal (H): 1 vertical (V).
7. Minimize active working face and exposed waste area.

11.5 PROHIBITIONS ON WASTE DISPOSAL

Subsection 6.2 of the SWDP prohibits disposal of the following:

- Source separated recyclable material except if it is unusable or not recyclable it may be landfilled. DEQ must agree to such disposal and pre-approve the identified sources of unusable source separated material prior to its disposal;
- Covered electronic devices as defined in ORS 459A.305 which consist of the following: computer monitors or televisions having a viewable area greater than four inches diagonally, and all desktop or portable computers;
- Liquid waste (wastes that do not pass the Paint Filter Liquids Test performed in accordance with EPA Method 90958) except for DEQ-authorized recirculation of landfill leachate/condensate collected and removed from on-site landfill disposal units;
- Discarded or abandoned motor vehicles;
- Discarded large home or industrial appliances such as refrigerators, washers, stoves, water heaters, space heaters or furnaces;
- Whole tires meeting the definition in OAR 340-064-0010(26);
- Lead-acid batteries;
- Used oil;
- Infectious waste as defined ORS 459.386(2), except if it has been properly sterilized or containerized (only applicable to "sharps"), and is managed and disposed as specified in a DEQ-approved SWMP in compliance with OAR 340-093-0190(1)(d); and
- Any other waste that is not authorized for disposal under Subsection 5 of the SWDP.

11.6 POST-DISPOSAL PROCEDURES

After unloading their vehicles or containers, haulers return to the Office / Scale house and the attendant:

- Re-weighs the vehicle and enters and stores appropriate information in computer system.
- Directs driver to exit the premises.

11.7 DAILY COVER AND ALTERNATIVE DAILY COVER

Waste is required to be covered either with a minimum of six-inches of soil or a DEQ-approved alternative daily cover (ADC) at the end of each day. The use of daily cover has the following benefits:

- Fire Control: reduces the potential for and movement of fires within the landfill.
- Vector Control: reduces available breeding sites for mosquitoes and discourages solid waste from attracting birds, rodents and wildlife.
- Odor Control: serves as an odor barrier or treatment for odors emanating from the waste.
- Litter Control: reduces blowing litter.

DEQ has approved the following ADC materials, to provide the same level of control as soil, for year-round use:

- Ash;
- Combined pulp and paper waste;
- Auto shredder residue (ASR);
- Stormwater catch basin sediments; and
- PCS.

DEQ conditionally-approved the use of ASR used as ADC as a in a letter dated December 11, 2008, as a follow-up to the *Landfill Risk Assessment Report* dated March 7, 2007. When ASR is used as ADC, ASR will be combined with 50 percent, by volume, of soil or other approved non-flammable ADC, to reduce the flammability of the material and suppress the spreading of any fire that may occur.

In accordance with Section 9.14 of the SWDP, ADC usage must be measured and documented.

11.8 INTERIM COVER

Interim cover, consisting of a one-foot minimum thick layer of clean soil, is placed over waste lifts that have either reached final design grades or will not be disturbed for an extended period of time (defined as greater than 120 days by Subsection 9.17 of the SWDP). The interim cover soils are graded and compacted to:

- Promote surface water run-off and reduce surface water infiltration;

- Control vectors, odors, and blowing litter; and
- Reduce the risk of landfill fires.

Vegetation is usually allowed, or encouraged to grow on top of the interim cover to stabilize the soil and protect against erosion. When the area is to be used again for waste disposal, the vegetation and, if practical, the soils are removed. Subsection 9.17 of the SWDP requires interim cover that will remain exposed for more than 2 years to be actively revegetated.

WCL uses the BMP of stormwater control to minimize erosion of interim cover areas and exposure of waste material (flagging), utilizing ditches, berms, pipes, and bale-lines to capture, channel, and divert sheet flows away from interim cover areas. Excessive flagging in interim cover areas indicates the need to apply additional cover material to maintain adequate cover thickness. Any run-off that comes in contact with waste is treated as leachate.

If the interim cover is placed in locations that have reached final grades, the soils will be selected to be compatible with the needs of the final cover system (e.g., stable foundation, drainage characteristics, etc).

11.9 RECYCLING

Site personnel will direct haulers to the recycling center, if recyclable materials are to be unloaded.

12 STORMWATER MANAGEMENT

The SWPCP, which is referenced as a stand-alone document to this Operations Plan, contains the detailed stormwater management procedures for WCL, including clean run-on (i.e., water from off-site drainage basins that drains onto the property), clean run-off (i.e., precipitation that runs off impermeable surfaces such as roadways, parking areas, landscaped areas, and covered portions of the landfill), conveyance systems, and detention basins.

Stormwater management has the following objectives:

- Prevent run-on stormwater from entering active portions of the landfill and coming into contact with waste;
- Ensure that run-off stormwater is separated from the waste and does not result in unnecessary leachate generation; and
- Maintain functionality of all the stormwater management facilities with little or no erosion.

To meet these objectives haul roads are graded to promote drainage and ditches and drainage structures are maintained to accommodate stormwater flows. To the extent possible stormwater is directed to ditches that drain to the detention pond in the Phase II area of the site. This detention pond has a capacity of 7.2 acre feet, and is constructed with a spillway and lined with an 18-inch thick layer of low-permeability soil. Other stormwater is routed to the north of the site to a second stormwater detention basin.

13 ENVIRONMENTAL MONITORING

13.1 OVERVIEW

Environmental monitoring is required at WCL in accordance with Sections 14.0 through 19.0 of WCL's renewed SWDP. A complete description of the environmental monitoring program is contained in the EMP (and appendices) and the SWPCP, which are referenced as stand-alone documents and components of this Operations Plan. Additionally, air emissions monitoring is conducted pursuant to the AOP.

Together the EMP, SWPCP and AOP cover the monitoring of:

- Groundwater;
- Leachate from the LCRSs;
- Liquid from the LSCSs;
- Liquid from the SDCSs;
- Landfill gas;
- MgCl;
- Stormwater; and
- Air emissions.

13.2 GROUNDWATER MONITORING SYSTEM

Groundwater monitoring is required by the SWDP in conformance with the requirements of 40 CFR 258, OAR 340-94-080 and OAR 340, Division 40, to identify a potential release from the landfill and to evaluate the effectiveness of any required corrective action program. The network consists of eight monitoring wells (MW-1 through MW-8) and one piezometer (P-1), which is used only to monitor groundwater levels.

13.3 SDCS

SDCSs have been installed below the liner systems in Phase III (Cell C) and Phase IV to capture and remove water generated at seeps at or near the design bottom elevation of the landfill. The SDCSs consist of a series of feeder trenches leading to a collection trench located below the flow lines of the LSCS troughs.

In Phase III, the collection trench extends to the southeast corner of Cell C and terminates in a sump. A 10 inch diameter HDPE solid wall riser pipe extends from the sump up the side slope, to its termination just beyond the Phase III C limits on the perimeter bench. The riser pipe houses a submersible pump system to remove water collected by the SDCS.

In Phase IV, collection sumps are present below the LSCS sumps and HDPE solid wall riser pipes extend from the sump up the side slope, to outside the Phase IV liner limits on the perimeter berm.

13.4 LCRS and LSCS

Leachate, produced when surface water comes into contact with waste and percolates through the landfill, is collected in Phases III and IV by primary LCRSs constructed above the primary liners. The LCRSs are designed to slope by gravity at a minimum of two percent slope to collection sumps. Additionally, in both Phases III and IV, LSCSs are located beneath the primary liners, below the LCRS trenches.

In Phase III, the LCRSs and LSCSs in Cells A, B and C drain to sumps that are connected to sloped riser pipes that terminate at the northeast corner of Cell B.

The LCRSs for Cells 1, 1A, 1B, 2, 2A, and 2B drain into a common sump in Cell 1 and the LSCSs for these cells drain into another common but separate sump located below the LCRS sump. Similarly, the LCRSs for Cells 3A through 3E drain into a common sump in Cell 3A and the LSCSs for these cells drain into another common but separate sump located below the LCRS sump. All the sumps were constructed with riser pipes that terminate outside the limits of liner on the perimeter berm.

Leachate is pumped from the LCRS sumps and re-circulated in the Phase IV areas as described in more detail in the Leachate Management Plan (**Attachment B**).

13.5 LANDFILL GAS MONITORING

The LFG monitoring network at WCL includes:

- A passive interceptor trench and five risers (Risers 1 through 5) located between the unlined Phase I area and Steele Road and equipped with passive rotating wind-activated spinning turbine vents to aid in the ventilation of the riser pipes;
- Six perimeter LFG probes (GP-2 to GP-6 and D-3). GP-3 and GP-4 are located adjacent to the north side of the Phase III area and the southwest corner of Cell 3C, respectively. The other LFG probes are located between the passive interceptor trench and Steele Road;
- Temporary gas probes (TPG-1 through TPG-4) in the Phase I area;
- A nested gas probe (GPC-1), consisting of four separate probes screened at different depth intervals, in the Phase I area;
- A series of passive LFG vents (LGV -1 though LGV-8) installed in the Phase I area; and
- Monitoring of the Office / Scale house and Maintenance Building.

13.6 MGCL

Anhydrous MgCl salt waste material was deposited into Phase IV (Cells 2 and 3B) from June 2007 to December 2007. Since the MgCl waste is buried and cannot be examined directly, the MgCl monitoring program is intended to monitor various indirect parameters that could indicate a chemical reaction that results in combustion of adjacent waste.

13.7 AIR EMISSIONS

Landfill operations are subject to air emissions monitoring and reporting under the AOP. There are five (5) emissions units subject to AOP air emissions requirements:

- LFG-01 – landfill;
- ENG-01 – tipper engine;
- UPR-01 – unpaved roads;
- LEA-01 – leachate; and
- PCS-01 – PCS.

14 LANDFILL STABILITY

14.1 SITE CHARACTERIZATION

WCL is situated on ancient landslide terrain. Past construction activities have reactivated portions of the ancient landslide. Based on subsurface geologic and geotechnical site characterization, the ancient landslides at WCL have been interpreted as a combination of translational and earth flow slides. The translational slides are located in the southern portion of the site beneath Phase I and III and a portion of the east side of Phase IV. The translational landslides transition into a series of smaller earth flow slides in the southern and central portions of Phase IV. The northern end of the site is a stable ridgeline which has not experienced landslide activity in the geologic past.

Ancient landslides typically have a discreet shear zone with soil at low residual strength due to extensive ground displacement. Relatively minor changes to the ground conditions can reactivate part, or the entire landslide. However, small remedial measures can result in dramatic improvement to the stability of the slide. Reactivated ancient slides usually move at a very slow, steady pace. This slow movement results from the fact that the shear zone soil is already at residual strength and cannot undergo "strain-softening" or weaken as it is sheared.

14.2 LANDFILL DEVELOPMENT

14.2.1 PHASE III

Construction of the Phase III area included excavating up to 50-feet on the south side and building a 25-foot high embankment on the north side. Shortly after excavation, 1- to 4-inch wide ground cracks were observed on the south slope extending to a distance of approximately 700 feet. As a result, cell construction was halted before liner placement.

The cell construction had reactivated portions of the ancient translational landslide and a portion of the ancient flow slide. To stabilize ground movements, the upper portion of the translational slide was removed by expanding Phase III to the south and the north embankment was relocated and reconstructed with an underground rock-filled key trench. Subsequent survey and monitoring has determined this area to be stable.

14.2.2 PHASE IV

The development of Phase IV is designed to utilize the stable ridgeline along the north side of Phase IV to provide long-term stabilization of the ancient landslide terrain to the south. A large embankment has been constructed in the northwest corner of Phase IV.

Phase IV Cells 1, 2, and 3 have been constructed in the north and northwestern portions of the property predominantly outside the mapped limits of the ancient landslide terrain. Future cells will abut the stable cells as landfill development proceeds sequentially uphill toward Phase I and Phase III.

14.3 MONITORING

Ground stability and landslide movement monitoring is required by the SWDP, to identify a potential movement of the ancient landslides and to evaluate the effectiveness of any required remedial program.

14.3.1 MONITORING NETWORK

The landslide movement monitoring network consists of inclinometers that have been installed along the north boundary of Phase III and the south side of Phase IV, on the slopes above Cells 1, 2, and 3.

The monitoring network consists of a series of inclinometers in the Phase III and Phase IV areas.

14.3.2 SAMPLING FREQUENCY

The inclinometers are monitored quarterly.

14.4 REPORTING

The results of each quarterly monitoring event are submitted in an annual report to DEQ. The report is prepared by an outside consultant and includes the following information:

- Data;
- Assessment of the data and the efficacy of the inclinometers to continue to effectively monitor landfill stability; and
- Recommendations, if applicable, to the monitoring program.

15 LANDFILL NUISANCE CONTROLS

15.1 FUGITIVE DUST CONTROL

Dust control prevents fugitive dust from becoming airborne and minimizes air emissions.

To minimize the potential for fugitive dust or other particulates originating from the site, dust control includes the BMPs in **Table 15-1.**

TABLE 15-1: DUST CONTROL BEST MANAGEMENT PRACTICES

DUST SOURCE	BEST MANAGEMENT PRACTICE
GENERAL	▪ Monitor weather reports to determine when particularly warm or windy weather may impact dust control at the facility. ▪ Apply water and/or a dust suppressant to disturbed soils. ▪ Prohibit open burning on site (Subsection 6.3 of SWDP).
WORKFACE OPERATIONS	▪ Apply water or leachate spray during waste placement operations and construction. ▪ Seeding and maintaining vegetation on unused portions of the landfill. ▪ Limit surface area exposed and need for cover material. ▪ Maintain small working face. ▪ Carefully plan for the location, sizing, and timing of placement of waste and cover materials.
STOCKPILES	▪ Inspect and monitor for dust. ▪ Ensure the stockpiles are properly placed, considering prevailing wind direction. ▪ Maintain vegetation on stockpiled soils.
ROADS	▪ Maintain on-site roads to prevent visible emissions through litter control, regular applications of water and/or a dust suppressant, placement of gravel, and establishing vegetation to control dust and mud. ▪ Use water truck to wash Steele Road, if necessary.
EQUIPMENT	▪ Maintaining equipment and limiting idle time to minimize exhaust emissions. ▪ Utilize a 4,000-gallon water truck and a 10,000-gallon capacity insulated storage tank located near the Maintenance Building.

15.2 LITTER CONTROL

Litter control prevents vector harborage, reduces the fire hazard, improves aesthetics, and controls adverse impacts to wildlife. WCL personnel control litter on and off site. Given that wind is the primary mechanism that causes litter at WCL, the site has primary and secondary litter fencing to contain litter on-site.

Litter control at the site includes the BMPs listed in **Table 15-2**.

TABLE 15-2: LITTER CONTROL BEST MANAGEMENT PRACTICES

DUST SOURCE	BEST MANAGEMENT PRACTICE
GENERAL	▪ Monitor weather reports to determine when particularly windy weather may impact litter control at the facility. ▪ Utilize semi-permanent fences based on general site operations. ▪ Pick-up litter that collects on the portable and permanent fences and around the site, the entrance road, and along Steele Road at least weekly. ▪ Employ temporary help, if necessary, to collect wind-blown litter that has left the site.
WORKFACE OPERATIONS	▪ Apply daily cover over the active working face. ▪ Maintain a small active working face. ▪ Sufficiently compact waste. ▪ Carefully plan for the location, sizing, and timing of placement of waste and cover materials. ▪ Use portable litter collection fences to contain litter within the active fill area, relocating fences, as needed. ▪ Employ portable fences that are designed to be moved with equipment based on waste placement and environmental conditions.
STOCKPILES	▪ Inspect and monitor for litter. ▪ Ensure the stockpiles are properly placed, considering prevailing wind direction.
ROADS	▪ Maintain on-site roads to prevent waste spillage from open top vehicles.

15.3 BIRD CONTROL

WCL is proximate to the Columbia River Gorge and fruit farms. Gulls and common ravens are the predominant bird species observed at WCL. Gulls follow the Columbia River up and down the Gorge, roosting on the river at night, and often diverting to the landfill after dawn to scavenge for food. Gull

presence is generally highest from mid-August to November, during the period not devoted to nesting. Ravens are resident year around.

Both species are wary and adaptable, and an effective bird control program generally needs to be both varied and unpredictable. All landfill staff should be familiar with the bird control goals and methods for the site.

WCL has been issued a kill permit and the use of firearms is recorded and placed in the Operating Record; daily records using the Bird Control Form account for gull numbers, harassment activities (methods used, number of shots fired, etc.), and responses of gulls to control activities. Completed forms are filed in the Operating Record. The records allow for continuous evaluation of the effectiveness of the various control methods as well as the overall success of the bird control program.

Bird control at the site includes the BMPs listed in **Table 15-3Error! Reference source not found.**

TABLE 15-3: BIRD CONTROL BEST MANAGEMENT PRACTICES

SOURCE	BEST MANAGEMENT PRACTICE
HABITAT ALTERATION	▪ Minimize the surface area of the active landfill face which will decrease the site's attractiveness to birds and facilitate the spatial concentration of active control efforts, making them easier to perform and more cost-effective. ▪ Apply thorough daily cover or ADC over the waste. ▪ Create an inhospitable environment for large birds by increasing vegetation around the site since they are attracted to large open areas that are devoid of vegetation. ▪ Maintain vegetation to a height of at least 10" as a deterrent ▪ Eliminate local surface water sources.
HARASSMENT METHODS	▪ Except during cherry season, ensure that each encounter with large birds is unpleasant – have them associate landfill staff with danger by using pyrotechnics like "bangers" or "screamers", firearms, or other methods. ▪ Project pyrotechnics into the middle of a flock. ▪ Deploy "bangers" or "screamers" with 22 caliber starter or blank pistols.

15.4 ODOR CONTROL

For odor control, WCL uses the following BMPs listed in **Table 15-4Error! Reference source not found.**.

TABLE 15-4: ODOR CONTROL BEST MANAGEMENT PRACTICES

ODOR SOURCE	BEST MANAGEMENT PRACTICE
LANDFILL	▪ Daily cover: required to prevent odor, scavenging, and litter. ▪ Select the type and quantity of cover material to control odors. For example, alkaline materials such as boiler ash, lime grits, and lime mud are effective at reducing hydrogen sulfide emissions. ▪ Evaluate the need to place cover material more than once per day. ▪ Provide good compaction of cover material to reduce chances of odor "breakouts". ▪ Evaluate the need to apply greater than 6 inches of cover material to allow increased soil oxidation and odor reduction. ▪ Repair cracks or enhance cover material, particularly in areas prone to high erosion. ▪ Evaluate the frequent use of interim cover, which can be effective for controlling odors.
WASTE STREAM – INCOMING WASTE	▪ Pre-screen MSW and special waste. ▪ Require certain wastes to be bagged. ▪ Inspect waste. ▪ Meet with customers or generators to identify issues and implement potential solutions at the point of generation.
WORKFACE OPERATIONS	▪ Evaluate active face size. ▪ Limit surface area exposed and need for cover material. ▪ Provide good compaction and proper grading to reduce infiltration of storm water into waste. ▪ Identify odorous wastes and notify operators at the working face. ▪ Immediately cover odorous waste. ▪ Carefully plan for the location, sizing, and timing of placement of waste and cover materials.
STOCKPILES	▪ Inspect and monitor for odors. ▪ Ensure the stockpiles are properly placed, considering prevailing wind direction.

15.5 VECTOR CONTROL

Good housekeeping practices, well-compacted wastes, and daily cover are the primary tools for vector control. **Table 15-5** shows the BMPs used at WCL for vector control.

TABLE 15-5: VECTOR CONTROL BEST MANAGEMENT PRACTICES

SOURCE	BEST MANAGEMENT PRACTICE
GENERAL	▪ Pick-up litter to deter vectors. ▪ Keep equipment, storage, and office trailer free of debris and food waste to prevent vectors from establishing residence in or near areas where employees and support personnel work and eat. ▪ Monthly vector control extermination.
WORKFACE OPERATIONS	▪ Control litter at the active face; ▪ Apply daily cover or ADC over the active working face to minimize bird foraging. ▪ Maintain a small active working face. ▪ Ensure good compaction of wastes and cover material to prevent vectors from emerging or burrowing into waste materials; ▪ Carefully plan for the location, sizing, and timing of placement of waste and cover materials.
ROADS	▪ Maintain on-site roads to prevent waste spillage from open top vehicles.

16 INSPECTION & MAINTENANCE

16.1 OVERVIEW

WCL conducts inspections to comply with policies, permits, and applicable local, state, and federal regulations. WCL employees and outside contractors perform routine maintenance activities to ensure equipment and WCL facilities function as designed. The Landfill Supervisor is responsible for keeping maintenance records, scheduling maintenance, and confirming that scheduled maintenance has been completed. Each equipment operator is trained to operate as well as inspect and perform maintenance on equipment.

The Landfill Supervisor or designee performs daily, weekly, and monthly site inspections that cover landfill operations, general housekeeping, safety, and environmental control systems. Observations, and the date and nature of all corrective actions are recorded on inspection forms. The completed inspection forms constitute the Inspection Log and are maintained on file at the site or at a secure off-site facility for at least five years. Environmental, safety, or compliance issues noted on self-inspections are addressed as soon as is practical, and the date of the corrective measure is noted on follow up reports.

16.2 LANDFILL

16.2.1 GENERAL

Preventative maintenance is performed to ensure that the landfill functions as designed for the life of the facility. Inspections are conducted to check for:

- Subsidence and erosion, structural integrity, and damage;
- Evidence of landfill gas migration;
- Evidence of leachate seeps;
- Condition of stormwater management systems, debris fences, surface drainage, vector control measures; and
- Condition of the LCRS, landfill gas system, and groundwater monitoring wells.

16.2.2 INTERIM COVER INSPECTION

WCL will inspect and document all interim cover areas to identify conditions requiring attention (excessive flagging, rutting, fissures, etc.). Any observed conditions will be corrected (and documented) in a timely manner to re-establish interim cover integrity.

16.3 SUPPORT FACILITIES

Support facilities inspected for general housekeeping, safety, and preventative maintenance include:

- Office / Scale house;

- Maintenance Building;
- Grounds;
- Entrance Gate and Fencing.

16.3.1 OFFICE / SCALE HOUSE

Maintenance of the Office / Scale house cleaning; janitorial work; light fixtures replacement; general appearance; and inspections of the fire extinguishers.

16.3.2 MAINTENANCE BUILDING

Maintenance of the Maintenance Building includes cleaning and janitorial work; removal of wastes from equipment; inspection of the fire extinguishers; repair bays; parts storage; and first aid station.

16.3.3 GROUNDS

Maintenance of the grounds includes litter removal, general landscaping, and general housekeeping.

16.3.4 ENTRANCE GATE AND FENCING

Maintenance of the entrance gate and fencing includes lubrication of moving parts, repair of broken wires and posts, upkeep of entrance signs, inspection of the lock and security equipment, and general vegetation control.

16.4 UTILITIES

Utility maintenance covers the:

- Electrical Distribution System, and
- Septic Tank.

16.4.1 ELECTRICAL DISTRIBUTION SYSTEM

Visual inspection and maintenance of the metering point transformers, disconnects, beakers, and connections associated with the power system and communication networks are conducted; the system is cleaned and contacts replaced.

16.4.2 SEPTIC TANK AND DRAIN FIELD

The septic tank for the Office / Scale house is inspected annually to determine if pumping is required. Connecting pipes are cleaned of blockages on an as needed basis. Contractors are hired to remove sewage for disposal. The drain field is inspected for surface seeps and settlement, which indicate that the system is not functioning and may require modification or replacement.

16.5 ANCILLARY OPERATIONS

Routine inspection and maintenance are performed on the ancillary operations:

- Mobile Equipment;
- Scales;
- Fuel Storage;
- Water Storage;
- Recycling Area; and
- Roads.

16.5.1 MOBILE EQUIPMENT

Mobile landfill equipment is periodically washed to facilitate inspection and maintenance. Maintenance schedules are derived from operating hours for all equipment. Equipment hours are logged daily in a computerized program, which automatically generates the applicable maintenance requirements for each piece of equipment (e.g., oil changes, belts, filters, new tires) for each piece of equipment.

16.5.2 SCALES

WCL's electronic scales, manufactured by Rice Lake Weighing Systems, and the associated data collection system, are observed daily with inspection and maintenance when needed. The scales are checked and calibrated, if required, quarterly by an outside contractor and are inspected annually by the State of Oregon, Department of Agriculture, Measurement Standards Division.

16.5.3 FUEL STORAGE

In accordance with the SPCCP, the fuel tank is inspected for leaks and other needed repairs. The valves, metering equipment, and piping are inspected for signs of leaks or loose connections, and are tightened or replaced, as necessary.

16.5.4 WATER STORAGE

The water storage tank and the water truck are inspected for leaks and signs of corrosion.

16.5.5 RECYCLING AREA

The condition of the recycling area is inspected.

16.5.6 ROADS

All major internal roads are constructed with gravel or similar material and maintained for all weather access. During dry periods, the roads are sprayed with water to control fugitive dust.

16.6 ENVIRONMENTAL NETWORK

Inspections and maintenance and repair activities are performed on the following environmental control systems:

- Groundwater Monitoring System;
- LCRS, LSCS, and SDCS;
- LFG Probes; and
- Stormwater Management System.

16.6.1 GROUNDWATER MONITORING SYSTEM

The groundwater monitoring wells and the MW-3 pumping equipment and storage tank will be inspected semi-annually by an outside contractor at each groundwater monitoring event.

16.6.2 LCRS, LSCS AND SDCS

The components of the LCRS, LSCS, and SDCS will be inspected quarterly as part of the regularly scheduled environmental monitoring activities or semi-annually by an outside contractor during groundwater monitoring, and after a severe weather event (i.e., 10-year storm event). In addition, the components will be observed at least weekly during normal landfill operations.

16.6.3 LFG PROBES

The components of the LFG monitoring system will be inspected semi-annually and after a severe weather event (i.e., 10-year storm event), for maintenance and repair, if required.

16.6.4 STORMWATER MANAGEMENT SYSTEM

The components of the stormwater system will be inspected monthly and after a severe weather event (i.e., 10-year storm event), maintained, and repaired.

16.7 DEQ INSPECTIONS

DEQ agency personnel may inspect WCL at any time, either announced or unannounced.

17 CONTINGENCY PLAN

The employees at WCL, include the Site Manager, Landfill Supervisor, Office Staff and equipment operators. Employee Emergency Plans and Fire Prevention Plans are required to be in writing. However, "*employers with 10 or fewer employees, the plan may be communicated orally to employees and the employer need not maintain a written plan*" in accordance with 29 CFR 1910.38(a)(5)(iii) and 29 CFR 1910 38(b)(4)(ii).

Health and safety is paramount to WCL. This Contingency Plan is intended to work in combination with the HASP and SPCCP, and brings together WCL-specific emergency procedures that have been developed and will be implemented if an emergency situation occurs at WCL.

This Contingency Plan is designed to:

- Address emergency procedures to be implemented to minimize hazards to human health and the environment from fire, explosions, or any unplanned sudden or gradual release of hazardous waste or hazardous waste constituents to the air, soil, or surface water (including storm sewers);
- Work in conjunction with all requisite site operating plans, including the HASP, and SPCCP; and
- Refer to each of the operating permits' (SWDP, NPDES, and AOP) notifications and reporting requirements.

17.1 GENERAL FACILITY IDENTIFICATION INFORMATION

17.1.1 FACILITY NAME, ADDRESS AND LOCATION

WCL is located approximately 0.9 miles north of the intersection of Wasco County Road 115 and Steele Road at:

Wasco County Landfill
2550 Steele Road
The Dalles, Oregon 97058

17.1.2 FACILITY LAYOUT

The SPCCP includes a figure of the facility layout.

17.1.3 WCL OWNER AND ADDRESS

Wasco County Landfill Inc.
2550 Steele Road
The Dalles, Oregon 97058

17.1.4 WCL Operator and Address

Wasco County Landfill, Inc.
2550 Steele Road
The Dalles, Oregon 97058

17.2 EMERGENCY COORDINATOR

The Emergency Coordinator is authorized to commit the necessary resources during an emergency. At all times, there must be at least one employee either on the facility premises or on call (i.e., available to reach the facility within a short period of time) with the responsibility for coordinating all emergency response measures.

The Emergency Coordinator is responsible for coordinating all emergency response measures and being thoroughly familiar with WCL's:

1. Contingency Plan, Operations Plan, HASP and SPCCP;
2. Operations and activities at the facility;
3. Location and characteristics of waste handled;
4. Location of all records necessary to assist and implement the Contingency Plan within the facility; and
5. Physical layout of the facility.

Additionally, the Emergency Coordinator is responsible for:

- Assessing possible direct and indirect hazards to human health and / or the environment that may result from a release, fire, or explosion;
- Notifying appropriate state or local agencies;
- Identifying the character, exact source, amount, and the real extent of any released material;
- Determining if the evacuation of local areas outside of the facility is required, and immediately notifying either the government official designated as the on-scene coordinator or the National Response Center (1.800.424.8802); and
- Ensuring that fires, explosions, and releases do not occur, recur, or spread to the facility.

The Site Manager, Nancy Mitchell, is the primary Emergency Coordinator. In the event she is unavailable, William Russell is the alternate Emergency Coordinator to be contacted. Their contact information is provided in **Table 17-1**.

TABLE 17-1: EMERGENCY COORDINATORS

POSITION	CONTACT	CELL PHONE
Site Manager	Nancy Mitchell	541.993.0089
Landfill Supervisor	William Russell	541.993.2371

17.3 EQUIPMENT

WCL is equipped with:

- Heavy equipment;
- Fire extinguishing equipment;
- Spill control equipment;
- Communications equipment; and
- First aid kits.

17.3.1 HEAVY EQUIPMENT

The following equipment can be used for fire suppression, transporting accident victims, constructing spill containment berms or trenches, or other required activities.

- Front-end loader;
- Road grader;
- Bulldozers;
- Water truck;
- Dump truck;
- Compactor;
- Excavator; and
- Pick-ups.

17.3.2 FIRE EXTINGUISHING EQUIPMENT

In addition to the heavy equipment listed above, the following fire extinguishing equipment is available at WCL:

- Fire extinguishers (10-lb and 20-lb) rated ABC to combat regular flammables (A), flammable liquids (B), and electronic devices (C) located in the Office / Scale house, Maintenance Building, and on each piece of heavy equipment and site vehicle;

- Water tank – 10,000-gallon capacity located between the Office / Scale house and the Maintenance Building; and
- Water truck – 4,000-gallon.

17.3.3 SPILL CONTROL EQUIPMENT

Spill control equipment is stored north of the Maintenance Building and includes:

- Absorbent booms;
- Granular absorbent;
- Empty drums;
- Brooms; and
- Shovels.

17.3.4 COMMUNICATIONS EQUIPMENT

WCL is equipped with various communication systems that are capable of interacting within the facility and between the facility and off-site emergency services.

- Emergency Alarm System

  The Office / Scale house is equipped with a fire alarm and an alarm system for unauthorized entry to the premises.

- Two-Way Radios and CBs

  Each piece of equipment is equipped with either a two-way radio or CB. There are two portable handheld CB radios in the office. The radios and CBs are transportable and provide the capability to transmit voice communications between remote and non-fixed locations onsite.

- Telephone

  The Office / Scale house is equipped with a standard, hard-wired telephone system.

- Cell Phones

  The Site Manager, Landfill Supervisor, and most site personnel are equipped with cell phones.

- Voice

  In many instances, direct (unaided) voice communication may be the most appropriate method of communicating immediate emergency instruction to facility personnel.

17.3.5 First Aid

The Office / Scale house, Maintenance Building, and vehicles have first aid kits. These are regularly maintained by an outside contractor. WCL's HASP, contains a list of the recommended contents of first aid kits.

17.4 EQUIPMENT OPERATION AND MAINTENANCE

Facility communication and alarm systems, fire protection equipment, and spill control equipment are inspected, tested and maintained, as appropriate, at regularly scheduled intervals. Additionally, WCL's health and safety program includes evaluating the success in implementing Health and Safety values and compliance with regulatory requirements. The two assessment tools that WCL employs are:

1. Facility Inspection Checklist, which is designed to aid in identifying regulatory-required conditions within WCL. The inspection is performed monthly.
2. HSP – Program Assessment Checklist, which is designed to evaluate program implementation and efficacy, is performed annually.

17.5 MITIGATION OF EQUIPMENT FAILURE AND POWER OUTAGES

An equipment failure or power outage is not expected to cause hazardous conditions at the facility.

- Primary and secondary containment systems are passive. Motors and power are not required in order to retain wastes within the disposal cells. If a pump, motor, or power supply fails, wastes will remain within the landfill.
- If the failure is isolated to a piece of equipment (e.g., pump, forklift, excavator, compactor), other units on site can be deployed while repairs are being made or a replacement unit obtained.
- In the event of power outages, portable emergency generators and a generator on the service truck are available to support power to site operations and to the Office / Scale house. Emergency generator power to the Office / Scale house facilitates the retention of telephone, computer and certain database capabilities.

17.6 PREVENTION OF EXCESSIVE PERSONNEL EXPOSURE

The excessive exposure of personnel to wastes is prevented through a combination of various engineering, administrative, and PPE controls.

17.6.1 Engineering Controls

The personnel assigned to the Office / Scale house are located separate from waste handling areas to prevent excessive exposure. In addition, the perimeter controls (fence, controlled gates, and natural terrain) keep people away from inadvertent contact with waste, and daily cover, or ADC material is placed on the wastes each day (**Section 11.6**) to prevent exposure to the waste stream.

17.6.2 ADMINISTRATIVE CONTROLS

WCL implements various administrative controls:

- Personnel are trained prior to starting work at the facility (New Employee Orientation) to familiarize them with potential hazards and inform them how to mitigate those hazards.
- Wastes are evaluated prior to being accepted at WCL in accordance with applicable regulations and Section 10, *Waste Acceptance Procedures*. These evaluations assure that wastes received can be appropriately handled and are consistent with shipping manifests. Waste acceptance procedures outlined in Section 10, *Waste Acceptance Procedures*, and in the SWMP (**Attachment A**), ensure that wastes are properly handled and managed.

17.6.3 PPE CONTROLS

In order to enter the active portion of the facility and to conduct certain on-site operations, personnel must wear and/or carry the appropriate PPE. PPE requirements vary according to the nature of the activity at hand and increase commensurate with the potential hazard encountered. The PPE requirements for each job description are outlined in the HASP, which is maintained at the Office / Scale house, and reviewed during safety meetings.

PPE at the site includes:

- Head Protection: Approved hard hats (ANSI Standard Z89)
- Protective Eyewear: Safety glasses with side shields, chemical splash goggles, or full face shields, as appropriate to the task (ANSI Standard Z87).
- Skin Protection: Puncture and chemically-resistant clothing and gloves, as appropriate to the task.
- Protective footwear: Boots (leather or rubber as appropriate to the task) should have toe protection and a puncture resistant sole of sufficient thickness and strength to protect the wearer from injury from sharp objects (ANSI Standard Z41).
- Reflective Clothing: Employees in high traffic areas will wear high visibility clothing (ANSI Standard 107-2004 Class 3).

17.7 PREVENTION OF UNDUE RELEASES TO ATMOSPHERE

The undue release of hazardous waste constituents to the atmosphere is prevented by implementing various engineering and administrative controls.

- Waste is not placed in landfills unless it meets applicable state or federal Land Disposal Restriction treatment standards which prescribe the maximum allowable levels of certain constituents in the waste. These controlled levels of constituents correlate to reduced likelihood and volume of releases to the atmosphere. In addition, the working face is kept to a manageable size and waste is covered daily (**Section 11.6**).

- The site is operated in accordance with the Clean Air Act, the AOP, and all applicable air quality rules and regulations.

17.8 WATER QUALITY PROTECTION

Since each of the waste handling areas on site has controls to manage run-on and run-off, to prevent surface water from contacting waste (**Section 12**).

Since WCL is located outside of the 100-year floodplain, flooding is not expected to impact the facility.

17.9 EMERGENCY CLASSIFICATION

Emergency events could result from operations errors, human errors, or natural disasters and could damage the site and neighboring environment by mechanisms such as fire, ground movement, chemical spill, and waste water leakage and could lead to personal illness and injuries.

The levels of emergency can be classified into:

1. Level 1 Incident
    - Limited impact or potential impact to lives and property.
    - No traffic regulation or evacuation necessary.
    - Can be controlled promptly with on-site resources.
    - Some examples are: equipment fires, fuel spills, hot loads or small fires, and material spills.
2. Level 2 Incident
    - Broader impact or potential impact on lives and property.
    - May require partial traffic regulation, possible evacuation, and external resources.
    - Some examples are: medical emergency, major landfill fire, structural fire, and vehicle fire.
3. Level 3 Incident
    - Large impact or potential impact off-site.
    - May require the evacuation of neighboring residents.
    - Will require external resources.
    - Some examples are: explosion, gas release, fuel storage tank fire, wild fire moving on site, wild fire moving off-site.

17.10 EMERGENCY RESPONSE PROCEDURES

Emergency response procedures will be implemented immediately when an emergency situation occurs at WCL, including fire, explosions, or any unplanned sudden or non-sudden release of waste or hazardous waste constituents to air, soil, or surface water, which threaten human health or the environment.

The most likely types of emergencies at WCL are injuries and illnesses, fires (due to equipment or burning refuse), and spills.

17.11 INJURY / ILLNESS PROCEDURES

Each person at WCL has received CPR and First Aid certification training. If, as a result of an event (e.g., fire or explosion, or other cause), an employee sustains an injury or becomes ill, WCL personnel are prepared to take the following steps as expeditiously as possible:

1. **Call the landfill manager, site supervisor, or call 911, depending on severity.**
2. **Call 911, if additional or immediate medical attention is required and follow procedures below in Section 17.12, Medical Emergencies.**
3. **Survey the scene for unsafe conditions, (i.e., fire, explosion potential, fumes, electrical lines).**
4. **Determine condition of injured, (breathing, pulse, consciousness, broken bones, burns, bleeding, cuts, bruises)**
5. **Provide first and/or CPR, as appropriate.**

17.12 MEDICAL EMERGENCIES

Call 911 or direct other personnel to call 911, to report an employee with serious injuries and/or illness, requiring additional or immediate medical attention. Provide the operator with the following information:

- **Name, location, and contact phone number**;
- **Type of emergency or injury** (e.g., head or spinal injury; broken bones; severe burns; excessive bleeding; chest pains, etc.);
- **Number of victims**;
- **Location of victims**;
- **Approximate age of victims**;
- **Time of occurrence**;
- **Description of how the injury was sustained**;
- **Circumstances for injury and/or illness**; and
- **Actions taken**.

17.13 FIRE MANAGEMENT PLAN

17.13.1 FIRE COMPONENTS

There are three components – which all must be present - to support combustion and fire:

- **Combustible Materials** – Combustible materials, especially those with low ignition thresholds (solvents, fuels, petroleum based products, etc.)
- **Heat** – Heat or energy is required to initiate combustion. Temperatures generated during aerobic and anaerobic decomposition within a landfill can reach as high as 160° F (70° C) which is well above the flashpoints for common materials such as acetone, propane, alcohols, gasoline, and diesel fuel.
- **Oxygen** – Oxygen or a chemical oxidizer is essential for combustion. Control a fire's air supply and you can smother a fire.

17.13.2 FIRE AND EXPLOSION RESPONSE PROCEDURES - GENERAL

IMPORTANT
▪ ONLY FIRES IN THE EARLY STAGE OF DEVELOPMENT WHICH CAN BE CONTROLLED WITH A FIRE EXTINGUISHER, SOIL, OR SMALL WATER HOSE SHOULD BE FOUGHT. ▪ IN ALL OTHER INSTANCES, CALL 911 AND EVACUATE THE AREA. ▪ MOVE ALL EQUIPMENT TO PREVENT INJURY AND EQUIPMENT DAMAGE. ▪ ENSURE ALL PEOPLE HAVE LEFT THE AREA.

In the event of an imminent or actual fire or explosion, the Emergency Coordinator will take the following steps as expeditiously as possible:

1. **DETERMINE IF ANY PEOPLE ARE INJURED**.
2. **PROVIDE FIRST AID, AS NEEDED**.
3. **DETERMINE THE CAUSE OF THE FIRE**.
4. **IF THE FIRE IS SMALL, ATTEMPT TO EXTINGUISH IT WITH A HAND-HELD EXTINGUISHER, SOIL, OR WATER TRUCK**, whichever is appropriate. For equipment fires, immediately turn off the engine and evacuate the vehicle.
5. **IF THE FIRE IS NOT CONTROLLED IMMEDIATELY, CALL 911** for emergency assistance. Be prepared to provide the following information:
   - Name, location, and contact phone number;
   - Type of emergency – FIRE;
   - Location of fire;

- Cause of fire, if known;
- Time of occurrence;
- Actions taken;
- Any injuries – number, kind; and
- Approximate age of injured.

6. **CONTINUE TO FIGHT FIRE, IF IT CAN BE DONE SAFELY** until the fire department arrives.
7. **IF THE FIRE CANNOT BE FOUGHT SAFELY, EVACUATE THE IMMEDIATE AREA OF THE FIRE**.
8. **ENSURE THAT THE SITE ENTRANCE AND ROADS ARE CLEAR FOR EMERGENCY VEHICLES** to get to the source of the fire.
9. **MEET THE FIRST RESPONDING VEHICLE**.
10. **DIRECT VEHICLE TO FIRE**.

17.13.3 HOT LOAD FIRE PROCEDURES

WCL is designed and operated to minimize the potential for fire and retard the spread of fire. A fire barrier or clear lane is maintained around the perimeter of the active landfill and the property boundary.

If a hot load is inadvertently unloaded at the working face, or if a hot load is detected before unloading, the following procedures should be implemented:

1. Isolate the load, or excavate the materials burning in the landfill, and move it away from other combustible materials.
2. Extinguish the hot spots with water and/or mix with soil cover material.
3. If a hot load is observed before dumping, prepare an isolated area away from the active face with water and/or soil and unload the hot materials and attempt to suffocate the material.
4. Spread the hot materials in thin lifts.
5. Let the material stand overnight in a secured area and make a final check the next day for hot spots before placing into the landfill.
6. If a load contains burnt material, observe the material, set it aside, wet it down and/or cover with soil and monitor before disposing.

17.13.4 LANDFILL FIRES

There are two types of landfill fires:

- Surface Fires - above ground

- Subsurface Fires - underground

17.13.4.1 Surface Fires

Surface fires usually occur on the landfill working face. The fire is easily discovered and extinguished by suffocation (ignition sources, heat, or oxygen) and/or removing the source of combustion. If ignored, the fire can grow large and become dangerous.

If the landfill ground is on fire:

1. Locate the source of fire.
2. Mix sand, soil, and water (if applicable) in layers to prevent re-incineration.
3. Form a fire line with all excavators, water tenders, and other heavy vehicles to prevent the expansion of fire.

17.13.4.2 Sub-surface Fires

****IMPORTANT – USE CAUTION**** **DO NOT WORK ALONE – USE SAFETY PRECAUTIONS AT ALL TIMES.**
Subsurface fire can: ▪ **Undermine areas of the landfill that could result in collapse of surface areas, and** ▪ **Create an extremely hazardous situation for personnel who could fall into an extremely hot pit.** **Areas that are suspect should be barricaded and safety precautions taken.** **Bulldozers and heavy equipment must be kept away from the region until it is deemed safe.**

Subsurface fires are hard to control, and if left unmanaged, can spread and be extremely difficult to extinguish. Combustible materials are not easily removed and temperatures cannot be easily changed. However, if the source of oxygen is eliminated or sufficiently restricted, subsurface fires can be extinguished. Passive air intrusion sources include cracks/fissures in the cover, inadequate cover material, and surface wind action.

If a subsurface fire is suspected:

1. Check local ground temperatures.
2. If temperatures are elevated, perform a soil temperature survey of the surface to determine the spatial distribution of the elevated temperatures with respect to background temperatures to help determine the intensity of the fire and potential depth.
3. Inspect the surface of the landfill in the vicinity of the suspected fire for fissures, cracks, erosion, or other areas where air (oxygen) may be readily entering the landfill.

4. Inspect the ground around the impacted area for signs of accelerated subsidence.

17.13.4.3 Preventing Underground Fires

Eliminate conditions which can lead to subsurface fires:

- Repair fissures and cracks in the cover to eliminate atmospheric intrusion; and
- Maintain the cover.

17.13.4.4 Suspected Shallow Underground Fires

If there is suspicion that a shallow subsurface fire exists, the following procedures should be followed:

1. Cautiously excavate the fire zone and completely remove all combustible materials.
2. Inspect the affected area to determine that temperatures within the excavation have returned to background levels.
3. Backfill the excavation with clean inert material and replace the cover material to its original integrity.
4. Continue to monitor soil surface temperatures to ensure that they have returned to normal background levels.

17.13.4.5 Suspected Deep Underground Fires

If there is suspicion that a deep subsurface fire exists, the following procedures should be followed:

1. Use precautionary measures mentioned earlier.
2. Eliminate all potential sources of atmospheric intrusion.
3. Fill-in any surface subsidence and restore landfill cover grading as required.
4. If the above fails, obtain DEQ approval for:
   - Injecting water into the fire zone to quench it.
   - Saturating the surface cover with water each day to maximize its seal and minimize air intrusion.

17.13.5 Equipment Fire Procedures

Fire protection for landfill equipment includes frequently inspecting vehicles and removing debris from undercarriages and engine compartments, repairing oil and fuel leaks, installing fire suppression systems on landfill equipment, and providing portable fire extinguishers in the cab of each vehicle. The Office / Scale house is also equipped with fire extinguishers for fighting small fires. A water truck is filled and on-site at all times to immediately extinguish any fire that may occur on the landfill.

If a vehicle catches fire, the following procedures should be implemented:

1. Bring the equipment to a safe stop.

2. Turn off the engine, fuel valves, and electrical switches.
3. Employ the equipment fire suppression system.
4. Remove fire extinguisher and exit the cab.
5. Discharge fire extinguisher on fire.
6. Use water truck to extinguish fire, if necessary.
7. Contact the Site Manager or Landfill Supervisor, report fire and location, and request assistance.
8. Move to a safe area.

17.14 STRUCTURE FIRE PROCEDURES

The Office / Scale house is equipped with smoke alarms, fire alarm, and fire extinguishers. Fire extinguishers should be used to extinguish small fires. Additionally, the water truck should be capable of extinguishing a larger fire. If a fire cannot be controlled by on-site personnel, call 911 for assistance, and evacuate the Office / Scale house and the area between the Office / Scale house and the entrance gate.

A fire in the Maintenance Building can be extinguished with fire extinguishers or the use of the water truck. If a fire cannot be controlled by on-site personnel, call 911 for assistance, and evacuate the Maintenance Building and surrounding area.

17.15 EXPLOSION PROCEDURES

IMPORTANT – USE CAUTION ONE EXPLOSION MAY LEAD TO ANOTHER EXPLOSION

Extreme care must be taken in the event of an explosion. If an explosion occurs, the following procedures should be implemented:

1. Determinethe safety of personnel and extent of any injuries.
2. Remove injured people from the immediate area.
3. Provide first aid.
4. Contact the Site Manager or Landfill Supervisor.
5. Determine and isolate the source of the explosion, any possible ignition sources, and the fire.
6. Utilize fire extinguishers or fire hoses to fight the fire in the incipient stage.
7. After a fire progresses past the incipient stage, evacuate personnel and move to a safe location.
8. **Call 911 and provide the following information:**
    - **Name, location, and contact phone number;**

- **Type of emergency – EXPLOSION;**
- **Location and extent of explosion;**
- **Cause or source of the explosion, if known;**
- **Time of occurrence;**
- **Actions taken;**
- **Any injuries – number, kind; and**
- **Approximate age of injured.**

17.16 SPILL RESPONSE PROCEDURES

There are few materials present at the site that could spill and result in serious human health or environment effects. If a spill occurs, reference the SPCCP for detailed instructions. In general, the following procedures should be implemented:

1. Take immediate action to minimize additional spillage.
2. Determine the magnitude and potential for increased danger to human health, the environment, or property.
3. Identify the substance, and condition of container.
4. Check for presence of smoke, vapors, or crystallization.
5. If personnel are involved, provide first aid.
6. Contact the Site Manager or Landfill Supervisor and provide the following information:
    - **Location of spill, including type of terrain and nearest water feature or drainage feature.**
    - **Size of spill.**
    - **Safety of personnel or injuries**
    - **Time of spill event.**
    - **Source of spill and estimated volume of the spill.**
    - **Weather conditions.**
    - **Other site personnel present.**
    - **Type of clean-up actions planned or in progress.**
7. If the release does not pose an immediate threat to human health, personnel are to take immediate action to minimize additional spillage.
    - Close valves, plug holes, upright container, or build a dike around its perimeter until additional help arrives.

- Simply clean-up the spill with absorbent materials and dispose of the materials.
- Attempt to contain the spill on site utilizing absorbent materials at the leading edge of the spill to prevent further advancement or constructing earth berms.

8. If the release cannot be controlled immediately, personnel are to:
    - Call 911 and provide the following information:
        1. **Name, location, and contact phone number;**
        2. **Type of emergency – SPILL;**
        3. **Location and extent of spill;**
        4. **Cause of spill, if known;**
        5. **Substance identity, if known;**
        6. **Time of occurrence;**
        7. **Actions taken;**
        8. **Any injuries – number, kind; and**
        9. **Approximate age of injured.**
    - Evacuate the immediate area and go to the Office / Scale house.
    - Provide first aid, if appropriate.
    - Ensure the entrance gate and roads are clear for emergency vehicles.
    - Meet the first responders and direct them to the location of the spill.

17.17 EVACUATION PROCEDURES

All WCL employees will meet at the Office / Scale house (which is the designated meeting point) prior to evacuation off-site. At the Office / Scale house, the Emergency Coordinator will account for all WCL employees and present the status of the emergency and follow-up with further evacuation instructions, if required. If the Office/Scale house is the source of the emergency the gathering point will be the entrance off of Steele Road.

17.18 POST-FIRE, EXPLOSION AND SPILL PROCEDURES

17.18.1 CLEAN-UP

When the emergency is over,

1. Begin clean-up of the affected area;
2. Return the response equipment to its proper area;
3. Block out or turn off all affected equipment; and

4. Restock response supplies.

17.18.2 Reporting

When the emergency is over, Site Manager or DM will:

1. Notify DEQ;
2. Remain the designated contact for communications with local or county emergency response agencies;
3. Complete internal reporting requirements; and
4. Complete a Spill/Release Report, a copy of which is provided at the end of this section, and submit to DEQ, USEPA, and the National Response Center within 60 days of the event.
   a. For USEPA, reportable spills are defined as:
      - If oil in a quantity greater than 42 gallons is released to the environment, two times in any 12-month period, and may result in a sheen on a surface water, or oily deposit beneath or on adjoining shorelines of a surface water body; or
      - If oil in a quantity greater than 1,000 gallons is released to the environment.

   a. For DEQ, reportable spills are defined as:
      - Oil spilled or discharged into waters of the state or in a location from which it is likely to escape into waters of the state in any quantity that would produce a visible film, sheen, oily slick, oily solids, or coat aquatic life, habitat or property with oil, or
      - Oil spilled on the surface of the land, and not likely to escape into waters of the state, in any quantity of oil over one barrel (42 gallons).

17.18.3 Plan Review and Assessment

1. Review the Contingency Plan, HASP, and SPCCP and associated training programs and assess their effectiveness.
2. Make amendments to the plans, as necessary.
3. Make recommendations about additional clean-up materials, equipment, or personnel.

17.19 ARRANGEMENTS

WCL has a coordinated emergency services strategy that has been arranged and agreed to with local police and fire departments, hospitals, and State, and local emergency response teams. **Table 17-2** lists the WCL Emergency Phone Numbers and **Table 17-3** lists the Off-Site Emergency Services' Phone Numbers for:

- Injury / Illness;
- Fire and Explosion;

- Spill; and
- Property Damage.

Table 17-2: WCL Phone Numbers

POSITION	CONTACT	OFFICE PHONE	CELL PHONE
District Manager	Kevin Green	541.296.4082	541.965.1339
Site Manager	Nancy Mitchell	541.296.4082	541.993.0089
Landfill Supervisor	William Russell	541.296.4082	541.993.2371
Regional Engineer	Wes Gavett	360.448.6961	360.921.0098
Environmental Manager	Steve Young	360.448.6962	360.607.4659

Table 17-3: Off-Site Emergency Services' Phone Numbers

INJURY / ILLNESS	CONTACT	PHONE
Hospital	Mid-Columbia Medical Center	541.296.1111
Doctor	Dr. Peter A. Peruzzo	541-296-9151
Ambulance	City of The Dalles	911
FIRE / EXPLOSION	**CONTACT**	**PHONE**
Fire Department	Mid-Columbia Fire and Rescue	911
Police Department	City of The Dalles	911
Sheriff	Wasco County	911
SPILL	**CONTACT**	**PHONE**
Sheriff	Wasco County	Emergency: 911 Non-Emergency: 541.296.5454
Health Department	Wasco County	541-506-2600
DEQ	Eastern Region	541.298.7255
USEPA	Region 10	800.424.4372
National Response Center	*Reportable Quantities Only*	800.424.8802
PROPERTY DAMAGE	**CONTACT**	**PHONE**
Sheriff	Wasco County	541.296.5454

17.20 ALTERNATE LANDFILL DISPOSAL

If WCL needs to be temporarily closed (e.g. inclement weather, road conditions, contingencies outlined in this section, etc.) waste (subject to any special waste provisions) may be taken to Finley Buttes Regional Landfill in Boardman, Oregon, for disposal.

SPILL/RELEASE REPORT

1 - GENERAL INFORMATION

OERS No. ____________

a. Company/Individual Name: _________________________________

b. Address: ____

____

c. Company Contact Person: ____________________________________

d. Phone Number(s): ____

e. Specific on-site location of the release (and address if different from above):

____

____

____

Please provide a map of the site showing area(s) where the release occurred, any sample collection locations, location of roads/ditches/surface water bodies, etc.

2 - RELEASE INFORMATION

a. Date/Time Release started:___________________ Date/Time stopped:__________________

b. Release was reported to (specify Date/Time/Name of Person contacted where applicable):

ODEQ ____

OERS ____

NRC ____

Other (describe):____

c. Person(s) reporting release:____

d. Name, quantity and physical state (gas, liquid, solid or semi-solid) of material(s) released:

____

____

Please attach copies of material safety data sheets (MSDS) for released material(s).

e. The release affected: ____Air ____Groundwater ____Surface Water ____Soil ____Sediment

f. Name and distance to nearest surface water body(s), even if unaffected (include locations of creeks, streams, rivers and ditches that discharge to surface water on maps):

____

Has the release reached the surface water identified above?: ____Yes ____No

Could the release potentially reach the surface water identified above? ____Yes ____No

Explain:____

____

g. Depth to nearest aquifer/groundwater:______________

Is nearest aquifer/groundwater potable (drinkable)? ____Yes ____No

Has the release reached the nearest aquifer/groundwater? ____Yes ____No

Explain:____

____

h. Release or potential release to the air occurred? ____Yes ____No
Explain:____

____

i. Was there a threat to public safety? ____Yes ____No
j. Is there potential for future releases? ____Yes ____No
Explain:____

____

k. Describe other effects/impacts from release (emergency evacuation, fish kills, etc.):

____
____
____

l. Describe how the release occurred. Include details such as the release source, cause, contributing weather factors, activities occurring prior to or during the release, dates and times of various activities, first responders involved in containment activities, etc.:

____
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3 - SITE INFORMATION

a. Adjacent land uses include (check all that apply and depict on site maps):
____Residential ____Commercial ____Light Industrial ____Heavy Industrial
____Agricultural ____Other (describe):____

b. What is the population density surrounding the site:________________

c. Is the site and/or release area secured by fencing or other means? ____Yes ____No

d. Soil types (check all that apply): ____alluvial ____ bedrock ____ clay ____sandy
____silt ____ silty loam ____artificial surface (cement/asphalt/etc.)

e. Describe site topography:____

____
____

4 - CLEANUP INFORMATION

a. Was site cleanup performed? ____Yes ____No
   If No, explain:____
   ____

b. Who performed the site cleanup?
   Company Name:______________________________
   Address: ______________________________________
   ____
   Cleanup Supervisor:___________________________
   Phone Number(s): ______________________________

c. Has all contamination been removed from the site? ____Yes ____No
   If No, explain:____
   ____

d. Estimated volume of contaminated soil removed:_______________

e. Estimated volume of contaminated soil left in place:_______________

f. Was a hazardous waste determination made for cleanup materials? ____Yes ____No

g. Based on the determination, are the cleanup materials hazardous wastes?
   ____Yes ____No If Yes, list all waste codes:____________________________________

h. Was contaminated soil or water disposed of at an off-site location? ____Yes ____No
   If yes, attach copies of receipts/manifests/etc., and provide the following information:
   Facility Name: _________________________________
   Address: _______________________________________
   ____
   Facility Contact: __________________________________
   Phone Number(s): _______________________________

i. Is contaminated soil or water being stored and/or treated on-site? ____Yes ____No
   If yes, please describe the material(s), storage and/or treatment area, and methods utilized (attach additional sheets if necessary):
   ____
   ____
   ____
   ____

j. Describe cleanup activities including what actions were taken, dates and times actions were initiated and completed, volumes of contaminated materials that were removed, etc. (attach additional sheets or contractor reports if necessary or more convenient):
   ____
   ____
   ____
   ____
   ____

5 - SAMPLING INFORMATION

Attach copies of all sample data and indicate locations of sample collection on maps.

a. Were samples of contaminated soil collected? ____Yes ____No ____N/A
b. Were samples of contaminated water collected? ____Yes ____No ____N/A
c. Were samples collected to show that all contamination had been removed?
____Yes ____No ____N/A
d. Describe sampling activities, results and discuss rationale for sampling methods:

____
____
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6 - SPILL REPORT CHECKLIST

To ensure that you have gathered all the information requested by the Department in this Spill/Release Report, please complete the following checklist:

____ Map(s) of the site showing buildings, roads, surface water bodies, ditches, waterways, point of the release, extent of contamination, areas of excavation and sample collection locations attached.

____ Material Safety Data Sheet (MSDS) for released material(s) attached. **Note: an MSDS is not required for motor fuels.**

____ Sampling data/analytical results attached.

____ Receipts/manifests (if any) for disposal of cleanup materials attached.

____ Contractor reports (if any) attached.

If you would like to submit your report by e-mail it can be submitted electronically to: DOSPILLS@deq.state.or.us

18 LANDFILL CLOSURE & POST-CLOSURE

18.1 OVERVIEW

The landfill is designed to be developed and closed in phases. As new cells are constructed and prepared to receive future waste, active areas are being filled to final design grades. This incremental phased closure process will be repeated many times during the operational life of the landfill, since it minimizes cost to the operation and assures orderly and controlled closure of the site. Closure involves placement of cover materials, drainage system components, and vegetation to control erosion and return the land surface to a viable long-term condition compatible with the surrounding area.

Final closure will occur when the facility ceases to receive waste and conduct daily landfill operations. Final closure also triggers the start of the 30-year post-closure period, which begins after final facility closure, not after each incremental stage of closure. During the post-closure period WCL is responsible for inspection, maintenance, and environmental monitoring, and for ensuring that the closure systems continue to function as designed.

Final closure and post-closure details are presented in the Site Development Plan. Financial assurance outlines the financial requirements necessary to complete the closure and post-closure work.

18.2 CLOSED AREA INSPECTIONS

The condition of the landfill cover such as dead vegetation, holes, burrows, unusual settlement, erosion, and landfill odors should be noted in conjunction with routine environmental monitoring activities.

Table 17-1 provides a synopsis of the inspection activities and frequencies of the closed areas.

TABLE 17-1: CLOSED AREA INSPECTION ACTIVITIES AND FREQUENCIES

ITEM	FREQUENCY	SUMMARY DESCRIPTION OF INSPECTION
Final Cover System	Quarterly and After 10-year Storm Event	Erosion, subsidence, uplift due to gas bubbles and burrowing animals; distressed vegetation; bare patches; and grass composition.
Stormwater Control System	Quarterly and After 10-year Storm Event	Erosion of berms or channels; erosion of swale lining; blockage or subsidence of swales, over side swales and drains or culverts; blockage.
Perimeter Access Roads and Final Cover Access Road	Quarterly and After 10-year Storm Event	Condition of road surface; condition of road shoulder; subsidence; all weather access.

19 SWDP REPORTING AND RECORD-KEEPING

19.1 OVERVIEW

WCL is required to maintain regulatory reporting and record keeping requirements under 40 CFR 259.29.

19.2 OPERATING RECORD

The Operating Record, which is available for inspection at WCL by DEQ upon request at all reasonable times, contains, at the following information:

- **Current Permits**: Copies of current permits and permit applications.
- **Permit Notifications / Deviations**.
- **Inspection Records.**
- **Design Records:** Designs of the facility, including various environmental control systems, cells, accessory facilities and permit modifications.
- **Regulatory Communications:** Copies of written communications with DEQ and other regulatory agencies.
- **Wastes:** Quantities and types of MSW, special waste, DW, for the landfill and recycling area.
- **Financial Assurance:** Cost estimates for both closure and post-closure conditions.

19.3 PERMIT DEVIATIONS & NOTIFICATIONS

WCL is required to notify DEQ of any deviations, or non-compliance to the SWDP, including changes to operations, environmental control system failures, repairs or replacements, environmental monitoring exceedances, and updates to operating plans.

In accordance with Subsection 8.1 violations WCL must promptly notify DEQ's Columbia Gorge Office at (541) 298-7255.

19.3.1 OWNERSHIP OR OPERATOR CHANGE

WCL is required to notify at least 10–days in advance, any change in the ownership of, or management at, WCL, as required by Subsections 4.6 and 20 of the SWDP.

Due date: at least 10-days prior to change.

19.3.2 DISCOVERY OF PROHIBITED WASTE

In accordance with Subsection 9.5 of the SWDP, WCL is required to notify DEQ within 24-hours upon discovery of prohibited wastes. Notification will include digital photos of the waste to document its quantity, nature, identity, and source.

For waste that is hazardous or suspected to be hazardous, WCL is required to initiate characterization and removal of the waste within 24-hours of discovery, and is required to remove the waste from site within 90 days, unless DEQ approves otherwise.

For non-hazardous prohibited waste, WCL is required to begin isolating or removing the waste within 24-hours of discovery. Removal and disposal of non-putrescible, non-hazardous prohibited waste is required within 60 days of discovery. If the site is unable to remove the waste within 60 days, WCL must request approval from DEQ to store the waste on site.

Due date: Initially – within 24-hours of discovery.

19.3.3 AGRICULTURAL QUARANTINE AREA WASTE

Subsection 9.6 of the SWDP requires WCL to notify the Wasco County Fruit and Produce League in advance of bidding on a contract to accept waste from an agricultural quarantine area that could be incompatible with the local agricultural community, or for an existing contract, where the area becomes designated as an agricultural quarantine area from which the waste is generated. The notification must describe how acceptance and management of such waste will be protective of the local agricultural community.

19.3.4 SPILLS

In accordance with Subsection 9.7 of the SWDP, any oil or hazardous material spill requiring emergency actions to protect human health and the environment shall be immediately reported to the Oregon Emergency Response System (OERS) at 1.800.452.0311.

Due date: Immediately.

19.3.5 DESIGN AND CONSTRUCTION APPROVAL

WCL is required to submit designs, design specifications, and CQA manuals for construction of new landfill disposal units, ancillary facilities or the closure of existing landfill units to DEQ for its approval at least six (6) months prior to the commencement of construction in accordance with Subsections 10.4, 10.5 and 10.6 of the SWDP.

Due date: At least 6 months prior to commencing construction. Construction must begin within 18 months of DEQ's approval unless otherwise approved.

19.3.6 CONSTRUCTION SCHEDULE

Under Subsection 10.7 of the SWDP, WCL is required to submit a schedule for the planned construction of new landfill disposal units, ancillary facilities, or any environmental control system to facilitate DEQ's inspection and oversight during construction.

19.3.7 CONSTRUCTION CERTIFICATION REPORT

WCL is required under Subsection 10.8 of the SWDP, to submit a Construction Certification Report from a licensed engineer who supervised the construction, certifying that the new landfill module was constructed in accordance with the SWDP and the DEQ-approved design specifications and construction quality assurance plans within ninety (90) days of completing construction. Contents for the Construction Certification Report are found in Subsection 10.9 of the SWDP.

Due date: Within 90 days of completing construction.

19.3.8 CONSTRUCTION CERTIFICATION PRIOR TO WASTE PLACEMENT IN NEW CELL

Subsection 10.10 of the SWDP stipulates that WCL shall not dispose of any waste into the new module until DEQ has approved of the Construction Certification Report. If DEQ does not respond within thirty (30) days of receiving the Construction Certification Report, WCL may place waste in the unit.

19.4 OPERATING PLANS

There are five operating plans to support regulatory and operational compliance under the SWDP at WCL:

- Operations Plan;
- Operations and Maintenance Manual;
- Environmental Monitoring Plan; and
- Closure and Post-Closure Plan; and
- Financial Assurance Plan.

19.5 ENVIRONMENTAL MONITORING NOTIFICATIONS & REPORTS

All the environmental monitoring, sampling, notification and reporting requirements under the SWDP are contained in the EMP in compliance with Subsections 14.0, 15.0, 16.0, 17.0, and 18.0 of the SWDP.

19.6 ENVIRONMENTAL MONITORING NETWORK NOTIFICATIONS & REPORTS

19.6.1 MONITORING EQUIPMENT DAMAGE NOTIFICATION

When any environmental monitoring equipment, station, or device is discovered damaged, WCL is required under Subsection 19.2 of the SWDP to submit a report to DEQ describing the damage, the proposed repair or replacement, and the schedule to complete this work within 14 days of discovering the damage. The proposed repair or replacement, if applicable, shall also be in conformance with Subsections 19.3, 19.4 and 19.5 of the SWDP.

Due date: Within 14 days of discovering the damage to monitoring equipment.

19.6.2 MONITORING EQUIPMENT INSTALLATION OR REPAIR REPORT

WCL is required to document the installation or repair of any monitoring well, LFG probe, or inclinometer, in a report that includes logs, location information, and construction or repair information and is prepared by a certified Geologist or Engineering Geologist with current Oregon registration within 30 days of the installation or repair to conform to Subsection 19.4 of the SWDP. This report shall also be included in the Annual Environmental Monitoring Report.

Due date: Within 30 days of the installation or repair.

19.6.3 MONITORING EQUIPMENT DECOMMISSIONING OR REPLACEMENT REPORT

Prior to decommissioning or replacing any monitoring well, LFG probe, or inclinometer, WCL is required under Subsection 19.5 of the SWDP to submit a written recommendation to DEQ.

19.7 REPORTS

19.7.1 QUARTERLY AND ANNUAL SOLID WASTE DISPOSAL REPORT / FEE CALCULATION REPORT

In accordance with Subsection 8.4 Steps 3, and 5of the SWDP, submit quarterly tonnage reports by waste stream and categorized as either in-state or out-of-state wastes.

Due date: Last day of the month following end of the calendar quarter.

19.7.2 QUARTERLY RECOVERED MATERIAL / MATERIAL RECYCLING RECORDING

In accordance with Subsection 8.4 Step 4 of the SWDP WCL is required to record the amount, if any, of material recovered for recycling or other beneficial purpose, on a quarterly basis.

19.7.3 ANNUAL REPORT TO WATERSHED REPRESENTATIVE

In accordance with Subsection 8.4 Step 6 of the SWDP, submit an annual report to the Watershed Representative on a DEQ-approved form the quantities of materials covered by Sections 19.7.1 and 19.7.2.

Due date: January 25 of each year.

19.7.4 SUBMITTAL ADDRESS

All reports submitted to the DEQ should be sent to the following address:

Oregon Department of Environmental Quality
Materials Management Program
811 SW Sixth Avenue
Portland, Oregon 97204
(503) 229-5409

19.8 DOCUMENT RETENTION

Under Subsection 8.4 Step 7 of the SWDP, WCL is required to retain records and reports ten (10) years from the date of origin of the notice; sample; measurement; report; or application.

20 OTHER REPORTING

20.1 SPILL / RELEASE REPORT

A Spill/Release Report, a copy of which is provided at the end **Section 17, *Contingency Plan***, is required to be completed and submitted to DEQ, and Region 10 of the USEPA as directed. The thresholds and requirements are listed below.

1. For USEPA, reportable spills are defined as:
   - If oil in a quantity greater than 42 gallons is released to the environment, two times in any 12-month period, and may result in a sheen on a surface water, or oily deposit beneath or on adjoining shorelines of a surface water body, or
   - If oil in a quantity greater than 1,000 gallons is released to the environment.
2. For DEQ, reportable spills are defined as:
   - Oil spilled or discharged into waters of the state or in a location from which it is likely to escape into waters of the state in any quantity that would produce a visible film, sheen, oily slick, oily solids, or coat aquatic life, habitat or property with oil, OR
   - Oil spilled on the surface of the land, and not likely to escape into waters of the state, in any quantity of oil over one barrel (42 gallons).

20.2 ANNUAL HAZARDOUS WASTE REPORT

All hazardous waste generators are required to submit an annual report to DEQ – Land Quality. The report is due March 1st of every year and provides information on activities of the previous calendar year. In late December, a letter is mailed to remind generators of this reporting requirement.

WCL is not a hazardous waste generator, however it has an EPA identification number in the event hazardous waste is discovered and requires manifesting for off-site disposal at a Treatment, Storage, and Disposal Facility. WCL is classified as a Registered Conditionally Exempt Generator (CEG) and receives a letter in January every year that states that WCL is not required to submit an annual report unless there has been a change in its generator status or site information. Changes from CEG status should be reported by April 1st of every year.

All registered generators can use HazWaste.net throughout the year to report business closures, to update site contact information, or to report a change in generator status.

For additional information or assistance, contact the Annual Report Hotline in Portland at 503-229-6938 or toll-free in the State of Oregon at 800-452-4011, x6938 or e-mail questions to hazwaste@deq.state.or.us.

20.3 SARA TITLE III 304 EMERGENCY RELEASE REPORTING

The Emergency Planning and Community Right-to-Know Act (EPCRA) requires facilities to provide an emergency notification and a written follow-up report if there is a release into the environment of a hazardous substance that is equal to, or exceeds the minimum reportable quantity set in the regulations.

This notification and written follow-up report must be provided to the Local Emergency Planning Committee(s) (LEPC) and the State Emergency Response Commission (SERC), for any area likely to be affected by the release. Requirements for notification of the LEPC and SERC can be made simultaneously by calling:

OERS: Toll Free 800.452.0311 or 503.378.6377.

20.4 HAZARDOUS SUBSTANCE INFORMATION SURVEY

The Oregon Community Right-to-Know and Protection Act authorizes the Office of State Fire Marshal's Community Right to Know Unit to administer an annual Hazardous Substance Information Survey (HSIS) of Oregon businesses and government agencies. The HSIS is sent to facilities that have reportable quantities of hazardous substances and to facilities that operate under North American Industrial Classification System codes that have been determined to likely store, possess, use, generate, manufacture or dispose of hazardous substances.

All substances that have a MSDS as required by Oregon Occupational Safety and Health Division must be reported if the maximum amount on site at any time meets or exceeds the reportable quantity. WCL is required to identify and report reportable quantities of hazardous substances by name, storage location, and maximum amount maintained on site. Within 30 days, WCL is required to report any substantive changes in the hazardous substances maintained and stored at WCL.

The information is forwarded to LEPC, SERC, emergency responders, and emergency planners to assist them with hazardous materials pre-emergency planning and response.

For additional information:

Hazardous Substance Information Hotline
503.378.6835 or Toll Free 800.454.6125: M – F: 8:00 AM – 12:00 PM and 1:00 – 5:00 PM
TDD 503.390.4661

Office of State Fire Marshal
Incident Reporting Program
4760 Portland Rd NE
Salem, OR 97305-1760
FAX 503.3731825

Due Date: 60 days from the date the OSFM sends the survey.

ATTACHMENT A

SPECIAL WASTE MANAGEMENT PLAN

SPECIAL WASTE MANAGEMENT PLAN

WASCO COUNTY LANDFILL

THE DALLES, OREGON

OCTOBER 2015

PREPARED FOR:

WASCO COUNTY LANDFILL, INC.

2550 STEELE ROAD
THE DALLES, OR 97058

UPDATED BY:

VISTA CONSULTANTS, LLC

489 N. 8TH STREET, SUITE 201
HOOD RIVER, OREGON 97031

REVISION SCHEDULE

This Special Waste Management Plan for Wasco County Landfill (WCL) will be revised and updated to address changes in special waste handling and disposal criteria and modifications if different special waste streams are proposed for disposal. The SWMP represents a component of the Operations Plan, but is also intended to be a stand-alone document that can be independently updated and submitted to the Oregon Department of Environmental Quality (DEQ) for review and approval.

Changes or revisions to the SWMP should be made by an authorized representative of WCL and documented below. The signature of this representative attests that the revision information to the SWMP is true and accurate.

REVISION NUMBER	DATE	AUTHOR	REASON
0	7/20/09	WCL	Solid waste permit renewal.
1	7/16/13	WCL	Waste handling procedure update.
2	11/21/13	WCL	Added radioactive material language.
3	10/1/2015	Vista Consultants	SWMP Updated
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5			
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ACRONYMS AND ABBREVIATIONS

ADC	Alternate Daily Cover
ASR	Auto Shredder Residue
BSE	Bovine Spongiform Encephalopathy
CFR	Code of Federal Regulations
OAR	Oregon Administrative Rules
C&D	Construction and Demolition (Debris)
DEQ	Oregon Department of Environmental Quality
MgCl	Magnesium Chloride
MSW	Municipal Solid Waste
ORS	Oregon Revised Statutes
PCB	Polychlorinated biphenyls
PCS	Petroleum contaminated soil
RCRA	Resource Conservation and Recovery Act
SSW	Select Special Waste
SSWDA	Select Special Waste Disposal Area
SWA	Special Waste Acceptance
SWDP	Solid Waste Disposal Permit
SWMP	Special Waste Management Plan
TCLP	Toxicity Characteristic Leaching Procedure
TSCA	Toxic Substance Control Act
VISTA	Vista Consultants, LLC
WCL	Wasco County Landfill

1 INTRODUCTION

1.1 OVERVIEW

Vista Consultants, LLC (VISTA) has updated this Special Waste Management Plan as a component of the Operations Plan for Wasco County Landfill (WCL) to comply with Subsections 7.1 and 7.2 of WCL's **Solid Waste Disposal Site Permit No.53** (SWDP), which was issued by the Oregon Department of Environmental Quality (DEQ) on December 11, 2014.

The purposes of this SWMP are to: (i) educate landfill personnel on special wastes and their handling; (ii) describe the methods used to identify and evaluate the acceptability of wastes proposed for disposal; (iii) present waste handling protocols to be used to manage state-identified and non-state-identified special wastes; and (iv) describe methods used to document waste acceptability to comply with state and federal regulations.

All WCL operations personnel are required to periodically, at least annually, review this SWMP. Personnel are encouraged to provide comments and suggestions on better ways of managing special wastes. All employees who have reviewed this plan are required to document such training in their personal training records.

1.2 SPECIAL WASTE DEFINITION

Subsection 5.3 of the SWDP authorizes the facility to accept solid wastes as defined in Oregon Revised Statutes (ORS) 459.005. In addition, Subsection 5.4 of the SWDP authorizes the acceptance of other wastes not specifically listed in Subsection 5.3, provided that the material is not a hazardous or prohibited waste (as defined by the SWDP, and state and federal regulations), or otherwise a threat to human health, or waters of the state.

For the purposes of this plan special wastes are non-hazardous (i.e. Non-RCRA Resource Conservation and Recovery Act) wastes and wastes not prohibited by permit or state regulations, which due to their unique characteristics require special handling. Such wastes may present a personnel safety hazard, create odor and vector concerns, generate excessive leachate, lead to excessive settlement, puncture or tear the landfill liner, pose a fire hazard, or increase the toxicity of landfill leachate.

2 SPECIALWASTEHANDLING

2.1 SPECIAL WASTE TRAINING

The Site Manager and Landfill Supervisor are responsible for training all WCL personnel to identify hazardous wastes, special wastes, prohibited wastes, and Toxic Substance Control Act (TSCA) regulated polychlorinated biphenyls (PCBs) wastes. The training emphasizes methods to identify containers and labels typical of hazardous wastes and PCB wastes. The training also describes the major characteristics of these wastes, including their associated employee exposure hazards, hazardous waste handling procedures, safety precautions, and record-keeping requirements.

2.2 SPECIAL WASTE DISPOSAL APPROVAL PROCESS

Each special waste proposed for disposal at WCL (except construction and demolition waste [C&D] materials, which are presumptively acceptable) is subject to a Special Waste Application process to (i) assess the acceptability of the waste, (ii) select appropriate handling procedures, and (iii) screen and prevent the receipt of hazardous or prohibited wastes. The Special Waste Application process is performed by regional engineering staff. If the waste is deemed acceptable a Special Waste Permit is issued to the generator and the landfill. An example of the Special Waste Permit application is provided in **Appendix B.**

The Special Waste Application process may involve consideration of:

- Quantity of waste;
- Physical and chemical properties of the waste;
- Special handling needs and employee exposure concerns;
- Location within the cell,
- Weather conditions;
- State (Oregon and, if different, the state of origin) and federal hazardous waste regulations; and
- Requirements of the SWDP and Operating Plan including this SWMP.

The process may also require communication with the generator and / or its representative, a site visit, additional waste analysis, and communication with the DEQ.

A unique special waste permit number is issued for each special waste approved for disposal at WCL. A copy of that permit must accompany the waste to WCL.

A permanent electronic record of each permit is maintained, and a paper copy of each permit is retained at the landfill for approximately three months, after the permit expires. The paper record is then archived.

2.3 SPECIAL WASTE HANDLING PROCEDURES

Specific special waste handling procedures are communicated to the operations staff prior to receipt of the waste. This may be accomplished by conducting a tailgate meeting or by relaying information from the scale attendant when a waste is received at the scales. This communication also serves to alert the operations staff of the need for load checks to ensure that the waste received is as described by the special waste permit and generator.

2.4 SPECIAL WASTES IDENTIFIED BY REGULATION

Under the Solid Waste General Provisions at Oregon Administrative Rules (OAR) 340-093-0190 and OAR 340-093-0170, wastes requiring special management are specifically identified. These include the following:

- Agricultural Wastes;
- Construction and Demolition (C&D) Debris;
- Oil Wastes;
- Infectious Wastes. (Managed under ORS 459.386-405.);
- Asbestos Contained Material (ACM) (Managed under OAR 340-25-450-469.);
- Abrasive Blast Media Containing Pesticides;
- Pesticide Treated Wood;
- Incinerator Ash;
- PCBs; and
- Cleanup Materials Contaminated with Hazardous Substances; which includes the following materials that have been approved for disposal at WCL:
    - Petroleum Contaminated Waste;
    - Self-Heating Wastes;
    - Soil and Debris Impacted With Heavy Metals; and
    - Odorous Wastes.

Each of these potential waste streams is discussed below. Some of the special wastes are presumptively authorized for receipt by Subsection 5.3 of the SWDP subject to certain stipulations. DEQ may authorize other compatible wastes for disposal under Subsection 5.4 of the SWDP subject to:

- A DEQ-approved SWMP; and
- Demonstration that the proposed waste is not hazardous or prohibited waste (as defined by the SWDP, and state and federal regulations), or otherwise a threat to human health or waters of the state

Generally, approved special wastes may be disposed with other waste(s) anywhere within the lined cells[1]. However, WCL establishes select special waste disposal areas (SSWDAs) for "select special waste" (SSW). SSW is a special waste that exhibits any characteristic that warrants delineation of the disposal locations as part of long-term record keeping/documentation. SSWs are wastes that have the potential to pose a health hazard if disturbed, or may be incompatible with some other type of waste or operating practice. Currently the following are managed at WCL as SSWs:

- ACM;
- BSE (mad cow disease) waste;
- Containerized sharps;
- Non-hazardous self-heating (i.e. reactive) waste; and
- Radioactive waste.

Protocols associated with the SSW disposal are discussed in **Section 4**.

2.4.1 Agricultural Wastes

Subsection 5.3 of the SWDP authorizes WCL to accept agricultural waste as defined by OAR 093.0030, which means "*waste on farms resulting from the raising or growing of plants and animals including but not limited to crop residue, manure, animal bedding, and carcasses of dead animals*."

Agricultural wastes are buried with other waste(s) to minimize vector attraction and odor and nuisance conditions. Customers are required to give prior notice of delivery. Diseased quarantined crops require notification to the Department of Agriculture and the DEQ prior to acceptance. The carcasses of dead animals weighing over 200 pounds are managed in accordance with **Section 2.5.2**.

2.4.2 Construction and Demolition Waste

Subsection 5.3 of the SWDP authorizes WCL to accept construction and demolition waste (C&D) as defined by OAR 093.0030, which means "*solid waste resulting from the construction, repair, or demolition of buildings, roads and other structures, and debris from the clearing of land, but does not include clean fill when separated from other construction and demolition wastes and used as fill materials or otherwise land disposed. Such waste typically consists of materials including concrete, bricks, bituminous concrete, asphalt paving, untreated or chemically treated wood, glass, masonry, roofing, siding, plaster; and soils, rock, stumps, boulders, brush and other similar material. This term does not include industrial solid waste and municipal solid waste generated in residential or commercial activities associated with construction and demolition activities*."

[1] Solidified liquid waste is required to be a minimum of 20 feet above the liner system.

C&D materials may be accepted without a special waste permit. However, C&D waste is not placed in the first layer of waste fill above the liner system to reduce the potential for puncturing the landfill liner. Generators proposing to dispose of asbestos containing C&D material (i.e. manufactured homes and recreational vehicles) are required to obtain an asbestos survey and removal certification prior to acceptance (**Section 2.4.5**). The demolition wastes from structures from which asbestos has been removed are managed as C&D.

2.4.3 Oil Wastes

Oily wastes do not include petroleum-contaminated soils or used oil. Oily wastes are wastes that do not contain free liquids and pass the paint filter test prior to delivery. Oily wastes may consist of drained oil filters, oil-absorbent materials (booms, diapers, and kitty litter), dewatered stormwater catch basin sediments, tank bottoms, and dewatered process sludges from oil recycling. These materials are placed in the landfill and covered immediately to minimize any potential for fire from petroleum hydrocarbon vapor accumulation.

2.4.4 Infectious Waste

Non-treated infectious waste is not acceptable at WCL. Treated infectious waste may be accepted if the generator can demonstrate the waste has been properly treated using methods approved by the regulating health department. Acceptable infectious waste will be buried immediately upon receipt. For the purposes of this plan, infectious waste does not include pathological waste (human tissue), which requires incineration.

WCL may accept containerized sharps (but prefers not to, and informs potential disposers of other disposal options through community organized Household Hazardous Waste events) provided the containerized sharps are packaged in a leak-proof, rigid, puncture-resistant red container that is taped closed or tightly lidded to prevent loss of sharps. If accepted, containerized sharps are disposed in a SSWDA and covered by the end of the operational day.

2.4.5 Asbestos Containing Material

Subsection 5.3 of the SWDP authorizes WCL to accept asbestos containing material (ACM) in accordance with Subsection 9.9 of the SWDP, which requires:

- A DEQ-approved SWDP;
- Friable ACM disposal complies with OAR 340-248-0280 and the Title V Operating Permit (No. 33-0007-TV-01); and
- Non-friable ACM disposal complies with OAR 340-248-0290.

WCL accepts both friable and non-friable ACM. Customers are notified that:

- They are required to give 24-hour notice of delivery of all ACM;

- The DEQ Asbestos Waste Shipment Report Form (Form ASN 4) is completed. A copy of the form is provided in **Appendix C**;
- Non-friable ACM may be delivered unpackaged, as allowed by OAR 340-248-290, provided it is managed by the transporter in a manner that prevents it from becoming friable; and
- Friable ACM must be adequately wetted to ensure that it remains wet until disposal and must be packaged, labeled and transported in leak-tight containers such as double-contained plastic bags each with a minimum thickness of 6 mil, geotextile bags, fiber drums, or metal drums.

WCL disposes of both types of ACM in the SSWDAs (**Section 4**). ACM is unloaded in a manner that will not break open the packaging, and is covered with at least 1-foot of soil, or six inches of soil plus 1-foot of other waste, by the end of the operations day. Some operations personnel have, and are required to maintain, individual asbestos worker certifications. These certifications are on display at WCL.

2.4.6 ABRASIVE BLAST MEDIA CONTAINING PESTICIDES

Abrasive blasting media impacted with non-hazardous RCRA pesticides are buried in waste upon disposal. Site operations are conducted in a manner that addresses the potential dusty nature of the material (e.g., dust suppression).

2.4.7 PESTICIDE TREATED WOOD

Spent treated wood that was used for its intended purpose and taken out of service is not subject to the hazardous waste special management requirements of OAR 340-101-0040(2). Wastes associated with newly treated wood that fails the Toxicity Characteristic Leaching Procedure (TCLP) criteria, and is an arsenical-treated wood taken out of service, and is not a pesticide residue is not considered a state hazardous waste that requires special management. Treated wood is buried by the end of the operations day.

2.4.8 ASH

Ash from energy recovery, boiler fly ash, and boiler bottom ash may be buried with other waste(s), used as alternate daily cover (ADC), or segregated and stockpiled for use in the solidification process. Site operations are modified at delivery to address the need for dust suppression. The temperature of ash loads are monitored to prevent potential landfill fires.

2.4.9 POLYCHLORINATED BIPHENYLS (PCBS)

Subsection 5.3 of the SWDP authorizes WCL to accept PCB containing solid waste that:

- Is exempt from regulation under the Toxic Substances Control Act (TSCA);
- Contains PCBs in concentrations statistically less than 50 parts per million (ppm); and

- Is managed and disposed as specified in a DEQ-approved SWMP.

PCB wastes are placed with other waste(s) and covered by the end of the operations day. PCB wastes (including PCB contaminated soils) are not used as ADC.

2.4.10 Cleanup Materials Contaminated With Hazardous Substances

Subsection 5.3 of the SWDP authorizes WCL to accept cleanup materials contaminated by hazardous substances as defined by OAR 093.0030, which means "*contaminated materials from the cleanup of releases of hazardous substances into the environment, and which are not hazardous wastes as defined by ORS 466.005*." This reference applies primarily to materials that are removed from the site of contamination for treatment and/or disposal. Subsection 5.3 of the SWDP also requires wastes to be managed and disposed:

- As specified in a DEQ-approved SWMP; and
- In compliance with OAR 340-093-0170.

In an effort to reduce the burden on the DEQ in determining acceptability of each material classified as cleanup materials contaminated by hazardous substances, WCL has generalized the following waste types, which have been received and managed successfully at WCL, based on physical and chemical attributes with specifics added for clarification.

2.4.10.1 Petroleum Contaminated Soils

Petroleum contaminated soil (PCS) is soil that has been impacted with petroleum hydrocarbons. Petroleum hydrocarbons may enter the soil as a result of spills and leaks of new and used oils, diesel, and gasoline. WCL typically receives requests for disposal of PCS from spills associated with vehicle wrecks, above ground heating oil tank spills, and underground storage tank removals. PCSs from abandoned or unknown used oil tanks are required to be tested for metals, solvents, and PCBs to ensure the materials are not hazardous. PCSs that are not considered hazardous wastes are acceptable for disposal and use as ADC.

2.4.10.2 Self-Heating Wastes

Self-heating (reactive) wastes are non-hazardous wastes that due to their chemical nature, release heat upon exposure to moisture or air. Examples of self-heating wastes currently accepted and managed at WCL include aluminum salt cake, desiccants such as activated alumina and silica gel, and crushed baths from aluminum reduction. Wastes that are self-heating or have a potential for self-heating are managed in a similar manner. DEQ will be consulted prior to the acceptance of self-heating wastes from any large, publically-sensitive projects. Self-heating wastes are disposed in a SSWDA and are covered with soil by the end of each operating day.

2.4.10.3 Soils and Debris Impacted with Heavy Metals

Soils and debris impacted with heavy metals may be generated from the cleanup of shooting ranges (lead bullet casings), or structures (residential dwellings or bridges) painted with lead-based paints. These wastes are placed with other waste(s) and are buried immediately. Heavy metal impacted soils are not used as ADC or drying agents for the solidification process.

2.4.10.4 Odorous Wastes

Foul smelling wastes such as animal manure, chicken feathers, guano, fertilizers (typically ammonia based), fish or shellfish residue, and some non-hazardous products or chemicals can create nuisance odors and possible complaints from neighbors or customers. These wastes are covered immediately with MSW or soil.

2.5 OTHER SPECIAL WASTES

This section presents wastes requiring special management that are not specifically identified in the regulations and typically proposed for disposal at WCL.

2.5.1 AUTO SHREDDER RESIDUE

Auto shredder residue (ASR) is the resulting waste from scrap metal recycling operations. Scrap metal recyclers use high-powered shredder boxes, magnets, and other equipment to remove valuable metals for recycling. Infeed materials may consist of automobiles, light gauge metal goods, industrial and residential post-consumer scrap metals such as refrigerators, stoves, and water heaters. The resulting residue (also known as fluff) is highly heterogeneous material consisting largely of plastic and foam along with pieces of metal, rubber, fabric, wire and other materials. Generators of ASR are required to supply WCL with sampling results (at least semi-annually) to confirm that metal and PCB concentrations are acceptable. Once the waste satisfies the statistical acceptance criteria in EPA's SW 846 Manual sampling may be suspended. ASR from two metal recycling companies was approved for long term ADC use at WCL by DEQ letters dated October 1, 2008 and December 11, 2008.

ASR is transported to the landfill's active face in trucks and pups or trailers. Trucks are either emptied directly or using WCL's tipper. ASR is typically unloaded at a convenient location close to the active area. At the end of an operating day, waste at the active face is compacted until a uniform area is prepared. A dozer, or other landfill equipment, is then used to place the stockpiled ASR across the top portion of the daily face and over the prepared slope face of the waste surface. As required in DEQ's October 1, 2008 approval letter, the ADC is mixed with approximately 50 percent, by volume, of soil or other approved non-flammable ADC to deter the spread of fires. The active face and side slopes are then covered in sections until complete coverage is achieved.

2.5.2 LARGE DEAD ANIMALS

Large dead animals (those weighing over 200 pounds), are considered special wastes and require regional engineering staff approval for disposal. If approved for disposal, a hole is excavated at the active face to accommodate the animal(s). The animal(s) are immediately covered with a minimum of three feet of garbage.

2.5.3 BOVINE SPONGIFORM ENCEPHALOPATHY (BSE) WASTE

Subsection 5.3 of the SWDP authorizes WCL to accept BSE waste if managed and disposed as specified in a DEQ-approved SWMP.

Dead animals and by-products infected with Bovine Spongiform Encephalopathy (BSE), commonly known as Mad Cow Disease, may be proposed for disposal at WCL. As a precaution, WCL also manages the acceptance and disposal of dead animals with similar public health concerns in the same manner as BSE mortalities or associated by-products. WCL does not accept live animals infected with BSE or similar infections for disposal. In addition, WCL ensures that its employees are aware of the potential hazards associated with infected carcasses and associated products. Worker safety guidelines are enforced.

Non-BSE, or similar confirmed cattle, meat by-products (e.g. bone meal), offal, recalled and rejected meats are managed as MSW.

Receipt of confirmed BSE or similar carcasses or related meat products are by appointment only to ensure WCL is prepared to manage the waste. In addition, WCL requires the generator to provide documentation showing that the Oregon Department of Agriculture, Washington Department of Agriculture (if applicable), US Department of Agriculture or Food and Drug Administration, depending on which agency regulates the proposed waste stream, has been notified and agrees with the landfill disposal option.

Confirmed BSE or similar livestock that have been euthanized off-site, recalled meat, and/or by-products must be transported in leak proof dump/container trucks and are disposed and covered with a minimum of three feet of waste or cover material.

2.5.4 OFF-SPECIFICATION BIOSOLIDS

Biosolids are solids derived from primary, secondary or advanced treatment of domestic wastewater, which have been treated through one or more controlled process that significantly reduce pathogens and which reduce volatile solids, or chemically stabilize solids to the extent that they do not attract vectors. Biosolids are typically land applied as soil amendments; however, occasionally the pathogen reduction criteria set forth in 40 CFR 503 are not met and the biosolids require disposal.

Loads containing free liquids have absorbent material added before unloading at the active face to solidify the material to meet paint filter test requirements. Biosolids are placed in a hole or trench excavated in the

active face of the landfill and covered immediately with a minimum of three feet of MSW or daily cover material.

2.5.5 Sewage Sludges and Septage

Subsection 5.3 of the SWDP authorizes WCL to accept sewage sludge and septage if managed and disposed as specified in a DEQ-approved SWMP.

Sewage sludge and septage are materials recovered from septic tanks, cesspools, holding tanks, chemical toilets and other sewage sludges that are not managed through a municipal or similar wastewater treatment plant. These waste streams are not always considered to be digested and free of pathogens. They often have potential pathogens, free-liquids, and odor concerns. WCL encourages customers with these types of wastes to perform on-site alkaline stabilization and solidification to reduce the pathogen levels and free liquids before transport.

Waste streams that cannot be alkaline stabilized or solidified prior to transport to WCL presumptively require on-site solidification. WCL notifies customers of the additional expense and time needed to perform this stabilization. WCL uses hydrated lime for alkaline stabilization as described in OAR 340 Division 50 to reduce the number of pathogens in the waste stream.

In general, the alkaline stabilization process involves mixing sufficient lime with the waste to raise the pH to at least 12 (without the further addition of lime) for a minimum period of 2 hours. At the end of the active mixing process, the waste-lime mixture is allowed to react for a minimum of 22 additional hours. To be acceptable for disposal the pH of the treated waste-lime mixture is required to be at least 11.5 at the end of the 22-hour period. If the pH is less than 11.5, an additional cycle of treatment and 22-hour reaction time is performed.

Following the alkaline stabilization, the waste-lime mixture must pass a paint filter test before being removed from the mixing container. If the paint filter test fails, additional soils or ash are added to the mixture to absorb residual liquids until the mixture passes the paint filter test. Treated and solidified waste is placed in the active face and covered with a minimum of four feet of MSW or daily cover material.

WCL understands the delicate nature and potential health concerns associated with this operation. WCL ensures that its employees are aware of the potential hazards associated with sewage sludge management and follows worker safety guidelines. At a minimum, WCL employees are required to wear tyvek or similar coverall, boots, eye protection, and latex or nitrile gloves.

2.5.6 Liquid Wastes for Solidification

Subsection 5.3 of the SWDP authorizes WCL to accept free liquid containing solid waste if managed and solidified prior to disposal, as specified in a DEQ-approved SWMP.

WCL solidifies wastes with free liquids in sealed drop box containers buried in the waste over lined sections of the landfill, such that the landfill liner system effectively represents a secondary containment to the mixing vessel. The use of drop box containers effectively controls the size of the batches, enables observation of the mixing process to ensure adequate mixing of the wastes, and facilitates the delivery of waste to the landfill face. In addition, the boxes can be readily moved to new locations to be close to the active area.

Wastes are thoroughly mixed and allowed to absorb into a drying agent (WCL typically uses ash, clarifier solids, perlite, soil, or inert materials) until solidified to the point they pass the paint filter test. Following solidification, the wastes are placed in the active face, at a location that has at least 20 feet of waste covering the liner and leachate collection system. The baseline established for passing the paint filter test is non-transferable between operators; each operator must establish a baseline for each waste's acceptability.

2.5.7 Paper Mill Waste

Paper mill waste (sometimes referred to as clarifier solids) consists of residuals from the paper and pulping process. The waste can contain boiler ash, calcium carbonate, slaker grits, soil, dregs, lime solids, lime mud, and both primary and secondary clarifier solids. The waste's consistency is that of moist soils. This material was approved by DEQ for ADC by letter dated July 18, 2005. WCL uses this material as both ADC and as a drying agent for liquid waste solidification (Section 2.5.6). Paper mill waste arrives in truck and pups or drop boxes and is off loaded and stockpiled either near the active face or the solidification area, depending on the need.

2.5.8 Radioactive Materials

Subsection 6.1 of the SWDP prohibits the disposal of any radioactive material defined in notes preceding ORS 459.355. The regulations developed to define these requirements are listed in OAR 345-050. This regulation lists several specific exemptions potentially applicable to WCL including the following:

- Radioactive material that has been incorporated into a consumer product manufactured under a license issued by the Nuclear Regulatory Commission (NRC) or by an Agreement State, if the NRC or the Agreement State that issued the license has determined that the possession, use, transfer, and disposal of such consumer products are exempt from regulatory requirements. An Agreement State is a state to which the NRC has delegated its authority to license and regulate byproduct materials (radioisotopes), source materials (uranium and thorium) and certain quantities of special nuclear materials in accordance with Section 274b of the Atomic Energy Act.
- Radium-bearing materials containing less than 5 picocuries of radium-226 per gram of solid, regardless of quantity.
- Radium-bearing material containing a total radium-226 activity of less than 10 microcuries, regardless of concentration.
- Thorium-bearing materials containing a total radium-228 activity of less than 100 microcuries, if the radium-228 is present with the parent thorium-232, regardless of concentration in the solid.

- Wastes containing only naturally occurring radioactive isotopes other than those in the uranium and thorium decay series, as long as the isotopes exist in their naturally occurring isotopic concentrations.

As a practical matter, consumer products containing radioactive materials that are part of the municipal solid waste stream will be placed in the landfill with other waste(s) without special waste permitting. On the other hand, commercial or industrial sources of exempt radioactive materials will be treated as special wastes and evaluated for acceptance on a case by case basis. If accepted they will be handled as SSW in a manner similar to asbestos and disposed in a SSWDA.

2.5.9 Shredded Tires

Subsection 5.3 of the SWDP authorizes WCL to waste tires for disposal in accordance with Subsection 9.10 of the SWDP, which requires:

- A DEQ-approved SWDP;
- Tires to be chipped in accordance with standards established under OAR 340-064-0052(2); and
- Tires to be from vehicles not normally used on highways, with the tires exempt from OAR 340-064-0052(1) banning whole tire disposal.

Shredded tires that meet the volume reduction and chipping criteria established in OAR 340-64-052(2) will be accepted for disposal as approved by DEQ (letter dated November 14, 2008). Conditions of approval require that representatives of WCL be present when a generator is evaluating the performance of its shredding operation in meeting the chipping criteria and completing the Tire Volume Reduction Test Data Sheet. WCL will require that the generator supply copies of its Tire Volume Reduction Test Data Sheet certifying that the minimum 65 percent volume reduction was achieved and the percentage of tires that required re-shredding to meet that goal. Tire chips meeting the chipping standard will be disposed of at the working face by tipping and spreading the chips into a thin layer using a dozer or other equipment so that a concentrated homogenous mass of tire material is not created.

2.5.10 Sulfur Wastes

Some sulfur containing wastes (such as asphaltenes, C & D fines from material recovery facilities, fertilizers, gypsum, metal sulfates, and sulfur cake) are odorless on arrival at the landfill but can produce odorous gases (including hydrogen sulfide and sulfur dioxide) when exposed to air, MSW, or other special wastes. As such they should not be: (i) mixed with MSW, (ii) spread in thin layers, or (iii) used as alternate daily cover. Separation from other wastes can be accomplished by placing the material in an isolated deposit or covering the boundary surface with boiler ash, cement kiln dust, lime, or other alkaline materials.

3 SPECIAL WASTE DOCUMENTATION AND REPORTING

3.1 SPECIAL WASTE APPROVAL

WCL assigns a unique number to each approved special waste permit. This number is used to track and document the receipt of the waste. Information obtained in the approved Special Waste Application is entered into a permanent electronic database (generator name, waste name, application number, permit expiration date) and filed by the generator name. This information becomes part of the site's permanent operating record.

3.2 SPECIAL WASTE DISPOSAL QUANTITY

WCL generates a weight ticket for each special waste load in accordance with WCL's approved Special Waste Management Plan based on weighing each delivery vehicle in and out. The special waste permit number is noted on the generated weight ticket. This data is permanently stored in a database and can be accessed from the site.

3.3 DEQ QUARTERLY REPORTING

WCL is required by permit to submit a quarterly report to the DEQ detailing facility operations with respect to the types and quantities of wastes received. The report is due on the last day of the month following the end of the calendar quarter and must identify and categorize the following waste types:

- MSW;
- C&D;
- Industrial solid waste (includes wood waste);
- Asbestos;
- Tires (waste tires, tire shreds, and tire residuals);
- Rock, rubble and asphalt;
- Contaminated cleanup material, including petroleum-contaminated soil; and
- Approved ADC.

4 SELECT SPECIAL WASTE DISPOSAL AREAS (SSWDA)

4.1 INTRODUCTION

SSW must be disposed in a DEQ-approved SSWDA. WCL is responsible for proposing and obtaining DEQ's approval for SSWDAs and all protocols associated with operating the areas and documenting the SSWs that are disposed in the areas.

As noted in **Section 2.4**, SSWs are wastes that exhibit any characteristic that warrants delineation of disposal locations as part of long-term record keeping/documentation; typically these are wastes that have the potential to pose a health hazard if disturbed, or may be incompatible with some other type of waste or operating practice. Currently the following are managed as SSWs:

- ACM;
- BSE (mad cow disease) waste;
- Containerized sharps;
- Non-hazardous self-heating (i.e. reactive) waste; and
- Radioactive waste.

The majority of the SSW disposed at WCL is ACM (approximately 85 to 90 percent).

4.2 SSWDA APPROVAL

To obtain approval for a new SSWDA, WCL must:

- Submit a drawing(s) that show the delineation of the proposed area, and the locations of nearby Phase IV primary leachate collection sumps, sump risers and primary leachate collection pipes; and
- Submit the request to DEQ for approval at least 30 days prior to the relocation.

Figure 4.1 (**Appendix A**) shows the limits of the currently approved SSWDAs, and the locations of the leachate collection sumps and primary collection pipes.

4.3 SSWDA OPERATIONAL PROTOCOLS

Except in a legitimate emergency situation all SSW must be placed within the limits of the SSWDAs. WCL is required to notify DEQ if SSW is placed outside the SSWDAs under emergency circumstances.

The following protocols are followed under normal non-emergency circumstances:

- The approved limits of active SSWDAs are established by survey and indicated with markers. The markers are reestablished as filling occurs so that a visual reference is present at all times.

- On each day that SSW is disposed, WCL uses a portable GPS data collection and mapping device to document the daily SSW location(s) (longitude, latitude and elevation data). If possible the limits of the daily disposal area are recorded.
- The GPS device is considered accurate to within a few feet, and WCL personnel routinely check the calibration of the device against a benchmark established outside the scale house.
- Data is downloaded at least monthly from the GPS device into WCL's data management system.
- Office staff augment the field data with information about the SSWs deposited each day; such as the special waste permit number and weight ticket.
- The data can be used in a variety of ways (e.g. Google Earth, AutoCAD) to show the disposal locations, SSWDA outlines, cell limits etc.

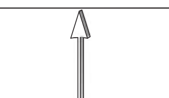
Appendix A

Figures

LEGEND

EXISTING PRIMARY LEACHATE PIPES AND RISERS

CELL BOUNDARIES



REDUCTION SCALE CHECK

1'

0 100' 200'

GRAPHICAL SCALE

VISTA CONSULTANTS, LLC
13680 KNAUS ROAD
LAKE OSWEGO, OREGON 97034
(503) 922-2522

PROJECT NO. 15-11.1

REV	DATE	REVISION DESCRIPTION	DES	DRN	APP
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

DATE: 10/1/2015

SPECIAL WASTE MANAGEMENT PLAN
WASCO COUNTY LANDFILL
2550 STEELE ROAD
THE DALLES, OREGON

APPROVED SELECT SPECIAL WASTE DISPOSAL AREAS

FIGURE NO.

4.1

SW CONTROL N:12,076.86 E:10,984.19

SW CONTROL N:12,076.86 E:11,219.09

CELL 2A

CELL 1B

SW CONTROL N:11,794.54 E:10,730.85

SELECT SPECIAL WASTE DISPOSAL AREA 1

CELL 1 SUMP

SW CONTROL N:11,598.22 E:10,700.54

SW CONTROL N:11,565.59 E:10,759.58

SELECT SPECIAL WASTE DISPOSAL AREA 2

SW CONTROL N:11,541.14 E:10,530.21

SW CONTROL N:11,533.14 E:10,730.85

SW CONTROL N:11,410.59 E:10,877.15

CELL 2

SW CONTROL N:11,533.14 E:11,219.09

SW CONTROL N:11,456.02 E:10,546.37

CELL 3 SUMP

SW CONTROL N:11,438.38 E:10,674.79

CELL 1

SW CONTROL N:11,428.11 E:10,749.58

CELL 1A

CELL 2B

CELL 3A

CELL 3D

LT-803

CELL 3B

SW CONTROL N:10,904.04 E:10,004.84

SPECIAL WASTE AREA 3

CELL 3C

SW CONTROL N:10,752.45 E:10,765.84

SW CONTROL N:10,805.89 E:10,545.79

CELL 3E

SW CONTROL N:10,517.81 E:10,441.74

SW CONTROL N:10,455.66 E:10,223.52

SW CONTROL N:10,427.36 E:10,157.62

SW CONTROL N:10,450.60 E:10,309.51

9500 10000 10500 11000

12000 11500 11000 10500

625 650 675 700 725 750 775 800 825 850

NOTES:
1. HORIZONTAL COORDINATE SYSTEM: LOCAL BASED ON OREGON STATE PLANE: INT. FEET
2. VERTICAL DATUM: NAVD 1988
3. PROPERTY LINE DATA FROM WCL PROPERTY LINE.DWG PROVIDED BY E.I.L. LLC.
4. TOPOGRAPHY BY COOPER AERIAL SURVEYS CO, TUCSON, AZ. BASED ON AERIAL PHOTOGRAPHY TAKEN ON MARCH 07, 2015

I:\CIVIL 3D PROJECTS\WASCO\WASCO 15-01.3 SPECIAL WASTE\PRODUCTION DRAWINGS\SITE PLAN.DWG PLOTTED: 10/1/2015 3:52 PM ON ANSI FULL BLEED D (22.00 X 34.00 INCHES)

Appendix B

Special Waste Application

Wasco Landfill
2550 Steele Road
The Dalles, OR 97058
PH: 541.296.4082
FX: 541.296.6449

FOR OFFICE USE ONLY
APPROVAL NUMBER:
EXPIRATION DATE:
APPROVED BY:

SPECIAL WASTE APPLICATION

Information utilized for completion of this form must originate from an authorized representative of the generator of the waste material.
The information on this form must be **COMPLETELY FILLED OUT, TYPE WRITTEN,** and the form must be **SIGNED BY AUTHORIZED REPRESENTATIVE.**

A. PROFILE INFORMATION

1. ☐ Initial ☐ Recertification, list prior approval number(s):

2. Have there been any changes to the composition of, or process generating this waste stream that would alter the characteristics of the waste stream?
☐ YES ☐ NO (Updated analysis may be required even if no change to process or composition.)

B. GENERATOR INFORMATION

1. Generator Name:	
2. Address:	
City:	County:
State:	Zip:
3. Site Location (if different):	
4. Contact Name:	
5. Phone Number:	6. Fax Number:
7. Email Address:	
8. State Facility ID # (if applicable):	
9. State Waste Code (if applicable):	

C. CUSTOMER/BILLING INFORMATION

1. Billing Name:	
2. Address:	
City:	County:
State:	Zip:
3. Contact Name:	
4. Phone Number:	5. Fax Number:
6. Email Address:	
7. Is there a service agreement on file? ☐ YES ☐ NO	
8. Agent / Consultant:	
9. Letter of Authorization: ☐ YES ☐ NO	

D. TRANSPORTER/SHIPPING INFORMATION

1. Name:		
2. Street Address:		
City:	State:	Zip:
3. Phone Number:	4. Fax Number:	
5. Contact Name:		
6. Email Address:		
7. EPA or State Transporter ID #:		

8. Packaging: ☐ Bulk Solids ☐ Bulk Liquids ☐ Drums ☐ Roll-Off
☐ Dump Truck ☐ Tank Truck ☐ Vacuum Box ☐ Bagged

9. Estimated Volume: ________
☐ Tons ☐ Cubic Yards ☐ Drums ☐ Gallons ☐ Other: ________

10. Shipping Frequency: ______ per: ☐ One Time Project
☐ Month ☐ Quarter ☐ Year ☐ Other: ________________

E. WASTE STREAM INFORMATION

1. Common Name of Material or Waste Stream:

2. Detailed Description of Process or How Generated (Attach additional sheet if needed):

3. Physical State at 70°F: ☐ Solid ☐ Semi-Solid ☐ Sludge
☐ Liquid ☐ Powder ☐ Other ________________

4. Free Liquids: ☐ NO ☐ YES % Liquids:

5. Color:	6. pH Range:

7. Odor: ☐ None ☐ Mild ☐ Significant Describe:

8. Flash Point: ☐ °F ☐ °C

9. Reactive: ☐ NO ☐ YES with:

10. State Required Information (if applicable):

F. NON-HAZARDOUS DETERMINATION

1. Attached Document(s) (check all that apply): ☐ Not Applicable ☐ Process Knowledge ☐ MSDS ☐ Certified Analytical Report ☐ Exempt Waste

2. If Process Knowledge, provide details:

3. If analytical data is attached, is the data derived from testing a representative sample in accordance with 40 CFR 261 and/or other applicable laws?
☐ YES ☐ NO Type of Sample: ☐ Composite ☐ Grab Analysis Provided:

4. If Exempt Waste, check applicable item below: ☐ UST Corrective Action – 40 CFR 261.4(b)(10) ☐ PCB Bulk Product Waste – 40 CFR 761.62
☐ Oil & Gas E&P Waste – 40 CFR 261.4(b)(5) ☐ RCRA-Empty Containers – 40 CFR 261.7 ☐ Other (provide reference):

G. GENERATOR CERTIFICATION STATEMENT:

I hereby certify that all information contained herein is true and correct, and the material described is properly identified, classified, packaged, labeled, and prepared as indicated. I certify this waste is not hazardous or dangerous as defined by the U.S. EPA, or the state or province of origin. I certify this waste does not contain any regulated radioactive materials, that all known and suspected hazards have been disclosed, and that the waste is not a regulated hazardous waste by government or local authority, and does not contain PCB's regulated by TSCA or any other regulatory authority. I certify that all samples used for this analysis are representative of the materials described herein. I understand that all wastes may undergo inspection upon arrival at the designated facility and may be refused if the delivered material does not conform to the description herein. Notification will be provided immediately if there is a change in the composition of, or process generating this waste stream, prior to offering the waste for shipment or management.

____
AUTHORIZED REPRESENTATIVE NAME/TITLE

____
COMPANY NAME

____
AUTHORIZED REPRESENTATIVE SIGNATURE

____
DATE COMPLETED

APPENDIX C

ASBESTOS WASTE SHIPMENT REPORT FORM

ASN 4 ASBESTOS WASTE SHIPMENT REPORT FORM

PLEASE PRINT OR TYPE. If you have questions, contact your local DEQ Regional Office in Portland 503-229-5364, Salem 503-378-5086, Medford 541-776-6107, Coos Bay 541-269-2721 ext. 222, Bend 541-633-2019, or Pendleton 541-278-4626.

WASTE GENERATOR: (Contractor, Facility, or Operator)

1. Asbestos removal site name and address: ____________________

   ____
   Street City/State County Zip

   Contact person: ____________________ Phone: ____________________

2. Contractor/Operator's name and address: ____________________ Phone: ____________________

   ____
   Street City/State County Zip

3. Waste disposal site: ____________________ Phone: ____________________

   ____
   Street City/State County Zip

4. Describe asbestos materials: ____________________

5. Containers: Number: ____________________ Type: ____________________

6. Total quantity (cubic yards): ____________________

7. **OPERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packaged, marked and labeled, and are in all respects in proper condition for transport according to all government regulations. All movement of this asbestos-containing material is recorded on this Waste Shipment Record Form.

   Agent: ____________________ Company: ____________________

   Address: ____________________ Phone: ____________________

TRANSPORTER(S):

8. Transporter #1: (Acknowledgment of receipt of materials)
   Agent: ____________________ Company: ____________________
   Address: ____________________ Phone: ____________________
   Signature: ____________________ Date: ____________________

9. Transporter #2: (Acknowledgment of receipt of materials)
   Agent: ____________________ Company: ____________________
   Address: ____________________ Phone: ____________________
   Signature: ____________________ Date: ____________________

DISPOSAL: (Certification of receipt of asbestos materials covered by this manifest, except as noted in item 11 below.)

10. Waste Disposal Site: ____________________
    Name and Title: ____________________ Date: ____________________
    Signature: ____________________ Phone: ____________________

11. **DISCREPANCY SPACE:** (Add attachments as needed) ____________________

    ____

    ____

    ____

(Revised 4/14)

Instructions for using DEQ Form ASN 4
Waste Shipment Report Form

This form is to be used as a permanent record for documenting asbestos-containing waste materials from removal site to final disposal. The Oregon Department of Environmental Quality (DEQ) regulation that applies to asbestos waste disposal is found in OAR 340-248-0280 and -0290.

WASTE GENERATOR SECTION

(Numbers below correspond to numbers on the front of this Form)

1. Enter the name and address of the site where the asbestos waste was generated. Enter the name and phone number of the contact person for the contractor, facility, or operator of the asbestos waste generation site.
2. Enter the name, phone number and address of the person performing the asbestos abatement.
3. Enter the name, phone number and address of the disposal site that the waste is taken to.
4. Describe the materials being removed. (i.e. pipe insulation, flooring, roofing, popcorn ceiling material, HVAC system insulation, **or** nonfriable asbestos.)
5. List the total number of containers and their type. Also enter one of the following container codes used in transporting each type of asbestos material. (Specify any other type of container used if not listed below):

   DM Metal drums, barrels
   DP Plastic drums, barrels
   BA 6 mil. plastic bags or wrapping
   NFC Leak-tight containerization for nonfriable asbestos waste material.

6. Give an estimate of the total cubic yards of material.
7. Print clearly the name of the company and their authorized signer. This section of the form must be signed and dated.

NOTE: The waste generator must retain a copy of the completed disposal form.

WASTE TRANSPORTER SECTION

8. Transporter #1: Acknowledgment of receipt of asbestos waste materials. Print agent and company name, then sign and date.
9. Transporter #2: Acknowledgment of receipt of asbestos waste materials. Print agent and company name, then sign and date.

NOTE: If there are more than two transporters attached a new waste shipment form.

DISPOSAL SITE SECTION

10. List the name of the waste disposal site, print the name, title and phone number, then sign and date form. This certifies that you have received the asbestos material covered by this manifest.
11. Discrepancy space. This space is used if there is a discrepancy between the amount of the material received by the landfill and the amount of material listed on the waste shipment report form.

NOTE: The waste disposal site operator must retain a copy of this form.

In addition, asbestos waste disposal regulations require that the Waste Disposal Site operators take the following actions:

- Send a copy of the completed and signed Waste Shipment Report Form to the Waste Generator as soon as possible, but no later than 30 days after the waste has been received at the disposal site.

- Notify DEQ immediately by telephone of improperly enclosed or uncovered waste. Submit a written report to DEQ the following working day, along with a copy of the Waste Shipment Report Form.

- If you discover a discrepancy between the quantity of waste designated on the Waste Shipment Report Form and the quantity of waste actually received, attempt to reconcile the discrepancy with the Waste Generator. You must report, in writing, to DEQ within 15 days after receiving the waste any discrepancies that cannot be reconciled. Submit a copy of the Waste Shipment Report Form with this report.

Attachment B

Leachate Management Plan

LEACHATE MANAGEMENT PLAN

WASCO COUNTY LANDFILL
THE DALLES, OREGON

OCTOBER 2015

PREPARED FOR:

WASCO COUNTY LANDFILL, INC.

2550 STEELE ROAD
THE DALLES, OR 97058

UPDATED BY:

VISTA CONSULTANTS, LLC

489 N. 8TH STREET, SUITE 201
HOOD RIVER, OREGON 97031

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APPENDIX B LEACHATE PIPING INTEGRITY PLAN

ACRONYMS AND ABBREVIATIONS

DEQ	Oregon Department of Environmental Quality
EAP	Emergency Action Plan
EMP	Environmental Monitoring Plan
HASP	Health and Safety Plan
LCRS	Leachate Collection and Removal System
LPIP	Leachate Piping Integrity Plan
LSCS	Leachate Secondary Collection System
SDCS	Sump Drain Collection System
SWDP	Solid Waste Disposal Permit
VISTA	Vista Consultants, LLC
WCI	Waste Connections, Inc.
WCL	Wasco County Landfill

1 INTRODUCTION

1.1 OVERVIEW

Vista Consultants, LLC (VISTA) has updated this Leachate Management Plan (LMP) as a component of the Operations Plan for Wasco County Landfill (WCL) to comply with Subsections 7.1 and 9.15 of WCL's renewed **Solid Waste Disposal Site Permit No.53** (SWDP), which was issued by the Oregon Department of Environmental Quality (DEQ) on December 11, 2014.

Subsection 5.5 of the SWDP allows the recirculation of leachate and landfill gas condensate at WCL as follows:

> *"Landfill leachate and gas condensate removed from the on-site landfill disposal units may be recirculated into lined portions of the Phase IV landfill area as specified in the DEQ-approved Operations Plan, and provided that the leachate/condensate recirculation design and operation will:*
>
> - *enhance leachate/condensate evaporation and absorption into the waste mass; and*
> - *not return appreciable amounts of leachate/condensate back to the leachate collection system."*

This LMP is intended to cover operational aspects of leachate management and related issues, and may be used as a stand-alone document.

1.2 LEACHATE DEFINITION

OAR 340-093-0300 defines leachate as *"liquid that has come into direct contact with solid waste and contains dissolved, miscible and/or suspended contaminants as a result of such contact."* Leachate is generated from precipitation percolating through the landfilled waste. At WCL, due to the arid climate of the region, a majority of the leachate generation occurs in early spring during periods of snow melt and rain.

2 LEACHATE COLLECTION SYSTEM DESCRIPTION

Section 4 of the **Operation Plan** describes the general development of WCL, including developed disposal areas. As noted in that section, leachate collection and removal systems (LCRSs) are present throughout the Phase III and IV areas and consist of a layer of free draining material (gravel and/or drainage geocomposite) with perforated collection pipes set in trenches, which slope at a minimum of two percent to primary collection sumps. Additionally, in both Phases III and IV, leachate secondary collection systems (LSCSs) are located beneath the primary liners, below the LCRS trenches.

In Phase III, the LCRS and LSCS in Cells A, B and C drain to sumps at the northeast corner of Cell B that are connected to sloped riser pipes that terminate outside the cell. In Phase IV, the LCRS and LSCS in Cells 1and 2 drain to primary and secondary sumps and riser pipes in Cell 1, and the LCRS and SCS in Cell 3 drain to primary and secondary sumps and riser pipes located in Cell 3A. The LCRSs and LSCSs in Phase IV will continue to be extended as additional cells are constructed. However, all additional components of the systems will flow to the existing sumps in Cells 1 and 3A.

The primary and secondary sumps are equipped with submersible pumps to remove leachate from the collection systems. The pumps are installed as follows:

- Phase III LCRS and LSCS pumps – the Phase III LCRS and LSCS risers terminate at an angle in the sumps and the pumps are set against the ends of the risers (i.e. the lowest points of the risers).
- Phase IV LCRS pumps – the LCRS risers transition from the side slope angle to run horizontally through the sumps to connect to the main leachate collection pipes on the base of the cells. The distances of the low points of the horizontal sections of the risers were determined relative to the ends of the risers (VISTA 2009), and the pumps are set at the corresponding low point locations, by measuring the length of the solid-wall pump discharge pipes, as follows[1]:
  - Phase IV Cell 1 LCRS riser low point – 255.2 feet from the end of the riser; and
  - Phase IV Cell 3A LCRS riser low point – 286.1 feet from the end of the riser.
- Phase IV LSCS pumps - the Phase IV LSCS risers terminate at an angle in the sumps and the pumps are set against the ends of the risers (i.e. the lowest points of the risers).

Pressure transducers are located at the lowest point within each LCRS and LSCS riser to determine the depths of liquid at each location. The liquid depths are displayed on dedicated control panels located near the top of each riser. These transducer liquid depth measurements are used to manage the removal

[1] The elevation changes adjacent to the low points were determined to be less than 1 inch over a 14-foot distance in the Cell 1 sump, and less than 1 inch over a 10-foot distance in Cell 3A sump. These relatively small variations indicate the locations of the pumps will not have any practical impact, for either operational or compliance purposes, as long as the pumps are located within these general ranges.

of liquid from the various sumps, to ensure:

- In each LCRS sump the leachate level is maintained within the depth of the sump and does not exceed the depth of the sump and back up above sump onto the floor of the cell; and

- In each LSCS sump only a minimal amount of liquid is allowed to accumulate before being pumped into the corresponding LCRS sump.

Operating in this manner satisfies the requirement in Subsection 9.15 of the SWDP to "*minimize the fluid build-up on the bottom liner and prevent the hydraulic head (fluid depth) from exceeding one (1) foot on the primary liner outside of the sump areas*."

VISTA (2012) performed a field evaluation of the storage capacity of the Phase IV LCRS sumps and determined:

- The Cell 1 sump – at a maximum evaluated liquid depth of 18.5 inches (which did not exceed the depth/capacity of the sump) the sump has a liquid storage capacity of approximately 5,900 gallons; and
- The Cell 3 sump – at a maximum evaluated liquid depth of 26 inches (which did not exceed the depth/capacity of the sump) the sump has a liquid storage capacity of approximately 15,000 gallons.

Secondary LSCS pumps and the Phase III LCRS pump are operated manually based on the transducer displayed liquid depths. The Phase IV LCRS pumps are controlled automatically (pump-on and pump-off) when leachate depths reach specified levels. The pump-on levels are set below the maximum levels evaluated as noted above (18.5 inches in Cell 1 sump and 26 inches in Cell 3 sump) , and the pump-off levels are set with sufficient liquid left in the sumps to prevent the pumps cavitating. The nominal pump control settings are provided in Table 2-1.

TABLE 2-1 – PUMP CONTROL SETTINGS

SUMP REFERENCE	PUMP-ON SETTING (IN.)	PUMP-OFF SETTING (IN.)	DEQ REPORTING THRESHOLD (IN.)
PHASE III LCRS	18	13	30
PHASE III SLCS	16	6	28
PHASE IV CELL 1 LCRS	14	9	26
PHASE IV CELL 1 SLCS	15	10	27
PHASE IV CELL 3A LCRS	17	9	29
PHASE IV CELL 3A SLCS	15	10	27

The transducers are inspected and calibrated at least annually, and the set points may be adjusted to values that differ from those in **Table 2-1** as part of that calibration process. A written record will be maintained at the landfill if the set points are changed. In addition, in case of a system malfunction, WCL will notify DEQ if the liquid levels reach the reporting threshold values noted in **Table 2-1**, which are 12 inches above the pump-on settings. These reporting depths do not represent a violation of Section 9.15 of the SWDP as the depths represent less than one foot of liquid on the liner outside the sump area.

Leachate from the Phase IV LCRS sumps is pumped to two 6,600 gallon polypropylene holding tanks (10-foot-diameter and 12.6-feet-tall) located inside a reinforced concrete secondary containment structure on the perimeter berm just outside the Phase IV, Cell 3 liner limit. The tanks are hydraulically connected so that the liquid level equilibrates within the tanks. However, a valve is located on the connection between the tanks so the tanks can be isolated for operational or maintenance purposes.

The secondary containment structure is provided with a side pipe drain, valve and cam-lock fitting to allow any precipitation that collects inside the containment structure to be removed. In the event leachate leaks from the equipment within the secondary containment or a tank overtops, the leachate could also be discharged through the side pipe drain to a tanker truck or removed using a portable pump placed within the containment structure.

3 RECIRCULATION

3.1 PHASE III RECIRCULATION

Leachate from Phase III LCRS sump is pumped manually into a tanker truck and taken to Phase IV and recirculated into the waste.

3.2 PHASE IV RECIRCULATION

A transfer pump connected to the storage tanks located adjacent to Cell 3, is used to deliver leachate to the operational area for recirculation / dispersion.

The transfer pump can be operated in three ways:

- Automatic – continuous pumping controlled by the leachate level in the tanks and pump-on and pump-off set points;
- Manual operation with automatic delivery of a preset metered volume of leachate by use of a wireless remote controller. After the preset volume of leachate has been pumped, the transfer pump automatically shuts off. In general, the preset volume to be pumped is calibrated to the capacity of the tanker truck; and
- Completely manual operation.

From the point of delivery in the operational area, recirculation / dispersion is intended to occur in two ways:

- Option 1 is to discharge the leachate into a designated tanker truck and surface apply the leachate, with the principal goal of enhancing evaporation and controlling dust; and
- Option 2 is to discharge the leachate into trenches or pits excavated in the waste to allow leachate to percolate back into the landfill to enhance absorption into the waste mass.

Leachate levels in the tanks are monitored by a mechanical reverse-reading visible indicator on the outside of the tanks and a pressure transducer. In addition failsafe low-level and high-level float switches are installed in the tanks[2], which can override the operation of the transfer pump under any of the operational modes:

- If the low-level float switch is activated, the transfer pump will automatically turn off to prevent the transfer pump operating dry; and
- If the high-level float switch is activated, indicating a failure of the transfer pump to operate, the

[2] The float switches are replaced annually.

pumps in the Cell 1 and Cell 3 LCRS sumps will shut down to prevent additional leachate delivery to, and potential overtopping of the tanks. Under this scenario, until the transfer pump can be corrected, WCL will monitor the liquid depths in the LCRS sumps. Before the levels reach the DEQ reporting threshold values (Table 2-1), WCL will initiate pumping from one or both sumps by:

- Pumping directly from the LCRS sumps into a tanker truck; or
- Pumping into the holding tanks and discharging compensating quantities of leachate from the holding tanks into a tanker truck; or
- Pumping directly from the LCRS sumps to the operating area and bypassing the holding tanks.

When the transfer pump is turned off, the water column remaining in the pipe leading up to the delivery point in the operational area can be manually drained via a drain line connected to the tanks. This is typically only needed to service the pump and in freezing weather to prevent the leachate freezing in the lines and pump.

3.3 METHODOLOGY

The following factors guide the recirculation practices at WCL:

- In warmer drier months, when dust control is more of an issue, WCL places more emphasis on surface application using a leachate truck to disperse liquids.
- In the cooler wetter months, when dust is less of an issue and vehicle operating conditions become more challenging (softer ground, wetter roads, potential for freezing components on the leachate truck, etc.) WCL places more emphasis on recirculating directly into recirculation trenches.
- There is no fixed timetable for changing from predominantly truck application to predominantly non-truck application. The change will be based on seasonal conditions during a particular year. However, as a general guide, between November and March non-truck application would be the typical approach.
- Recirculation is kept away from outside side slopes.
- WCL utilizes both open and closed recirculation trenches.
    - Open trenches are simply dug into the waste with a trackhoe – typically approximately 3-feet-wide, 3-feet-deep and 20-feet-long - and leachate is introduced and allowed to infiltrate into the waste.
    - Closed trenches are dug in a similar manner and backfilled with a permeable media (e.g. free draining gravel, crushed glass) with or without a perforated pipe, and leachate is introduced and allowed to infiltrate into the waste.
    - Trenches are typically used for about a month.

- WCL records the daily number of loads (hence volume) of leachate applied to roads and waste.

4 MONITORING

Leachate monitoring is based on pressure transducers in the LCRS and LSCS sumps, transducer and reverse reading level indicators within the tanks, several magnetic flow meters (inflow from each primary sump to the tanks and recirculation volume from the tanks via the transfer pump) and pump operation parameters (time of operation and current draw).

The information from these devices is displayed on control panels located at the Cell 1 and Cell 3A riser stations. The control panel relays information to the sump pumps and controls when the pumps turn on and off. The sump pumps are capable of operating continuously while the transfer pump is typically operational during normal business hours. In the event sump pumping is interrupted for mechanical reasons, an alarm installed in the control shed will activate a warning beacon.

A copy of the daily leachate monitoring form is provided in Appendix A.

5 INTEGRITY TESTING

DEQ approved (November 23, 2011) the Leachate Piping Integrity Plan (LPIP) for WCL (VISTA 2011). The LPIP (Appendix B) includes a conceptual master plan for the future development and integrity testing of the piping associated with the LCRS in Phase IV.

The integrity of each primary LCRS pipe is to be tested every five years. In addition, when a primary LCRS pipe is extended as a component of cell construction it will be tested. The methods to be used to test the primary pipes will be based on available technologies. Water jetting and video camera methods have been employed at WCL, and experience has indicated that water jetting apparatus can be advanced further down the pipes than camera equipment.

6 TRAINING

Leachate management training is conducted in conjunction with training described and implemented as part of the WCL Operations Plan.

6.1 SYSTEM OPERATIONS

WCL personnel are trained on the following leachate management system components:

- System startup;
- Leachate collection sumps;
- Sump pumps;
- Monitoring systems;
- Leachate tanks;
- Transfer pump;
- Recirculation system, tanker truck and recirculation trenches / pits.

6.2 FILLING TANKER TRUCK

WCL personnel who are responsible for filling tanker trucks are trained on the operation of the transfer pump and remote control device, appropriate connections to the water truck, and how often leachate should be pumped from the tanks as a function of the volume of leachate collected.

6.3 MONITORING AND INSPECTIONS

WCL personnel who perform equipment monitoring and inspections are trained how to read and record sump liquid depth Information, flow meters, and operational pump data.

6.4 EMERGENCY RESPONSE

WCL personnel expected to be on call after site operating hours will be trained on how to respond to emergency situations.

7 INSPECTIONS

The leachate management system is monitored each day WCL is open. The following items are included on the Monitoring Form (Appendix A):

- Flow meter readings of the discharge from each LCRS and LSCS sump.
- Liquid depths in each LCRS and LSCS sump, observed at the pressure transducer display panels. The depths are used to confirm that the sump pumps are operating properly and the depths are less than the DEQ reporting thresholds (**Table 2-1**).
- Flow meter reading of the volume pumped by the transfer pump to the operational area.
- The leachate level in the storage tanks, observed at the pressure transducer display panel (the indicated level is visually compared to the reverse-reading level system as an indication that the system is functioning correctly). The depth level is used to verify that system operations are functional and that adequate capacity remains for additional leachate to be pumped from the sumps.
- The volume recirculated by the water truck.

In addition, the secondary containment is observed for debris (garbage) and any evidence of leakage from the tanks, hoses, or pipe fittings.

Additional seasonal inspections are conducted during low temperature periods in conjunction with the listed items above. They include inspecting the heat tape placed around exposed piping and monitoring the overall effect of temperature on the system.

The leachate management system is also inspected as a component of the WCL Monthly Site Inspection. This includes the inspection of hoses and tank fittings, examination of secondary containment, and recording the pump meter hours.

Observations recorded that are not satisfactory shall be reported to the Site Manager or Landfill Supervisor immediately.

8 REFERENCES

Vista Consultants, 2011. *Leachate Piping Integrity Plan, Wasco County Landfill*. September 12, 2011.

Vista Consultants, 2012. *Sump Capacity Evaluation; Phase IV, Cell 1and Cell 3A*. October 29, 2012.

Appendix A

Monitoring Form

WASCO COUNTY LANDFILL

LEACHATE SYSTEM MONITORING

YEAR	2015	PHASE III AREA									PHASE IV AREA - CELLS 1 & 2							PHASE IV AREA - CELL 3							STORAGE TANKS				WATER TRUCK
MONTH	Oct	Primary LCRS Sump				Secondary Detection Sump			Spring		Primary LCRS Sump				Secondary Detection Sump			Primary LCRS Sump				Secondary Detection Sump							
				Pump Set Points (in.) (On 18 /Off 13)				Pump Set Points (in.) (On 16 /Off 6)					Pump Set Points (in.) (On 14 /Off 9)				Pump Set Points (in.) (On 15 /Off 10)			Pump Set Points (in.) (On 17 /Off 9)				Pump Set Points (in.) (On 15 /Off 10)					
DATE	Rain (in.)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	Trans Start Day Depth (in.)	Trans End Day Depth (in.)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	Trans Start Day Depth (in.)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	Trans Start Day Depth (in.)	Trans End Day Depth (in.)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	Trans Start Day Depth (in.)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	Trans Start Day Depth (in.)	Trans End Day Depth (in.)	End Day Pump Flow Meter (gal)	Volume Pumped From Sump (gal)	Trans Start Day Depth (in.)	End Day Transfer Pump Flow Meter (gal)	Volume Pumped From Tanks (gal)	Trans Start Day Depth (in.)	Trans End Day Depth (in.)	Volume Recirculated By Water Truck (gal)
9/30/15																													
10/1/15			0				0			0		0				0			0				0			0			
10/2/15			0				0			0		0				0			0				0			0			
10/3/15			0				0			0		0				0			0				0			0			
10/4/15			0				0			0		0				0			0				0			0			
10/5/15			0				0			0		0				0			0				0			0			
10/6/15			0				0			0		0				0			0				0			0			
10/7/15			0				0			0		0				0			0				0			0			
10/8/15			0				0			0		0				0			0				0			0			
10/9/15			0				0			0		0				0			0				0			0			
10/10/15			0				0			0		0				0			0				0			0			
10/11/15			0				0			0		0				0			0				0			0			
10/12/15			0				0			0		0				0			0				0			0			
10/13/15			0				0			0		0				0			0				0			0			
10/14/15			0				0			0		0				0			0				0			0			
10/15/15			0				0			0		0				0			0				0			0			
10/16/15			0				0			0		0				0			0				0			0			
10/17/15			0				0			0		0				0			0				0			0			
10/18/15			0				0			0		0				0			0				0			0			
10/19/15			0				0			0		0				0			0				0			0			
10/20/15			0				0			0		0				0			0				0			0			
10/21/15			0				0			0		0				0			0				0			0			
10/22/15			0				0			0		0				0			0				0			0			
10/23/15			0				0			0		0				0			0				0			0			
10/24/15			0				0			0		0				0			0				0			0			
10/25/15			0				0			0		0				0			0				0			0			
10/26/15			0				0			0		0				0			0				0			0			
10/27/15			0				0			0		0				0			0				0			0			
10/28/15			0				0			0		0				0			0				0			0			
10/29/15			0				0			0		0				0			0				0			0			
10/30/15			0				0			0		0				0			0				0			0			
10/31/15			0				0			0		0				0			0				0			0			
TOTALS	0.00		0				0			0		0				0			0				0			0			0

APPENDIX B

LEACHATE PIPE INTEGRITY PLAN

4132 SW Barbur Boulevard
Portland, Oregon 97239
(503) 922 2522

Vista Consultants, LLC

MEMORANDUM

To: Joe Gingerich, P.E. (DEQ)

Copy: Wes Gavett, P.E. (Waste Connections)

From: Roger North, P.E.

Date: September 12, 2011

Subject: Leachate Piping Integrity Plan
Wasco County Landfill
The Dalles, Oregon

The purpose of this memorandum is to present a conceptual master plan for the future development and integrity testing of the piping associated with the leachate collection and removal system (LCRS) in Phase IV at Wasco County Landfill (WCL), The Dalles, Oregon.

Development

The attached drawing shows the existing LCRS piping constructed for Cells 1, 2 and 3 (including sub-cells), and conceptual LCRS piping for future development of the system throughout the Phase IV area. The layout of the future piping is based on the following:

- Extending all the existing collection pipes as future *primary* LCRS pipes. These pipes will be transitioned from the current 6-inch diameter to 8-inch diameter to provide better access for continuity and integrity testing (see below);

- The primary pipes will be extended incrementally as disposal units are constructed. Ultimately the primary pipes will be terminated at the limit of the Phase IV area to provide permanent access; and

- A series of *branch* pipes that slope towards, and drain into, the planned primary pipes will be constructed within the future lined areas. The purpose of these branch pipes will be to capture leachate draining down the side slopes. The actual spacing and layout of these pipes will be determined based on incremental cell geometry and base grades.

Testing Methods

The methods to be used to test the primary pipes will be based on available technologies, which at present include water jetting and video camera methods. Recent experiences at WCL have indicated that

camera equipment cannot be advanced as far as water jetting apparatus. However, the future pipes have been oriented to avoid sharp turns and sized to provide improved access for both jetting and camera equipment.

Testing Schedule

It is proposed that each primary LCRS pipe be tested a minimum of once every five years. In addition, when a primary LCRS pipe is extended as a component of cell construction it will be tested.

* * * * *

Attachment: Drawing 1 – Conceptual Phase IV LCRS Piping Layout

C:\CIVIL 3D PROJECTS\WASCO\WASCO GENERAL\EXTERNAL REFERENCES\DWG\LEACHATE COLLECTION MASTER PLAN.DWG PLOTTED: 9/13/2011 12:06 PM ON ANSI FULL BLEED D (22.00 X 34.00 INCHES)

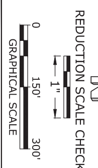
CELL 3B
CELL 3C
CELL 3A
CELL 3D
CELL 1A
CELL 1
CELL 1B
CELL 2
CELL 2A

725
700
675
650
625
750
775
800
825
850
875
900
925
950
975

PROPOSED WASTE LIMIT

LEGEND

CELL LIMIT
PRIMARY PIPE
BRANCH PIPE
EXISTING PIPE
PROPOSED WASTE LIMIT



DRAWING NO. 1 OF 1

LEACHATE PIPING INTEGRITY PLAN
WASCO COUNTY LANDFILL
2550 STEELE ROAD
THE DALLES, OREGON

CONCEPTUAL PHASE IV LCRS PIPING LAYOUT

DATE: 9/13/2011

SCALE: 1" = 150'

REV	DATE	REVISION DESCRIPTION	DES	DRN	APP
-	09-07-10	2010 PIPE WORK	RN	STM	RN
1	06-30-11	2011 PIPE WORK	RN	STM	RN
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

VISTA CONSULTANTS, LLC
4132 SW BARBUR BLVD.
PORTLAND, OREGON 97239
(503) 922-2522

PROJECT NO. 10-32.9

Attachment E—Facility Site Plan

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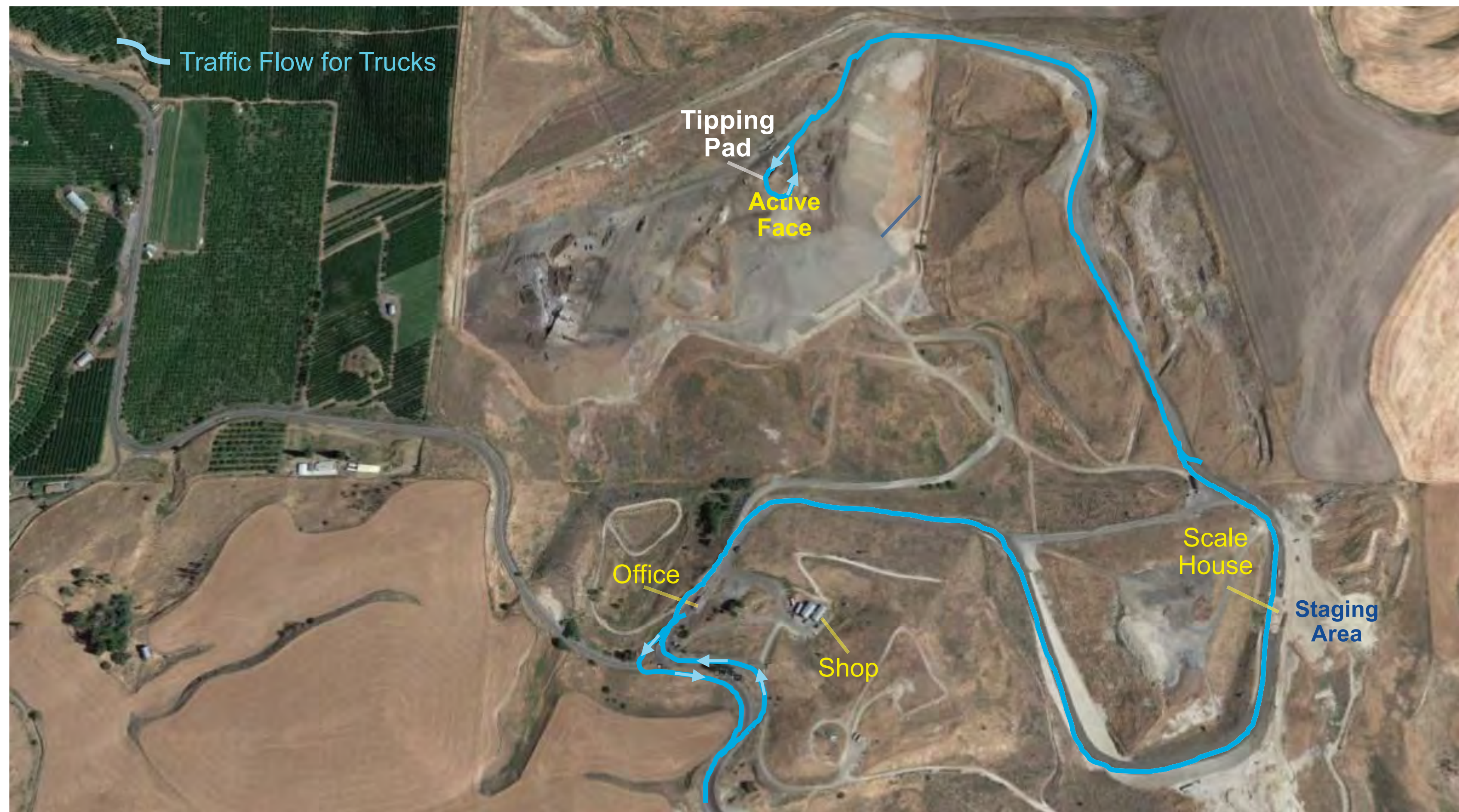
Wasco
County Landfill

Attachment E—WCL Site Map w/ Traffic Flow



Wasco
County Landfill

Attachment E—WCL Site Map: Tipping Area w/ Traffic Flow

Attachment F—Site Access Routes and Nearby Roads

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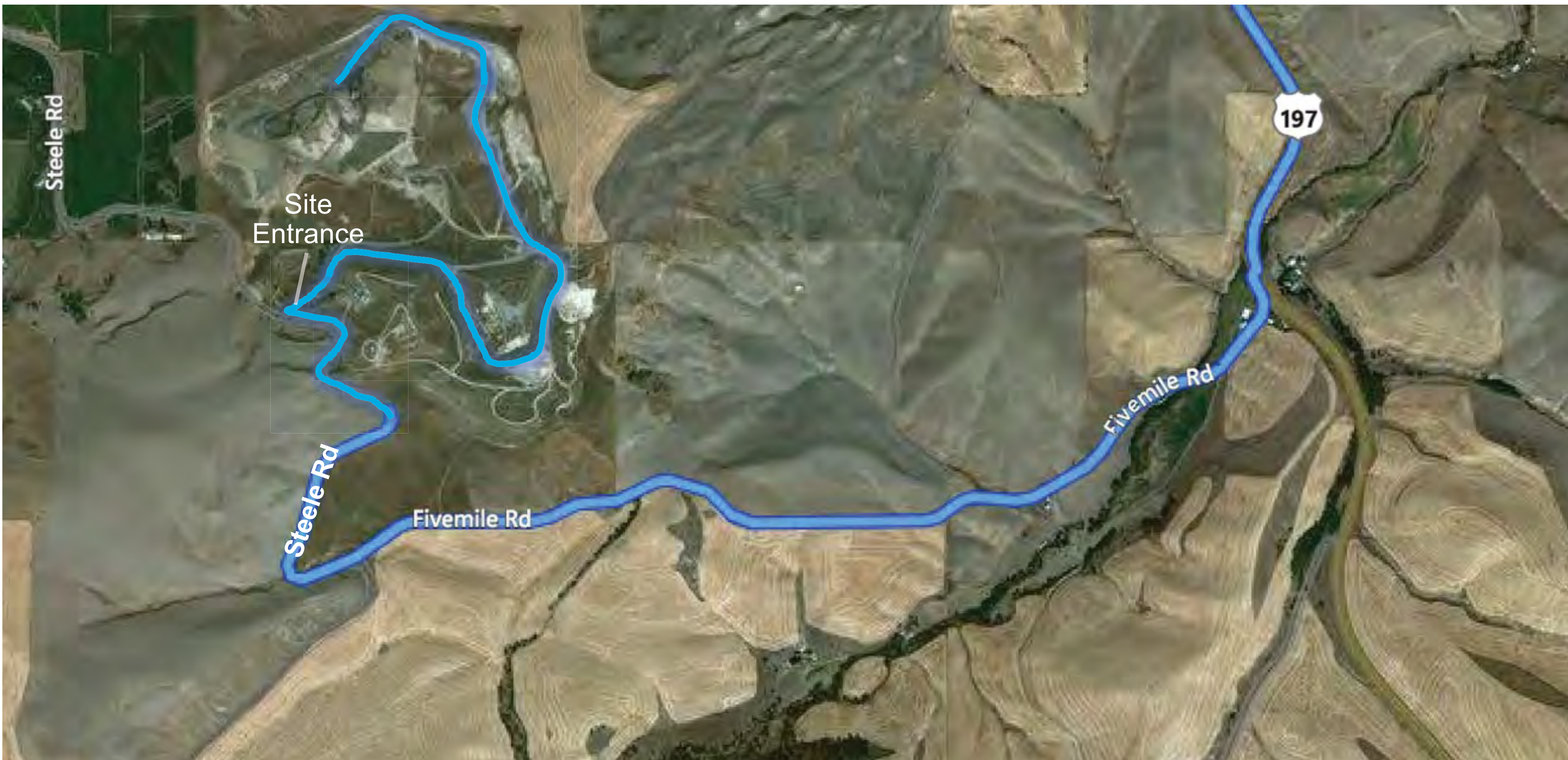
Attachment F—WCL Access, Portland to Landfill

Attachment F—WCL Access, Hwy 197 to Landfill



Attachment G—Equipment Daily Inspection Report

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Daily Heavy Equipment Inspection

Unit Number: ______________ Date: ______________ Equipment Model: ______________

Hour Meter Start: ______________ Hour Meter Finish: ______________

Fuel Gallons Added # 1 ______________ Fuel Gallons Added # 2 ______________

✓ = Checked   A = Added   RN = Repairs Needed

	Inspection Pre-Operation	Inspection Post-Operation
Grease Machine Completely	______	______
Inspect Motor Oil Level Front	______ Gal.	______ Gal.
Inspect Motor Oil Level Rear	______ Gal.	______ Gal.
Inspect Transmission Oil Level	______ Gal.	______ Gal.
Inspect Hydraulic Oil Level	______ Gal.	______ Gal.
Inspect Radiator Level	______ Gal.	______ Gal.
Inspect Fire Extinguisher	______	______
Inspect Fire Suppression System	______	______
Inspect Operation of Brakes	______	______
Inspect Operation of Gauges / Warning Lights	______	______
Inspect Operation of Back Up Alarm	______	______
Inspect Air Cleaner (Indicator)	______	______
Inspect Seat Belt	______	______
Inspect Horn Operation	______	______
Inspect Lighting	______	______
Inspect Windshield Wiper Operation	______	______
Clean Cab Interior	NA	______
Clean Glass	NA	______
Clean Debirs from Engine Compartment	NA	______
Clean Debris from Radiator	NA	______
Inspect Tracks / Wheels	______	______
Inspect Belly Pan	______	______
Inspect for Broken Glass	______	______

REPAIRS NEEDED

INSPECT MACHINE FOR LEAKS

	Pre-Operation	Post-Operation
1. Engine	______	______
2. Hydraulics	______	______
3. Cylinders	______	______
4. Hoses	______	______
5. Radiator	______	______

Machine OK to Operate (operator's signature required) ______________ Date: ______________

Performed Post Operation Inspections and
Shut Off Battery Lock-Out Switch (operator's signature required) ______________ Date: ______________

Manager, Supervisor or Maintenance Sign Off: ______________ Date: ______________

WHITE - MAINTENANCE COPY • YELLOW - FILE COPY • PINK - MACHINE COPY

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Wasco
County Landfill

Attachment H—Facility Compliance Review Form
RPT-F008

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WC Facility Compliance Review

RPT-F008

District #	Date:	Conducted By:
District Manager:		**Maintenance Manager:**

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
A. EXTERIOR/YARD					
A1	The Building, Grounds and Landscaping are well maintained and reflect the Waste Connections image?				
A2	Parking area Entrance/Exits are well lighted and marked with proper signage?				
A3	Paved surfaces free of potholes, debris and other trip, slip and fall hazards?				
A4	Fences, gates and locks secure and in good condition?				
A5	Potential fire hazards from vegetation and debris accumulation has been removed ?				
A6	Nuisance Vectors (insects-rodents-birds etc.) are controlled and/or removed? Abatement Chemicals properly stored and listed in Haz Com/MSDS?				
A7	Manhole and other confined spaces clearly marked? (1910.146c)				
A8	All barriers, bollards, curbings and fire lanes painted for visibility?				
A9	Perimeter of property has no evidence of discharge of pollutants?				
A10	Trucks are kept in secure area? Keys removed when parked?				
A11	No signs of excessive oil leaks where trucks and equipment are parked?				
A12	Truck block heater/charger cables and receptacles in good condition? No exposed wiring or broken plugs?				
A13	Containers neatly stored and safely stacked with no trash or standing water in stored containers?				
B. BULLETIN BOARDS					
B1	Are bulletin boards maintained with company rules and regulatory postings? Is the information current? Corresponding Spanish versions are posted (if applicable)?				
B2	Current Federal 5 in 1 posters and required state and local postings are maintained with updated names and contact numbers.				
B3	Is the injury record (OSHA 300 log) maintained up to date with copies for last 5 yrs available and at satellite facilities?(1910.6)				
B4	Is the OSHA 300A summary log posted from February 1 to April 30?(1910.32(b)(6)				
C. FIRE PREVENTION/EXTINGUISHERS (19.10.157)					

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
C1	Are portable Fire extinguishers kept at their designated places at all times with corresponding signage and accessible, properly mounted, charged, pinned and sealed?				
C2	Are portable Fire extinguishers available within 75' travel distance from all areas in the facility with an unobstructed access?				
C3	Portable fire extinguishers are visually inspected and documented monthly?				
C4	Fire extinguishers shall be subject to an annual professional maintenance check, record the date and maintain this record for one year.				
C5	Are used portable fire extinguishers labeled, secured and stored separately from new fire extinguishers to avoid confusion in an emergency?				
C6	Is the minimum vertical clearance between automatic sprinklers and materials below them at least 18 inches (30" for bales)?				
C7	Are automatic sprinkler fusible links clean, unpainted and undamaged?				
C8	Is the sprinkler header marked with a tag indicating inspection and service in the last 12 months? Is the sprinkler or other fire detection system operational and connected to a central station alarm system?				
D. LIFE SAFETY/FIRST AID					
D1	Is the First Aid Cabinet fully stocked and are supplies within the listed expiration date? No oral meds?(19.10.151)				
D2	Is the First Aid Kit in an easily accessed area that is clear of obstructions and located away from contamination sources?				
D3	Are current certified First Aid Responders and CPR trained employees names posted?				
D4	Is the Clinic name, address and phone number posted at phones and accessible for after hour emergencies?				
D5	AED unit charged and ready for potential emergencies? (If applicable)				
D6	Is the eye wash station in an easily accessed area that is clear of obstructions?				
D7	Does the eye wash station provide at least 15 minutes of continuous washing capability?				
D8	Is the Eye wash station in a clean and sanitary condition and has it been inspected for compliance monthly/weekly?				
E. EXITS/EGRESS					
E1	Are exits and aisles leading to exits visible, clearly marked and kept clear of obstructions, with a pathway at least 28 inches wide?(1910.37(f)(6))				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
E2	Are all EXIT doors unlocked during work operations and NO special knowledge is needed in order to open them?				
E3	Are EXIT doors in good and operational condition?				
E4	Do all areas within shop/facility have signage indicating nearest EXITs and/or direction to closest EXIT?				
E5	Do all EXIT doors with dead-bolt or other solid locking mechanisms have signage indicating, "This Door Must Remain Unlocked During Work Operations"?				
E6	Any door, passage way or stairway which is not an exit is marked "NOT AN EXIT". (1910.37(q) (2))				
E7	Are site emergency exit plans posted throughout the facility? (19.10.38)				
E8	Testing is conducted on emergency lighting equipment to ensure proper working order?				
E9	No flammable or combustible materials are stored under stairwells?				
F. SANITATION					
F1	Are toilets and washing facilities clean and sanitary with soap and warm water and a means of hand drying ?				
F2	Are there an adequate number of waste disposal containers and are they covered or emptied daily?				
F3	Are lunch rooms, rest areas and break rooms kept clean? Is ventilation and temperature control adequate?				
F4	Are refrigerators and food handling areas kept clean and sanitary with daily dish washing, routine inspection and disposal of outdated food items?				
G. WALKING and WORKING SURFACES					
G1	Are floor openings, platforms or workstations 48" or higher guarded by a cover, guardrail or equivalent on all sides? (1910.23)				
G2	Is the handrail system at least 42" high, have a toe-rail and intermediate rail so as not to have an opening greater than 21", able to withstand 200 lbs force in any direction and is in good condition? (1910.23(e) (1))				
G3	Are toe boards installed with nominal 4" vertical height from the floor or platform and not more than 1/4" clearance from floor? (1910.23(e) (4))				
G4	Are grates and covers over floor openings such as floor drains secured and in good condition? (no broken bars) (1910.23(a)(8)				
G5	Are wet surfaces cleaned up or covered with non-slip materials?				
G6	Are steps on stairs and stairways designed with a slip resistant surface? (1910.124(f)				
G7	Walkways and steps in good repair? (1910.137)				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
G8	Are Step risers on stairs uniform from top to bottom? Handrails provided? (1910.124)				
G9	Are changes of direction or elevation readily identifiable?				
G10	Are aisles and walkways protected from potential hazards of adjacent work areas?				
G11	Are unused portions of service pits and pits not actually in use either covered or protected by guardrails or equivalent?				
H. LADDERS (1910.24&1910.25&1910.26&1910.27)					
H1	Portable ladders are numbered and in good condition with slip resistant feet and no broken or bent rungs? No wooden ladders?				
H2	Portable ladders are secured and maintained in designated location?				
H3	Fixed metal ladders are painted or treated to prevent corrosion and rusting?				
H4	Is the Fixed ladder's clearance distance at least 36 " between the nearest permanent object and the center line of the rungs on front side?				
H5	Is the Fixed ladder's clearance distance at least 7"between the backside of the ladder from the center line of the rungs to the nearest object?				
H6	Does the ladder extend 3-1/2 feet above the parapet and caged if more than 20ft in height?				
I. TOOLS AND MACHINE GUARDING					
I1	Are all tools and equipment (both company and employee owned) in good condition and used with the correct shield, guard or attachment recommended by the manufacturer?				
I2	Are all tools such as chisels, punches, wrenches, etc., which are worn, bent or mushroomed being removed or replaced as necessary?				
I3	Are pneumatic and hydraulic hoses on power-operated tools checked regularly for deterioration or damage such as cracks, bulges and leaks? No hose clamp repairs?				
I4	Are tool cutting edges kept sharp so tool will move smoothly without binding or skipping?				
I5	Are appropriate handles used on files, hammers and similar tools and in good condition? (no cracks, splinters etc.)				
I6	Are there NO home-made or modified tools in use?				
I7	Are the power machines, shears, chop saws, grinders, drill presses and hose crimper properly secured and is guarding in place and operable?				
I8	Is appropriate signage posted for eye protection and full face shield located at workstations where required to be worn in combination with approved safety glasses?				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
I9	Have all hazards from points of operation, ingoing nip points, rotating parts, flying chips, sparks, moving chains, gears, pulleys and belts been guarded? (No openings larger than 1/2" on fans within 7ft from floor- 1910.252(a)				
I10	Do fixed grinders have side guards that cover the spindle nut and flange and 75% of the wheel diameter, a tool rest adjusted to within 1/8" and a tongue guard adjusted to within 1/4" of wheel? (19.10.215(a))				
I11	Before new abrasive wheels are mounted, are they visually inspected and ring tested? (1910.215(d))				
I12	Is tire repair equipment in good working order with signage posted for safe operation of equipment?				
J. ELECTRICAL					
J1	Are all power cords for all equipment and tools in good condition, free from cuts and tears, and were any necessary repairs done with a UL listed repair product?				
J2	Are all extension cords in good condition, free from cuts and tears?				
J3	Are there NO extension cords used as a permanent power supply within the facility?				
J4	Are there NO instances of using more than one extension cord to get power to work location?				
J5	Are there NO electrical cords missing the ground prong on a 3 -wire ground type plug?				
J6	Are all electrical outlets that are near a water sources GFCI protected? Is periodic testing conducted and are results recorded?				
J7	Are all electrical outlets on the exterior of the building GFCI protected and have a Wet Location cover?				
J8	Do all junction boxes and electrical panels have a cover plate in place with no gaps or wires exposed?				
J9	Is the clear working space in front of an electrical panel maintained at no less than 36"?				
J10	Are all individual electrical circuit breakers (and fuel pump switches) labeled and legibly identified?(including spares)				
J11	Are all electrical control areas (switches, door openers, etc.) in good condition and no exposed wires?				
K. FLAMMABLE / COMBUSTIBLE LIQUIDS/FUELING					
K1	Are no smoking signs posted in required areas: fuel island, painting department, battery charging, storage, etc. with no sign of cigarette butts in the areas? (1910.106, NFPA #30,local codes)				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
K2	Fuel Island- Dispensers, hoses and nozzles in good repair? No auto fill clips- (1910.106NFPA #30, Local fire codes)				
K3	Fuel Island-Shut off engine signage and emergency pump shut off clearly marked and unobstructed?				
K4	Fuel Island-Adequate barrier protection? Spill materials readily available? (1910.106, NFPA #30, local fire codes)				
K5	Fuel Island- Adequate number of fire extinguishers and are Charged/tagged/inspected?				
K6	Fuel Truck- No leaks or signs of deterioration of tank integrity. Hoses and dispenser nozzles in good repair?				
K7	Are combustible liquids labeled and stored in the proper manner?				
K8	Are Class I liquids kept in secondary containment and spills cleaned up in storage areas?				
K9	Are flammable liquids (fuels, solvents, paints, etc.) stored in a UL/FM approved Flammable Liquids Storage Cabinet? (1910.106(d))				
K10	Is the Flammable Liquid Storage Cabinet free from un-necessary accelerants or flammable solids (i.e. cardboard boxes, paper, wood products)?				
K11	Materials are not stored on top of flammable storage cabinets?				
K12	Are only portable approved metal containers for gasoline and diesel used with an operational spring loaded closing lid? Are all containers marked as to contents? (1910.106(d))				
K13	Are closable containers provided for soiled rag disposal?				
K14	Parts washer is in good working order with fusible link attached and no obstructions for lid closure? PPE available?				
K15	Pressure washer is in good working order? (hoses, vents and fuel lines)				
L. PHYSICAL HAZARDS					
L1	Have Confined Space evaluations been completed and documented for all spaces that have a limited means of egress and/or special hazards?				
L2	Is the battery storage and maintenance area: organized, have proper ventilation, and is special PPE available? (Face shield, gloves, apron etc.)				
L3	Are precautions taken to prevent open flames, sparks or electrical arcs in battery charging areas? (metal objects removed)				
L4	Is there enough lighting in work areas to allow for safe operations and are all areas, especially walk ways and areas of egress, have enough lighting to				
L5	Is there a minimum 1 set of wheel chocks available at each maintenance shop bay and Chocks are in good condition?				
M. WELDING / CUTTING OPERATIONS					
M1	Is there an assessment conducted before welding/cutting operation begins				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
M2	Are "Hot work permits" documented or is welding conducted in designated areas at least 35 ft from combustible materials, spray painting, etc.? Are spark curtains, fire blankets used and fire watches maintained?				
M3	Is there a means of ventilation for the work area where welding / cutting operation takes place (either mechanical or natural ventilation)?				
M4	Are cutting torches equipped with a Flashback arrestor? At the guages and the torch head?				
M5	Are all electrical cords, equipment, bottles, gauges and hoses in good				
M6	Is a Portable Fire Extinguisher mounted and within reasonable distance to where welding/cutting operations are conducted?				
N. COMPRESSED GAS CYLINDERS					
N1	Are all cylinders effectively secured to prevent tipping? (1910.253(b)				
N2	Are cylinders legibly marked and labeled to clearly identify the gas contained? (1910.253(b)				
N3	Are oxygen and acetylene tanks (or other fuel) properly stored and secured and separated by 20 ft or with a 5ft high fire resistant wall between oxygen and fuels?				
N4	Are cylinders stored in areas which are protected from heat and flame, located at least 25ft from electrical equipment and people and at least 20 ft from flammable liquids or combustible materials?(1910.253(b)				
N5	Are cylinders transported in a manner to prevent them from creating a hazard by falling or rolling? (1910.253(b)				
N6	Are all valves closed off before a cylinder is moved, when a cylinder is empty and at the completion of each job? and are valve protectors used when cylinders are not in use?				
N7	Are valve protectors used when cylinders are not in use and residual in lines drained after use?				
O. COMPRESSERS					
O1	Does the Air Compressor have necessary guarding on moving parts, and is there signage in place that indicates, "THIS EQUIPMENT STARTS AUTOMATICALLY"?				
O2	Are compressors equipped with pressure relief valves, pressure gauge, and spring loaded safety valves, a totally enclosed belt drive system and are air filters installed and maintained on the compressor intake?				
O3	There are no valves of any type placed between the air receiver and it's safety valve? Safety Valve operation is periodically tested?				
O4	Are all receivers periodically drained of moisture and oil and are lubricated in accordance with the manufacturer's recommendations?				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
O5	Compressors have current permit to operate? (If required for compliance by federal, local or state law)				
O6	Is the inlet of air receiver and piping systems kept free of accumulated oil and carbonaceous materials?				
O7	Are all compressed air distribution lines made of a threaded iron pipe or certified equivalent and connections are proper crimped connectors and not hose clamps or duct tape?				
O8	Are air guards used for cleaning equipped with chip guards and operable dead-end pressure regulators of 30PSI, and reduced to less than 10 PSI if used to clean off clothing?				
O9	When using compressed air for cleaning do employees wear protective chip guarding and PPE?				
P. CRANES / HOISTS / SLINGS / JACKSTANDS					
P1	Have all jacks and jack stands been inspected, have OEM pin and are labeled with their load capacity? (1910.244)				
P2	Is there a WCI approved tailgate stand, and is it in good condition?No homemade stands?				
P3	Are all functional operating mechanisms checked prior to use for maladjustment that could interfere with proper operation?				
P4	Are all chains, slings, cables, hooks, and clevises free from unusual wear, damage, and indicators of fatigue?				
P5	Are lines, tanks, valves, drain pumps and other parts of the air or hydraulic systems inspected prior to use?				
P6	Have all cranes received a professional inspection within the past 12 months, and have monthly inspections been conducted? (1910.179)				
P7	Is the rated load of the crane hoists and slings plainly marked on each component?				
Q. PERSONAL PROTECTIVE EQUIPMENT (PPE) (1910.132)					
Q1	Have all employees been issued PPE that is outlined in their Annual Hazard assessment form?(WC REG-F022)				
Q2	Is all PPE in good condition and do employees have access to replacements if it becomes damages or in disrepair?				
Q3	Have all employees received documented training on proper use of PPE and the work tasks that require the use of PPE?				
Q4	Are suitable gloves, hearing protection and protective clothing worn as necessary with hi-viz vests available in the truck and container shop for use by mechanics and welders outside the shop area?				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
Q5	Are protective eye and face equipment worn where required and are safety glasses worn over corrective lenses or do corrective lenses conform to ANSI Z-87.I-1968?				
Q6	Is there a supply of loaner hard hats, vests and safety glasses located at entrance points to the PPE required areas?				
Q7	Are employees who are exposed to the specific hazards created by welding, cutting, brazing or material sorting operations protected by appropriate PPE?				
Q8	If employees choose to use voluntary dust masks for comfort are all appendix D forms documented and on file?				
Q9	Are respirators stored in a clean/sanitary container and have a regular inspection and maintenance schedule?				
R. SIGNAGE					
R1	Shop area floor striping for designated pathways of egress and work areas are clearly visible and maintained clear of obstacles?				
R2	Are all doors marked with either: EXIT, NOT AN EXIT, or with a designation of use of the room?				
R3	Are "No Smoking " signs posted throughout the facility as required by company policy and /or state and local law? Designated smoking area outside?				
R4	Do all entrances into shop areas have signs indicating, "Area may contain Carbon Monoxide"?				
R5	Do all areas with a potential eye and face hazards have caution signs indicating that Eye/face Protection is Required (i.e. drill press, bench grinder, battery station, etc.)?				
R6	Do all areas that are classified as permit-required, or non-permit required confined spaces have signs indicating their classification?				
R7	Is there a sign indicating the location of the Eye Wash station, and is this sign visible from a fair distance within the shop area?				
R8	Is there a sign indicating the location of the First Aid Kit, and is this sign visible from a fair distance within the shop area?				
R10	Do all 2nd level storage areas have signage indicating the area's load capacity, and is it in a lbs./ft^2 notation?				
R11	Are all 2nd level areas that do not have a load rating, or are not intended as storage areas have signs that indicate NO Storage Above or equivalent?				
S. FORKLIFTS-Powered industrial Trucks (1910.178)					
S1	A daily/shift inspection is documented (DEI) with equipment to be found in good working order prior to operating? (1910.178(q))				

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
S2	Is the nameplate intact, with all information legibly stamped on the plate?				
S3	Are all loads handled within the rated/posted capacity of the truck?				
S4	Does the equipment have an fully functioning warning horn and back-up alarm which is audible above the surrounding noise levels?				
S5	Does the forklift have a working seatbelt and working strobe?				
S6	Is directional lighting provided on each industrial truck?				
S7	Is the overhead guard clear of obstruction, enabling the operator to view raised loads while belted in seat?				
S8	Do the break and throttle pedals have rubber pads for traction?				
S9	Do all forklifts have a mounted, inspected and pinned fire extinguisher?				
S10	Does the equipment have fully functioning brakes capable of stopping when fully loaded and prevent vehicle from moving when unattended?				
S11	Are powered industrial trucks driven only by currently authorized and trained personnel? (1910.178)				
S12	Are industrial trucks left in an off position with battery switch off, when unattended or when operator is more than 25ft from the vehicle? (1910.178(m)				
S13	Industrial trucks with internal combustion engines, operated in buildings or enclosed areas are carefully checked to ensure that such operations do not cause harmful gases or fumes such as carbon monoxide?				
S14	Manual fueling with LPG is conducted only by trained employees?				
S15	There is no oil or fuel leaks, and if powered by LPG is there no noticeable odor of leaking gas?				
T. PAINT BOOTH (1910.94)					
T1	Are paint and materials stored and disposed of properly?				
T2	Are paint booth filters regularly checked and changed on a regular basis with disposal precautions for spontaneous combustion?and documented?				
T3	Are employees wearing proper PPE when painting or sanding trucks and containers?				
T4	Spray booths have explosive proof wires, adequate ventilation, no smoking signage and an operational suppression system?				
T5	Is the volume of paint being used tracked monthly in accordance with local/state/fed regulations?				
U. PROGRAMS					
U1	A site specific LO/TO written program as been developed, implemented and annual training has been documented for all authorized and affected employees?				

WC Facility Compliance Review

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION
U2	Do all trucks and equipment in the shop have proper LO/TO applied?				
U3	Are all employees that need to Lock Out / Tag Out equipment have their own lock that is: specific to the employee and traceable to that employee, and have all employees been trained on LO/TO and equipment specific procedures?				
U4	A site specific written Hazard communication program has been developed, implemented and is readily available? (1910.1200(e))				
U5	Is the Material Safety Data Sheet (MSDS) notebook up to date with current inventory list and all on-site compounds are listed ? Is archive list maintained? Are the MSDS dfor items on archived list kept on file?(post use +30 years)				
U6	A site specific written Blood borne Pathogens exposure control program has been developed, implemented and is readily available?(1910.1030(c)				
U7	A Site specific written Fire Prevention plan has been developed, implemented is readily available?(1910.38)(b)				
U8	Has/or will the site conducted 2 fire drills per year in accordance with corporate guidance? Meeting location and check-in process is established?				
U9	A site specific written Emergency Action Plan has been developed, implemented and is readily available?(1910.38(a))				

#	COMMENTS/FOLLOW UP

WC Facility Compliance Review

RPT-F008

#	*QUESTION*	YES	NO	N/A	CORRECTIVE ACTION

Attachment I—Weekly Site Monitoring Form

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WASCO COUNTY LANDFILL

ENVIRONMENTAL CONTROLS INSPECTION FORM

Name: ______________________ Date: ______________________

Signature: ______________________ Weather: ______________________

Routine Monthly Inspection? Yes / No ☐ **Other - Specify:** ______________________

	ENVIRONMENTAL CONTROLS	OBSERVATIONS	ADDITIONAL WORK NEEDED
PHASE I AREA	Areas of Erosion		
	Areas of Ponding		
	Stormwater Ditches and Control Structures		
	Presence of Landfill Gas		
	Landfill Gas Riser Vents Condition		
	Landfill Gas Riser Vents Turning		
	Evidence of Vectors		
	Final / Interim Cover (vegetation, settlement, erosion, or physical damage)		
PHASE III AREA	Areas of Erosion		
	Areas of Ponding		
	Stormwater Ditches and Control Structures		
	Presence of Landfill Gas		
	Leachate Management System		
	Liner System		
	Evidence of Vectors		
	Final / Interim Cover (vegetation, settlement, erosion, or physical damage)		
PHASE IV AREA	Areas of Erosion		
	Areas of Ponding		
	Stormwater Ditches and Control Structures		
	Presence of Landfill Gas		
	Leachate Management System		
	Liner System		
	Evidence of Vectors		
	Final / Interim Cover (vegetation, settlement, erosion, or physical damage)		
	Unusual Settlement or Depression Formation		

Remarks: ______________________

This data is retained in the Operating Record for 5 years from the above date and available to DEQ.

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Attachment J—Corporate Safety and Health Manual

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TOPIC	TRAINING REQUIRED
INTRODUCTION	
HEALTH AND SAFETY POLICY STATEMENT	
PROGRAM ADMINISTRATION	
HEALTH AND SAFETY PROGRAM ELEMENTS	
DISTRICT SAFETY PROGRAM	
SAFETY WORK RULES & DISCIPLINARY PROGRAM	X
A Accident/Injury Improvement Program	
TRAINING & SAFETY MEETINGS	X
A Employee Training Record	
B Safety Meeting Record	
SAFETY COMMITTEES	
DRIVERS, VEHICLES & HEAVY EQUIPMENT	
SEAT BELTS	X
D.O.T. HOURS OF SERVICE AND LOGGING	X
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Employee Responsibilities Regarding Work-Related Injuries	
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DRUG & ALCOHOL POLICY		X
A	Spanish Version of Drug & Alcohol Policy	X
COMMERCIAL VEHICLE INSPECTION AND MAINTENANCE		X
A	Vehicle and Heavy Equipment Safety Devices	
B	Out Of Service Criteria	

REPORTING, RECORDING and ASSESSMENTS

TOPIC		TRAINING REQUIRED
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B	Accident Report Form	
C	D.O.T. Recordable Accident Register	
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SPILL / RELEASE RESPONSE		X
A	Sample Spill/Release Response Program	
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A	Route And Work Observations - Drivers	
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TOPIC			TRAINING REQUIRED

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	A	Regulatory Inspection Documentation	
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	A	Confined Space Entry Permit Form	
	B	Confined Space Entry Sample Program	
	C	Confined Space & Hazard Assessment Evaluation Form	
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	A	Sample Lockout / Tagout Program	
	B	Lockout/Tagout Sample Program For Mechanics	
	C	Lockout/Tagout Sample Program For Roll-Off Drivers	
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	F	Lockout/Tagout Sample Program For Loader, Bobcat, Forklift Operators	
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	A	Air Sampling Data Sheet	
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	A	Welding, Cutting, Brazing and Hot Work Guidelines	
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CRANES, HOISTS, CHAINS, SLINGS & JACKSTANDS			X
	A	Hooks, Chains, Wire Ropes & Slings Monthly Inspection Log	
TRENCHING, DRILLING OR EXCAVATING			X
	A	Trenching, Drilling or Excavating Sample Program	
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D	Forklift Pre and Post Trip Inspection Form	
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A	Sample Fire Protection Program	
B	Sample Fire Hazard & Control Matrix	
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A	Sample Flammable & Combustible Liquid Program	
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A	Heat & Cold Stress Guidelines	
B	Heat & Cold Stress Guidelines Matrix	
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A	Sample Hearing Conservation Program	
B	Historical Noise Level And Exposure Data	
C	OSHA Noise Standard Required Posting	
D	Audiometric Test Record Form	
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A	Bloodborne Pathogen Program Including Exposure Control Plan	
B	Hepatitis B & HIV Post Occupational Treatment	
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HAZARD COMMUNICATION		X
A	Sample Hazard Communication Program	
B	Sample Letter Requesting MSDS	
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E-H	Examples - Hazard Assessment And Equipment Selection	
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B	User Seal Check & Fitting	
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D	Handout for Voluntary Users	
E	Respiratory Protection Recommendations Based On Historical Air Monitoring	
ASBESTOS		X

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TOPIC		TRAINING REQUIRED
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B	Contractor Safety Declaration	
C	Contractor Safety Pre-qualification	
D	Contractor Insurance Requirements	
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REMOVING MATERIAL FROM ROTATING PARTS	
ELECTRICAL SAFETY TIPS	
FALL PROTECTION TECHNIQUES	

LATEST RELEASE

Release #1 March, 2002
Release #2 March, 2003

Wasco
County Landfill

Attachment K—Departmental Safety Meeting Annual Schedule

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Departmental Safety Meeting Annual Schedule

	Collection	Shop	Office	Post Collection
January	Slips/Trips/Falls, Housekeeping	Slips/Trips/Falls; Housekeeping	Slips/Trips/Falls, Housekeeping	Slips/Trips/Falls, Housekeeping
February	Emergency Action Plans; Fire Extinguishers	Emergency Action Plans; Fire Extinguishers	Emergency Action Plans; Fire Extinguishers	Emergency Action Plans; Fire Extinguishers
March	Incident Reporting/Procedure (WCN video - Drivers: What to do if you have an accident); Safety Belts	Incident Reporting/Procedure (WCN video - Drivers: What to do if you have an accident); Safety Belts	Incident Reporting/Procedure; Safety Belts	Incident Reporting/Procedure; Safety Belts
April	Hot Weather/Heat Illness; Material Handling	Hot Weather/Heat Illness; Material Handling	Hot Weather/Heat Illness; Material Handling	Hot Weather/Heat Illness; Material Sorting & Baling;Operator Safety; Material Handling
May	Lock Out/Tag Out; Confined Space	Lock Out/Tag Out; Confined Space	Lock Out/Tag Out; Confined Space	Lock Out/Tag Out; Confined Space
June	Respiratory Protection; Hearing Conservation	Respiratory Protection; Hearing Conservation	First Aid	Respiratory Protection; Hearing Conservation
July	Hours of Service; Driver Wellness	Cranes/Hoists/Slings/Chains	Stress Management	Post Collection Inspection, Asbestos
August	Bloodborne Pathogens; Spill Response	Bloodborne Pathogens; Spill Response	Bloodborne Pathogens; Spill Response	Bloodborne Pathogens; Spill Response
September	Cold Stress; Winter Preparation	Cold Stress; Electrical Safety; Winter Preparation	Cold Stress; Winter Preparation; Electrical Safety	Cold Stress; Electrical Safety, Trenching; Winter Preparation
October	Driving in Adverse Weather; Distracted Driving	Weld/Cut/Brazing; Powered Platforms; Distracted Driving	Ergonomics & Stretching; Distracted Driving	Ergonomics & Stretching; Distracted Driving
November	Hazard Communication	Hazard Communication	Hazard Communication	Hazard Communication
December	Personal Protective Equipment: Hazard Evaluation	Personal Protective Equipment: Hazard Evaluation	Personal Protective Equipment: Hazard Evaluation	Personal Protective Equipment: Hazard Evaluation

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Wasco
County Landfill

Attachment L—Disposal Operations Employee Training

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DISPOSAL OPERATIONS ONBOARDING GUIDE CHECKLIST

	Manager/Employee Initials
Understanding of Operating Values and Operations Analysis & Integration	____/____
Complete Human Resource Process on Day 1	____/____
Engagement and Communications	____/____
Trainings and Position Integration	____/____
30/60/90 Day Follow-Up	____/____

Manager signature/date ______________________

Employee signature/date ______________________

WASTE CONNECTIONS INC.

Culture "IT" Matters.

DISPOSAL OPERATIONS

ONBOARDING GUIDE & TOOL KIT

Disposal Operations Onboarding Guide & Tool Kit

Waste Connections Inc.

Honoring our commitments provides our stakeholders peace of mind and establishes us as the premier waste services company in the markets we serve. This creates a safe and rewarding environment for our employees while protecting the health and welfare of the communities we serve, thereby increasing value for our shareholders.

Statement of Operating Values

Safety. We strive to assure complete safety to our employees, our customers and the public in all of our operations. Protection from accident or injury is paramount in all we do.

Integrity. We define integrity as "saying what you will do and then doing it". We keep our promises to our customers, our employees and our stockholders. Do the right thing, at the right time, for the right reason.

Customer Service. We provide our customers the best possible service in a courteous, effective manner, showing respect for those we are fortunate to serve.

To be a Great Place To Work. We maintain a growth culture where our employees can maximize their potential personally and professionally. Our objective is to provide an environment where people enjoy what they do and take pride in their work. We wish to embody a work hard, play harder culture.

To be the Premier Waste Services Company in North America. We continue to provide superior returns, remain environmentally responsible, and continue to grow in a disciplined way, deploying resources intelligently and benefitting communities we live in. We remain a "different breed".

Vision for the Future

Our goal is to create an environment where self directed, empowered employees strive to consistently fulfill our constituent commitments and seek to create positive impacts through interactions with customers, and fellow employees, always relying on our Operating Values as the foundation for our existence

WASTE CONNECTIONS INC.

OPERATIONS ANALYSIS & INTEGRATION

Vision

Create a "sense of urgency" throughout our organization, which fosters an Engaged, and Empowered workforce that delivers Operational Service Excellence through Continuous Improvement resulting in Customer Loyalty, Increased Market Share and Shareholder Value.

Purpose

Partnering with our Districts, Divisions and Regions to improve our operating methods, metrics, and financial performance to influence Positive Change and Accountability to meet or exceed our established goals.

Commitments

Departmental tasks and obligations for which we are entrusted:

- Performance Analysis & Improvement
- Align and Partner with the Regions
- Operations Support and Audit
- Facilitate Communications of Best Practices
- Acquisition Integration
- Coaching/Mentoring

Guiding Values

Be an Influence of Positive Change – We refuse to be complacent with our achievements today. Rather we embrace change in how we do things in an effort towards continuous operational improvement and service excellence while adhering to our standards and values.

Candid – We will provide honest, direct, thorough and professional assessments when consulting with the field.

Stewardship – Committed to serving the field across all levels by supporting each District's, Division's and Region's specific vision and values while embracing and living our Company's vision, values and purpose. Always strive to be serving rather than self-serving with willingness to do any job.

Knowledge Bearing Responsibility – We are committed to working with operating personnel to identify opportunities and to accept responsibility and accountability as we work to address issues

Disposal Operations Onboarding Guide & Tool Kit

Onboarding – Completing the Human Resources Process on Day 1

Think back to the last time you started a new job. Did your manager make sure you had everything you needed to get started? Did you walk away the first day feeling great about your decision to take the job? Or did you find yourself watching a bunch of videos, filling out paperwork and wondering if you picked the right company to work for?

As a leader, it is your job to make good things happen for other people. Investing time in newly hired employees reduces turnover, improves morale and increased productivity. So . . don't wing it! While there might be some paperwork to get through, it's really all about your conversations with the new employee.

- Use the Five Firsts Checklist in Appendix (x) as a guide to helping the employee through their first 30 days.

- When a new hire starts, the payroll/HR paperwork will already be completed through the Workday onboarding electronic tools. That means they will have already signed off on the handbook, payroll form, etc.

- You or an administrator in your office needs to complete Section 2 of the I-9 with the employee present. So remind the employee to bring in their documents on day one. Check out https://www.uscis.gov/sites/default/files/files/form/i-9.pdf

- Part of the information the employee will receive prior to day one is instructions on how to complete required online training. Your job is to help the employee get this completed in the first 60 days. Instructions can be found here: http://thecan.wcnx.org/documents/Learning%20Center/Harassment/_%202014%20Workplace%20Harassment%20Prevention%20Training%20-%20links%20and%20instructions%20rev%2010-26-13.pdf

- You'll be sharing lots of information with the new employee about their job. On day one, be sure you keep things simple and don't forget the basics like:

    - Local contact phone numbers
    - Schedule, time clock, paychecks
    - Tour, bathrooms, lunch options
    - Lockers, tools, where to store personal items
    - Holidays, vacation, time off requests
    - Benefits – everything will go to employee's house – look for it, pay attention to the deadlines and don't forget to enroll!

Disposal Operations Onboarding Guide & Tool Kit

Onboarding – Engagement & Communications Day 1

This is our biggest opportunity to make a "Positive 1st Impression" after the interviewing and the job offer has been accepted. This Guide & Tool Kit will support Field Leadership in preparing for Day 1 with an easy to follow process, tools, links, training materials, insight into our Company & Culture and other useful information. Field Leaders can use this process to Practice their Training and Developmental Skills. The following link http://thecan.wcnx.org/documents/Learning Center/ServantLeadership/Know Can Do- planning for learning.pdf is helpful prior and during training. This process applies to new hires and can be used in whole or part for current team members being promoted into a new position/role on the team.

- Take time to review the Statement of Operating Values, Vision of the Future and the Operations Analysis & Integration
- The hiring manager meets the new team member welcoming them to the team and introduces them to the applicable team members.
- The hiring manager or direct report supervisor provides a tour of the site/facility and discusses specific Safety items (rally points/muster points, emergency routes/shelter, etc.), infrastructure (office, shop, lunchroom, locker room, etc.), training room location, restrooms, etc.
- Provide the new team member a list of site/facility management contacts with phone numbers.
- Inform the new team member of the Onboarding Process, provide a schedule of dates, times, breaks, discuss yours & their expectations; commitments, etc.
- Provide the new team member a "swag bag" with new and appropriate PPE applicable to their position. Consider including a WCI hat, shirt, lunch box, thermos, pens, note pad, etc.
- Take the new team member to lunch.
- Inform new team member of the process to secure their Uniforms (where applicable).
- Provide keys, access codes, work schedules, etc.
- If time permits, start the Onboarding Training Process.
- Be sure to thank the new team members for joining the team and we're looking forward to their success on the team. Express that we're here to serve.

Disposal Operations Onboarding Guide & Tool Kit

Onboarding – Trainings and Position Integration

Meeting with the new team member and begin the onboarding training process. It's recommended we provide the new team member an area to view training videos (via TV or on a computer) and read training documents without disruptions from our daily operations. The responsible Manager/Supervisor should facilitate, oversee and monitor these activities. The following are the basic training materials, however you may have more for your specific site/facility.

- Assign a mentor or team leader to the new team member. Review the Onboarding processes, schedules and expectations (the who, the what, the why & the when to expect). Discuss the importance of each individual's position/role and how it contributes to the overall team's success.
- Share and explain the 5-Step Training Process to create winners.
- Review any Site Specific Safety Trainings, SOPs, Policies and Procedures, Requirements, etc.
- Review and sign off on the OSHA required Safety Trainings
- Review Job Hazard Assessment (JHA's) specific to the new team member's position.
- Review any Site Specific Operational Plans or Procedures. (Example; "Traffic Control Plans").
- Review Safety, Operational and Production Training Videos.
- Review Daily Inspection Reports (DIRs) for Pre/Post trips (vehicles, heavy equipment, etc.) and or any Start Up/Shut Downs Procedures documents (Baler, Processing Equip., Compactors, etc.).
- Review Maintenance Policies & Procedures Manual (where applicable).
- Review any Production requirements, daily goals or objectives specific to the position/site.
- Review any Proficiency Logs / Training Tracking / Evaluation type sheets.
- Share a Site Plan Map or Flyover Picture of the facility. Point out important features.
- Join the new team member (and mentor or team leader) at their assigned position. Conduct an initial observation/assessment of the new team member performing their assigned duties and provide feedback.

Onboarding - Follow Up

Schedule a 30/60/90 progress review. This should be conducted by the Direct Report Frontline Leader/ Manager/Supervisor who's responsible for these new team members' daily activities. These are opportunities to provide & receive feedback and follow up on any open items. This should be a documented event and both parties signing off.

It's recommended the Hiring Manager or DM schedule a review with the Frontline Leader/Manager/Supervisor of the new team member's progress at 30/60/90 days.

All training documents/sign off sheets/progress reports/ etc. must be kept in the new team members files on site.

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Attachment M—Injury Report Form

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Employee's Report of Injury Form

Instructions: Employees shall use this form to report all work related injuries, illnesses, or "near miss" events (which could have caused an injury or illness) – *no matter how minor*. This helps us to identify and correct hazards before they cause serious injuries. This form shall be completed by employees as soon as possible and given to a supervisor for further action.

<table>
<tr><td colspan="2">I am reporting a work related: ❑ Injury ❑ Illness ❑ Near miss</td></tr>
<tr><td colspan="2">Your Name:</td></tr>
<tr><td colspan="2">Job title:</td></tr>
<tr><td colspan="2">Supervisor:</td></tr>
<tr><td colspan="2">Have you told your supervisor about this injury/near miss? ❑ Yes ❑ No</td></tr>
<tr><td>Date of injury/near miss:</td><td>Time of injury/near miss:</td></tr>
<tr><td colspan="2">Names of witnesses (if any):</td></tr>
<tr><td colspan="2">Where, exactly, did it happen?</td></tr>
<tr><td colspan="2">What were you doing at the time?</td></tr>
<tr><td colspan="2">Describe step by step what led up to the injury/near miss. (continue on the back if necessary):</td></tr>
<tr><td colspan="2">What could have been done to prevent this injury/near miss?</td></tr>
<tr><td colspan="2">What parts of your body were injured? If a near miss, how could you have been hurt?</td></tr>
<tr><td colspan="2">Did you see a doctor about this injury/illness? ❑ Yes ❑ No</td></tr>
<tr><td>If yes, whom did you see?</td><td>Doctor's phone number:</td></tr>
<tr><td>Date:</td><td>Time:</td></tr>
<tr><td colspan="2">Has this part of your body been injured before? ❑ Yes ❑ No</td></tr>
<tr><td>If yes, when?</td><td>Supervisor:</td></tr>
<tr><td>Your signature:</td><td>Date:</td></tr>
</table>

Supervisor's Accident Investigation Form

Name of Injured Person ____

Date of Birth ________________ Telephone Number ___________________

Address ____

City ___________________________ State_______ Zip ____________

(Circle one) Male Female

What part of the body was injured? Describe in detail. _____________________________________

____

What was the nature of the injury? Describe in detail. ______________________________________

____

____

Describe fully how the accident happened? What was employee doing prior to the event? What equipment, tools being using? ____

____

____

Names of all witnesses:

____________________________________ ____________________________________

____________________________________ ____________________________________

Date of Event ____________________ Time of Event ______________________________

Exact location of event: ____

What caused the event? ____

____

____

Were safety regulations in place and used? If not, what was wrong? ____________________________

____

Employee went to doctor/hospital? Doctor's Name ____

Hospital Name ____

Recommended preventive action to take in the future to prevent reoccurrence.

____

____

____

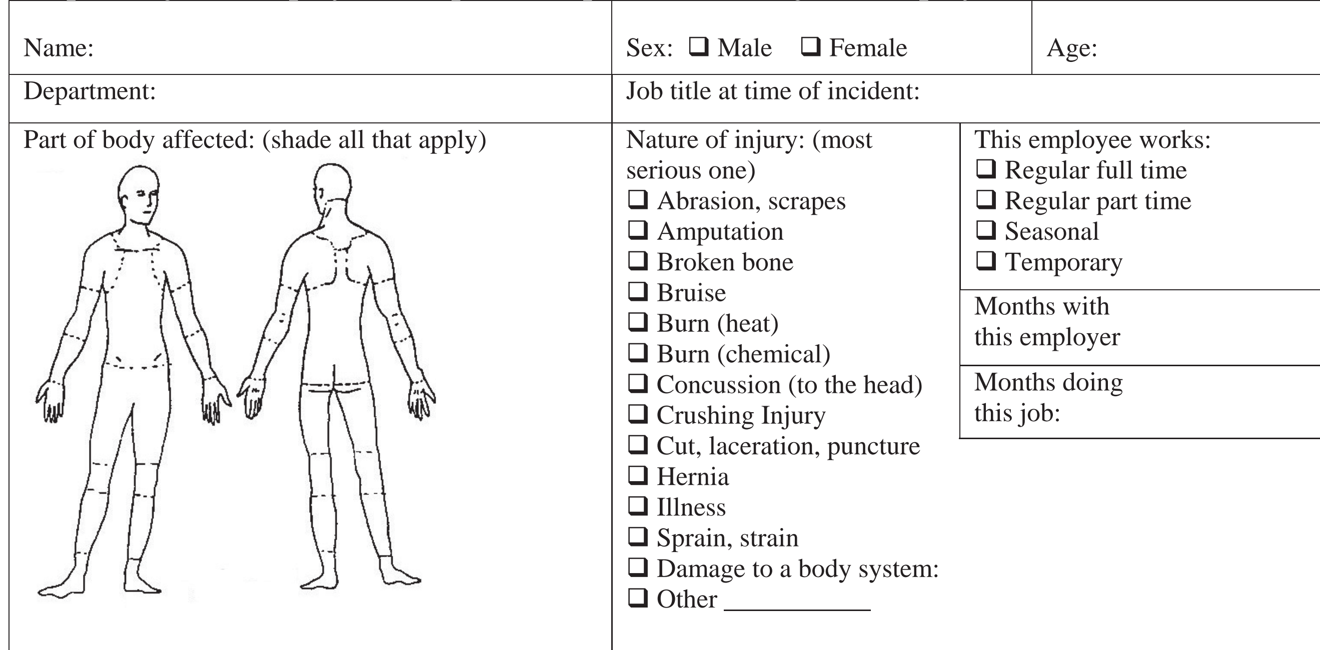
_____________________ __________

Supervisor Signature Date

Incident Investigation Report

Instructions: Complete this form as soon as possible after an incident that results in serious injury or illness. (Optional: Use to investigate a minor injury or near miss that *could have resulted in a serious injury or illness.*)

This is a report of a: ❑ Death ❑ Lost Time ❑ Dr. Visit Only ❑ First Aid Only ❑ Near Miss	
Date of incident:	This report is made by: ❑ Employee ❑ Supervisor ❑ Team ❑ Other_________



Step 1: Injured employee (complete this part for each injured employee)

Name:	Sex: ❑ Male ❑ Female	Age:
Department:	Job title at time of incident:	
Part of body affected: (shade all that apply)	Nature of injury: (most serious one) ❑ Abrasion, scrapes ❑ Amputation ❑ Broken bone ❑ Bruise ❑ Burn (heat) ❑ Burn (chemical) ❑ Concussion (to the head) ❑ Crushing Injury ❑ Cut, laceration, puncture ❑ Hernia ❑ Illness ❑ Sprain, strain ❑ Damage to a body system: ❑ Other ___________	This employee works: ❑ Regular full time ❑ Regular part time ❑ Seasonal ❑ Temporary Months with this employer Months doing this job:

Step 2: Describe the incident

Exact location of the incident:	Exact time:
What part of employee's workday? ❑ Entering or leaving work ❑ Doing normal work activities ❑ During meal period ❑ During break ❑ Working overtime ❑ Other___________________	
Names of witnesses (if any):	

Number of attachments:	Written witness statements:	Photographs:	Maps / drawings:
What personal protective equipment was being used (if any)?			
Describe, step-by-step the events that led up to the injury. Include names of any machines, parts, objects, tools, materials and other important details. Description continued on attached sheets: ❑			

Step 3: Why did the incident happen?

Unsafe workplace conditions: (Check all that apply)	Unsafe acts by people: (Check all that apply)
❑ Inadequate guard ❑ Unguarded hazard ❑ Safety device is defective ❑ Tool or equipment defective ❑ Workstation layout is hazardous ❑ Unsafe lighting ❑ Unsafe ventilation ❑ Lack of needed personal protective equipment ❑ Lack of appropriate equipment / tools ❑ Unsafe clothing ❑ No training or insufficient training ❑ Other: ______________________________	❑ Operating without permission ❑ Operating at unsafe speed ❑ Servicing equipment that has power to it ❑ Making a safety device inoperative ❑ Using defective equipment ❑ Using equipment in an unapproved way ❑ Unsafe lifting ❑ Taking an unsafe position or posture ❑ Distraction, teasing, horseplay ❑ Failure to wear personal protective equipment ❑ Failure to use the available equipment / tools ❑ Other: ___________________________________
Why did the unsafe conditions exist?	
Why did the unsafe acts occur?	
Is there a reward (such as "the job can be done more quickly", or "the product is less likely to be damaged") that may have encouraged the unsafe conditions or acts? ❑ Yes ❑ No If yes, describe:	
Were the unsafe acts or conditions reported prior to the incident? ❑ Yes ❑ No	
Have there been similar incidents or near misses prior to this one? ❑ Yes ❑ No	

Step 4: How can future incidents be prevented?

What changes do you suggest to prevent this incident/near miss from happening again?

❑ Stop this activity ❑ Guard the hazard ❑ Train the employee(s) ❑ Train the supervisor(s)

❑ Redesign task steps ❑ Redesign work station ❑ Write a new policy/rule ❑ Enforce existing policy

❑ Routinely inspect for the hazard ❑ Personal Protective Equipment ❑ Other: ____________________

What should be (or has been) done to carry out the suggestion(s) checked above?

Description continued on attached sheets: ❑

Step 5: Who completed and reviewed this form? (Please Print)

Written by: Department:	Title: Date:
Names of investigation team members:	
Reviewed by:	Title: Date:

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Attachment N—Vehicle Accident Report

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WASTE CONNECTIONS INC.
Connect with the Future

VEHICLE / PROPERTY ACCIDENT REPORT

Reported to ESIS ❑ ESIS CLAIM # ______________________

TYPE OF ACCIDENT (COMPLETE BOXES):	❑ AUTOMOBILE LIABILITY	❑ DAMAGE TO WCI PROPERTY/THEFT	❑ DAMAGE TO WCI VEHICLES	❑ GENERAL LIABILITY

WCI District #: [ ][ ][ ][ ] District Name: ______________________

Vehicle Accident No.:

									Unique Identifier (A,B,C, etc)
Year				Month		Day			

(Use Date of Loss)

Time am/pm	Location of Incident	Claimant Name	
City/State		Street Address	
WCI Vehicle Year/Make/Type/VIN		City/State/Zip	
Employee Name		Telephone: Work	Home:

Home Phone	Was Employee Injured? Yes ❑ No ❑	Vehicle Year	Vehicle Make	License Plate #
Employee Supervisor	Supervisor Phone Number	Insurance Company		
Date Form Completed ______/______/______	Person Completing Form	Passenger Name(s)		

Name of Witness(es) ______________________

Address ______________________

Work Phone ______________ Home Phone ______________

Were Photos Taken? Yes ❑ No ❑ If Not, Why Not? ______________

Reported To Police? Yes ❑ No ❑ Report # ______________

Which Agency ______________________

Citation Issued? Yes ❑ No ❑ Citation # ______________

WCI Investigator ______________ Phone # ______________

Street Address(es)	
City/State/Zip	
Telephone: Work	Home:
Registered Owner of Claimant Vehicle	
Street Address	
City/State/Zip	
Telephone: Work	Home:
Any Third Party Claimant Injuries?	Yes ❑ No ❑

DESCRIPTION OF ACCIDENT –
Auto Liability: Include area of damage to the vehicle / General Liability: Include area of damage to property

____

____

____

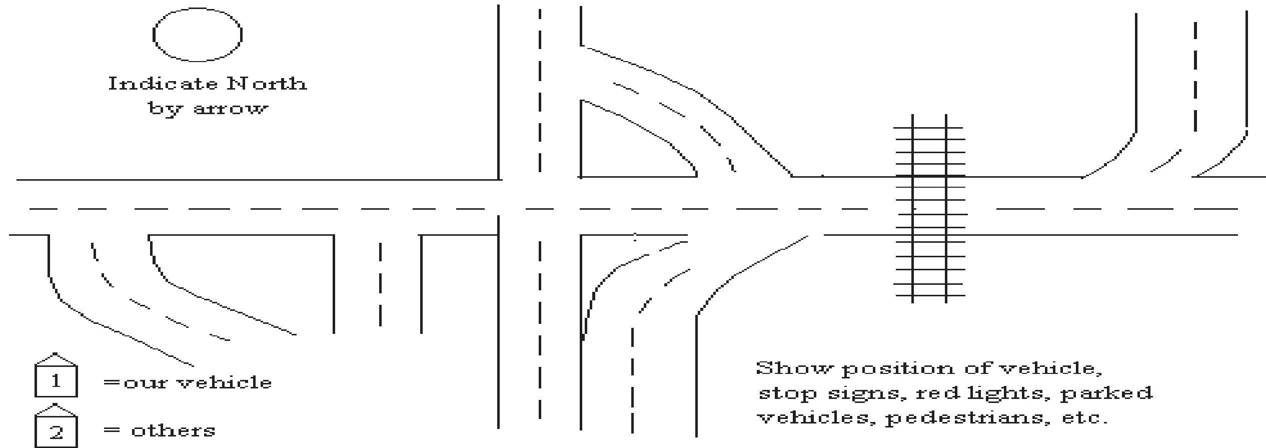
____

____

____

____

Diagram of Incident



LENGTH OF SERVICE

Months / Years

00 - No Employee Involved/Unknown

LOCATION

1 Residential Area
2 Commercial Area
3 Highway/Expressway
4 Landfill
5 WCI Property

PREVENTABLE BY WCI EMPLOYEE INVOLVED

1 Yes
2 No
3 Alleged
4 Waiting for Review
5 Probably Did Not Do/ Paid for Bus. Reasons
6 No Employees Involved/Unknown

TIME OF DAY

1 6-9 AM
2 9-12 Noon
3 12-3 PM
4 3-6 PM
5 6-9 PM
6 9-12 Midnight
7 12-3 AM
8 3-6 AM
9 Cumulative/Progressive
00 Unknown

LIGHT

1 Daylight
2 Dawn/Dusk
3 Dark – No Light
4 Dark – Artificial Light
5 Not Applicable/ Unknown

WEATHER

1 Clear
2 Raining
3 Snowing
4 Sleet
5 Fog/Smog
6 Other ____________
7 Not Applicable/Unknown

VEHICLE TYPE

1 REL
2 FEL
3 Side Loader
4 Roll-Off
5 Container Delivery
6 Satellite Collection
7 Tractor/Trailer
8 Sweeper
9 Tanker
10 Vacuum Truck
11 Landfill Equipment
12 Heavy Equipment
13 Pickup Truck
14 Light Truck
15 Automobile
16 Other (Specify)
17 Power Pull Truck
18 Toilet Service Truck
19 Flat bed 1 ton
20 Flat bed 3 ton
21 Not Applicable

ACCIDENT TYPE

1 Head On
2 Turning Accident
3 Sideswipe – WCI Hit Other
4 Sideswipe – Other Hit WCI
5 Rear-End – WCI Hit Other
6 Rear-End – Other Hit WCI
7 Hit Overhead Object
8 Hit Stationary Object
9 Hit Parked Vehicle
10 Backing
11 Right Angle
12 Towing/Pushing
13 Intersection
14 Object Fell/Flew From Truck
15 Hit Pedestrian
16 Chemical/Material Spill
17 Ran Off Road
18 Jacknife
19 Rollover
20 WCI/WCI Vehicle Collision
21 Hit/Damage to Curb, Parking Lot, etc.
22 Damage to Lawn/Water Pipe/Sprinkler
23 Roll Away Vehicle
24 Other ___________________

ACCIDENT CAUSE/WCI VEHICLE

1 Fell Asleep at Wheel
2 Failure to Check Mirror
3 Following Too Close
4 Failure to Signal Intentions
5 Speed Too Fast for Conditions
6 Disregard Traffic Sign/Signal
7 Improper Passing
8 Improper Turning
9 Improper Backing
10 Improper Traffic Lane
11 Improper Parking
12 Did Not Look Left/Right/Left
13 Left Forks/Lids, Rails/Box Up
14 Misjudged Clearance
15 Failure to Secure Load
16 Unsafe Loading/Unloading
17 Mechanical Problem
18 Tire Blowout
19 Failure to Lockout/ Tagout
20 Other – description: _______________

GENERAL LIABILITY

1 Claimant Slipped/Fell on WCI Property
2 Claimant Slipped/Fell on Trash
3 Container/Compactor Injured Claimant
4 Claimant Injured in Container/Truck
5 Oil/Hoist Oil Leak or Spray
6 Container Damaged Property
7 Object Flew From Highway
8 WCI Equipment or Unlicensed Vehicle Damaged Claimant's Property/Person
9 Damage Done to Property Over a Period of Time
10 Damage or Injury Caused by WCI Product
11 Other ____________________

Drivers Statement of Accident

Must be used in addition to WCI Vehicle/Property Accident Report, which is completed by the investigating supervisor

Description of Incident – In your own words, describe how the accident happened
If this accident involves another vehicle, include area of damage to vehicle
If this accident involves property, include area of damage to property

Driver's Signature

Date

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Attachment O—Accident/Injury Improvement Program Form [PA-F001]

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PA-F001 **Accident/Injury Improvement Program**

Employee Name:____________________________________ DOI/DOA:________________

Description of incident:____

Supervisor/Driver Review Completed? Yes ❑ No ❑ Date:__________ Drivers Initials:______

Staff Ride Completed? Yes ❑ No ❑ Date:__________ Drivers Initials:______

Additional Route Observation (optional) Date:__________ Drivers Initials:______

Training Follow Up Complete Signatures

Driver:____ Date:__________

Supervisor:______________________________________ Date:__________

Manager:____ Date:__________

Comments:____

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Wasco
County Landfill

Attachment P—Work Observation Form [RPT-F006]

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RPT-F006

WORK OBSERVATION - LANDFILL

Operator/Employee Observed	Weather Conditions	
Type of Unit	Unit Number	
Observed By	Date	Time
Location		

☒ or ☑ Indicates "OK" – Circled Items Need Improvement

PROFESSIONAL PRACTICES OBSERVED

- ❒ This operator/crew demonstrated safe and professional skills and should be commended.

GENERAL

- ❒ Wears Seat Belt
- ❒ Keeps Eyes Moving
- ❒ Scans Across the Entire Scene
- ❒ Checks Mirrors and Monitors Often

DRIVING

- ❒ Follows Traffic Patterns/Directions
- ❒ Travels at Safe Speeds
- ❒ Watches for Road Hazards
- ❒ Stays Clear of Soft Edges
- ❒ Reduces Speed When Approaching Downgrade
- ❒ Gears Down Before Starting Downgrade
- ❒ Does Not Overload or Exceed Equipment Capabilities
- ❒ Keeps the Bowl Low on Scrapers

BACKING

- ❒ Looks Before Backing
- ❒ Checks Back-Up Horns and Lights Daily; Reports Defects
- ❒ Checks Clearances All Around
- ❒ Mirrors Properly Adjusted
- ❒ Checks Mirrors and Monitors Frequently During Backup

SPOTTER

- ❒ Wears Safety Shoes, Hard Hat, Eye Protection and Enhanced Visibility Clothing
- ❒ Does Not Allow Scavenging
- ❒ Watches for Unauthorized Waste and Reports Immediately
- ❒ Watches Footing While Guiding Driver
- ❒ Instructs Driver to Maintain 10' Clearance from Other Vehicles

VISIBILITY

- ❒ Uses Horn When Necessary
- ❒ Keeps Reflective Tape and Lights Clean
- ❒ Keeps Windshield Clean
- ❒ Wears Enhanced Visibility Clothing

OVERHEAD HAZARD

- ❒ Does Not Move Truck/Equipment While Boom is Raised
- ❒ Knows Vehicle and Load Heights
- ❒ Watches for Overhead Wires and Building Structures

VEHICLE STABILITY

- ❒ Obeys Curve Speed Limit Warning
- ❒ Allows for the Surge of Liquid Loads
- ❒ Slows Down Before Entering Curves

COMMENTS AND OTHER OBSERVATIONS

SUGGESTIONS AND IMPROVEMENTS

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Attachment Q—Spill Prevention, Control, and Countermeasure Plan

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Spill Prevention, Control, and Countermeasure (SPCC) Plan

Wasco County Landfill
2550 Steele Road
The Dalles, OR 97058
Wasco County

Main Phone Number: 541-296-4082

Prepared for:
Wasco County Landfill
2550 Steele Road
The Dalles, OR 97058

February 2017
PBS Project No.: 17731.000

A COMPLETE COPY OF THIS SPCC PLAN AND ITS ATTACHMENTS MUST BE MAINTAINED AT THE FACILITY AND MADE AVAILABLE TO THE EPA REGIONAL ADMINISTRATOR OR AUTHORIZED REPRESENTATIVE DURING NORMAL WORKING HOURS

SEE APPENDIX B FOR SPILL PROCEDURES

---

314 West 15th Street, Vancouver, WA 98660
360.690.4331 Main
866.727.0140 Fax
www.pbsenv.com

Bend | Boise | Coos Bay | Eugene | Portland | Seattle | Tri-Cities | Vancouver | Walla Walla

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SPCC Plan

Wasco County Landfill

Revision Log

This Plan will be updated to reflect changes at the Facility as described in Section 1.1 of the SPCC Plan. Use the log below to document revisions or amendments to the Plan.

Version	Section	Description	Rev. Date	By
1	All	Original document	August 2004	Terracon
2	All	Plan review	2007	Wasco County Landfill
3	All	Plan review	2010	Wasco County Landfill
4	All	Plan update and recertification	January 2012	SCS Engineers (Davondonis)
5	All	Plan update and recertification. New plan format.	February 2017	PBS (Hanrahan / Bossler)

SPCC Plan

Wasco County Landfill

Review and Evaluation Statement

Use this page to document any Plan reviews, such as the periodic five year review required in 40 CFR Part 112.5(b).

I have completed review and evaluation of the SPCC Plan for the Wasco County Landfill on

______________________, and ____________ amend the Plan as a result.
(date) (will or will not)

Reviewer Signature: ____

I have completed review and evaluation of the SPCC Plan for the Wasco County Landfill on

______________________, and ____________ amend the Plan as a result.
(date) (will or will not)

Reviewer Signature: ____

I have completed review and evaluation of the SPCC Plan for the Wasco County Landfill on

______________________, and ____________ amend the Plan as a result.
(date) (will or will not)

Reviewer Signature: ____

I have completed review and evaluation of the SPCC Plan for the Wasco County Landfill on

______________________, and ____________ amend the Plan as a result.
(date) (will or will not)

Reviewer Signature: ____

Certification of the Applicability of the Substantial Harm Criteria

40 CFR Part 112.20 requires certain non-transportation-related onshore facilities that, because of their location, could reasonably be expected to cause substantial harm to the environment by discharging oil into or on the navigable waters or adjoining shorelines, to prepare and submit a Facility Response Plan to the EPA's Regional Administrator. Answers to the following questions are required to assess the applicability of the substantial harm criteria. Based on the responses below, the submittal of a Facility Response Plan is not required unless requested by the EPA's Regional Administrator.

Facility Name: Wasco County Landfill

Facility Address: 2550 Steele Road, The Dalles, Oregon 97058

1. Does the facility transfer oil over water to or from vessels and does the facility have a total oil storage capacity greater than or equal to 42,000 gallons? .... No
2. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and does the facility lack secondary containment that is sufficiently large to contain the capacity of the largest aboveground oil storage tank plus sufficient freeboard to allow for precipitation within any aboveground oil storage tank area? .... No
3. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and is the facility located at a distance such that a discharge from the facility could cause injury to fish and wildlife and sensitive environments? .... No
4. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and is the facility located at a distance such that a discharge from the facility would shut down a public drinking water intake? .... No
5. Does the facility have a total oil storage capacity greater than or equal to 1 million gallons and has the facility experienced a reportable oil discharge in an amount greater than or equal to 10,000 gallons within the last 5 years? .... No

Certification

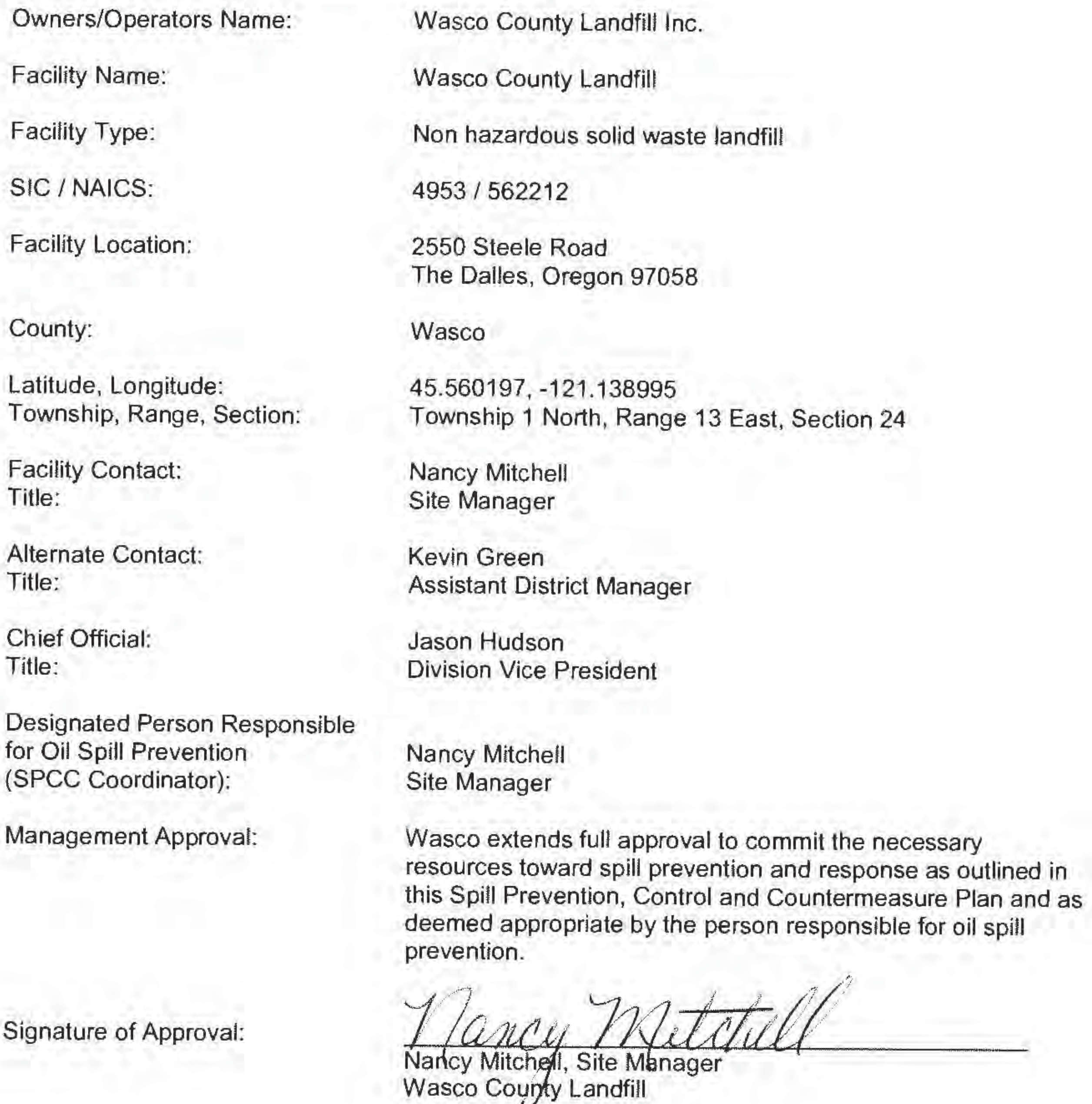
I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals responsible for obtaining this information, I believe that the submitted information is true, accurate, and complete.

Signature: Nancy Mitchell

Name: Nancy Mitchell

Title: Site Manager, Wasco County Landfill

Date: 2-17-17



SPILL PREVENTION, CONTROL AND COUNTERMEASURE PLAN (SPCC) for Compliance with Federal Oil Pollution Prevention Regulations (40 CFR 112)

Certification (Owner/Operator)

Owners/Operators Name:	Wasco County Landfill Inc.
Facility Name:	Wasco County Landfill
Facility Type:	Non hazardous solid waste landfill
SIC / NAICS:	4953 / 562212
Facility Location:	2550 Steele Road The Dalles, Oregon 97058
County:	Wasco
Latitude, Longitude: Township, Range, Section:	45.560197, -121.138995 Township 1 North, Range 13 East, Section 24
Facility Contact: Title:	Nancy Mitchell Site Manager
Alternate Contact: Title:	Kevin Green Assistant District Manager
Chief Official: Title:	Jason Hudson Division Vice President
Designated Person Responsible for Oil Spill Prevention (SPCC Coordinator):	Nancy Mitchell Site Manager
Management Approval:	Wasco extends full approval to commit the necessary resources toward spill prevention and response as outlined in this Spill Prevention, Control and Countermeasure Plan and as deemed appropriate by the person responsible for oil spill prevention.
Signature of Approval:	Nancy Mitchell Nancy Mitchell, Site Manager Wasco County Landfill

Certification (Registered Professional Engineer)

The undersigned Registered Professional Engineer is familiar with the requirements of Part 112 of Title 40 of the Code of Federal Regulations (40 CFR part 112) and has visited and examined the Facility, or has supervised examination of the Facility by appropriately qualified personnel. The undersigned Registered Professional Engineer attests that this Spill Prevention, Control, and Countermeasure Plan has been prepared in accordance with good engineering practice, including consideration of applicable industry standards and the requirements of 40 CFR part 112; that procedures for required inspections and testing have been established; and that this Plan is adequate for the Facility.

Name: Sean Hanrahan, PE

Title, Company: Environmental Engineer
PBS Engineering and Environmental, Inc.

02/16/2017

Signature Date

1. PLAN SCOPE AND OBJECTIVE

This Spill Prevention, Control, and Countermeasure Plan (SPCC or Plan) has been prepared for Wasco County Landfill (Wasco or Facility) located at 2550 Steele Road in The Dalles, Oregon. The Plan was prepared to meet requirements published in the Federal Register, which have been codified at Title 40 Code of Federal Regulations, Part 112 (Rule) for oil pollution prevention and spill response planning. This regulation applies to the Facility's site due to the fact that the aggregate aboveground oil storage capacity of the Facility exceeds the threshold quantity of 1,320 gallons and stormwater drains to a surface watercourse, which is classified as navigable waters of the United States. Motive power containers as defined in 40 CFR 112.2 and containers with a capacity less than 55 gallons are exempt under 40 CFR Part 112.1(d) and, therefore, were not counted to determine the threshold quantity. Motive power containers were observed during the site visit; however, due to their exempt regulatory status, they are not described in this Plan.

1.1 Plan Review and Update (112.5)

40 CFR Part 112.5(a) requires that this Plan be amended whenever there has been a change in facility design, construction, operation, or maintenance that materially affects the facility's potential for the discharge of oil into or upon the navigable waters of the United States. Examples of changes that may require an amendment of the Plan are listed below.

- Change in facility owner or operator
- Change in types of oil handled by facility
- Container installation, replacement, reconstruction, or decommissioning
- Relocating a fixed container (i.e., moving a stationary tank)
- Piping system installation, reconstruction, or demolition
- Secondary containment construction or demolition
- Changes to container inspection, testing, or maintenance procedures or frequency
- Occurrence of an oil spill greater than 1,000 gallons in a single event or two events exceeding 42 gallons each in a 12 month period

A Professional Engineer, according to 40 CFR Part 112.5(c), will certify all technical amendments. The log on page iii of this Plan will be used to document revisions or amendments.

40 CFR Part 112.5(b) requires this Plan to be reviewed and evaluated every five years. Completion of the review and evaluation must be documented with a signed statement as to whether or not the plan will be amended. Any signed statement documenting completion of a review is included on page iv of this Plan. Following the review, Wasco will amend the Plan within six months to include more effective prevention and control technology if such technology will significantly reduce the likelihood of a spill event and has been field proven at the time of review. Such amendments will be fully implemented as soon as possible, but no later than six months after the review or change.

2. GENERAL REQUIREMENTS FOR SPCC PLANS

40 CFR Part 112.7 requires furnishing specific information concerning the Facility's conformance with spill prevention guidelines. This section provides information to fulfill these requirements.

2.1 Conformance (112.7(a)(1))

This SPCC Plan describes the Facility's conformance with the requirements of all applicable elements of 40 CFR Part 112 Subparts A and B. This Plan has been prepared in accordance with good engineering practice and has the full approval of the appropriate management who has the authority to commit the necessary resources to fully implement this Plan.

2.2 Compliance (112.7(a)(2))

The Facility's SPCC Plan complies with all the requirements of 40 CFR Part 112 Subparts A and B, regarding oil pollution prevention for onshore facilities. This SPCC Plan is to be used in conjunction with the provisions of 40 CFR 112. These regulations require that if reasonable engineering controls cannot be constructed, the Facility will produce a "strong" oil spill contingency plan following the provisions of 40 CFR 109.

2.3 Physical Description of the Facility (112.7(a)(3))

Wasco County Landfill is a regional solid waste landfill that accepts construction and demolition wastes, municipal solid waste, non-hazardous industrial waste and recyclable materials consistent with the facility's solid waste disposal permit (SWDP) (Permit No. 53). Waste Connections has owned and operated at the site since 2000. The site was developed as a refuse disposal facility in the 1950s and the Wasco County Landfill was permitted as a municipal solid waste landfill in 1973. This operation is classified under the Standard Industrial Classification (SIC) code of 4953, Refuse Systems, and under North American Industrial Classification System (NAICS) by code 562212, Solid Waste Landfill.

Wasco conducts the following activities on-site:

- Unloading, tipping, disposal and compaction of solid waste in lined landfill cells
- Source separated recyclable materials receiving, storage, and shipment
- Fueling - diesel fueling station for equipment
- Routine maintenance and repair - Onsite equipment
- Loading/unloading of maintenance related chemicals - oil, antifreeze, etc.
- Parking - site equipment and employee vehicles

Land use surrounding the site is primarily agricultural and undeveloped. Steele Road borders the site to the southwest and south; agricultural property borders the site to the northwest, north, and northeast; and undeveloped property borders the site to the southeast. The topography of the site is varied, with an overall slope trending towards the northwest. The approximate elevation range of the site is between 600 to 1,000 feet above mean sea level. The nearest surface water body is Three Mile Creek located approximately 0.5 miles to the northwest of the property boundary. Three Mile Creek ultimately discharges into the Columbia River which is located 2.5 miles to the north of the property boundary.

The total site area is 335 acres. Approximately 213 acres of the site is permitted for landfilling including two active phases (Phase III, Phase IV) that are lined and have leachate collection and removal systems (LCRS). Phase III's LCRS is a gravity drain installed below the waste and above the primary liner. Phase III also has a leachate secondary collection system (LSCS) installed in a secondary containment layer below the primary liner systems. Ultimately leachate from the LCRS

and LSCS is collected by a sump drain collection system (SDCS). Phase IV also has a LCRS and LSCS system with collection by a SDCS that are a configured in a similar manner to Phase III.

Two entrances from Steele Road are located along the southwest boundary of the property. All entrances to the fenced property have gates and are closed during non-operating hours. The facility includes several buildings that occupy less than 1 percent of the property area. Site buildings consist of an office/scale house building, two maintenance buildings, and employee breakroom trailer. A general site location map is presented as Figure 1 in Appendix A. Facility diagrams detailing petroleum storage and the location of the spill kit are included as Figures 2 and 3 in Appendix A.

2.3.1 Oil Storage Containers (112.7(a)(3)(i))

The majority of oil storage at the facility is diesel for onsite equipment. Other petroleum stored consists of used oil generated from equipment maintenance; transmission fluid, motor oil, and gear oil associated with equipment maintenance; drums storing transmission fluid and gear oil for equipment maintenance; and hydraulic oil and diesel fuel associated with the two landfill tippers on-site.

Diesel fuel transfers from the aboveground storage tank (A-1) to equipment are conducted routinely, multiple times a day when operating. The fueling station is located in the lined portion of the landfill that drains to the LCRS. The fuel tank is refilled by an outside contractor from a tanker truck approximately once per month.

The following summary tables include information on oil storage containers, their capacities, locations and contents and spill containment, prevention, and countermeasure methods.

Table 1a – Bulk Oil Storage Containers

Container ID	Description	Location	Contents	Capacity (gal)	Discharge Prevention	Secondary Containment (gal)	Counter-measures
A-1	Diesel Tank	Outside on lined portion of landfill near northern corner of site	Diesel fuel	6,000	A, B	D, E (7,310)	G, H
A-2	Used Oil Tank	Outside between old and new maintenance buildings	Used oil	650	B, C	D (730)	G, H
A-3	Tipper Diesel Fuel Tank	Outside on lined portion of landfill near northern corner of site	Diesel fuel	80	B, C	E (N/A)	G, H
A-4	Tipper Diesel Fuel Tank	Outside on lined portion of landfill near northern corner of site	Diesel fuel	80	B, C	E (N/A)	G, H
A-5	Mobile Diesel Tank	Outside on lined portion of landfill	Diesel fuel	95	C	E (N/A)	G, H
D-1	Oil Drums	New Maintenance Building	Various oils (transmission fluid and gear oil)	220 (4 x 55)	C	F (60)	G, H
D-2	Oil Drums	Old Maintenance Building	Various oils (transmission fluid and gear oil)	220 (4 x 55)	C	F (60)	G, H

General Notes:

- Oil storage locations are depicted in Figures 2 and 3 in Appendix A. Container locations are identified by their Container ID number shown in the first column above.
- Single container oil quantities less than 55-gallons are exempt from SPCC requirements per 40 CFR 112.1(d)(5); therefore, they are not documented in this table.
- Tank volumes are approximate based on exterior dimensional measurements or reports from the Facility operator.
- N/A: Not Available, exact volume of the lined landfill is unknown but given the large footprint and depth, it is more than adequate as secondary containment.

Table 1b – Oil-Filled Operating and Electrical Equipment

Container ID	Description	Location	Contents	Capacity (gal)	Discharge Prevention	Secondary Containment	Counter-measures
H-1	Tipper Hydraulic Reservoir	Outside on lined portion of landfill near northern corner of site	Hydraulic oil	380	B, C	E	G, H
H-2	Tipper Hydraulic Reservoir	Outside on lined portion of landfill near northern corner of site	Hydraulic oil	380	B, C	E	G, H

General Notes:

- Oil-filled equipment is not considered bulk storage; therefore, active secondary containment measures (i.e., activating diversionary structures, using spill response supplies, etc.) are allowed if adequate to prevent a discharge of oil to waterways.

Specific Comments for Tables 1a and 1b:

A) Fueling pump has an automatic shut-off switch.
B) Tank is equipped with a visible sight tube, clock gauge, or float level indicator.
C) Facility personnel take precautions to prevent releases while container is being manually emptied or filled.
D) Tank is of double-walled construction to provide secondary containment for failure of the inner storage tank.
E) The tank or reservoir is located in a lined portion of the landfill that drains to the LCRS, LSCS, and SDCS where oil can be retained at the Facility.
F) Drums are stored on top of plastic spill pallets.
G) Spill response equipment (sorbent material) is readily available nearby to respond to spills.
H) Contact information for emergency spill response contractors for which Wasco has an agreement for response is provided in Table 2 in Section 2.3.6 of this SPCC Plan. If spill cleanup and countermeasure is beyond what Facility personnel can safely handle, emergency contractors will be notified for spill response.

2.3.2 Discharge Prevention Measures (112.7(a)(3)(ii))

Discharges are prevented using operational and engineering controls. The following precautionary discharge prevention measures are implemented. Employees are provided instruction on the proper handling and transfer of petroleum products.

- Whenever possible petroleum handling or transfers occur inside one of the maintenance shops. Both shops are covered and constructed with an impervious concrete floor.
- Drip pans and/or pads are used during petroleum transfers, at hose connections, fittings, valves, or appurtenances, and under leaking equipment until repairs can be made.
- Petroleum suppliers are required to follow the protocols established in the Notice to Tank Truck Drivers, included in Appendix E of this Plan. Fuel is only delivered during business hours. Site personnel are present to observe unloading operations to ensure driver compliance and handle emergency situations.
- All petroleum storage containers and associated equipment are routinely inspected as described in Section 2.9 of this Plan.
- Engineering controls are used to prevent discharges for certain containers and equipment as appropriate:
  - Double-walled ASTs are equipped with ports to inspect the interstitial space or interstitial leak detectors,
  - The vehicle fuel AST is equipped with an overfill prevention valve,
  - The diesel fuel, tipper fuel engine, and used oil ASTs and tipper hydraulic oil reservoirs (A-1, A-2, A3, A-4, H-1, H-2) are equipped with either a clock gauge or liquid level gage,
  - Fuel dispenser hoses are fitted with breakaway valves, and
  - Fuel dispenser nozzles are equipped with automatic shut-offs.

2.3.3 Discharge Control Measures (112.7(a)(3)(iii))

In the event that a discharge occurs it will be controlled using the secondary containment measures described in Section 2.7 of this Plan.

2.3.4 Discharge Countermeasures (112.7(a)(3)(iv))

Facility personnel respond to discharges following the general procedures described in Section 2.5. Small spills may be cleaned up by Facility personnel if it is safe to do so. Response materials are available on site for control and clean-up of small spills. Larger spills will be cleaned up by a specially qualified spill response contractor.

Large spill response kits are staged inside the new maintenance building and adjacent to the diesel fuel tank. These kits consist of a large plastic container (60-gallon) containing granular absorbent material (i.e., “oil dry”), absorbent pads, absorbent socks, and PPE. Stocks of oil dry and other reserve supplies are located in the maintenance shops. The location of the spill kit is marked on Figure 3 in Appendix A.

2.3.5 Disposal Methods (112.7(a)(3)(v))

Any oil product recovered from a spill at the Facility will be managed as a used oil product. It may be stored in the used oil tank at the Facility for recycling by contracted vendors. If oil recovered during response actions is not recyclable, it will be taken off-site for disposal by a contracted hazardous material disposal company.

During most spill cleanup operations, oil will be absorbed using materials in the Facility's spill kits. Landfill cover material may also be a suitable absorbent for spills in the active face work area. Absorbent used to control and soak up small spills of material will be swept into piles, shoveled into bags, labeled, and treated as municipal solid waste or special waste, as appropriate, and will most situations will be disposed of at the landfill. Absorbent from large spills may be collected and placed directly into a larger container instead of being bagged. Place the bags in a dumpster or other appropriate container and store them under cover. After the incident, the SPCC Coordinator or other management will be responsible for the proper handling, storage, and disposal of adsorbent materials and wastes.

2.3.6 Emergency Contacts (112.7(a)(3)(vi))

The table below shows the primary emergency contacts and their phone numbers.

Table 2 – Wasco Emergency Contacts

Contact Name (Title)	Phone Number
Facility	
Nancy Mitchell* (Site Manager)	541-296-4082 (office) 541-993-0089 (mobile)
Kevin Green** (Assistant District Manager)	541-296-4082 (office) 541-965-1339 (mobile)
William Russell (Operations Supervisor)	541-296-4082 (office) 541-993-2371 (mobile)
Steve Young (Western Region Environmental Manager)	360-448-6962 (office) 360-607-4659 (mobile)
*SPCC Coordinator **Assistant SPCC Coordinator	
Agency	
National Response Center (NRC)	800-424-8802
Oregon Emergency Response System (OERS)	800-452-0311
Oregon Department of Environmental Quality (ODEQ)	541-388-6146
Wasco County Public Works	541-506-2640
Emergency Response Contractor	
NRC Environmental Services 6211 N. Ensign Street Portland, Oregon 97217	503-283-1150
24-hour Emergency Response Hotline	800-337-7455

2.4 Reporting (112.7(a)(4))

Telephone reports to the National Response Center and OERS are required when an accident involving a hazardous material (i.e., diesel, gasoline, oil) results in:

- Death
- Hospitalization
- Property damage in excess of $50,000
- Any situation a business thinks should be reported
- Release of oil that causes a film, sheen, or discoloration of off-site surface water
- A discharge of a hazardous material in excess of the reportable quantity listed in 40 CFR Table 302.4. The reportable quantities are:
  - 42 gallons or more of diesel, hydraulic oil, or used oil (on land)
  - 200 pounds (lbs.) (30 gallons) of gasoline
  - 5,000 lbs. (540 gallons) of antifreeze (ethylene glycol)

When reporting a spill, be prepared to give the following information:

- Name, address and telephone number for the Facility
- Date and time of the discharge (start and stop time)
- Type of material spilled
- How much was spilled (estimate if necessary)
- How much discharged to storm sewer or waterways (estimated if necessary)
- Source of the discharge
- Affected media [i.e., where did the spill go (storm sewer, ground, etc.)]
- Cause of the discharge
- Extent of any damage or injuries
- What actions have been taken to stop, remove, and mitigate the discharge
- Whether an evacuation may be needed
- Names of individuals and/or organizations that were contacted

Report any spill, no matter the amount, to the SPCC Coordinator. The SPCC Coordinator will notify the appropriate agencies, if necessary. When in doubt about reporting a spill or release, the appropriate management should always report it to OERS. They can determine if the release is significant or not. Failure to report a spill could result in a $10,000 fine.

As soon as practical, but not more than four days after spill incident, the SPCC Coordinator will conduct a spill response review to assess the following:

- Cause of the accidental discharge
- Were the procedures in this Plan followed?
- Did the strategies, tools, control or containment devices, supplies, and personal protective equipment (PPE) function as planned?
- Does this Plan adequately address the discharge which occurred?
- Was worker training adequate for emergency response?
- Are revisions to this Plan necessary? If so, what revisions should be made?

The Oil Spill Incident Report Form should be filled out. A copy of the form is included in Appendix B. If required by the Environmental Protection Agency (EPA) or OERS, the written report detailing the incident must sent to the EPA regional administrator within five (5) working days of the incident.

40 CFR 112.4 requires that information be submitted to the EPA Regional Administrator within 60 days if the following occurs:

- The Facility discharges more than 1,000 gallons of oil in a single discharge, or
- The Facility discharges more than 42 gallons of oil in each of two discharges within any twelve month period.

The following information must be submitted to the EPA Regional Administrator and local or state agencies in charge of oil pollution control, if the above spill conditions occur:

- Name of the Facility
- Name of the person reporting the spill
- Location of the Facility
- Maximum storage or handling capacity of the Facility and normal daily throughput
- Corrective actions and countermeasures that have been taken, including a description of equipment repairs and replacements
- A description of the Facility, including maps, flow diagrams, and topographical maps, as necessary
- The cause of the discharge, including a failure analysis of the system or subsystems in which the failure occurred
- Additional preventative measures you have taken or contemplated to minimize the possibility of a recurrence
- Such other information as the EPA Regional Administrator may reasonably require pertinent to the Plan or discharge

The EPA Regional Administrator may require you to amend your SPCC Plan if it does not meet the requirements of 40 CFR 112 or if it is not adequate to prevent and contain oil discharges from the Facility.

2.5 Spill Response (112.7(a)(5))

The basic concept of the Facility's response to spills is the following:

- Report the spill to the SPCC Coordinator or other management
- Protect yourself
  - Obtain back-up personnel
  - Wear proper PPE (hard hat, high visibility vest, nitrile gloves, puncture resistant footwear, and safety glasses)
  - Shut-off ignition sources
- Protect others
  - Redirect customer traffic
  - Keep non-emergency people out of the area
- Identify and stop material flow at the source, if it is safe
  - Shut-off pumps

    - Close valves
- Block or contain the spill if possible
- Collect the spill
- Clean up the site
    - Clean up what you can immediately
    - Place clean up materials in appropriate containers and label accordingly
    - Management will arrange for appropriate disposal
    - Continue with long-term cleanup, if necessary
- Complete an incident investigation
    - Determine the cause of the spill
    - Evaluate additional prevention measures
    - Consider needed improvements in spill notification and response
    - Identify personnel training needs
- File the necessary reports

2.6 Prediction of the Direction and Total Quantity of Oil/Fuel Which Could be Discharged from the Facility as a Result of Failure (112.7(b))

The most common causes of oil spills are human errors (inattention, inadequate training, overfilling tanks/containers, vehicle accidents, etc.), equipment failures, natural events (earthquakes, flooding, high winds, etc), and vandalism. There are five sources of potential discharge resulting from the failure of oil storage and dispensing equipment in the solid waste industry. They are, in the order of frequency, (1) hose failures; (2) valve failures; (3) piping/fitting failures; (4) pump failures; and (5) tank failures. Details of potential discharges are listed below. Oil container locations are shown on Figures 2 and 3 in Appendix A.

The catastrophic failure of ASTs, hoses, piping, and ancillary systems, potentially resulting in a large instantaneous release of oil, is typically an unlikely scenario but must be considered as part of a spill prevention and incident response program. The chance for catastrophic failure of tanks is reduced by instituting preventative measures. Oil storage, handling and delivery equipment are inspected visually on a regular basis. The diesel fuel AST will be periodically subjected to non-destructive integrity testing in accordance with industry standards or manufacturers recommendations. These inspections evaluate the condition of equipment and are used as the basis of corrective actions, maintenance and repairs. The sections that follow describe possible catastrophic failure scenarios for specific equipment.

2.6.1 Storage Tank Failure

2.6.1.1 Diesel Fuel Tank (A-1)

A 6,000 gallon tank (A-1) is located outside on the northern half of the site on an active lined landfill cell (Phase IV). The tank is used to store diesel fuel for the equipment used to operate the landfill such as compactors, dozers, loader, grader, and water trucks. This is a horizontal cylindrical, double-walled steel tank. The tank is equipped with one high-speed diesel fuel pump and dispenser system (i.e., hose, nozzle, and holster) used to directly refuel vehicles and equipment. Other tank equipment includes a emergency shut-off switch, on/off valve at dispensing hose, hose breakaway valve, clock gauge, and an overfill prevention valve to prevent overfilling.

The AST resides inside a rectangular steel outer tank for secondary containment. Slightly more than half the height of the cylindrical tank is within the rectangular outer tank. The top of the outer tank walls are welded directly to the walls of the inner tank; therefore, creating one solid structure that does not accumulate stormwater. The containment basin sits on skids that elevate it slightly from the ground.

If the tank lost structural integrity, its contents would be released into the secondary containment. If both the inner tank and outer containment failed, fuel could rapidly be released to ground and would be contained within the limits of the lined landfill.

2.6.1.2 **Used Oil Tank (A-2)**

Used oil generated from equipment maintenance activities is stored outside in a 650-gallon capacity double-wall tank (A-2) between the two maintenance buildings. Tank A-2 is equipped with a liquid level float gauge and the AST skids are mounted on a concrete pad so that no tank surfaces are in direct contact with the ground. The tank area is covered with a roof awning for protection from rain.

If the tank was to lose structural integrity its contents would be released into the secondary containment. If both the inner tank and outer containment tank failed, oil could be rapidly released to the ground and flow overland to the south and could enter a ditch along the north side of the maintenance buildings. The site stormwater system is described in Section 3.2.

2.6.1.3 **Tipper Fuel Tanks and Hydraulic Oil Reservoirs (A-3, A-4, H-1, H-2)**

There are two portable low-profile landfill tippers located outside in the northern half of the site on an active lined landfill cell (Phase IV). The two tippers each have a diesel engine with a single-walled fuel tank and a single-walled rectangular hydraulic oil reservoir. Both tanks are constructed of welded steel and equipped with liquid level gauges or sight glasses. The two tippers are used to unload solid waste from truck trailers into the landfill and have a tank capacity of 80 gallons for diesel fuel and reservoir capacity of 380 gallons for hydraulic oil.

If any one of these containers was to lose structural integrity, its entire contents could be released onto the ground. A release from either tipper would be completely contained within the limits of the lined landfill.

2.6.1.4 **Mobile Diesel Tank (A-5)**

A 95-gallon tank (A-5) welded onto a travel trailer is stored outside in various locations within the northern half of the site on the active lined landfill cell (Phase IV). The tank is used to transfer diesel fuel from the diesel fuel AST (A-1) and fill the two tipper engine fuel tanks (A-3 and A-4). The tank is horizontal and L-shaped, welded steel. The tank is equipped with one fuel pump (hose, nozzle, and holster).

If the mobile tank was to lose structural integrity, its entire contents could be released onto the ground. A release would be completely contained within the limits of the lined landfill.

2.6.1.5 **Oil Storage Drums in Maintenance Buildings (D-1, D-2)**

Multiple 55-gallon oil drums containing various oil products are located in either of the two maintenance buildings. The oil drums are stored on plastic spill containment pallets. Facility operators report that on average, four 55-gallon oil drums are stored inside either the building at any one time.

If any one of the oil drums lost structural integrity its entire contents could be released into the containment of the spill pallet. If any oil escaped the secondary containments, oil could be released to the concrete floor of the two shops. A release from any one of the drums could flow out the shop's south bay door and toward a ditch along the north side of the maintenance buildings and breakroom trailer. The site stormwater system is described in Section 3.2.

2.6.2 Failure During Product Transfer

2.6.2.1 **Diesel Fuel Tank (A-1)**

The fuel AST (A-1) is refilled by a tanker truck that parks on either side of the tank. The truck operator would extend a hose from the unloading connection on the truck's tank to the fill pipe of the AST. Fuel would then be pumped into the AST using the truck's onboard pump.

Facility vehicles and equipment are refueled in a similar manner by parking adjacent to the AST and extending the dispenser nozzle and hose to the onboard fuel tank fill pipe. Fuel is then pumped into the receiving tank using the dispenser pump mounted in front of the AST.

A release could occur during fuel transfers due to failure of the truck's transfer hose or the tank's dispenser hose. In such situations, petroleum would be released to the ground around the transfer hose or around the truck. Petroleum would be completely contained within the limits of the lined landfill. A spill of this limited volume would likely be fully absorbed by landfill daily cover and waste in the immediate area.

2.6.2.2 **Used Oil Tank (A-2)**

The used oil tank for storage of oil generated from facility maintenance is filled by transferring from portable containers. Tank A-2 is equipped with a visible liquid level float gauge for determining the amount of oil in the tank. Used oil is pumped out from the tank and removed from the Facility for recycling by a contracted third-party recycling company.

A release due to the failure of the transfer hose pumping oil out of A-2 would be no more than 60 gallons before the time the operator noticed the release and stopped the transfer. A release would spill onto the surrounding concrete pad and soil. Facility personnel would contain and clean up such a spill in the immediate area around the tank.

2.6.2.3 **Mobile Diesel Tank (A-5)**

The mobile AST (A-5) trailer is positioned next to tank A-1 and refilled by tank A-1's dispenser and pump system. Wasco personnel would extend the dispenser nozzle from Tank A-1 to the fill port of the mobile AST. Fuel is then pumped into the receiving tank using Tank A-1's dispenser pump.

The two tipper fuel engine ASTs are refilled by parking the mobile diesel trailer adjacent to the respective tipper fuel AST and extending the dispenser nozzle and hose to the onboard fuel tank fill pipe. Fuel is then pumped into the receiving tank using the dispenser pump.

A release could occur during fuel transfers due to failure of tank A-1's dispenser hose or tank A-5's dispenser hose. In such situations, petroleum would be released to the ground around either dispenser hose. Petroleum would be completely contained within the limits of the lined landfill.

The discharge rate and total anticipated release volume depend on the flow rate of the transfer pump. It is conservatively assumed that petroleum would be released for two (2) minutes prior to the operator shutting off the truck pump or triggering the shut-off switch for the dispenser pump. Based on reported maximum pumping rates, the release rates and anticipated maximum release volumes for applicable containers are tabulated in Table 3.

Table 3 – Transfer Hose Release Rates & Volumes

Container ID	Tank Truck Unloading/Loading		Dispensing	
	Release Rate (gal/min)	2-Minute Release Volume (gal)	Release Rate (gal/min)	2-Minute Release Volume (gal)
A-1 Diesel Fuel	60	120	30	60
A-2 Used Oil	30	60	N/A	N/A
A-3 Diesel Fuel	60	120	N/A	N/A
A-4 Diesel Fuel	60	120	N/A	N/A
A-5 Diesel Fuel	30	60	40	80

gal – gallon
min – minute

2.6.3 Tank Overflow During Filling

2.6.3.1 Diesel Fuel Tank (A-1)

The diesel fuel AST is refilled by a tanker truck via a hose extended from the truck tank to the fill pipe on top of the AST. Fuel is pumped into the top of the AST using the truck's onboard pump. If a release occurred due to overfilling of the aboveground diesel fuel tank by the tank truck operator, fuel would be released to the ground around the tank in the same manner as described previously in Section 2.6.1.1 for a release due to tank structural failure. The maximum anticipated release rate and potential two-minute release volume are reported in Table 3.

2.6.3.2 Tipper Fuel Tanks (A-3, A-4)

The two tipper fuel ASTs are refilled by the mobile diesel tank (A-5) via the fuel dispenser extended from the mobile tank to the fill pipe on top of the AST. Fuel is pumped into the top of either AST using the tank's dispenser pump. If a release occurred due to overfilling of either tipper fuel tank by Wasco personnel, fuel would be released to the ground around the tank in the same manner as described previously in 2.6.1.3. The maximum anticipated release rate and potential two-minute release volume are reported in Table 3.

2.6.3.3 Mobile Diesel Tank (A-5)

The mobile diesel tank is refilled by tank A-1 via the dispenser nozzle extended from tank A-1 to the fill port on top of the mobile AST. Fuel is pumped into the mobile AST using the tank A-1's dispenser pump. If a release occurred due to overfilling of the mobile diesel tank, fuel would be released to the ground around the tank in same manner as described previously in 2.6.1.4. The maximum anticipated release rate and potential two-minute release volume are reported in Table 3.

2.7 Containment Methods Utilized (112.7(c))

2.7.1 Diesel Fuel Tanks (A-1)

The diesel fuel tank is double-walled for secondary containment. Any spills outside the tank that could occur during refueling or tank truck unloading would be completely contained within the limits of the lined landfill.

2.7.2 Used Oil Tank (A-2)

The used oil tank is double-walled for secondary containment.

2.7.2.1 Tipper Fuel Tanks and Hydraulic Oil Reservoirs (A-3, A-4, H-1, H-2)

The tipper fuel tanks and hydraulic oil reservoirs are located within the limits of the lined landfill which provides a means for secondary containment.

2.7.2.2 Mobile Diesel Tank (A-5)

The mobile diesel fuel tank is transported, used and stored within the limits of the lined landfill which provides a means for secondary containment.

2.7.2.3 Oil Storage Drums in Maintenance Buildings (D-1, D-2)

The oil storage drums are situated on top of spill containment pallets.

2.8 Impracticability of Installing Containment (112.7(d))

Secondary containment is provided for all oil storage locations at the facility; therefore, this section does not apply.

2.9 Inspections, Tests and Records (112.7(e))

The fuel dispenser pumps and hoses are visually inspected for signs of leaks daily, before and during routine fuel transfers by the equipment operators. The SPCC Coordinator does a more in-depth inspection of all oil storage containers on a monthly basis, per SPCC requirements. These inspections include checking for signs of a release; leaks; damaged or deteriorating containers, hoses or piping; fully-stocked spill response supplies; and integrity of container supports and foundations. Inspection results are documented on a combined Monthly Stormwater Pollution Control Plan (SWPCP) and SPCC Plan Inspection Form, provided in Appendix C. Copies of the completed inspection forms are kept in the office on file with a copy of the SPCC Plan for a minimum of three years.

2.10 Personnel Training (112.7(f)(1))

Facility personnel are trained in the operation and maintenance of equipment to prevent spills, detect spills, perform initial spill response activities, and ensure compliance with federal and state of Oregon pollution control laws and the contents of this SPCC Plan. Concurrently with employee training, requirements for a discharge prevention briefing will be covered (see Section 2.12). The training and briefing session will be conducted annually. A list of personnel in attendance must be maintained on file with the SPCC Plan for at least three years. A copy of the Oil Discharge Prevention Training and Briefing Log is provided in Appendix D. Also, the Notice to Tank Truck Drivers is provided in Appendix E.

2.11 Designated Person (112.7(f)(2))

The SPCC Coordinator is accountable for oil spill prevention guidance, routine inspections, record retention, and reporting spills. The SPCC Coordinator ensures that the Facility's SPCC Plan is current and that all appropriate personnel are properly designated, equipped, and trained. Designated personnel whose duties involve handling petroleum products are responsible for implementing spill prevention systems and responding to spills.

2.12 Conduct Spill Prevention Briefings (112.7(f)(3))

Spill prevention briefings are conducted periodically, at least once per year, to discuss spill prevention and control measures and refresh applicable oil-handling personnel on the contents of the SPCC Plan. Any recent spill events, malfunctioning components, equipment modifications, SPCC Plan modifications, and recently developed precautionary measures will be discussed during these briefings. Meeting records that include agenda items relating to this Plan and a list of personnel in attendance are found in Appendix D and will be maintained on file with the SPCC Plan for a period of at least three years.

2.13 Facility Security (112.7(g))

The landfill generally operates 9 hours per day (7 am to 4 pm), 5 days per week. Office hours are 7:00 a.m. to 4:00 p.m. Monday through Friday. In special circumstances the facility operates for longer hours during the week or on the weekends. The Facility is always staffed while in operation; however, staffing is minimal outside of office hours. Only authorized personnel, customers, or vendors are allowed on the site. Public access is prevented with perimeter fencing, locked entrance gates, and natural features. The entrance gate allows access from Steele Road during operating hours and is closed and locked during non-operating hours.

The landfill maintains adequate lighting that will assist in discovering discharges occurring during hours of darkness and will discourage acts of vandalism that may cause discharges. The maintenance buildings are equipped with interior and outdoor lighting that illuminates entrances to the buildings. This combination of lighting provides sufficient illumination of the facility to meet the intent of the SPCC regulation.

2.14 Loading Rack Containment System (112.7(h)(1))

The Facility does not have a loading/unloading rack; therefore, this section does not apply.

2.15 Vehicular Departure Warning System (112.7(h)(2))

The Facility does not have a loading/unloading rack; therefore, this section does not apply.

2.16 Examination Before Departure (112.7(h)(3))

The Facility does not have a loading/unloading rack; therefore, this section does not apply.

2.17 Brittle Fracture Evaluation (112.7(i))

The Facility does not have any field-constructed tanks; therefore, this section does not apply.

2.18 State Compliance (112.7(j))

The Facility is in conformance with applicable State of Oregon discharge prevention and containment rules. If reportable quantities of an oil product are released, the necessary spill notification will be made to the Oregon Emergency Management Division.

A reportable quantity is a spill or material release that meets or exceeds reportable quantity limits, as detailed in OAR 340-142-0050. Pertinent items include:

- If spilled or discharged into waters of the state or in a location from which it is likely to escape into waters of the state any quantity of oil that would produce a visible film, sheen, oily slick, oily solids, or coat aquatic life, habitat or property with oil, but excluding normal discharges from properly operating marine engines.
- If spilled on the surface of the land, and not likely to escape into waters of the state, any quantity of oil over one barrel (42 gallons).

2.19 Alternative Requirements for Qualified Oil-Filled Operational Equipment (112.7(k))

Oil-filled operational equipment that meets certain qualification criteria is eligible for alternative requirements to providing general secondary containment required by 40 CFR 112.7(c). Both of the following discharge scenarios must be true for any twelve month period in the three years prior to the SPCC Plan certification date, or since the Facility became subject to the SPCC rule if the Facility has been in operation for less than three years.

1. No single discharge from oil-filled operational equipment exceeding 1,000 gallons, and
2. No two discharges from oil-filled operational equipment exceeding 42 gallons.

The only oil-filled operational equipment, as defined in 40 CFR Part 112.2, at the Facility are the two hydraulic oil reservoirs for the two landfill tippers. Based on the discharge history at the Facility, this equipment meets the qualification criteria for alternative requirements to general secondary containment; however, the Facility provides general secondary containment for this oil-filled equipment as discussed in Section 2.7; therefore, this section does not currently apply.

3. SPCC REQUIREMENTS FOR ONSHORE PETROLEUM FACILITIES (EXCLUDING PRODUCTION FACILITIES)

40 CFR Part 112.8 requires furnishing specific information concerning the Facility's conformance with spill prevention guidelines. This section provides information to fulfill these requirements.

3.1 Compliance with 40 CFR Part 112.7 (112.8(a))

The Facility is in compliance with the requirements found in 40 CFR Part 112.7.

3.2 Facility Drainage (112.8(b))

3.2.1 Drainage from Diked Storage Areas (112.8(b)(1))

The Facility does not have diked storage areas exposed to precipitation; therefore, this section is not applicable.

3.2.2 Drain Valve Design (112.8(b)(2))

The Facility does not have diked storage areas exposed to precipitation or associated drain valves; therefore, this section is not applicable.

3.2.3 Drainage from Undiked Areas (112.8(b)(3))

Stormwater drainage at the landfill is considered to be in one large drainage area. Stormwater from the southern portion of the property is conveyed to a series of ditches and conveyance piping that

discharges into a detention basin (detention basin 1) to the north of the main entrance of the property. Any overflows from detention basin 1 or sheet flow from the southern half of the property is directed by a series of unlined conveyance ditches to a second detention basin (detention basin 2) located in the northwest corner of the property. If stormwater were to discharge off site, it would discharge from the outfall (Outfall 1) within detention basin 2 to Three Mile Creek to the north of the facility. Due to the large size of detention basin 2 and the relatively low volume of annual precipitation in The Dalles, Oregon, most storm events do not result in a discharge at Outfall 1. Stormwater that does collect in detention basin 2 either infiltrates into the ground or evaporates.

Stormwater that comes in contact with waste in the landfill portions of the facility is collected as leachate and managed consistent with Wasco's solid waste disposal permit (SWDP), issued by the Oregon Department of Environmental Quality. Leachate is considered wastewater and is not discharged to waters of the state.

Site topography and surface drainage patterns in portions of the landfill may change as site operations and development continues in the future. All collection, conveyance, and treatment infrastructure at the site is maintained by the facility operators. A site plan of the facility is included as Figures 2 and 3 in Appendix A showing oil storage containers, drainage structures, discharge points, and existing control measures.

3.2.4 Retention of Spilled Oil at the Facility (112.8(b)(4))

The Facility may retain spilled fuel from the dispensers with the LCRS, LSCS, and SDCS. Oil collected in the sump associated with the SDCS will be removed by vactoring methods and disposed of or recycled appropriately by a contracted disposal company. However, a spill from the dispensers will be a limited volume and is expected to be absorbed by the daily cover and waste material in the immediate area before it could leach down to the liner.

3.2.5 Treatment and Pumping of Drainage Waters (112.8(b)(5))

The Facility's treated drainage waters do not require pumping; therefore, this section is not applicable.

3.3 Bulk Storage (112.8(c))

The oil reservoirs that fit the definition of bulk storage containers as defined in 40 CFR Part 112.2 consist of the diesel fuel tanks, used oil tank, and the fuel tanks for the two tippers' engines. The tipper's hydraulic reservoir and hydraulic system are "oil-filled operating equipment" and are not considered bulk storage containers.

3.3.1 Bulk Storage Tank Construction and Design (112.8(c)(1))

All the Facility's bulk storage tanks were designed for the purpose of storing oil under the present conditions. They are constructed of materials that are compatible with the oil stored and the conditions of storage including temperature and pressure.

3.3.2 Secondary Containment (112.8(c)(2))

Passive sized-secondary containment measures for bulk storage tanks are discussed previously in Section 2.7, Containment Methods Utilized.

3.3.3 Drainage of Rainwater from Bermed Area (112.8(c)(3))

The Facility has no bermed areas exposed to precipitation; therefore, this section is not applicable.

3.3.4 Underground Metallic Storage Tank Protection (112.8(c)(4))

The Facility does not have any underground storage tanks; therefore, this section is not applicable.

3.3.5 Partially Buried or Bunkered Tanks (112.8(c)(5))

The Facility does not have partially buried or bunkered tanks; therefore, this section is not applicable.

3.3.6 Integrity Testing of Aboveground Tanks (112.8(c)(6))

The Facility will conduct integrity testing of aboveground oil storage containers in accordance with the Steel Tank Institute (STI) Standard Procedure (SP) 001[1]. Inspection and testing procedures for each shop-fabricated container, including the minimum frequency, are summarized in Table 4. A formal external inspection will also be completed on tanks larger than 5,000 gallons whenever material repairs are made.

In developing the inspection and testing procedures, the following conditions were considered:

- The Facility does not own or operate any “field-erected ASTs” as defined in STI SP001.
- All tanks are provided with “overfill prevention” as defined in STI SP001 by shutoff devices and personnel who monitor the entire filling process.
- Tanks at the Wasco Facility are all considered Category 1 ASTs according to STI SP001.

Monthly inspections will be completed by Facility personnel knowledgeable about storage facility operations, the type of AST and its associated components, characteristics of the liquid stored, and pumping, piping, and valve operations of the AST system.

Formal external inspections will be conducted by qualified inspectors. A qualified inspector must be certified by one of the following means:

- American Petroleum Institute (API) Standard 653 Authorized Inspector Certification with STI SP001 Adjunct Certification, or
- STI SP001 AST Tank System Inspector

[1] Steel Tank Institute SP001. Standard for the Inspection of Aboveground Storage Tanks, 5th Edition. Revised September 2011.

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Table 4 – AST Inspection and Testing Requirements (STI SP001)

Container ID / Description / Capacity (gallons)	Tank Material	Initial Service Year	Continuous Release Detection Method	Spill Control	Frequency and Type of Inspection or Testing Required
A-1 / Diesel fuel tank / 6,000	Welded steel, painted	08/2001	Double-wall tank	Double-wall tank	Monthly: Inspection by owner 20 years: Formal external inspection by qualified inspector
A-2 / Used oil tank / 650	Welded steel, painted	2002	Double-wall tank	Double-wall tank	Monthly: Inspection by owner
A-3 / Tipper fuel tank / 80	Welded steel, painted	2002	Skid mounted tank	Lined landfill cell	Monthly: Inspection by owner
A-4 / Tipper fuel tank / 80	Welded steel, painted	2016	Skid mounted tank	Lined landfill cell	Monthly: Inspection by owner
A-5 / Mobile diesel tank / 95	Welded steel, painted	2002	Trailer mounted tank	Lined landfill cell	Monthly inspection by owner

3.3.7 Internal Heating Coil Leakage Control (112.8(c)(7))

There are no internal heating coils in the bulk storage tanks; therefore, this section is not applicable.

3.3.8 Fail-safe Engineering Features to Avoid Spills (112.8(c)(8))

The diesel fuel tank (A-1) is equipped with a visual liquid level clock gauge on top of the tank for determining the proportion of the tank that contains fuel. Before and during refilling the driver is responsible for closely monitoring this gauge to determine the available capacity of the tank to prevent an overflow. This device is used as a fast response system to determine the tanks available capacity during product transfers to the diesel tank. Facility operators and/or the tanker truck operator are always present to monitor fuel transfers. The tank is also equipped with a overfill protection shut-off valve to prevent overfilling.

The used-oil tank (A-2) fill port is equipped with a grated drain pan on top of the tank for containment of minor spills or drips that occur during filling. The tank is equipped with a visual liquid level float gauge on top of the tank for determining the proportion of the tank that contains oil. Facility operators fill this tank manually from smaller containers and observe the liquid level before all transfers into the tank. This device is used as a fast response system for determining when the tank has reached capacity. If a release due to overfilling of the used oil tank occurred it would be evident to the personnel filling the tank and spill response procedures would be enacted immediately.

The tipper engine fuel tanks (A-3 and A-4) are equipped with a visual liquid level sight glass on the side of the tank for determining the proportion of the tank that contains fuel. Before and during refilling site personnel are responsible for closely monitoring this gauge to determine the available capacity of the tank to prevent an overflow. This device is used as a fast response system to determine the tank’s available capacity during product transfers to the tipper tanks. Facility operators are always present to monitor fuel transfers.

The mobile fuel tank (A-5) is not equipped with a fluid level measuring device. This tank is filled from the dispenser on tank A-1. The dispenser is a high-speed diesel but is equipped with an automatic shut-off. The automatic shutoff switch is considered an adequate fail-safe feature to avoid a spill.

Oil drums are not refilled on-site and are replaced with new drums when they are empty.

3.3.9 Inspection of Effluent Treatment Facilities (112.8(c)(9))

The Facility does not generate oily wastewater or effluent that requires treatment; therefore, this section is not applicable.

3.3.10 Correction of Oil Leaks (112.8(c)(10))

The Facility personnel shall promptly correct and clean up all oil leaks from vehicles, machinery, dispensing equipment, and oil storage containers.

3.3.11 Mobile or Portable Oil Storage Tanks (112.8(c)(11))

The only mobile or portable oil storage tanks utilized at the Facility consist of the 55 gallon oil drums. These containers are stored in the maintenance buildings and within spill pallets for secondary containment.

3.4 Facility Transfer Operations, Pumping, and Facility Process (112.8(d))

3.4.1 Buried Piping Protection (112.8(d)(1))

There is no buried petroleum piping at the Facility; therefore, this section is not applicable.

3.4.2 Capping of Unused Pipeline Terminal Connections (112.8(d)(2))

The Facility does not use fuel pipelines with terminal connections; therefore this section is not applicable. All tank fill ports or other tank access pipes are capped when not in use.

3.4.3 Pipe Support Design (112.8(d)(3))

Fuel transfers are conducted using a flexible hose with a dispenser nozzle attached. Hoses are hung on the side of the dispenser in an out of the way location. Pipe supports are not necessary for this dispensing system. No other petroleum piping is used on site except that which is internal to operating equipment.

3.4.4 Inspection of Above Ground Valves, Piping, and Appurtenances (112.8(d)(4))

The diesel dispenser system is regularly inspected as part of monthly SPCC inspections. These inspections include a visual assessment of the condition of the entire dispenser system and signs of fuel leaks from hoses, nozzles, valves or other appurtenances.

3.4.5 Vehicular Traffic Warning (112.8(d)(5))

The fueling station is clearly visible to truck drivers, equipment operators, or other employees at the Facility. It is located in the active face area of the landfill and access is restricted to employees and customers. The tank is surrounded by concrete blocks to deter and minimize the magnitude of a potential vehicle/equipment collision. The outdoor oil tank is located between the two maintenance buildings which does not have any vehicle access.

4. RESTRICTIONS

This SPCC Plan is for the exclusive use of the client and is not to be relied upon by other parties. It is not to be photographed, photocopied, or similarly reproduced, in total or in part, without the expressed written consent of the client.

APPENDIX A

FIGURES

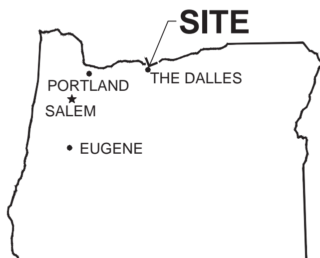
Figure 1 - Site Location Map
Figure 2 - Facility Diagram
Figure 3 - Detail Facility Diagram

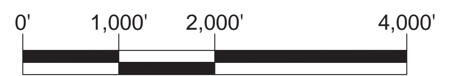
PROJECT LOCATION

Gravel Pit

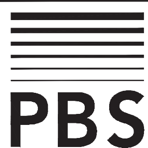
Storage Bin

SOURCE: USGS THE DALLES SOUTH OR QUADRANGLE 1994.





PREPARED FOR: WESCO COUNTY LANDFILL



PROJECT # 17731.000	VICINITY MAP 2550 STEELE ROAD THE DALLES, OREGON	FIGURE 1
DATE DEC 2016		

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GENERAL NOTES

1. THIS DRAWING IS DIAGRAMMATIC. IT IS FOR GENERAL INFORMATION ONLY.

TANK LEGEND

- (A1) DIESEL TANK (6,000-GAL)
- (A3) TIPPER DIESEL FUEL TANK (80-GAL)
- (A4) TIPPER DIESEL FUEL TANK (80-GAL)
- (A5) MOBILE DIESEL TANK (85-GAL)
- (H1) TIPPER HYDRAULIC OIL RESERVOIR (380-GAL)
- (H2) TIPPER HYDRAULIC OIL RESERVOIR (380-GAL)

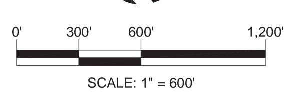
FENCE LINE
BORROW AREA
SITE ACCESS ROADS (COMPACTED GRAVEL)
DRAINAGE BASIN 1
PHASE IV
OPERATIONS EQUIPMENT AND VEHICLES
A5
MW-4
MW-1
PHASE III (INACTIVE)
APPROXIMATE PROPERTY LINE
WASTE DISPOSAL LIMIT
MAINTENANCE BUILDINGS
BREAKROOM TRAILER
WATER TANK
PHASE I (INACTIVE)
GRAVEL PARKING LOT
MW-8
MW-3
SEE FIGURE 3
P-1
COVERED RECYCLING AREA
GRAVEL PARKING LOT
SITE MAIN ENTRANCE
WATER WELL PW-2
A3 A4 H1 H2
TRUCK TIPPING AREA
CELLS 1,1A AND 2 (ACTIVE)
A1
MW-2
UNDERGROUND DRAINAGE PIPE
STORMWATER DETENTION BASIN 1
SCALE OFFICE/SCALE HOUSE
STEELE ROAD
MW-7
WASTE DISPOSAL LIMIT
APPROXIMATE PROPERTY LINE
CELLS 3A,3B AND 3C (ACTIVE)
MW-6
MW-5
STORMWATER DETENTION BASIN 2
SAMPLE POINT OUTFALL 1

SITE PLAN

LEGEND

Symbol	Description
MW-8	GROUNDWATER MONITORING WELL
P-1	PIEZOMETER
	PROPERTY LINE
	WASTE DISPOSAL LIMIT LINE
	LANDFILL CELL BOUNDARY LINE
x	FENCE LINE
	DRAINAGE BASIN BOUNDARY
	COMPACTED GRAVEL ROADS AND PARKING LOTS
	STORMWATER RUNOFF DIRECTION
*	SPILL KIT
	STORMWATER OUTFALL
	DRAINAGE DITCH
	DRAINAGE PIPE

0' 300' 600' 1,200'
SCALE: 1" = 600'



4412 SW Corbett Ave
Portland, OR 97239
503.248.1939 Main
www.pbsenv.com

FACILITY DIAGRAM / SITE MAP

WASCO COUNTY LANDFILL
2550 STEELE ROAD
THE DALLES, OREGON

SPCC
PLAN
SWPCP

PROJECT: 17731.000
DATE: FEBRUARY 2017
FIGURE: 2

C:\Users\mattieb\Documents\17731\DWG\17731.000_0004_FIG 2x.dwg Jan 19, 2017 06:42pm mattieb

GENERAL NOTES

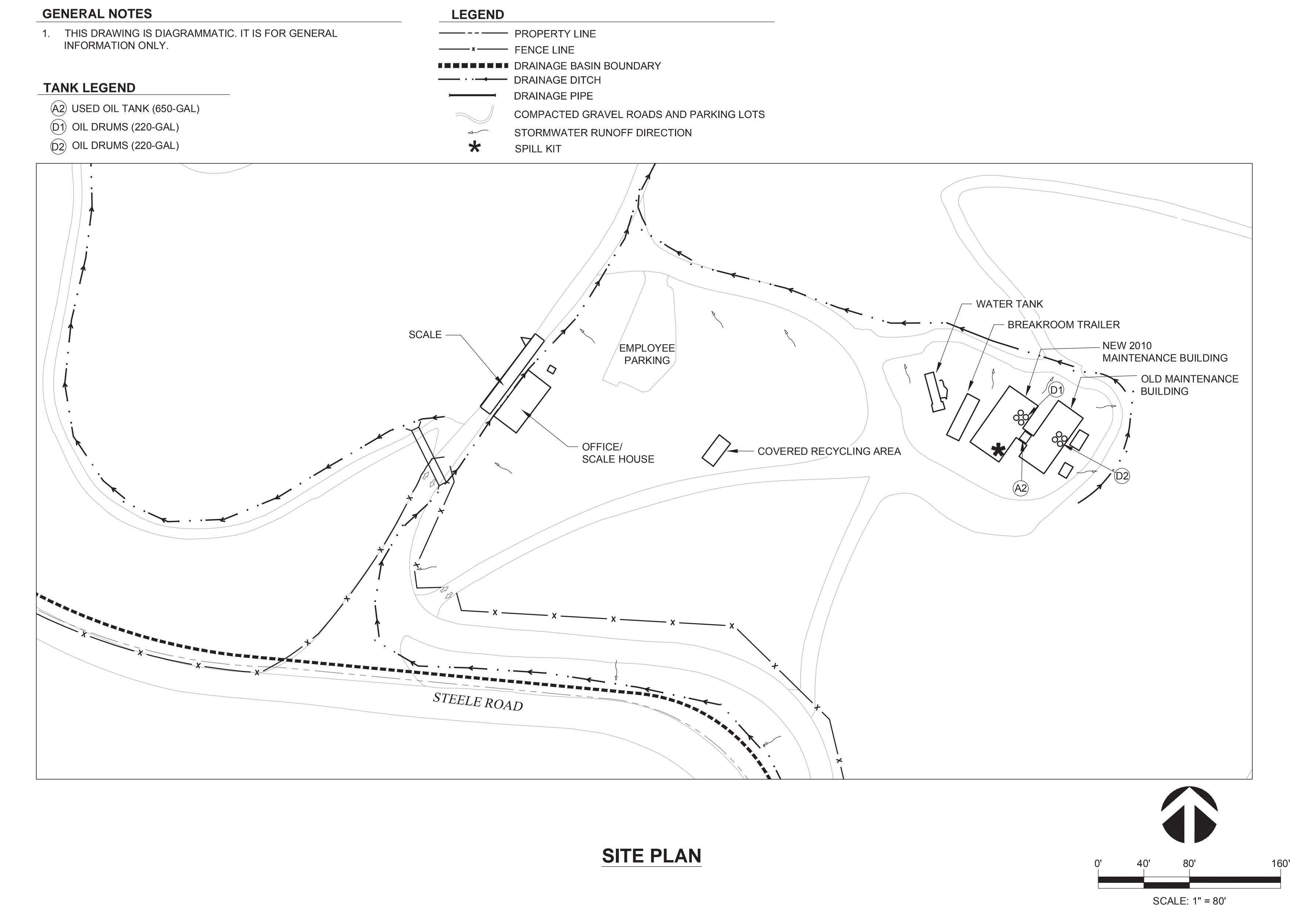
1. THIS DRAWING IS DIAGRAMMATIC. IT IS FOR GENERAL INFORMATION ONLY.

TANK LEGEND

- A2 USED OIL TANK (650-GAL)
- D1 OIL DRUMS (220-GAL)
- D2 OIL DRUMS (220-GAL)

LEGEND

- PROPERTY LINE
- FENCE LINE
- DRAINAGE BASIN BOUNDARY
- DRAINAGE DITCH
- DRAINAGE PIPE
- COMPACTED GRAVEL ROADS AND PARKING LOTS
- STORMWATER RUNOFF DIRECTION
- * SPILL KIT



SITE PLAN

PBS
Engineering + Environmental
4412 SW Corbett Ave
Portland, OR 97239
503.248.1939 Main
www.pbsenv.com

FACILITY DIAGRAM / SITE MAP
WASCO COUNTY LANDFILL
2550 STEELE ROAD
THE DALLES, OREGON

SPCC
PLAN
SWPCP

PROJECT: 17731.000
DATE: FEBRUARY 2017
FIGURE: 3

C:\Users\mattieb\Documents\17731\DWG\17731.000_0004_FIG 3.dwg Jan 04, 2017 02:00pm MATTIEB

APPENDIX B

QUICK SPILL RESPONSE GUIDE

Emergency Response Guide

Oil Spill Report Form

Oil Spill Response Procedures

Wasco County Landfill
Emergency Contacts

Contact Name (Title)	Phone Number
Facility	
Nancy Mitchell* (Site Manager)	541-296-4082 (office) 541-993-0089 (mobile)
Kevin Green** (Assistant District Manager)	541-296-4082 (office) 541-965-1339 (mobile)
William Russell (Operations Supervisor)	541-296-4082 (office) 541-993-2371 (mobile)
Steve Young (Western Region Environmental Manager)	360-448-6962 (office) 360-607-4659 (mobile)
*SPCC Coordinator **Assistant SPCC Coordinator	
Agency	
National Response Center (NRC)	800-424-8802
Oregon Emergency Response System (OERS)	800-452-0311
Oregon Department of Environmental Quality (ODEQ)	541-388-6146
Wasco County Public Works	541-506-2640
Emergency Response Contractor	
NRC Environmental Services 6211 N. Ensign Street Portland, Oregon 97217	503-283-1150
24-hour Emergency Response Hotline	800-337-7455

Wasco County Landfill
Oil Spill Incident Report Form

1 TIME PROBLEM DISCOVERED: ________________ DATE: ________________

2 TIME PROBLEM STOPPED: ___________________ DATE: ________________

3 MATERIAL SPILLED: ____

4 SOURCE OF THE DISCHARGE: ______________________________________

5 APPROXIMATE AMOUNT? (GALLONS):__________________________________

6 APPROXIMATE LOCATION AND TYPE OF ACCIDENT (E.G. FIRE, EXPLOSION, SPILL):

____

____

7 AFFECTED MEDIA (E.G., BARE GROUND, PAVEMENT, STORMWATER, OR SEWAGE DRAINS):

____

8 IS THE SPILL CONTAINED?: ____

9 CAUSE OF THE DISCHARGE?: _______________________________________

10 EXTENT OF INJURIES OR DAMAGE (IF ANY):____________________________

11 WAS EVACUATION OF THE SITE NECESSARY?: ___________________________

12 WHAT ARE THE LIKELY HAZARDS TO HUMAN HEALTH AND THE ENVIRONMENT?:

____

____

13 ESTIMATED AMOUNT OF MATERIAL RECOVERED?: _________________________

14 WHAT WAS DONE WITH RECOVERED MATERIAL?: __________________________

15 ACTIONS TAKEN TO STOP, REMOVE, AND MITIGATE THE EFFECTS OF THE DISCHARGE?:

____

____

16 NAME, ORGANIZATION, DATE, TIME, AND WHO WAS CONTACTED CONCERNING THE INCIDENT?:

____

____

____

____

17 ACTIONS TAKEN TO CORRECT THE CAUSE AND PREVENT FURTHER PROBLEMS?:

____

____

____

18 NAME OF INCIDENT REPORTER: ______________________

TITLE: ______________________

SIGNATURE (SPCC COORDINATOR): ______________________

DATE: ________________

Wasco County Landfill
Oil Spill Response Procedures

The basic concept of the Facility's response to spills is the following:

- Report the spill to the SPCC Coordinator or other management
- Protect yourself
  - Obtain back-up personnel
  - Wear proper PPE (high visibility vest, nitrile gloves, puncture resistant footwear, safety glasses)
  - Shut off ignition sources
- Protect others
  - Redirect customer traffic
  - Keep non-emergency people out of the area
- Identify and stop material flow at the source, if it is safe
  - Shut off pumps
  - Close valves
- Block or contain the spill if possible
- Collect the spill
- Clean up the site:
  - Clean up what you can immediately
  - If the spill exceeds your capability, engage a spill response contractor
  - Place cleanup materials in an appropriate container and label
  - Management will arrange for appropriate disposal
  - Continue with the long-term cleanup, if necessary
- Complete an incident investigation
  - Determine the cause of the spill
  - Evaluate additional prevention measures
  - Consider needed improvements in spill notification and response
  - Identify personnel training needs
- File the necessary reports

APPENDIX C

MONTHLY SWPCP AND SPCC PLAN INSPECTION FORM

Wasco County Landfill
Monthly SPCC Plan and Stormwater Inspection Form

Instructions: The purpose of this checklist is to inspect industrial activities that may impact stormwater quality and oil storage containers and equipment at the Wasco facility. Completion of this monthly inspection checklist is intended to meet Industrial Stormwater Discharge Permit and SPCC Plan inspection requirements. If a deficiency is noted, which could result in pollution of stormwater or any release of "oil" to the environment, you must provide a brief explanation of the problem found, and notify the Site Manager at 541-296-4082. After completion of the inspection, put a copy of this checklist on file with the SWPCP and SPCC Plan in the scale house/office building, for a period of at least three years.

Have a copy of the SWPCP and SPCC site maps with you during the inspection to ensure they are current and accurate. Use them as an aid in recording the location of any issues you identify during the inspection. Visual monitoring at the outfall must occur while discharging stormwater.

Observation of Stormwater Discharge: The permit requires an inspector to observe stormwater discharges at the sample location. Inspections should be performed during storm events, if possible. As a best management practice, the inspector shall use a clear or white cup to dip a sample of the discharge flowing at the sample location and make the observations documented below. If no stormwater is discharging at the time of inspection then the associated inspection items should be documented as NA or Not Applicable.

Inspector Name:	Inspector Title:	Weather Conditions:
Date:	Time:	Stormwater Flowing at Outfall during Inspection? (circle one) YES NO

Location	Inspection Items	Yes / No / NA	Observations / Required Maintenance	Date Completed
Wet Weather Only Stormwater Sample Pt. Outfall 1	Floating solids (Does not include organics (i.e. leaves, grass, etc.).			
	Visible oil sheen present in sample cup?			
	Discoloration (i.e. any color or cloudiness that is not natural)			
	Is the discharge excessively turbid? Meaning, is the water picking up dirt particles causing it to be muddy?			
	Are there any detections of odor that are unnatural?			
	Is foam present?			
Dry Weather Only Sample Pt Outfall 1	Unauthorized discharges or flow through sample point?			

Location	Inspection Items	Yes / No / NA	Observations / Required Maintenance	Date Completed
Stormwater Ditches, Ponds, and Drainage Pipes	Are BMPs and treatment structures (e.g., ditches, detention basins) in poor condition, not operating, or filled with debris that may impair function?			
	Are there signs of pollutants entering the drainage system (e.g. mud)?			
Spill Response Kits	Are any kits missing or relocated from the locations shown on the site map?			
	Are kits located within 25 feet of fueling station?			
	Are any kits missing supplies or in poor condition (e.g., lids broken, full of water, mildew or staining)?			
	Are the following minimum supplies included? • Oil absorbents with a 15 gallon capacity • Non-water containment boom – 10' long with a 12- gallon capacity • Non-metallic shovel • Two 5-gallon buckets with lids			

BULK FUEL AND OIL TANKS	**1. Container Exterior** Check for signs of physical damage or exterior corrosion, especially at fill inlet, outlet pipe, and gauge connections. Make sure all lids are securely fastened. Inspect the condition of the containment structure for signs of cracking, deterioration, corrosion, peeling or chipping paint, or other damage.		**2. Supports/Foundation** Check the transfer pipes and hose supports for damage or wear. Check the container supports and foundation for signs of damage, settlement, or washout, and check the ground around container for signs of oil leaks.		**3. Connections** Check dispenser nozzles and hoses for physical damage or wear. Look for signs of excessive wear or leakage at lid, hose connections, pipe joints and valve stems. Ensure liquid level gauges are functioning properly.	
CONTAINER NAME	OK	Observations	OK	Observations	OK	Observations
6,000-Gallon Diesel Fuel Tank Outside, On Active Phase of Landfill (A-1)						
650-Gallon Used Oil Tank Outside between Maintenance Buildings (A-2)						
80-Gallon Diesel Tank for Tipper Engine, Outside on Active Phase of Landfill (A-3)						
80-Gallon Diesel Tank for Tipper Engine , Outside on Active Phase of Landfill (A-4)						
95-Gallon Mobile Tank, Outside on Active Phase of Landfill (A-5)						
55-Gallon Oil Storage Drums in New Maintenance Building (D-1)						
55-Gallon Oil Storage Drums in Old Maintenance Building (D-2)						

OIL-FILLED OPERATING EQUIPMENT	**1. Container Exterior** Check for signs of physical damage or corrosion on container exterior.		**2. Supports/Foundation** Check concrete pad around container for signs of physical damage or corrosion. Check ground around container for signs of oil leaks.		**3. Connections** Check for signs of wear, corrosion, or leaks at any hose connections, valves and fill pipes.	
CONTAINER NAME	OK	Observations	OK	Observations	OK	Observations
380-Gallon Tipper Hydraulic Oil Reservoir, Outside on Active Phase of Landfill (H-1)						
380-Gallon Tipper Hydraulic Oil Reservoir, Outside on Active Phase of Landfill (H-2)						

Corrective Actions and Observations (provide a brief explanation below or on the back of the form)

____

____

____

____

____

____

____

Inspector Certification: This section must be completed by the person who conducted the inspection.

"I certify that this report is true, accurate, and complete, to the best of my knowledge and belief"

Signature:_______________________________________

Date:_______________________________

Authorized Representative Certification: This section must be completed by an authorized representative of the Facility (e.g., District Manager or Site Manager).

"I certify that I have reviewed this report and that it is true, accurate, and complete, to the best of my knowledge and belief"

Signature:_______________________________________

Date:_______________________________

APPENDIX D

TRAINING FORMS

Employee Training Sheet

Oil Discharge Prevention Briefing Log

Oil Discharge Prevention Training & Briefing Log

Pursuant to 40 CFR 112.7(f)(1)&(3) conduct annual training and hold a discharge prevention briefing for your oil handling personnel at least once a year to ensure adequate understanding of the SPCC Plan. The training and briefing session will include proper operation and maintenance of equipment to prevent discharges; spill containment and clean-up procedures; review of applicable rules, laws, and regulations; content of the SPCC Plan; describe known discharges or failures; malfunctioning components; and any recently developed precautionary measures.

Use this form to document the annual discharge prevention briefing. Use the log on the following pages to document the attendees of the briefing.

Date: ________________________ Time: ___________________________

Trainer / Group Lead: _________________________________

Answer the following questions for the prior year (since the date of the last briefing). For "Yes" responses: describe the issue, required action, and relevant implementation date(s) in the table.

Did any discharges or oil equipment failures occur on-site in excess of 1-gallon or that reached a surface water? ________ Yes ________ No

Did any oil handling, spill prevention, or containment components malfunction? ________ Yes ________ No

Were any new precautionary measures developed? ________ Yes ________ No

Problem/Situation Identified	Required Action	Implementation Date

District:____________________________ Date:______________ Time:______________

Meeting Conducted By:_________________________ Title:_______________________

Topics of Discussion

1. ____
2. ____
3. ____
4. ____
5. ____

Meeting Minutes

____

____

____

____

____

____

____

____

Handouts and Training Program Aids (videos, powerpoint, etc.)

1. ____
2. ____
3. ____

Annual Stormwater/SPCC Plan Training Attendance Log

Use this log to document employee participation in stormwater pollution prevention training, SPCC Plan training, and/or oil spill prevention briefing exercises. Record the employee name and date of training. Employees should sign this log upon completion.

Employee Name (Print)	Date of Training	Signature

APPENDIX E

NOTICE TO TANK TRUCK DRIVERS

Wasco County Landfill
Notice to Tank Truck Drivers
SPCC Plan

To prevent the release of substances hazardous to the environment, tank truck drivers entering the facility are to comply with the following rules:

- Check in with on-site personnel.
- Exercise caution when maneuvering to avoid damage to the truck, bollards, or containments.
- Inspect the tank, fittings, and the liquid level indicator prior to filling.
- Place drip pans under all pump hose fittings prior to loading/unloading.
- Block truck wheels before starting to load/unload.
- Remain with the vehicle while loading/unloading.
- Drain the loading/unloading line to storage tank.
- Verify that the drain valves are closed before disconnecting the loading/unloading lines.
- Inspect the vehicle before departure to be sure loading/unloading lines have been disconnected and the vent valves are closed.
- Immediately report leakage or spillage to the SPCC Coordinator or other management personnel.

Site personnel will be present for observation of the unloading event to ensure compliance with these requirements and to handle emergency situations.

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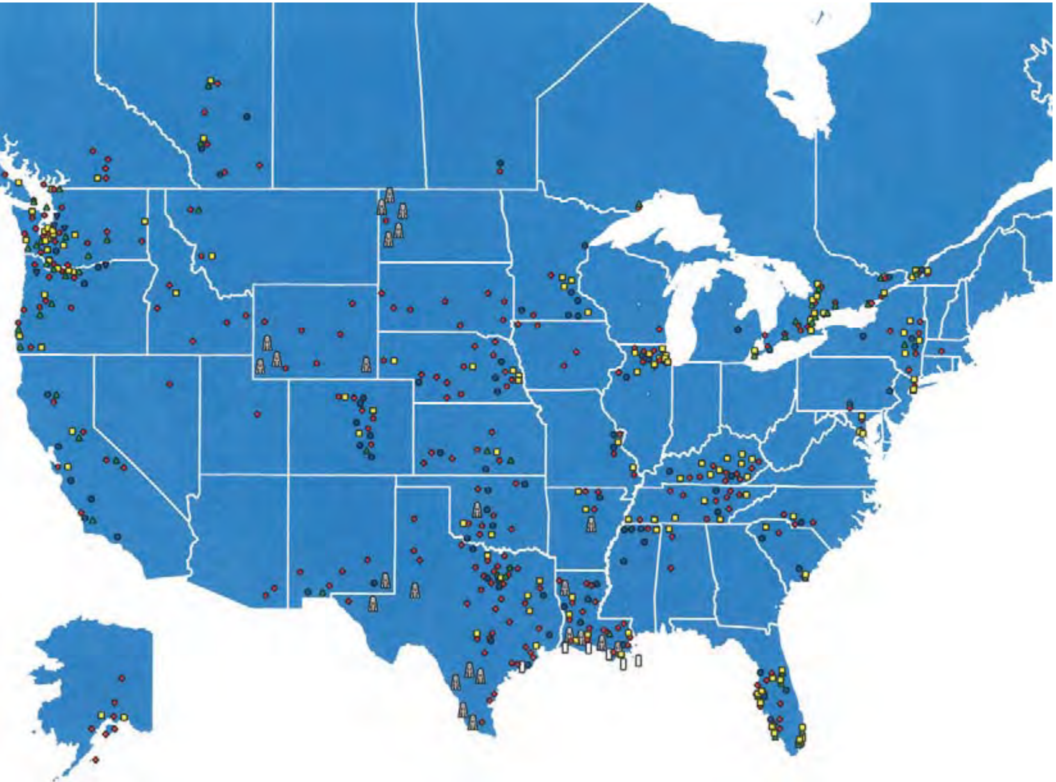
Attachment R—Financial Information

DOUBLING DOWN

Waste Connections, Inc.
2016 Annual Report



Waste Connections is the premier provider of solid waste collection, transfer, recycling and disposal services in mostly exclusive and secondary markets across the U.S. and Canada. Through our R360 environmental solutions subsidiary, we are also a leading provider of non-hazardous exploration and production, or E&P, waste treatment, recovery and disposal services in the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest.

LETTER TO SHAREHOLDERS

Doubling Down. Waste Connections entered 2016 with a winning hand. Our differentiated strategy and safety-focused, servant leadership-driven culture, together with the tireless efforts of our employees, have consistently produced industry leading financial results and shareholder returns since our founding nearly 20 years ago.

In early 2016, we had the confidence to *Double Down* on this winning hand with a transformational acquisition that essentially doubled the size of the company. For Waste Connections, this bet meant putting to the test our proven culture, market selection strategy and operating playbook. For shareholders, this bet produced outsized returns in the year, helped make 2016 our 13th consecutive year of positive shareholder returns, and positioned us for further growth and value creation opportunities in 2017 and beyond.

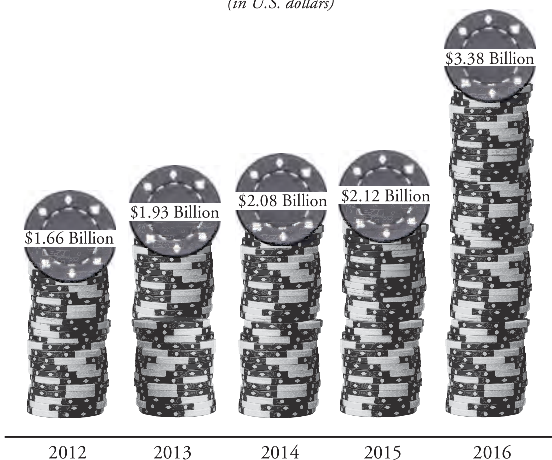
Doubling Down in 2016 for Greater Returns

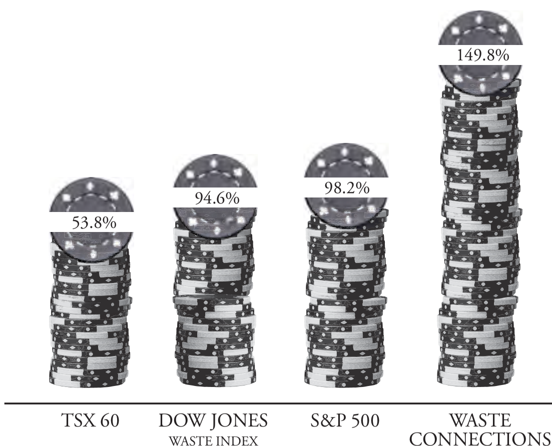
2016 was both a strategically transformational and financially exceptional year for Waste Connections. In January, we announced an agreement to acquire Progressive Waste Solutions in a stock-for-stock reverse merger, which closed on June 1st. This transaction, as discussed further below, was strategically transformational as it doubled the size of the company, the number of countries in which we operate, and the number of exchanges on which our shares trade. Most importantly, though, the acquisition was consistent with our differentiated strategy and disciplined approach to capital deployment—a rare occurrence among public-to-public combinations.

This acquisition, along with continuing strength in underlying solid waste price + volume growth, stabilized E&P waste activity and improving recycled commodity values, drove strong financial performance and free cash flow generation. Revenue in 2016 grew 59.4% from the prior year to $3.38 billion, adjusted net income* increased 61.4% to $395.2 million, and adjusted net income per share* increased 29.8% to $2.57. Adjusted EBITDA* increased 50.7% to $1.07 billion, and adjusted free cash flow* increased 60.6% to $550.9 million, or 16.3% of revenue and 51.4% of adjusted EBITDA.

A strategically consistent and properly valued large acquisition with tremendous upside should be exponentially beneficial to shareholders, and the Progressive Waste transaction proved that point. Our Total Shareholder Return, or TSR, was 40.8% in 2016. Over a longer term, five-year period ended December 31, 2016, our 149.8% TSR outperformed the approximate TSRs of 98.2%, 94.6% and 53.8% of the S&P 500 Index, the Dow Jones U.S. Waste & Disposal Services Index and the TSX 60 Index, respectively.

As importantly, we did not risk our balance sheet with the Progressive Waste acquisition. In fact, our investment-grade credit ratings were reaffirmed in connection with the transaction, and we improved our credit metrics during the year. By *Doubling Down*, we significantly increased our financial flexibility and available free cash flow to not only fund our growth strategy, but to also increase the return of capital to our shareholders. In August, we announced a normal course issuer bid to provide us with the ability to repurchase up to 5% of our outstanding shares during a 12-month period. And in October, we increased our regular quarterly cash dividend by 24.1% to $0.18 per share.





For underlying data and assumptions, see *Performance Graph* on page 36 of our Annual Report on Form 10-K for the year ended December 31, 2016.

Doubling Down on a Transformational Acquisition

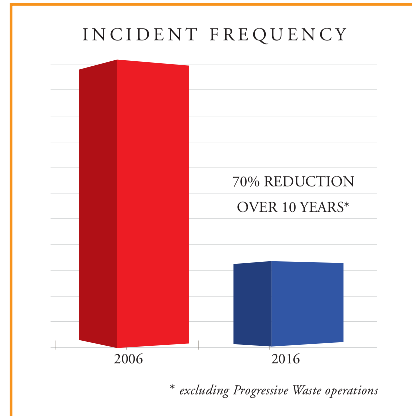
As noted above, we completed the Progressive Waste acquisition on June 1st, effectively doubling the size of our company and significantly expanding our geographic footprint. We believe the integration and performance of these acquired operations are tracking 12 to 18 months ahead of expectations, as reflected by successes in the following areas:

Safety Performance. Culture is a major contributor to our success, and safety is a key component of that culture—it's our #1 Operating Value. At Waste Connections, we believe that safety is the responsibility of each and every employee; it is engrained in our culture. When we acquired Progressive Waste, the incident frequency at its operations was more than 3.5x that of legacy Waste Connections. Embracing our safety-focused, servant leadership-driven culture has reduced incident frequency at legacy Progressive Waste operations by almost 50% just seven months after the closing. We obsessively strive for ZERO incidents and are most proud of this accomplishment given its positive impacts on our employees, customers and the communities in which we live and work.

Quality of Revenue. High quality revenue produces more EBITDA, requires less capex to generate that EBITDA, and therefore converts more of that EBITDA to free cash flow. We believe that free cash flow drives shareholder value creation—it's no coincidence that our industry-leading free cash flow model has produced industry-leading returns. As we enter 2017, we've already: (i) successfully converted Progressive Waste's operations from a low priced, volume-led growth focus to a price-led, organic growth model; (ii) identified approximately $50 million of low priced, negative margin or cash flow, or unsafe-to-service revenue throughout these operations that we are happy to shed; and (iii) commenced the process to divest markets in the U.S., with over $200 million of revenue, that are inconsistent with our differentiated strategy.

Financial Performance. When we acquired Progressive Waste, we believed that when compared to its 2015 results, we could shrink revenue between 10% and 15%, increase EBITDA by at least 25%, and increase free cash flow by over 100% within three years. We now believe that we'll hit these targets on a run-rate basis in 2017, or 12 to 18 months ahead of schedule. The credit for this success goes to our 15,000+ employees for embracing change, delivering results and accepting accountability.

SAFETY, OUR #1 OPERATING VALUE



At Waste Connections, Safety is our #1 Operating Value. We believe that safety is the responsibility of each and every employee; it is engrained in our culture. Our success has been driven by the development of our managers and supervisors into servant leaders and our ability to instill this commitment-based, safety-driven culture across our broader employee base. Servant leaders are accountable to employees for each employee's success at work and beyond; safety is an integral component of this commitment. The strong relationship between servant leader and employee enables us to utilize observations and tools to develop an employee risk-profile ranking and to facilitate effective communication and behavior coaching. Put simply, the focus on safety is but one of the ways that we invest in our most important asset—our people.

ACCOUNTABILITY

INTEGRITY

SERVANT LEADERSHIP

CUSTOMER SERVICE

SAFETY

A GREAT PLACE TO WORK

We believe our investors—those from legacy Waste Connections and legacy Progressive Waste, as well as new shareholders of our company—value Waste Connections' long-term track record of executing a differentiated strategy and delivering differentiated results. With Progressive Waste, we had the unique opportunity to apply our playbook to a transformational acquisition, deliver tremendous value creation, and position ourselves for additional growth opportunities.

2017: Tailwinds for Continuing Growth

We believe that we are set up for another exceptional year in 2017, which will mark Waste Connections' 20th anniversary. Propelling us forward are the tailwinds of strong organic growth in both solid waste and E&P waste, rollover contribution from the Progressive Waste acquisition, contribution from the acquisition of Groot Industries that we announced early in the year, higher recycled commodity values, and continuing safety and operational improvements. With a strong balance sheet and more than $725 million of adjusted free cash flow** expected for the year, we are positioned to not only fund higher acquisition activity such as Groot, but also to increase the return of capital to shareholders through another likely double digit increase in our dividend and resumption of share repurchases under our normal course issuer bid.

Doubling Down proved to be an educated bet for Waste Connections, leveraging our differentiated strategy and safety-focused, servant leadership-driven culture—our winning hand, so to speak—which, in turn, generated high returns for our shareholders.

As always, thank you for your continuing support.

Ronald J. Mittelstaedt
CHIEF EXECUTIVE OFFICER
AND CHAIRMAN

Steven F. Bouck
PRESIDENT

Worthing F. Jackman
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

COMMUNITY SUPPORT

Giving Back

At Waste Connections, we measure our success by the continuing, positive impact we have within our local communities. The company and its employees support more than a thousand organizations through direct contributions, volunteering or fundraising, a few of which are listed here.

ALZHEIMER'S ASSOCIATION • ALZHEIMER SOCIETY OF HAMILTON HALTON • AMERICAN CANCER SOCIETY • AMERICAN DIABETES ASSOCIATION • AMERICAN HEART ASSOCIATION • AMERICAN LUNG ASSOCIATION • AMERICAN RED CROSS • APPALACHIAN CHILDREN'S HOME • ASSOCIATION QUÉBÉCOISE DE PRÉVENTION DU SUICIDE • AUTISM AWARENESS CANADA • AUTISM SPEAKS • BIG BROTHERS BIG SISTERS • BOYS AND GIRLS CLUBS • BRANTFORD COMMUNITY FOOD BANK • CANADIAN ASSOCIATION OF CHIEFS OF POLICE • CANADIAN DIABETES ASSOCIATION • CANADIAN NATIONAL AUTISM FOUNDATION • CASA • CAYUGA SENECA COMMUNITY CENTER • CEOS AGAINST CANCER • CHILD & FAMILY CENTER • CHILDREN'S MIRACLE NETWORK HOSPITALS • CHILDREN'S WISH FOUNDATION • COLUMBIA PACIFIC FOOD BANK • DAYBREAK YOUTH SERVICES • DISABLED AMERICAN VETERANS • ELM GROVE ELEMENTARY SCHOOL • FEED MY STARVING CHILDREN • FOOD BANK OF EASTERN MICHIGAN • FORT VANCOUVER NATIONAL TRUST • GIRL POWER 2 CURE • HABITAT FOR HUMANITY • HAMILTON-BURLINGTON SPCA • HELPING HANDS HOUSE • HOPE HOUSE • ILLINOIS SPECIAL OLYMPICS • HOME WITH HEROES • INTERFAITH OF THE WOODLANDS • JUVENILE DIABETES FOUNDATION • KIDS 'N KINSHIP • LEUKEMIA & LYMPHOMA SOCIETY • LITTLETON FIREFIGHTER ASSOC. • LOVE FOSTERS HOPE • MAKE-A-WISH FOUNDATION • MARCH OF DIMES • MEALS ON WHEELS • MISSION OF HOPE • MONTGOMERY COUNTY FOOD BANK • MONTGOMERY COUNTY YOUTH SERVICES • MULTIPLE SCLEROSIS SOCIETY OF CANADA • MUSCULAR DYSTROPHY ASSOCIATION • NATIONAL CHILDREN'S CANCER SOCIETY • NATIONAL KIDNEY FOUNDATION • NATIONAL MULTIPLE SCLEROSIS SOCIETY • NATIONAL WILDLIFE FEDERATION • NORTHWEST ASSOCIATION FOR BLIND ATHLETES • OPEN DOOR MISSION • PANTHER CREEK INSPIRATION RANCH • PINK LEMONADE PROJECT • RELAY FOR LIFE • RIVER CITY YOUTH FOUNDATION • ROGER CLEMENS FOUNDATION • RONALD MCDONALD HOUSE CHARITIES • SAVE THE CHILDREN CANADA • SENECA FALLS ROTARY • SIX NATIONS' CHRISTMAS BASKETS • SPECIAL OLYMPICS • ST. JUDE CHILDREN'S RESEARCH HOSPITAL • SUSAN G. KOMEN • TAKE STEPS FOR CROHN'S AND COLITIS • THE MARFAN FOUNDATION • THE SALVATION ARMY • SMART • THE STAR OF HOPE • TIM HORTON CHILDREN'S FOUNDATION • TOBY KEITH FOUNDATION • TOYS FOR TOTS • TRI-CITY YOUTH & FAMILY CENTER • UNITED WAY • VETERANS LEGAL INITIATIVE • VETERANS MIRACLE CENTER • WAY-OUT KIDS • WOMEN IN NEED • WORKING AGAINST VIOLENCE • WOUNDED WARRIORS IN ACTION • WREATHS ACROSS AMERICA

SELECTED FINANCIAL DATA

(in thousands of U.S. dollars)

SUMMARY BALANCE SHEET	2015	2016
Current assets	$ 362,427	$ 832,569
Property and equipment, net	2,738,288	4,738,055
Goodwill	1,422,825	4,390,261
Intangible assets, net	511,294	1,067,158
Other non-current assets, net	86,964	165,059
Total assets	$ 5,121,798	$ 11,193,102
Current liabilities	$ 378,274	$ 692,177
Long-term debt and notes payable	2,147,127	3,616,760
Deferred income taxes	452,493	867,841
Other long-term liabilitie	152,110	361,447
Total equity	1,991,784	5,654,877
Total liabilities and equity	$ 5,121,798	$ 11,193,102

SUMMARY INCOME STATEMENT	2015	2016
Revenue	$ 2,117,287	$ 3,375,863
Adjusted EBITDA*	$ 710,607	$ 1,071,062
Net income (loss) attributable to Waste Connections	$ (95,764)	$ 246,540
Adjusted net income (loss) attributable to Waste Connections*	$ 244,987	$ 395,178

SUMMARY CASH FLOW DATA	2015	2016
Net cash provided by operating activities	$ 576,999	$ 795,312
Capital expenditures for property and equipment	$ 238,833	$ 344,723
Adjusted free cash flow*	$ 342,987	$ 550,944

* Non-GAAP measure. See *Non-GAAP Financial Measures* on pages 67-69 of our Annual Report on Form 10-K for the year ended December 31, 2016.

** Forward-looking, non-GAAP measure. See *2017 Outlook Non-GAAP Reconciliation Table* on page 12 of the press release attached as Exhibit 99.1 to our Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on February 21, 2017.

This 2016 Annual Report should be read together with our Annual Report on Form 10-K for the year ended December 31, 2016, including Item 1A—Risk Factors.

Waste Connections, Inc.

STATEMENT OF VALUES

Purpose

Honoring our commitments provides our stakeholders peace of mind and establishes us as the premier waste services company in the markets we serve. This creates a safe and rewarding environment for our employees while protecting the health and welfare of the communities we serve, thereby increasing value for our shareholders.

Operating Values

Safety
We strive to assure complete safety of our employees, our customers and the public in all of our operations. Protection from accident or injury is paramount in all we do.

Integrity
We define integrity as “saying what you will do and then doing it.” We keep our promises to our customers, our employees and our shareholders. Do the right thing, at the right time, for the right reason.

Customer Service
We provide our customers the best possible service in a courteous, effective manner, showing respect for those we are fortunate to serve.

To Be a Great Place to Work
We maintain a growth culture where our employees can maximize their potential personally and professionally. Our objective is to provide an environment where people enjoy what they do and take pride in their work. We wish to embody a work hard, play harder culture.

To Be the Premier Waste Services Company in the U.S. and Canada
We continue to provide superior returns, remain environmentally responsible, and grow in a disciplined way, deploying resources intelligently and benefiting communities we live in. We remain a “different breed”.

Vision of the Future

Our goal is to create an environment where self directed, empowered employees strive to consistently fulfill our constituent commitments and seek to create positive impacts through interactions with customers, communities, and fellow employees, always relying on our Operating Values as the foundation for our existence.

CORPORATE INFORMATION

EXECUTIVE OFFICERS

Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

Steven F. Bouck
President

Darrell W. Chambliss
Executive Vice President and Chief Operating Officer

Worthing F. Jackman
Executive Vice President and Chief Financial Officer

Matthew S. Black
Senior Vice President and Chief Tax Officer

David G. Eddie
Senior Vice President and Chief Accounting Officer

David M. Hall
Senior Vice President - Sales and Marketing

James M. Little
Senior Vice President - Engineering and Disposal

Patrick J. Shea
Senior Vice President, General Counsel and Secretary

Robert M. Cloninger
Vice President, Deputy General Counsel and Assistant Secretary

Keith P. Gordon
Vice President - Information Systems

Eric O. Hansen
Vice President - Chief Information Officer

Michelle L. Little
Vice President - Accounting

Shawn W. Mandel
Vice President - Safety and Risk Management

Shawn McCash
Vice President - Engineering

Susan R. Netherton
Vice President - People, Training and Development

Scott I. Schreiber
Vice President - Disposal Operations

Gregory Thibodeaux
Vice President - Maintenance and Fleet Management

Mary Anne Whitney
Vice President - Finance

Colin Wittke
Vice President - Sales

Richard K. Wojahn
Vice President - Business Development

REGION OFFICERS

WESTERN REGION
Brent Ditton, *Regional Vice President*
Kevin Joyce, *Regional Controller*

CENTRAL REGION
Phil Rivard, *Regional Vice President*
Jason Bjornholt, *Regional Controller*

SOUTHERN REGION
Rob Nielsen, *Regional Vice President*
Tyler Kennedy, *Regional Controller*

EASTERN REGION
Jason Craft, *Regional Vice President*
Doug McDonald, *Regional Controller*

CANADA REGION
Dan Pio, *President*
Marc Fox, *Regional Vice President*
Jason Pratt, *Regional Controller*

E&P GROUP
Benson Henry, *Regional Vice President*
Bill Maak, *Regional Controller*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

Robert H. Davis
Managing Partner/President
Rubber Recovery, Inc. - a scrap tire processing and recycling company

Edward E. "Ned" Guillet
Senior Vice President, Human Resources (retired)
The Gillette Company - a global consumer products company

Michael W. Harlan
Chairman and Chief Executive Officer of Principle Energy Services, LLC - an oilfield services company, and President of Harlan Capital Advisors, LLC

Larry S. Hughes
Corporate Secretary
West Fraser Timber Co. Ltd. - an integrated wood products company

Susan "Sue" Lee
Senior Vice President, Human Resources and Communications (retired)
Suncor Energy Inc. - Canada's leading integrated energy company

William J. Razzouk
Chairman
Newgistics, Inc. - a provider of end-to-end e-commerce technology and logistics solutions

CORPORATE INFORMATION

Waste Connections' common shares are traded on the New York Stock Exchange and the Toronto Stock Exchange under the ticker symbol WCN.

ANNUAL AND SPECIAL MEETING

Shareholders are invited to attend our annual and special meeting of shareholders on May 23, 2017, at 10:00 a.m. at our Principal Administrative Office.

PRINCIPAL ADMINISTRATIVE OFFICE

3 Waterway Square Place, Suite 110
The Woodlands, TX 77380
USA
Tel: (832) 442-2200
Fax: (832) 442-2290

PRINCIPAL EXECUTIVE OFFICE

610 Applewood Crescent, 2nd Floor
Vaughan, Ontario L4K 0E3
Canada
Tel: (905) 532-7510
Fax: (905) 532-7576

TRANSFER AGENT & REGISTRAR

Computershare
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Tel: (800) 564-6253
Website: www.computershare.com/ca/en

INVESTOR RELATIONS

Additional copies of this report, our Form 10-K, our Management Information Circular and Proxy Statement or other financial information are available to shareholders without charge by contacting our Investor Relations Department at (832) 442-2200. You may also contact us by visiting the Investor Relations page on the Company's website at http://wasteconnections.investorroom.com/.

WASTE
CONNECTIONS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________ to ___________

Commission File No. 1-34370

WASTE CONNECTIONS, INC.

(Exact name of registrant as specified in its charter)

Ontario, Canada
(State or other jurisdiction of incorporation or organization)

98-1202763
(I.R.S. Employer Identification No.)

610 Applewood Crescent, 2nd Floor
Vaughan
Ontario L4K 0E3
Canada
(Address of principal executive offices)

(905) 532-7510
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Shares, no par value	**New York Stock Exchange**
(Title of each class)	**Toronto Stock Exchange**
	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

☑ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As of June 30, 2016, the aggregate market value of shares held by non-affiliates of the registrant, based on the closing sales price for the registrant's common shares, as reported on the New York Stock Exchange, was $12,578,614,223.

Number of common shares outstanding as of February 10, 2017: 175,428,822

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement and Management Information Circular for the 2017 Annual Meeting of Shareholders (which will be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and with the securities commissions or similar regulatory authorities in Canada within 120 days after the end of our 2016 fiscal year) are incorporated by reference into Part III hereof.

WASTE CONNECTIONS, INC.
ANNUAL REPORT ON FORM 10-K

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PART I

ITEM 1. BUSINESS

Our Company

Waste Connections, Inc. is the third largest solid waste services company in North America, providing waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. and Canada. Through our R360 Environmental Solutions subsidiary, we are also a leading provider of non-hazardous exploration and production, or E&P, waste treatment, recovery and disposal services in several of the most active natural resource producing areas in the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

On June 1, 2016, pursuant to the terms of the Agreement and Plan of Merger dated as of January 18, 2016 (the "Merger Agreement"), Water Merger Sub LLC, a Delaware limited liability company and a wholly-owned subsidiary of Progressive Waste Solutions Ltd. ("Merger Sub"), merged with and into Waste Connections US, Inc. (f/k/a Waste Connections, Inc.), a Delaware corporation ("Old Waste Connections") with Old Waste Connections continuing as the surviving corporation and an indirect wholly-owned subsidiary of Waste Connections, Inc. (f/k/a Progressive Waste Solutions Ltd.), a corporation organized under the laws of Ontario, Canada ("New Waste Connections," "Waste Connections" or the "Company"). We use the term "Progressive Waste acquisition" herein to refer to the transactions completed under the Merger Agreement, and we use the term "Progressive Waste" herein in the context of references to Progressive Waste Solutions Ltd. and its shareholders prior to the completion of the Progressive Waste acquisition on June 1, 2016. All references to "dollars" or "$" used herein refer to U.S. dollars, unless otherwise stated.

Under the terms of the Merger Agreement, Old Waste Connections' stockholders received 2.076843 New Waste Connections common shares for each Old Waste Connections share held. Immediately following the completion of the Progressive Waste acquisition, New Waste Connections also completed (i) a consolidation whereby every 2.076843 common shares outstanding were converted into one common share (the "Consolidation") and (ii) an amalgamation with a wholly-owned subsidiary whereby its legal name was changed from Progressive Waste Solutions Ltd. to Waste Connections, Inc. (the "Amalgamation"). Upon completion of the Progressive Waste acquisition, Old Waste Connections' former stockholders owned approximately 70% of the Company, and Progressive Waste's former shareholders owned approximately 30%. Following the completion of the Progressive Waste acquisition, including the Consolidation and the Amalgamation, on June 1, 2016, the common shares of New Waste Connections commenced trading on the Toronto Stock Exchange (the "TSX") and on the New York Stock Exchange (the "NYSE") under the ticker symbol "WCN." The common stock of Old Waste Connections, which traded previously under the symbol "WCN," has ceased trading on, and has been delisted from, the NYSE.

Old Waste Connections is a Delaware corporation organized in 1997. New Waste Connections is an Ontario corporation led by Old Waste Connections' management team and the Board of Directors of New Waste Connections includes the five members of Old Waste Connections' former board and two members from Progressive Waste's board.

As of December 31, 2016, we served residential, commercial, industrial and E&P customers in 40 states and the District of Columbia in the U.S. and five provinces in Canada: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and Wyoming and the provinces of Alberta, British Columbia, Manitoba, Ontario and Québec. As of December 31, 2016, we owned or operated a network of 261 solid waste collection operations, 135 transfer stations, seven intermodal facilities, 71 recycling operations, 93 active municipal solid waste, or MSW, E&P and/or non-MSW landfills, 22 E&P liquid waste injection wells and 17 E&P waste treatment and oil recovery facilities. Non-MSW landfills accept construction and demolition, industrial and other non-putrescible waste.

Our senior management team has extensive experience in operating, acquiring and integrating non-hazardous waste services businesses, and we intend to continue to focus our efforts on both internal and acquisition-based growth. We anticipate that a part of our future growth will come from acquiring additional waste businesses and, therefore, we expect that additional acquisitions could continue to affect period-to-period comparisons of our operating results.

Our Operating Strategy

Our operating strategy seeks to improve financial returns and deliver superior shareholder value creation within the solid waste industry. We seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. We also target niche markets, like E&P waste treatment

and disposal services, with similar characteristics and, we believe, higher comparative growth potential. We are a leading provider of waste services in most of our markets, and the key components of our operating strategy, which are tailored to the competitive and regulatory factors that affect our markets, are as follows:

Target Secondary and Rural Markets. By targeting secondary and rural markets, we believe that we are able to achieve a higher local market share than would be attainable in more competitive urban markets, which we believe reduces our exposure to customer churn and improves financial returns. In certain niche markets, like E&P waste treatment and disposal, early mover advantage in certain rural basins may improve market positioning and financial returns given the limited availability of existing third-party-owned waste disposal alternatives.

Control the Waste Stream. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. In addition, in certain E&P markets with "no pit" rules or other regulations that limit on-site storage or treatment of waste, control of the waste stream allows us to generate additional service revenue from the transportation, treatment and disposal of waste, thus increasing the overall scope and value of the services provided.

Optimize Asset Positioning. We believe that the location of disposal sites within competitive markets is a critical factor to success in the waste services industry. Given the importance of and costs associated with the transportation of waste to treatment and disposal sites, having disposal capacity proximate to the waste stream may provide a competitive advantage and serve as a barrier to entry.

Provide Vertically Integrated Services. In markets where we believe that owning landfills is a strategic advantage to a collection operation because of competitive and regulatory factors, we generally focus on providing integrated services, from collection through disposal of solid waste in landfills that we own or operate. Similarly, we see this strategic advantage in E&P waste services where we offer closed loop systems for liquid and solid waste storage, transportation, treatment, and disposal.

Manage on a Decentralized Basis. We manage our operations on a decentralized basis. This places decision-making authority closer to the customer, enabling us to identify and address customers' needs quickly in a cost-effective manner. We believe that decentralization provides a low-overhead, highly efficient operational structure that allows us to expand into geographically contiguous markets and operate in relatively small communities that larger competitors may not find attractive. We believe that this structure gives us a strategic competitive advantage, given the relatively rural nature of many of the markets in which we operate, and makes us an attractive buyer to many potential acquisition candidates.

As of December 31, 2016, we delivered our services from operating locations grouped into six operating segments: our Southern segment services customers located in Alabama, Arkansas, Florida, Louisiana, Mississippi, southern Oklahoma, western Tennessee and Texas; our Western segment services customers located in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Eastern segment services customers located in Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, eastern Tennessee, Vermont, Virginia, Wisconsin and the District of Columbia; our Canada segment services customers located in the provinces of Alberta, British Columbia, Manitoba, Ontario and Québec; and our Central segment services customers located in Arizona, Colorado, Kansas, Minnesota, Missouri, Nebraska, New Mexico, Oklahoma, South Dakota, western Texas, Utah and eastern Wyoming. The E&P segment services E&P customers located in Arkansas, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico. Some E&P revenues are also included in other operating segments, where we accept E&P waste at some of our MSW landfills. In addition, a small amount of solid waste revenue is included in our E&P segment.

We manage and evaluate our business on the basis of the operating segments' geographic characteristics, interstate waste flow, revenue base, employee base, regulatory structure, and acquisition opportunities. Each operating segment has a regional vice president and a regional controller reporting directly to our corporate management. These regional officers are responsible for operations and accounting in their operating segments and supervise their regional staff. See Note 14 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further information on our segment reporting of our operations.

Each operating location has a district or site manager who has a high degree of decision-making authority for his or her operations and is responsible for maintaining service quality, promoting safety, implementing marketing programs and overseeing day-to-day operations, including contract administration. Local managers also help identify acquisition candidates and are responsible for integrating acquired businesses into our operations and obtaining the permits and other governmental approvals required for us to operate.

Implement Operating Standards. We develop company-wide operating standards, which are tailored for each of our markets based on industry norms and local conditions. We implement cost controls and employee training and safety procedures and establish a sales and marketing plan for each market. By internalizing the waste stream of acquired operations, we can further increase operating efficiencies and improve capital utilization. We use a wide-area information system network, implement financial controls and consolidate certain accounting, personnel and customer service functions. While regional and district management operate with a high degree of autonomy, our executive officers monitor regional and district operations and require adherence to our accounting, purchasing, safety, marketing, legal and internal control policies, particularly with respect to financial matters. Our executive officers regularly review the performance of regional officers, district managers and operations. We believe we can improve the profitability of existing and newly acquired operations by establishing operating standards, closely monitoring performance and streamlining certain administrative functions.

Our Growth Strategy

We tailor the components of our growth strategy to the markets in which we operate and into which we hope to expand.

Obtain Additional Exclusive Arrangements. Our operations include market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and governmental certificates, under which we are the exclusive service provider for a specified market. These exclusive rights and contractual arrangements create a barrier to entry that is usually obtained through the acquisition of a company with such exclusive rights or contractual arrangements or by winning a competitive bid.

We devote significant resources to securing additional franchise agreements and municipal contracts through competitive bidding and by acquiring other companies. In bidding for franchises and municipal contracts and evaluating acquisition candidates holding governmental certificates, our management team draws on its experience in the waste industry and knowledge of local service areas in existing and target markets. Our district management and sales and marketing personnel maintain relationships with local governmental officials within their service areas, maintain, renew and renegotiate existing franchise agreements and municipal contracts, and secure additional agreements and contracts while targeting acceptable financial returns. Our sales and marketing personnel also expand our presence into areas adjacent to or contiguous with our existing markets, and market additional services to existing customers. We believe our ability to offer comprehensive rail haul disposal services in the Pacific Northwest improves our competitive position in bidding for such contracts in that region.

Generate Internal Growth. To generate internal revenue growth, our district management and sales and marketing personnel focus on increasing market penetration in our current and adjacent markets, soliciting new customers in markets where such customers have the option to choose a particular waste collection service and marketing upgraded or additional services (such as compaction or automated collection) to existing customers. We also seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Where possible, we intend to leverage our franchise-based platforms to expand our customer base beyond our exclusive market territories. As customers are added in existing markets, our revenue per routed truck increases, which generally increases our collection efficiencies and profitability. In markets in which we have exclusive contracts, franchises and governmental certificates, we expect internal volume growth generally to track population and business growth.

In niche disposal markets, like E&P, our focus is on increasing market penetration, and providing additional service offerings in existing markets where appropriate. In addition, we focus on developing and permitting new treatment and disposal sites in new and existing E&P markets to position ourselves to capitalize on current and future drilling activity in those areas.

Expand Through Acquisitions. We intend to expand the scope of our operations by continuing to acquire waste businesses in new markets and in existing or adjacent markets that are combined with or “tucked-in” to our existing operations. We focus our acquisition efforts on markets that we believe provide significant growth opportunities for a well-capitalized market entrant and where we can compete efficiently with potential new competitors. This focus typically highlights markets in which we can: (1) provide waste collection services under exclusive arrangements such as franchise agreements, municipal contracts and governmental certificates; (2) gain a leading market position and provide vertically integrated collection and disposal services; or (3) gain a leading market position in a niche market through the provision of treatment and disposal services. We believe that our experienced management, decentralized operating strategy, financial strength, size and public company status make us an attractive buyer to certain waste collection and disposal acquisition candidates. We have developed an acquisition discipline based on a set of financial, market and management criteria to evaluate opportunities. Once an acquisition is closed, we seek to integrate it while minimizing disruption to our ongoing operations and those of the acquired business.

In new markets, we often use an initial acquisition as an operating base and seek to strengthen the acquired operation's presence in that market by providing additional services, adding new customers and making “tuck-in” acquisitions of other waste companies in

that market or adjacent markets. We believe that many suitable "tuck-in" acquisition opportunities exist within our current and targeted market areas that may provide us with opportunities to increase our market share and route density.

The North America solid waste services industry has experienced significant consolidation over the past decade, most notably with the merger between Republic Services, Inc. and Allied Waste Industries, Inc. in 2008, the sale of the U.S. solid waste business of Veolia Environnement S.A. to Advanced Disposal Services, Inc. in 2012, and our acquisition of Progressive Waste in June 2016. In spite of this consolidation, the solid waste services industry remains regional in nature, with acquisition opportunities available in select markets. The E&P waste services industry is similarly regional in nature and is also highly fragmented, with acquisition opportunities available in several active natural resource basins. In some markets in both MSW and E&P waste, independent landfill, collection or service providers lack the capital resources, management skills and/or technical expertise necessary to comply with stringent environmental and other governmental regulations and to compete with larger, more efficient, integrated operators. In addition, many of the remaining independent operators may wish to sell their businesses to achieve liquidity in their personal finances or as part of their estate planning.

During 2016, we acquired Progressive Waste for consideration transferred having a net fair value of $5.167 billion. During the year ended December 31, 2016, we completed 12 other acquisitions for consideration having a net fair value of $17.1 million. During the year ended December 31, 2015, we completed 14 acquisitions, for consideration having a net fair value of $347.9 million. During the year ended December 31, 2014, we completed nine acquisitions, for consideration having a net fair value of $126.2 million.

WASTE SERVICES

Collection Services

We provide collection services to residential, commercial, municipal, industrial and E&P customers. Our services are generally provided under one of the following arrangements: (1) governmental certificates; (2) exclusive franchise agreements; (3) exclusive municipal contracts; (4) residential subscriptions; (5) residential contracts; or (6) commercial, industrial and E&P service agreements.

Governmental certificates, exclusive franchise agreements and exclusive municipal contracts grant us rights to provide MSW services within specified areas at established rates and are long-term in nature. Governmental certificates, or G Certificates, are unique to the State of Washington and are awarded by the Washington Utilities and Transportation Commission, or WUTC, to solid waste collection service providers in unincorporated areas and electing municipalities. These certificates typically grant the holder the exclusive and perpetual right to provide specific residential, commercial and/or industrial waste services in a defined territory at specified rates subject to divestiture and/or overlap or cancellation by the WUTC on specified, limited grounds. Franchise agreements typically provide an exclusive period of seven years or longer for a specified territory; they specify a broad range of services to be provided, establish rates for the services and often give the service provider a right of first refusal to extend the term of the agreement. Municipal contracts typically provide a shorter service period and a more limited scope of services than franchise agreements and generally require competitive bidding at the end of the contract term. In markets where exclusive arrangements are not available, we may enter into residential contracts with homeowners' associations, apartment owners and mobile home park operators, or work on a subscription basis with individual households. In such markets, we may also provide commercial and industrial services under customer service agreements generally ranging from one to five years in duration. Finally, in certain E&P markets with "no pit" rules or other regulations that limit on-site storage or treatment of waste, we offer containers and collection services to provide a closed loop system for the collection of drilling wastes at customers' well sites and subsequent transportation of the waste to our facilities for treatment and disposal.

Landfill Disposal Services

As of December 31, 2016, we owned or operated 68 MSW landfills, 11 E&P waste landfills, which only accept E&P waste, and 14 non-MSW landfills, which only accept construction and demolition, industrial and other non-putrescible waste. Eight of our MSW landfills also received E&P waste during 2016. We generally own landfills to achieve vertical integration in markets where the economic and regulatory environments make landfill ownership attractive. We also own landfills in certain markets where it is not necessary to provide collection services because we believe that we are able to attract volume to our landfills, given our location or other market dynamics. Over time, MSW landfills generate a greenhouse gas, methane, which can be converted into a valuable source of clean energy. We deploy gas recovery systems at 51 of our landfills to collect methane, which can then be used to generate electricity for local households, fuel local industrial power plants or power alternative fueled vehicles. In some cases, landfill gas generated at our landfills qualifies as a renewable fuel for which renewable fuel credits may be available.

For landfills we operate but do not own, the owner of the property, generally a municipality, usually holds the permit and we operate the landfill pursuant to a landfill operating agreement for a contracted term, which may be the life of the landfill. Where the

contracted term is not the life of the landfill, the property owner is generally responsible for final capping, closure and post-closure obligations. We are responsible for all final capping, closure and post-closure obligations at our operated landfills for which we have life-of-site agreements.

The expiration dates of two of our operating agreements for which the contracted term is less than the life of the landfill occur in 2017. These two landfills contributed $1.5 million of revenue during the year ended December 31, 2016. The expiration dates of four operating agreements for which the contracted term is less than the life of the landfill range from 2018 to 2024. These four landfills contributed $6.2 million of revenue during the year ended December 31, 2016. We intend to seek renewal of these contracts prior to, or upon, their expiration.

Based on remaining permitted capacity as of December 31, 2016, and projected annual disposal volumes, the average remaining landfill life for our owned and operated landfills and landfills operated, but not owned, under life-of-site agreements, is estimated to be approximately 28 years. Many of our existing landfills have the potential for expanded disposal capacity beyond the amount currently permitted. We regularly consider whether it is advisable, in light of changing market conditions and/or regulatory requirements, to seek to expand or change the permitted waste streams or to seek other permit modifications. We also monitor the available permitted in-place disposal capacity of our landfills on an ongoing basis and evaluate whether to seek capacity expansion using a variety of factors.

We are currently seeking to expand permitted capacity at 17 of our landfills, for which we consider expansions to be probable. Although we cannot be certain that all future expansions will be permitted as designed, the average remaining landfill life for our owned and operated landfills and landfills operated, but not owned, under life-of-site agreements is estimated to be approximately 33 years when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume.

The following table reflects estimated landfill capacity and airspace changes, as measured in tons, for owned and operated landfills and landfills operated, but not owned, under life-of-site agreements (in thousands):

	2016			2015		
	Permitted	**Probable Expansion**	**Total**	**Permitted**	**Probable Expansion**	**Total**
Balance, beginning of year	755,596	163,458	919,054	714,155	105,498	819,653
Acquired landfills	375,261	45,643	420,904	40,343	41,432	81,775
Developed landfills	9,067	-	9,067	-	-	-
Permits granted	9,858	(8,040)	1,818	9,846	(9,846)	-
Airspace consumed	(32,834)	-	(32,834)	(21,331)	-	(21,331)
Expansions initiated	-	25,320	25,320	-	21,731	21,731
Changes in engineering estimates	(12,586)	11,072	(1,514)	12,583	4,643	17,226
Balance, end of year	1,104,362	237,453	1,341,815	755,596	163,458	919,054

The estimated remaining operating lives for the landfills we own and landfills we operate under life-of-site agreements, based on remaining permitted and probable expansion capacity and projected annual disposal volume, in years, as of December 31, 2016, and December 31, 2015, are shown in the tables below. The estimated remaining operating lives include assumptions that the operating permits are renewed.

	2016						
	0 to 5	**6 to 10**	**11 to 20**	**21 to 40**	**41 to 50**	**51+**	**Total**
Owned and operated landfills	3	5	14	31	11	15	79
Operated landfills under life-of-site agreements	-	3	-	1	-	4	8
	3	8	14	32	11	19	87

	2015						
	0 to 5	6 to 10	11 to 20	21 to 40	41 to 50	51+	Total
Owned and operated landfills	1	1	8	24	8	10	52
Operated landfills under life-of-site agreements	-	-	2	1	1	1	5
	1	1	10	25	9	11	57

The disposal tonnage that we received in 2016 and 2015 at all of our landfills is shown in the tables below (tons in thousands):

	Three months ended								Twelve months ended December 31, 2016
	March 31, 2016		June 30, 2016		September 30, 2016		December 31, 2016		
	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	
Owned operational landfills and landfills operated under life-of-site agreements	59	5,182	88	7,489	88	10,284	87	9,879	32,834
Operated landfills	5	126	6	153	6	148	6	127	554
	64	5,308	94	7,642	94	10,432	93	10,006	33,388

	Three months ended								Twelve months ended December 31, 2015
	March 31, 2015		June 30, 2015		September 30, 2015		December 31, 2015		
	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	
Owned operational landfills and landfills operated under life-of-site agreements	54	4,566	54	5,429	55	5,821	57	5,515	21,331
Operated landfills	5	116	5	121	5	153	5	125	515
	59	4,682	59	5,550	60	5,974	62	5,640	21,846

Transfer Station and Intermodal Services

We own or operate MSW transfer stations and E&P waste transfer stations with marine access. Transfer stations receive, compact and/or load waste to be transported to landfills or treatment facilities via truck, rail or barge. They extend our direct-haul reach and link collection operations or waste generators with distant disposal or treatment facilities by concentrating the waste stream from a wider area and thus providing better utilization rates and operating efficiencies.

Intermodal logistics is the movement of containers using two or more modes of transportation, usually including a rail or truck segment. We provide these services for containerized cargo primarily to international shipping companies importing and exporting goods through the Pacific Northwest. We also operate two intermodal facilities primarily for the shipment of waste by rail to distant disposal facilities that we do not own. Our fleet of double-stack railcars provides dedicated direct-line haul services among terminals in Portland, Tacoma and Seattle. We have a contract with Union Pacific railroad for the movement of containers among our intermodal operations. We also provide our customers container and chassis sales and leasing services.

We intend to further expand our intermodal business through cross-selling efforts with our solid waste services operations. We believe that a significant amount of solid waste is transported currently by truck, rail and barge from primarily the Seattle-Tacoma and Metro Portland areas to remote landfills in Eastern Washington and Eastern Oregon. We believe our ability to market both intermodal and disposal services will enable us to more effectively compete for these volumes.

Recycling Services

We offer residential, commercial, industrial and municipal customers recycling services for a variety of recyclable materials, including compost, cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own or operate recycling operations and sell other collected recyclable materials to third parties for processing before resale. The majority of the recyclables we process for sale are paper products and are shipped primarily to customers in Asia. Changes in end market demand as

well as other factors can cause fluctuations in the prices for such commodities, which can affect revenue, operating income and cash flows. We believe that recycling will continue to be an important component of local and state solid waste management plans due to the public's increasing environmental awareness and expanding regulations that mandate or encourage recycling.

E&P Waste Treatment, Recovery and Disposal Services

E&P waste is a broad term referring to the by-products resulting from oil and natural gas exploration and production activity. These generally include: waste created throughout the initial drilling and completion of an oil or natural gas well, such as drilling fluids, drill cuttings, completion fluids and flowback water; production wastes and produced water during a well's operating life; contaminated soils that require treatment during site reclamation; and substances that require clean-up after a spill, reserve pit clean-up or pipeline rupture. E&P customers are oil and natural gas exploration and production companies operating in the areas that we serve. E&P revenue is therefore driven by vertical and horizontal drilling, hydraulic fracturing, production and clean-up activity; it is complemented by other services including closed loop collection systems and the sale of recovered products. E&P activity varies across market areas which are tied to the natural resource basins in which the drilling activity occurs and reflects the regulatory environment, pricing and disposal alternatives available in any given market.

Our customers are generally responsible for the delivery of their waste streams to us. We receive flowback water, produced water and other drilling and production wastes at our facilities in vacuum trucks, dump trucks or containers deposited by roll-off trucks. In certain markets, we offer bins and rails systems that capture and separate liquid and solid oilfield waste streams at our customers' well sites and deliver the drilling and production wastes to our facilities. Waste generated by offshore drilling is delivered by supply vessel from the drilling rig to one of our transfer stations, where the waste is then transferred to our network of barges for transport to our treatment facilities.

We provide E&P waste treatment, recovery and/or disposal services from a network of E&P waste landfills, MSW landfills that also receive E&P waste, E&P liquid waste injection wells and E&P waste treatment and oil recovery facilities. Treatment processes vary by site and regulatory jurisdiction. At certain treatment facilities, loads of flowback and produced water and other drilling and production wastes delivered by our customers are sampled, assessed and tested by third parties according to state regulations. Solids contained in a waste load are deposited into a land treatment cell where liquids are removed from the solids and are sent through an oil recovery system before being injected into saltwater disposal injection wells or placed in evaporation cells that utilize specialized equipment to accelerate evaporation of liquids. In certain locations, fresh water is then added to the remaining solids in the cell to "wash" the solids several times to remove contaminants, including oil and grease, chlorides and other contaminants, to ensure the solids meet specific regulatory criteria that, in certain areas, are administered by third-party labs and submitted to the regulatory authorities.

After the washing or treatment process, the treated solids are designated "reuse materials," and are no longer considered a waste product by state regulation. These materials are dried, removed from the treatment cells, stockpiled and compacted in designated stockpile areas on site and at certain locations are available for use as feedstock for roadbase. At certain of our facilities, during the treatment process we reclaim oil for resale and we treat and recycle liquids for re-use in our operations or for sale to third parties as fresh or brine water.

COMPETITION

The North America MSW services industry is highly competitive and requires substantial labor and capital resources. Besides the Company, the industry includes and we compete with: two national, publicly held solid waste companies – Waste Management, Inc. and Republic Services, Inc.; several regional, publicly held and privately owned companies; and several thousand small, local, privately owned companies, some of which we believe have accumulated substantial goodwill in their markets. We compete for collection, transfer and disposal volume based primarily on the price and, to a lesser extent, quality of our services. We also compete with operators of alternative disposal facilities, including incinerators, and with counties, municipalities and solid waste districts that maintain their own waste collection and disposal operations. Public sector operators may have financial and other advantages over us because of their access to user fees and similar charges, tax revenues, tax-exempt financing and the ability to flow-control waste streams to publicly owned disposal facilities.

From time to time, competitors may reduce the price of their services in an effort to expand their market shares or service areas or to win competitively bid municipal contracts. These practices may cause us to reduce the price of our services or, if we elect not to do so, to lose business. We provide a significant amount of our residential, commercial and industrial collection services under exclusive franchise and municipal contracts and G Certificates. Exclusive franchises and municipal contracts may be subject to periodic competitive bidding.

The U.S. and Canadian MSW services industries have undergone significant consolidation, and we encounter competition in our efforts to acquire collection operations, transfer stations and landfills. We generally compete for acquisition candidates with publicly owned regional and national waste management companies. Accordingly, it may become uneconomical for us to make further acquisitions or we may be unable to locate or acquire suitable acquisition candidates at price levels and on terms and conditions that we consider appropriate, particularly in markets we do not already serve. Competition in the disposal industry is also affected by the increasing national emphasis in the U.S. and Canada on recycling and other waste reduction programs, which may reduce the volume of waste deposited in landfills.

Competition for E&P waste comes primarily from smaller regional companies that utilize a variety of disposal methods and generally serve specific geographic markets. We also compete in certain markets with publicly held and privately owned companies such as Waste Management, Inc., Republic Services, Inc., Clean Harbors, Inc., Secure Energy Services Inc., Nuverra Environmental Solutions, Trinity Environmental Services, LLC, Ecoserv and others. In addition, customers in many markets have the option of using internal disposal methods or outsourcing to another third-party disposal company. The principal competitive factors in this business include: gaining customer approval of treatment and disposal facilities; location of facilities in relation to customer activity; reputation; reliability of services; track record of environmental compliance; ability to accept multiple waste types at a single facility; and price.

The intermodal services industry is also highly competitive. We compete against other intermodal rail services companies, trucking companies and railroads, many of which have greater financial and other resources than we do. Competition is based primarily on price, reliability and quality of service.

REGULATION

Introduction

Our operations in the United States and Canada, including landfills, transfer stations, solid waste transportation, intermodal operations, vehicle maintenance shops, fueling facilities and oilfield waste treatment, recovery and disposal operations, are all subject to extensive and evolving federal, state, provincial and, in some instances, local environmental, health and safety laws and regulations, the enforcement of which has become increasingly stringent. These laws and regulations may, among other things, require securing permits or other authorizations (collectively, "permits") for regulated activities; govern the amount and type of substances that may be released or emitted into the environment in connection with our operations; impose clean-up or corrective action responsibility for releases of regulated substances into the environment; restrict the way we handle, manage or dispose of wastes; limit or prohibit our or our customers' activities in sensitive areas such as wetlands, wilderness areas or areas inhabited by endangered or threatened species; require investigatory and remedial actions to mitigate pollution conditions caused by our operations or attributable to former operations; and impose specific standards addressing worker protection and health. Compliance is often costly or difficult, and the violation of these laws and regulations may result in the denial or revocation of permits, issuance of corrective action orders, assessment of administrative and civil penalties and even criminal prosecution. In many instances in the United States, liability is often "strict," meaning it is imposed without a requirement of intent or fault on the part of the regulated entity. The environmental regulations that affect us in the United States are generally administered by the Environmental Protection Agency, or the EPA, and other federal, state and local agencies having jurisdiction over our U.S. operations.

The environmental legislation that affects us in Canada is administered by federal and provincial regulatory agencies, which have jurisdiction over certain aspects of our Canadian operations. Accordingly, the relevant Canadian federal environmental legislation that affects our operations is administered by federal departments such as Environment and Climate Change Canada and the Department of Fisheries and Oceans. Provincial and local agencies and departments administer their own environmental legislation, such as the Ontario Ministry of the Environment and Climate Change. In most instances in Canada, liability for environmental and health and safety matters is imposed without a requirement of intent on the part of the regulated entity, but is subject to a defense of due diligence.

Compliance with existing environmental regulatory requirements and permits requires significant capital and operating expenditures. It is possible that substantial costs for compliance or penalties for non-compliance may be incurred in the future. We believe that in recent years, environmental regulation of the industry has increased as have the number of enforcement actions brought by regulatory agencies. It is also possible that other developments, such as the adoption of additional or more stringent environmental laws, regulations and enforcement policies, could result in additional costs or liabilities that we cannot currently foresee or quantify. Moreover, changes in environmental laws or regulations could reduce the demand for our services and adversely impact our business. We also expend significant resources (both administrative and financial) directed toward development, expansion, acquisition, and permitting of landfills, transfer stations, and other facilities we operate. Regarding any permit issued by a regulatory agency necessary for our operations, there are no assurances that we will be able to obtain or maintain all necessary permits or that any such permit held

may ultimately be renewed on the same or similar terms. Further, permits obtained impose various requirements and may restrict the size and location of disposal operations, impose limits on the types and amount of waste a facility may receive or manage, as well as a waste disposal facility's overall capacity. Additional operational conditions or restrictions may be included in the renewal or amendment of a previously issued permit. As regulations change, our permit requirements could become more stringent and compliance may require material expenditures at our facilities, impose significant operational restraints, or require new or additional financial assurance related to our operations. Regarding any permit that has been issued, it remains subject to renewal, modification, suspension or revocation by the agency with jurisdiction.

Various laws impose clean-up or remediation liability on responsible parties, which are discussed in more detail below. Substances subject to clean-up liability have been or may have been disposed of or released on or under certain of our facility sites, including our exploration and production, or E&P, sites. At some of our facilities, we have conducted and continue to conduct monitoring or remediation of known soil and groundwater contamination and, as required, we will continue to perform such work. It is possible that monitoring or remediation could be required in the future at other facilities we own or operate or previously owned or operated. These monitoring and remediation efforts are usually overseen by environmental regulatory agencies. Further, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury or property damage allegedly caused by the release of regulated substances into the environment. In addition, from time to time, our intermodal services business undertakes the transport of hazardous materials. This transportation function is also regulated by various federal, state, provincial and potentially local agencies.

A number of major statutes and regulations apply to our operations, which are generally enforced by regulatory agencies. Typically, in the United States, federal statutes establish the general regulatory programs governing our operations, but in many instances these programs are delegated to the states, which have independent and sometimes more strict regulation. In Canada, it is typically provincial statutes that establish the primary regulatory programs governing our waste operations. Federal statutes in Canada govern certain aspects of waste management, including international and interprovincial transport of certain kinds of waste. Certain of these statutes in the United States and Canada contain provisions that authorize, under certain circumstances, lawsuits by private citizens to enforce certain statutory provisions. In addition to penalties, some of these statutes in the United States authorize an award of attorneys' fees to parties that successfully bring such an action. Enforcement actions for a violation of these statutes or for a violation of or failure to have a permit, which is required by certain of these statutes, may include administrative, civil and criminal penalties, as well as injunctive relief in some instances. In our ordinary course of business, we incur significant costs complying with these regulations and applicable standards.

A brief description of certain of the primary statutes affecting our operations is discussed below.

Laws and Regulations

A. Waste and Hazardous Substances

1. The Resource Conservation and Recovery Act of 1976, or RCRA

In the United States, RCRA regulates the generation, treatment, storage, handling, transportation and disposal of hazardous and non-hazardous waste and requires states to develop programs to ensure the safe disposal of solid waste. Regulations promulgated under RCRA impose broad requirements on the waste management industry. In October 1991, the EPA adopted what are known as the Subtitle D Regulations, which govern solid non-hazardous waste landfills. The Subtitle D Regulations establish, among other things, location restrictions, minimum facility design and performance standards, operating criteria, closure and post-closure requirements, financial assurance requirements, groundwater monitoring requirements, groundwater remediation standards and corrective action requirements. These and other applicable requirements, including permitting, are typically implemented by the states, but in some instances, states have enacted more stringent requirements.

Regarding the management and disposal of E&P waste, although E&P wastes may contain hazardous constituents, most E&P waste is exempt from stringent RCRA regulation as a hazardous waste. We are required to obtain permits for the land treatment and disposal of E&P waste as part of our operations. The construction, operation and closure of E&P waste land treatment and disposal operations are generally regulated at the state level. These regulations vary widely from state to state. None of our oilfield waste recycling, treatment, and disposal facilities are currently permitted to accept hazardous wastes for disposal. Some wastes handled by us that currently are exempt from regulation as hazardous wastes may in the future be designated as "hazardous wastes" under RCRA or other applicable statutes. If the RCRA E&P waste exemption is repealed or modified, we could become subject to more rigorous and costly operating and disposal requirements.

A breach of laws or regulations governing facilities we operate may result in suspension or revocation of necessary permits, civil liability and imposition of fines and penalties. Moreover, if we experience a delay in obtaining, are unable to obtain or suffer the revocation of required permits, we may be unable to serve our customers, our operations may be interrupted and our growth and revenue may be limited.

RCRA also regulates underground storage of petroleum and other materials it defines as "regulated substances." RCRA requires registration, compliance with technical standards for tanks, release detection and reporting and corrective action, among other things. Certain of our facilities and operations are subject to these requirements, which are typically implemented at the state level and may be more stringent in certain states.

2. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or CERCLA

CERCLA, which is also known as the "Superfund" law, established a program in the United States allowing federal authorities to provide for the investigation and clean-up of facilities where, or from which, a release of any hazardous substance into the environment has occurred or is threatened. CERCLA defines "hazardous substances" broadly. One of the primary ways that CERCLA addresses a release or threatened release of hazardous substances is by imposing strict, joint and several liability for clean-up on its broad categories of responsible parties. This means that responsible parties can bear liability without fault and that each responsible party potentially could bear liability for the entirety of clean-up costs, notwithstanding its individual contribution. Generally, responsible parties are current owners and operators of the contaminated site; former owners and operators of the site at the time when the hazardous substances were disposed; any person who arranged for treatment or disposal of the hazardous substances; and transporters who selected the disposal site. In addition to CERCLA's liability framework, the EPA may issue orders directing responsible parties to respond to releases of hazardous substances. Further, the EPA and private parties, who have response liability to the EPA or who have incurred response costs, can bring suit against other responsible parties to seek to recover certain costs incurred in their response efforts. CERCLA also imposes liability for the cost of evaluating and remedying damage to natural resources. Various states have enacted laws analogous to and independent of CERCLA that also impose liability, which is typically strict and joint and several, for investigation, clean-up and other damages associated with the release of hazardous or other regulated substances. We may handle hazardous substances within the meaning of CERCLA, or hazardous and other substances regulated under similar state statutes, in the course of our ordinary operations. As a result, we may be jointly and severally liable under CERCLA or similar states statutes for all or part of the costs required to clean up sites if and where these hazardous substances have been released into the environment. CERCLA and these analogous state laws and regulations may also expose us to liability for acts or conditions that were in compliance with applicable laws at a prior time. Under certain circumstances, our sales of residual crude oil collected as part of the saltwater injection process could result in liability to us if the residual crude contains hazardous substances or is covered by one of the state statutes and the entity to which the oil was transferred fails to manage and, as necessary, dispose of it or components thereof in accordance with applicable laws.

3. Canadian Waste Laws

The primary waste laws regulating our business in Canada are imposed by the provinces. These include provincial laws that regulate waste management, including requirements to obtain permits and approvals, and regulations with respect to the operation of transfer stations and landfilling sites. Each provincial jurisdiction in Canada will have its own regulatory regime; however, the key requirements under these regimes are similar across Canada. For example, the Environmental Protection Act, or the EP Act, in Ontario and its underlying regulations regulate the generation, treatment, storage, handling, transportation and disposal of wastes in Ontario, among other things. The EP Act requires an approval or, in some cases, a registration, for the establishment, operation or alteration of a waste management system (which includes all facilities or equipment used in connection with waste) or a waste disposal site. The specific terms and conditions of an approval may impose emission limits, monitoring and reporting requirements, siting and operating criteria, financial assurance or insurance and decommissioning requirements. Certain landfilling sites are subject to more stringent regulatory requirements that can include detailed prescribed design standards, leachate collection systems, landfill gas management or collection systems, and/or site closure plans including post-closure care requirements. The federal Canadian Environmental Protection Act, 1999 imposes requirements with respect to the interprovincial and international movement of hazardous wastes and hazardous recyclable material throughout Canada, among other things. The expansion or establishment of certain waste management projects including landfilling sites may also be subject to provincial or federal environmental assessment requirements.

A breach of laws or regulations governing facilities we operate may result in suspension or revocation of necessary approvals and imposition of fines and penalties. Moreover, if we experience a delay in obtaining, are unable to obtain, or suffer the revocation of required approvals, we may be unable to serve our customers, our operations may be interrupted, and our growth and revenue may be limited.

4. Canadian Remediation Laws

There are provincial and federal laws in Canada that regulate spills and releases of substances into the environment and the remediation of contaminated sites. Clean-up of contaminated sites is primarily regulated by provincial environmental laws. Each province will have its own regulatory regime; however, the key requirements under these regimes are similar across Canada. For example, the EP Act in Ontario authorizes the agency to issue orders to responsible persons to undertake remedial or other corrective actions to investigate, monitor and remediate the discharge or presence of contaminants in the environment. These orders can generally be issued on a joint and several liability basis to persons who caused or permitted the discharge of a contaminant, as well as current and past owners of lands and persons who have or have had charge, management or control over lands. The costs to comply with an order can be very substantial. Some provincial jurisdictions provide a statutory right to compensation from the owner or person in control of a substance that is discharged into the environment to any person who suffers loss as a result. The federal government has also enacted laws that regulate the release of certain substances into the environment. We may handle many contaminants and pollutants in the course of our ordinary operations and, as a result, may be liable under provincial and federal statutes for all or part of the costs required to clean up sites if substances have been released into the environment. Under such laws, we could be required to remove previously disposed substances and wastes (including substances disposed of or released by prior owners or operators) or remediate contaminated property (including groundwater contamination, whether from prior owners or operators or other historic activities or spills).

B. Waste Water/Stormwater Discharge

1. The Federal Water Pollution Control Act of 1972, or the Clean Water Act

The Clean Water Act regulates the discharge of pollutants from a variety of sources, including, without limitation, solid waste disposal sites, transfer stations, and oilfield waste facilities into United States' waters, including surface and potentially ground waters. Under the Clean Water Act, sites or facilities that discharge pollutants to waters of the United States must have a permit authorizing that discharge. If run-off or other contaminants from our owned or operated transfer stations or oilfield waste facilities, or run-off, collected leachate or other contaminants from our owned or operated landfills or other facilities is discharged into streams, rivers or other surface waters, the Clean Water Act would require a discharge permit, typically containing requirements to conduct monitoring and under certain circumstances, to treat and reduce the quantity of pollutants in such discharge. Further, if a landfill or other facility discharges waste water through a treatment works, it may be required to comply with additional permitting and other specific requirements. Also, virtually all landfills are required to comply with the EPA's storm water regulations, which are designed to prevent the introduction of contaminated storm water run-off into United States' waters. The Clean Water Act's spill prevention, control and countermeasure requirements require appropriate containment berms and similar structures to help contain and prevent the contamination of regulated waters in the event of a hydrocarbon storage tank release. In addition, the Clean Water Act also contains provisions which can prohibit or require permitting before development or expansion of a landfill may occur in areas designated as wetlands. Various states in which we operate or may operate in the future have been delegated authority to implement the Clean Water Act and its permitting requirements, and some of these states have adopted regulations that are more stringent than federal Clean Water Act requirements.

2. Safe Drinking Water Act, or SDWA

Our United States E&P underground injection operations are subject to the SDWA, as well as analogous state laws and regulations. Under the SDWA, the EPA established the underground injection control, or UIC, program, which includes requirements for permitting, testing, monitoring, record keeping, and reporting of injection well activities, as well as a prohibition against the migration of fluid containing any contaminant into underground sources of drinking water. Certain state regulations require us to obtain permits from the applicable regulatory agencies to operate our underground injection wells. Leakage from the subsurface portions of the injection wells could cause degradation of fresh groundwater resources, potentially resulting in suspension of our UIC permit, fines and penalties, the incurrence of expenditures for remediation of the affected resource and potential liability to third parties for property damages.

3. Canadian Water Protection Laws

There is legislation in Canada at both the federal and provincial levels that protects water quality and regulates the discharge of substances into the aquatic environment. Federal water pollution control authority is derived primarily from the Fisheries Act, which contains provisions for the protection of fish and fish habitat. This includes a general prohibition on the deposit of any deleterious substances into water that is frequented by fish, unless otherwise authorized. There is legislation in each provincial jurisdiction that also protects water sources and regulates water pollution. For example, in Ontario, the Ontario Water Resources Act, or OWRA, prohibits the discharge of material of any kind into any water that may impair the quality of the water. The OWRA requires that an

approval be obtained for the use and operation of certain sewage and stormwater works. Such approvals typically contain monitoring requirements and impose restrictions on effluent characteristics. Other provinces in Canada have similar regimes for the protection of water. If run-off or other contaminants from our landfills, transfer stations or other waste facilities is discharged or migrates into waters, we could face significant liability under provincial and federal laws.

C. Air Emissions

1. The Clean Air Act, or CAA

In the United States, the CAA generally regulates the emissions of air pollutants from a variety of sources, including certain landfills and oilfield waste facilities, based on factors such as the date of the construction and tons per year of emissions of regulated pollutants. Typically, federal requirements are delegated to the states and implemented at the state level. The CAA and analogous state laws require permits for and impose other restrictions on facilities and equipment that have the potential to emit pollutants into the atmosphere. Under the CAA, a source deemed to be a major source generally must be authorized by a permit. In those situations where major source permitting is not required, typically state laws and rules will require permitting as a type of minor source. Larger landfills and landfills located in areas where the ambient air does not meet certain air quality standards called for by the CAA may be subject to even more extensive air pollution controls and emissions limitations. In addition to the potential CAA permitting of landfill facilities, CAA permitting may be required for the construction of gas collection and flaring systems, composting and other operations. In some instances, federal operating permits may be required depending on the nature and volume of air emissions.

In addition to permitting, the CAA imposes other regulatory obligations, including, in some instances, performance standards on operations and equipment. The EPA has issued what are known as new source performance standards, or NSPS, and emissions guidelines, which impose requirements regarding control of landfill gases from new and existing large landfills. The EPA has also issued regulations imposing maximum achievable control technology, or MACT, on large MSW landfills. The MACT standards impose limits on landfill emissions and often require landfill gas collection system tanks be installed. Additional or more stringent regulations of our facilities may occur in the future, which could increase operating costs or impose additional compliance burdens. On August 29, 2016, the EPA issued “Subpart XXX” that applies to MSW landfills constructed, modified or reconstructed after July 17, 2014. Subpart XXX reduces the non-methane organic compounds, or NMOC, emissions threshold at which MSW landfills must install emission controls, requires monitoring surface emissions of methane, monitoring of temperature and pressure at the well head of landfill gas collection systems and imposes other requirements. Further, the EPA promulgated “Guidelines” on August 29, 2016, known as Subpart Cf, which require states to implement similar requirements on existing landfills that are not subject to NSPS, Subpart XXX. Subpart Cf updates existing Emission Guidelines and Compliance Times for existing MSW landfills. The Subpart Cf Guidelines apply to landfills that accepted waste after November 8, 1987 and commenced construction or modification on or before July 17, 2014. Subpart XXX and Subpart Cf are intended to result in the reduction of landfill gas emissions, including methane, by lowering the thresholds where an MSW landfill must install a gas collection and control system. Subpart Cf will ultimately affect existing sources that are not affected by Subpart XXX. Compliance with these new regulatory programs could result in significant additional compliance costs, which we will incur in our ordinary course of business. In addition, state air regulatory programs may impose additional restrictions beyond federal requirements, which could also result in compliance costs. For example, some state air programs uniquely regulate odor and the emission of certain specific toxic air pollutants.

The EPA recently modified, or is in the process of modifying, other standards promulgated under the CAA in a manner which could increase our compliance costs. For example, the EPA has recently modified or discussed modifying national ambient air quality standards applicable to particulate matter, carbon monoxide, and oxides of sulfur and nitrogen, ozone and other standards to make them more stringent. It is possible these additional regulations could result in additional capital or operating expenditures. We do not believe, however, they will have a material adverse effect on our business as a whole. Further, our customers’ operations may be subject to existing and future CAA permitting and regulatory requirements that could have a material effect on their operations, which could have an adverse effect on our business.

2. Canadian Air Quality Laws

In Canada, the primary laws regulating air emissions from our operations come from provincial laws. Provincial laws may require approvals for air emissions and may impose other restrictions on facilities and equipment that have the potential to emit pollutants into the atmosphere. Provincial laws may require the construction of landfill gas management systems, including gas collection and flaring systems, which are subject to approvals or other regulatory requirements. Failure to obtain an approval or comply with approval requirements could result in the imposition of substantial administrative or regulatory penalties.

D. Occupational Health and Safety

1. The Occupational Safety and Health Act of 1970, or the OSH Act

In the United States, the OSH Act is administered by the Occupational Safety and Health Administration, or OSHA, and many state agencies whose programs have been approved by OSHA. The OSH Act establishes employer responsibilities for worker health and safety, including the obligation to maintain a workplace free of recognized hazards likely to cause death or serious injury, comply with adopted worker protection standards, maintain certain records, provide workers with required disclosures and implement certain health and safety training programs. Various OSHA standards may apply to our operations, including standards concerning notices of hazards, safety in excavation and demolition work, the handling of asbestos and asbestos-containing materials and worker training and emergency response programs. Moreover, the Department of Transportation, OSHA and other agencies regulate and have jurisdiction concerning the transport, movement, and related safety of hazardous and other regulated materials. In some instances, state and local agencies also regulate the safe transport of such materials to the extent not preempted by federal law.

2. Canadian Occupational Health and Safety Laws

In Canada, each province establishes and administers a provincial occupational health and safety regime. Similar to the United States, these regimes generally identify the rights and responsibilities of employers, supervisors and workers. Employers are required to implement all prescribed safety requirements and to exercise reasonable care to protect employees from workplace hazards, among other things. Various occupational health and safety standards may apply to our Canadian operations, including requirements relating to communication of hazards, safety in excavation and demolition work, the handling of asbestos and asbestos-containing materials and worker training and emergency response programs. The Federal Department of Transportation in addition to the provincial departments of transportation also have jurisdiction over the transportation of dangerous goods.

E. Additional Regulatory Considerations

We also review regulatory developments that may affect our business, including, among others, those described below.

1. State and Local Regulation

In addition to the federal statutes regulating our operations, each state where we operate or may operate in the future has laws and regulations governing the management, generation, storage, treatment, handling, transportation and disposal of solid waste, E&P waste, occupational safety and health, water and air pollution and, in most cases, the siting, design, operation, maintenance, corrective action, closure and post-closure maintenance of landfills and transfer stations. Further, many municipalities have enacted or could enact ordinances, local laws and regulations affecting our operations, including zoning and health measures that limit solid waste management activities to specified sites or activities. Other jurisdictions have enacted “fitness” rules focusing on companywide and overall corporate compliance history in making permitting decisions. In addition, certain jurisdictions have enacted flow control provisions that direct or restrict the delivery of solid wastes to specific facilities, laws that grant the right to establish franchises for collection services and bidding for such franchises, and bans or other restrictions on the movement of solid wastes into a municipality. Specific state and local permits for our operations may be required and may be subject to periodic renewal, modification or revocation by the issuing agencies. There has also been an increasing trend at the state and local level to mandate and encourage waste reduction at the source and recycling, and to prohibit or restrict landfill disposal of certain types of solid wastes, such as food waste, yard waste, leaves, tires, electronic equipment waste, painted wood and other construction and demolition debris. The enactment of laws or regulations reducing the volume and types of wastes available for transport to and disposal in landfills could prevent us from operating our facilities at their full capacity.

2. Hydraulic Fracturing Regulation

We do not conduct hydraulic fracturing operations, but we do provide treatment, recovery and disposal services for the fluids used and wastes generated by our customers in such operations. Recently, there has been increased public concern regarding the alleged potential for hydraulic fracturing to adversely affect drinking water supplies, and proposals have been made to enact separate federal, state or local legislation that would increase the regulatory burden imposed on hydraulic fracturing. Laws and regulations have been proposed and/or adopted at the federal, state and local levels that would regulate, restrict or prohibit hydraulic fracturing operations or require the reporting and public disclosure of chemicals used in the hydraulic fracturing process. Certain states and localities have placed moratoria or bans on hydraulic fracturing or the disposal of waste therefrom, or have considered the same.

In June 2016, the EPA promulgated a rule prohibiting discharges of wastewater pollutants from onshore unconventional oil and gas extraction facilities to publicly-owned treatment works, or POTWs. Further, in June 2016, the EPA promulgated regulations

known as Reg. OOOOa, which, among other things, require control of methane and VOC emissions related to certain well completions and certain tankage and equipment. Several states where we conduct business, have adopted or proposed laws and regulations to require oil and natural gas operators to disclose information concerning their operations, which could result in increased public scrutiny. The EPA has contemplated additional rule making. In May 2014, the EPA issued an Advanced Notice of Proposed Rulemaking, or ANPR, under the Toxic Substances Control Act, or TSCA, seeking comment on whether and how the EPA should regulate the reporting or disclosure of the use of hydraulic fracturing chemical substances and mixtures and their constituents. Additionally, in December 2016, the EPA released a study on the environmental impacts of hydraulic fracturing on drinking water. In that study, the EPA found evidence that hydraulic fracturing activity can impact drinking water resources under some circumstances, but data gaps limited the EPA's ability to fully assess the matter. The EPA is also currently conducting a detailed study of centralized waste treatment, or CWT, facilities accepting oil and gas extraction wastewater to ensure that current controls are adequate and to analyze the environmental impacts of discharges from CWTs, available treatment technologies and associated costs. The impacts of rules that the EPA has recently promulgated, is proposing or considering will be uncertain until the rules are finalized, and fully implemented.

If the EPA's newly promulgated or proposed rules, or other new federal, state or local laws, regulations, or policies restricting hydraulic fracturing, are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities and make it more difficult or costly for our customers to perform hydraulic fracturing. Any such regulations limiting, prohibiting, or imposing operational requirements on hydraulic fracturing could reduce oil and natural gas E&P activities by our customers and, therefore, adversely affect our business. Such laws or regulations could also materially increase our costs of compliance.

3. Disposal of Drilling Fluids

Certain of our facilities accept drilling fluids and other E&P wastes for disposal via underground injection. The disposal of drilling fluids is generally regulated at the state level, and claims, including some regulatory actions, have been brought against some owners or operators of these types of facilities for nuisance, seismic disturbances, and other claims in relation to the operation of underground injection facilities. To date, our facilities have not been subject to any such litigation, but could be in the future.

4. Climate Change Laws and Regulations

Generally, the promulgation of climate change laws or regulations restricting or regulating greenhouse gas, or GHG, emissions could increase our costs to operate. The EPA's current and proposed regulation of GHG emissions may adversely impact our operations. In 2009, the EPA made an endangerment finding allowing GHGs to be regulated under the CAA. The CAA requires stationary sources of air pollution to obtain New Source Review, or NSR, permits prior to construction and, in some cases, Title V operating permits. Pursuant to the EPA's rulemakings and interpretations, certain Title V and NSR Prevention of Significant Deterioration, or PSD, permits issued on or after January 2, 2011, must address GHG emissions. As a result, new or modified emissions sources may be required to install Best Available Control Technology to limit GHG emissions. The EPA's recently adopted Subpart XXX also requires the reduction of GHG emissions from new or modified landfills, and the Guidelines, known as Subpart Cf, published by the EPA in August 2016, will require the reduction of GHG emissions from existing landfills. In addition, the EPA's Mandatory Greenhouse Gas Reporting Rule sets monitoring, recordkeeping, and reporting requirements applicable to certain landfills and other entities.

Certain states and many Canadian provinces have promulgated regulations and rules to limit GHG emissions through requirements of specific controls, carbon levies, cap and trade programs or other measures. These rules will affect not only our business, but also that of our customers.

Heightened regulation of our customers' operations, could also adversely affect our business. The regulation of GHG emissions from oil and gas E&P operations may increase the costs to our customers of developing and producing hydrocarbons and, as a result, may have an indirect and adverse effect on the amount of E&P waste delivered to our facilities. On June 3, 2016, the EPA promulgated NSPS Subpart OOOOa, which in conjunction with NSPS Subpart OOOO sets methane and VOC requirements for certain new and modified sources, including hydraulically fractured oil wells, certain tankage and equipment. These rules will require, in some instances, additional emissions controls and, potentially, capital costs for equipment repair or replacement. Further, beginning in November 2016, the EPA forwarded an Information Collection Request, or ICR, to regulated E&P companies seeking information concerning methane emissions from existing sources. It is possible that the EPA may use the information developed from the ICR to propose rules affecting existing sources similar to NSPS Subpart OOOO/OOOOa.

These statutes and regulations increase our costs and our customers' costs, and future climate change statutes and regulations may have an impact as well. If we are unable to pass such higher costs through to our customers, or if our customers' costs of developing

and producing hydrocarbons increase, our business, financial condition and operating results could be adversely affected. The impact of any potential rules affecting existing sources is uncertain.

5. Flow Control/Interstate Waste Restrictions

Certain permits and state and local regulations, known as flow control restrictions, may limit a landfill's or transfer station's ability to accept waste that originates from specified geographic areas, to import out-of-state waste or wastes originating outside the local jurisdictions or to otherwise accept non-local waste. While certain courts have deemed these laws to be unenforceable, other courts have not. Certain state and local jurisdictions may seek to enforce flow control restrictions contractually. These actions could limit or prohibit the importation of wastes originating outside of local jurisdictions or direct that wastes be handled at specified facilities. These restrictions could limit the volume of wastes we can manage in jurisdictions at issue and also result in higher disposal costs for our collection operations. If we are unable to pass such higher costs through to our customers, our business, financial condition and operating results could be adversely affected. Additionally, certain local jurisdictions have sought or may seek to impose extraterritorial obligations on our operations in an effort to affect flow control and may enforce tax and fee arrangements on behalf of such jurisdictions.

F. Renewable Fuel

Pursuant to the Energy Independence and Security Act of 2007, the United States EPA has promulgated the Renewable Fuel Standards, or RFS, which require refiners to either blend "renewable fuels," such as ethanol and biodiesel, into their transportation fuels or to purchase renewable fuel credits, known as renewable identification numbers, or RINs, in lieu of blending. In some cases, landfill gas generated at our landfills in the United States qualifies as a renewable fuel for which RINs are available. Such RINs can be sold by the Company. The price of RINs has been extremely volatile and the value of RINs is dependent upon a variety of factors. Reductions or limitations on the requirement to blend renewable fuel would likely reduce the volume of RINs purchased to meet the RFS blending requirements. On December 12, 2016, EPA promulgated its 2017 RFS, increasing the renewable fuel volume requirements across all types of biofuels under the RFS program. However, there have been proposals to legislatively limit the RFS program in the United States. For example, in 2016, a bill (H.R. 5180) was introduced in the United States House of Representatives seeking to limit the volumes of ethanol required to be blended by refiners to no more than 9.7% of the total volume of gasoline expected to be sold or introduced into commerce in the United States. Further, in January 2017, implementation of the rule setting 2017 renewable volume requirements was temporarily delayed for further review.

In Canada, the Renewable Fuels Regulations under the Canadian Environmental Protection Act, 1999 require producers and importers of gasoline, diesel fuel and heating distillate to acquire a certain number of renewable fuel compliance units, or Compliance Units, in connection with the volumes of fuel they produce or import. Compliance Units can be generated in a number of ways, including through the blending of renewable fuel into liquid petroleum fuels. In some cases, landfill gas generated at our landfills in Canada qualifies as a renewable fuel that can be sold by our Company to blenders or refiners for the purpose of creating Compliance Units. Certain provincial jurisdictions in Canada also impose obligations to incorporate renewable fuels into fuels that are distributed within the jurisdiction. The price for our renewable fuel in Canada is dependent on a variety of factors, including demand. The Canadian federal government announced in 2016 that it will be developing a new clean fuel standard in the future that would provide more flexibility with respect to how to achieve lower carbon fuels in Canada. At this time, we do not know how a future clean fuel standard in Canada could impact demand for our renewable fuel.

A significant reduction in the value of RINs in the United States or the price paid for our renewable fuel in Canada could adversely impact our reported results.

G. Regulation of Naturally Occurring Radioactive Metals, or NORM

Certain states have enacted laws and regulations regulating NORM. In the course of our E&P waste operations, some of our equipment involved in E&P waste management and disposal may be exposed to naturally occurring radiation associated with oil and gas deposits. Further, certain E&P wastes we handle could be NORM contaminated. NORM wastes exhibiting levels of naturally occurring radiation exceeding established state standards are typically subject to special handling and disposal requirements, and any storage vessels, piping, equipment and work area affected by NORM waste may be subject to remediation or restoration requirements. It is possible that we may incur significant costs or liabilities associated with inadvertently handling NORM contaminated waste or equipment that becomes NORM contaminated based on exposure or contact with elevated levels of NORM.

H. Extended Producer Responsibility, or EPR, Regulations

EPR regulations place certain responsibility on product manufacturers or suppliers to assume certain waste management or recycling responsibility for their products after such products' useful life. EPR regulations have yet to be promulgated at the federal level in the United States, but have been promulgated or considered in state and local jurisdictions in the United States. EPR regulations could have an adverse effect on our business if enacted at the federal level or if widely enacted by state or local governments. Numerous provincial jurisdictions in Canada have promulgated EPR regulations and other programs that mandate or encourage waste reduction and restrict the landfill disposal of certain types of waste. The enactment of new and more stringent regulations reducing the types or volumes of wastes available for disposal in landfills could impact our future operations.

I. State Public Utility Regulation

In some states, public authorities regulate the rates that landfill operators may charge. The adoption of rate regulation or the reduction of current rates in states in which we own or operate landfills could adversely affect our business, financial condition and operating results.

RISK MANAGEMENT, INSURANCE AND FINANCIAL SURETY BONDS

Risk Management

We maintain environmental and other risk management programs that we believe are appropriate for our business. Our environmental risk management program includes evaluating existing facilities and potential acquisitions for environmental law compliance. We do not presently expect environmental compliance costs to increase materially above current levels, but we cannot predict whether future acquisitions will cause such costs to increase. We also maintain a worker safety program that encourages safe practices in the workplace. Operating practices at our operations emphasize minimizing the possibility of environmental contamination and litigation. Our facilities comply in all material respects with applicable federal, state and provincial regulations.

Insurance

We have a high deductible or self-insured retention insurance program for automobile liability, general liability, employer's liability claims, environmental liability, cyber liability, employment practices liability and directors' and officers' liability as well as for employee group health insurance, property and workers' compensation. Our loss exposure for insurance claims is generally limited to per incident deductibles or self-insured retentions. Losses in excess of deductible or self-insured retention levels are insured subject to policy limits.

Under our current company-wide insurance program, we carry per incident deductibles or self-insured retentions of $1 million for directors' and officers' liability claims. We also have a policy covering risks associated with cyber liability that has a $500,000 self-insured retention. Additionally, we have umbrella policies with insurance companies for automobile liability, general liability and employer's liability. Our property insurance limits are in accordance with the replacement values of the insured property. From time to time, actions filed against us include claims for punitive damages, which are generally excluded from coverage under our liability insurance policies.

Under our current insurance program for our U.S. operations, we carry per incident deductibles or self-insured retentions of $2 million for automobile liability claims, $1.5 million for workers' compensation and employer's liability claims, $1 million for general liability claims, $250,000 for employee group health insurance and employment practices liability, and $100,000 for property claims, subject to certain additional terms and conditions. Since workers' compensation is a statutory coverage limited by the various state jurisdictions, the umbrella coverage is not applicable. We carry environmental protection insurance which has a $250,000 per incident deductible. This insurance policy covers all owned or operated landfills, certain transfer stations and other facilities, subject to the policy terms and conditions. Our policy provides insurance for new pollution conditions that originate after the commencement of our coverage. Pollution conditions existing prior to the commencement of our coverage, if found, could be excluded from coverage.

Under our current insurance program for our Canadian operations, we carry per incident deductibles or self-insured retentions of $500,000 for automobile liability claims and $130,000 for property claims. Since workers' compensation is a provincial coverage limited by the various province jurisdictions, the umbrella coverage is not applicable. Employees are eligible to receive health coverage under Canada's public health care system and, in addition, most employees of our Canadian operations are eligible to participate in group medical and drug coverage plans sponsored by the Company. We carry environmental protection insurance which has a $100,000 per incident deductible. This insurance policy covers all owned or operated landfills, certain transfer stations and other

facilities, subject to the policy terms and conditions. Our policy provides insurance for new pollution conditions that originate after the commencement of our coverage. Pollution conditions existing prior to the commencement of our coverage, if found, could be excluded from coverage.

Financial Surety Bonds

We use financial surety bonds for a variety of corporate guarantees. The financial surety bonds are primarily used for guaranteeing municipal contract performance and providing financial assurances to meet asset closure and retirement requirements under certain environmental regulations. In addition to surety bonds, such guarantees and obligations may also be met through alternative financial assurance instruments, including insurance, letters of credit and restricted asset deposits. At December 31, 2016 and 2015, we had provided customers and various regulatory authorities with surety bonds in the aggregate amount of approximately $589.3 million and $353.8 million, respectively, to secure our asset closure and retirement requirements and $273.5 million and $121.7 million, respectively, to secure performance under collection contracts and landfill operating agreements.

We source financial surety bonds from a variety of third-party insurance and surety companies, including a company in which we own a 9.9% interest that, among other activities, issues financial surety bonds to secure landfill final capping, closure and post-closure obligations for companies operating in the solid waste sector.

EMPLOYEES

At December 31, 2016, we had 14,671 employees, of which 2,488, or approximately 17.0% of our workforce, were employed under collective bargaining agreements. The majority of our collective bargaining agreements are with the Teamsters Union in both the U.S. and Canada. These collective bargaining agreements are renegotiated periodically. We have 14 collective bargaining agreements covering 728 employees that have expired or are set to expire during 2017. We do not expect any significant disruption in our overall business in 2017 as a result of labor negotiations, employee strikes or organizational efforts by labor unions or their representatives.

SEASONALITY

We expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters and lower in the fourth quarter than in the second and third quarters. This seasonality reflects (a) the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during winter months in Canada and the U.S., and (b) reduced E&P activity during harsh weather conditions, with expected fluctuation due to such seasonality between our highest and lowest quarters of approximately 10%. In addition, some of our operating costs may be higher in the winter months. Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected MSW, resulting in higher disposal costs, which are calculated on a per ton basis.

EXECUTIVE OFFICERS OF THE REGISTRANT

For purposes of this section, references to "WCI" shall mean Old Waste Connections prior to June 1, 2016 and New Waste Connections on and after June 1, 2016. The following table sets forth certain information concerning our executive officers as of February 10, 2017:

NAME	AGE	POSITIONS
Ronald J. Mittelstaedt [(1)]	53	Chief Executive Officer and Chairman
Steven F. Bouck	59	President
Darrell W. Chambliss	52	Executive Vice President and Chief Operating Officer
Worthing F. Jackman	52	Executive Vice President and Chief Financial Officer
Matthew S. Black	44	Senior Vice President and Chief Tax Officer
David G. Eddie	47	Senior Vice President and Chief Accounting Officer
David M. Hall	59	Senior Vice President – Sales and Marketing
James M. Little	55	Senior Vice President – Engineering and Disposal
Patrick J. Shea	46	Senior Vice President, General Counsel and Secretary
Robert M. Cloninger	44	Vice President, Deputy General Counsel and Assistant Secretary
Keith P. Gordon	53	Vice President – Information Systems
Eric O. Hansen	51	Vice President – Chief Information Officer
Michelle L. Little	43	Vice President – Accounting
Shawn W. Mandel	50	Vice President – Safety and Risk Management
R. Shawn McCash	54	Vice President – Engineering
Susan R. Netherton	47	Vice President – People, Training and Development
Scott I. Schreiber	60	Vice President – Equipment and Operations Support
Gregory Thibodeaux	50	Vice President – Maintenance and Fleet Management
Mary Anne Whitney	53	Vice President – Finance
Colin G. Wittke	54	Vice President – Sales
Richard K. Wojahn	59	Vice President – Business Development

(1) Member of the Executive Committee of the Board of Directors.

Ronald J. Mittelstaedt has served as Chief Executive Officer and a director of WCI since its formation in 1997, and was elected Chairman in January 1998. Mr. Mittelstaedt also served as President of WCI from its formation through August 2004. Mr. Mittelstaedt has more than 27 years of experience in the solid waste industry. Mr. Mittelstaedt serves as a director of SkyWest, Inc. Mr. Mittelstaedt holds a B.A. degree in Business Economics with a finance emphasis from the University of California at Santa Barbara.

Steven F. Bouck has served as President of WCI since September 1, 2004. From February 1998 to that date, Mr. Bouck served as Executive Vice President and Chief Financial Officer of WCI. Mr. Bouck held various positions with First Analysis Corporation from 1986 to 1998, focusing on financial services to the environmental industry. Mr. Bouck holds B.S. and M.S. degrees in Mechanical Engineering from Rensselaer Polytechnic Institute, and an M.B.A. in Finance from the Wharton School of Business.

Darrell W. Chambliss has been Executive Vice President and Chief Operating Officer of WCI since October 2003. From October 1, 1997, to that date, Mr. Chambliss served as Executive Vice President – Operations of WCI. Mr. Chambliss has more than 26 years of experience in the solid waste industry. Mr. Chambliss holds a B.S. degree in Business Administration from the University of Arkansas.

Worthing F. Jackman has been Executive Vice President and Chief Financial Officer of WCI since September 1, 2004. From April 2003 to that date, Mr. Jackman served as Vice President – Finance and Investor Relations of WCI. Mr. Jackman held various investment banking positions with Alex. Brown & Sons, now Deutsche Bank Securities, Inc., from 1991 through 2003, including most recently as a Managing Director within the Global Industrial & Environmental Services Group. In that capacity, he provided capital markets and strategic advisory services to companies in a variety of sectors, including solid waste services. Mr. Jackman serves as a director for Quanta Services, Inc. He holds a B.S. degree in Finance from Syracuse University and an M.B.A. from the Harvard Business School.

Matthew S. Black has been Senior Vice President and Chief Tax Officer of WCI since January 2017. From March 2012 to that date, Mr. Black served as Vice President and Chief Tax Officer of WCI. From December 2006 to March 2012, Mr. Black served as Executive Director of Taxes of WCI. Mr. Black served as Tax Director for The McClatchy Company from April 2001 to November 2006, and served as Tax Manager from December 2000 to March 2001. From January 1994 to November 2000, Mr. Black held

various positions, including Tax Manager, for PricewaterhouseCoopers LLP. Mr. Black is a Certified Public Accountant and holds a B.S. degree in Accounting and Master's degree in Taxation from California State University, Sacramento.

David G. Eddie has been Senior Vice President and Chief Accounting Officer of WCI since January 2011. From February 2010 to that date, Mr. Eddie served as Vice President – Chief Accounting Officer of WCI. From March 2004 to February 2010, Mr. Eddie served as Vice President – Corporate Controller of WCI. From April 2003 to February 2004, Mr. Eddie served as Vice President – Public Reporting and Compliance of WCI. From May 2001 to March 2003, Mr. Eddie served as Director of Finance of WCI. Mr. Eddie served as Corporate Controller for International Fibercom, Inc. from April 2000 to May 2001. From September 1999 to April 2000, Mr. Eddie served as WCI's Manager of Financial Reporting. From September 1994 to September 1999, Mr. Eddie held various positions, including Audit Manager, for PricewaterhouseCoopers LLP. Mr. Eddie is a Certified Public Accountant and holds a B.S. degree in Accounting from California State University, Sacramento.

David M. Hall has been Senior Vice President – Sales and Marketing of WCI since October 2005. From August 1998 to that date, Mr. Hall served as Vice President – Business Development of WCI. Mr. Hall has more than 29 years of experience in the solid waste industry with extensive operating and marketing experience in the Western U.S. Mr. Hall received a B.S. degree in Management and Marketing from Missouri State University.

James M. Little has been Senior Vice President – Engineering and Disposal of WCI since February 2009. From September 1999 to that date, Mr. Little served as Vice President – Engineering of WCI. Mr. Little held various management positions with Waste Management, Inc. (formerly USA Waste Services, Inc., which acquired Waste Management, Inc. and Chambers Development Co. Inc.) from April 1990 to September 1999, including Regional Environmental Manager and Regional Landfill Manager, and most recently Division Manager in Ohio, where he was responsible for the operations of ten operating companies in the Northern Ohio area. Mr. Little is a certified professional geologist and holds a B.S. degree in Geology from Slippery Rock University.

Patrick J. Shea has been Senior Vice President, General Counsel and Secretary of WCI since August 2014. From February 2009 to August 2014, Mr. Shea served as Vice President, General Counsel and Secretary of WCI. He served as General Counsel and Secretary of WCI from February 2008 to February 2009 and Corporate Counsel of WCI from February 2004 to February 2008. Mr. Shea practiced corporate and securities law with Brobeck, Phleger & Harrison LLP in San Francisco from 1999 to 2003 and Winthrop, Stimson, Putnam & Roberts (now Pillsbury Winthrop Shaw Pittman LLP) in New York and London from 1995 to 1999. Mr. Shea holds a B.S. degree in Managerial Economics from the University of California at Davis and a J.D. degree from Cornell University.

Robert M. Cloninger has been Vice President, Deputy General Counsel and Assistant Secretary of WCI since August 2014. From February 2013 to August 2014, Mr. Cloninger served as Deputy General Counsel of WCI. He served as Corporate Counsel of WCI from February 2008 to February 2013. Mr. Cloninger practiced corporate, securities and mergers and acquisitions law with Schiff Hardin LLP in Chicago from 1999 to 2004 and Downey Brand LLP in Sacramento from 2004 to 2008. Mr. Cloninger holds a B.A. degree in History from Northwestern University and a J.D. degree from the University of California at Davis.

Keith P. Gordon has been Vice President – Information Systems of WCI since January 2017. From September 2010 to that date, Mr. Gordon served as Director of Information Systems of WCI. Prior to joining WCI, he spent 14 years in leadership roles with CableData, DST Innovis and Amdocs, Inc. leading an international software development organization, as well as serving as CTO for a startup company that was acquired by LivingSocial. Mr. Gordon spent 11 years as an Army officer in a number of leadership positions including Company Commander and Battalion staff positions. Mr. Gordon has a B.S. in Mechanical Engineering from United States Military Academy, West Point, and M.S. in Computer Science from Stanford University.

Eric O. Hansen has been Vice President – Chief Information Officer of WCI since July 2004. From January 2001 to that date, Mr. Hansen served as Vice President – Information Technology of WCI. From April 1998 to December 2000, Mr. Hansen served as Director of Management Information Systems of WCI. Mr. Hansen holds a B.S. degree from Portland State University.

Michelle L. Little has been Vice President – Accounting of WCI since January 2017. From December 2007 to that date, Ms. Little served as Director of Accounting of WCI. From 2001 to 2006, Ms. Little held various accounting positions at companies including Apple Computer and Pearson Education. From September 1996 to June 2001, Ms. Little held various positions, including Manager in Transaction Services, for PricewaterhouseCoopers LLP. Ms. Little is a Certified Public Accountant and holds a B.S. degree in Business Administration with a concentration in Accounting from California Polytechnic State University, San Luis Obispo.

Shawn W. Mandel has been Vice President – Safety and Risk Management of WCI since January 2017. From May 2011 to that date, Mr. Mandel served as Director of Safety of WCI. From 1995 to 2011, Mr. Mandel held various Safety leadership positions with Republic Services (formerly Browning-Ferris Industries and Allied Waste) including Director of Safety. Mr. Mandel holds a B.A. degree in Business Administration from National University.

R. Shawn McCash has been Vice President – Engineering of WCI since the completion of the Progressive Waste acquisition on June 1, 2016. From January 2014 to May 2016, he served as Vice President, Environmental Management and Technology Group of Progressive Waste Solutions Ltd. From April 2004 to June 2012, he served as Senior Vice President, Landfill Operations & Engineering of Waste Services, Inc. Prior to that time, he held various engineering, environmental and construction roles with Allied Waste Industries, Laidlaw Waste Systems, Chambers Development Company and Chemical Waste Management. Mr. McCash has over 29 years of experience in the waste management industry and earned a Bachelor of Science degree in Civil Engineering in 1987 from Texas Tech University.

Susan R. Netherton has been Vice President – People, Training and Development of WCI since July 2013. From February 2007 to July 2013, Ms. Netherton served as Director of Human Resources and Employment Manager of WCI. From 1994 to 2007, Ms. Netherton held various human resources positions at Carpenter Technology Corporation, a publicly-traded, specialty metals and materials company. Ms. Netherton holds a B.S. in Elementary Education from Kutztown University and an M.B.A. from St. Mary's College of California.

Scott I. Schreiber has been Vice President – Equipment and Operations Support of WCI since the completion of the Progressive Waste acquisition on June 1, 2016. From February 2009 to that date, Mr. Schreiber served as Vice President – Disposal Operations of WCI. From October 1998 to February 2009, he served as Director of Landfill Operations of WCI. Mr. Schreiber has more than 36 years of experience in the solid waste industry. From September 1993 to September 1998, Mr. Schreiber served as corporate Director of Landfill Development and corporate Director of Environmental Compliance for Allied Waste Industries, Inc. From August 1988 to September 1993, Mr. Schreiber served as Regional Engineer (Continental Region) and corporate Director of Landfill Development for Laidlaw Waste Systems Inc. From June 1979 to August 1988, Mr. Schreiber held several managerial and technical positions in the solid waste and environmental industry. Mr. Schreiber holds a B.S. degree in Chemistry from the University of Wisconsin at Parkside.

Gregory Thibodeaux has been Vice President – Maintenance and Fleet Management of WCI since January 2011. From January 2000 to that date, Mr. Thibodeaux served as Director of Maintenance of WCI. Mr. Thibodeaux has more than 30 years of experience in the solid waste industry having held various management positions with Browning Ferris Industries, Sanifill, and USA Waste Services, Inc. Before coming to Waste Connections, Mr. Thibodeaux served as corporate Director of Maintenance for Texas Disposal Systems.

Mary Anne Whitney has been Vice President - Finance of WCI since March 2012. From November 2006 to that date, Ms. Whitney served as Director of Finance of WCI. Ms. Whitney held various finance positions for Wheelabrator Technologies from 1990 to 2001. Ms. Whitney holds a B.A. degree in Economics from Georgetown University and an M.B.A. in Finance from New York University Stern School of Business.

Colin G. Wittke has been Vice President – Sales of WCI since the completion of the Progressive Waste acquisition on June 1, 2016. From June 2011 to that date, he served as Vice President, Sales and Marketing of Progressive Waste Solutions Ltd. Prior to that time, Mr. Wittke held various roles with Waste Management, Inc. for 19 years, including the position of Vice President, Sales and Customer Service. He has more than 28 years of experience in the solid waste industry. Mr. Wittke holds a BSc in Finance (cum laude) from Biola University in La Mirada, California.

Richard K. Wojahn has been Vice President – Business Development of WCI since February 2009. From September 2005 to that date, Mr. Wojahn served as Director of Business Development of WCI. Mr. Wojahn served as Vice President of Operations for Mountain Jack Environmental Services, Inc. (which was acquired by WCI in September 2005) from January 2004 to September 2005. Mr. Wojahn has more than 35 years of experience in the solid waste industry having held various management positions with Waste Management, Inc. and Allied Waste Industries, Inc. Mr. Wojahn attended Western Illinois University.

AVAILABLE INFORMATION

Our corporate website address is http://www.wasteconnections.com. We make our reports on Forms 10-K, 10-Q and 8-K and any amendments to such reports available on our website free of charge as soon as reasonably practicable after we file them with or furnish them to the Securities and Exchange Commission, or SEC, and with the securities commissions or similar regulatory authorities in Canada. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC, 20549, and on the System for Electronic Document Analysis and Retrieval at www.sedar.com maintained by the securities commissions or similar regulatory authorities in Canada. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The references to our website address, the SEC's website address and the website maintained by the

securities commissions or similar regulatory authorities in Canada do not constitute incorporation by reference of the information contained in those websites and should not be considered part of this document.

ITEM 1A. RISK FACTORS

Certain statements contained in this Annual Report on Form 10-K are forward-looking in nature, including statements related to the impact of global economic conditions, including the price of crude oil, on our volume, business and results of operations; our ability to generate internal growth or expand permitted capacity at landfills we own or operate; our ability to grow through acquisitions and our expectations with respect to the impact of acquisitions on our expected revenues and expenses following the integration of such businesses; the competitiveness of our industry and how such competition may affect our operating results; our ability to provide adequate cash to fund our operating activities; our ability to draw from our credit facility or raise additional capital; our ability to generate free cash flow and reduce our leverage; the effects of landfill special waste projects on volume results; the impact that price increases may have on our business and operating results; demand for recyclable commodities and recyclable commodity pricing; the effects of seasonality on our business and results of operations; our ability to obtain additional exclusive arrangements; increasing alternatives to landfill disposal; increases in labor and pension plan costs or the impact that labor union activity may have on our operating results; our expectations with respect to the purchase of fuel and fuel prices; our expectations with respect to capital expenditures; our expectations with respect to the outcomes of our legal proceedings; the impairment of our goodwill; insurance costs; disruptions to or breaches of our information systems and other cybersecurity threats; environmental, health and safety laws and regulations, including changes to the regulation of landfills, solid waste disposal, E&P waste disposal, or hydraulic fracturing; and our ability to integrate successfully the businesses and operations of Progressive Waste following the Progressive Waste acquisition. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy. Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, those listed below and elsewhere in this Annual Report on Form 10-K. There may be additional risks of which we are not presently aware or that we currently believe are immaterial which could have an adverse impact on our business. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances that may change.

Our industry is highly competitive and includes companies with lower prices, return expectations or other advantages, and governmental service providers, which could adversely affect our ability to compete and our operating results.

Our industry is highly competitive and requires substantial labor and capital resources. Some of the markets in which we compete or will seek to compete are served by one or more large, national companies, as well as by regional and local companies of varying sizes and resources, some of which we believe have accumulated substantial goodwill in their markets. Some of our competitors may also have greater name recognition than we do, or be able to provide or be willing to bid their services at a lower price than we may be willing to offer. In addition, existing and future competitors may develop or offer services or new technologies, new facilities or other advantages. Our inability to compete effectively could hinder our growth or negatively impact our operating results.

In our solid waste business, we also compete with counties, municipalities and solid waste districts that maintain or could in the future choose to maintain their own waste collection and disposal operations, including through the implementation of flow control ordinances or similar legislation. These operators may have financial advantages over us because of their access to user fees and similar charges, tax revenues and tax-exempt financing.

In our E&P waste business, we compete for disposal volumes with existing facilities owned by third parties (including those owned by municipalities or quasi-governmental entities), and we face potential competition from new facilities that are currently under development. Increased competition in certain markets may result in lower pricing and decreased volumes at our facilities. In addition, customers in certain markets may decide to use internal disposal methods for the treatment and disposal of their waste.

We may lose contracts through competitive bidding, early termination or governmental action.

We derive a significant portion of our revenues from market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and certificates issued by Washington state known as G Certificates. Many franchise agreements and municipal contracts are for a specified term and are, or will be, subject to competitive bidding in the future. For example, we have approximately 520 contracts, representing approximately 3.4% of our annual revenues, which are set for expiration or automatic renewal on or before December 31, 2017. Although we intend to bid on additional municipal contracts and franchise agreements, we may not be the successful bidder. In addition, some of our customers, including municipalities, may terminate their contracts with us before the end of the terms of those contracts. Similar risks may affect our contracts to operate municipally-owned assets, such as landfills.

Governmental action may also affect our exclusive arrangements. Municipalities may annex unincorporated areas within counties where we provide collection services. As a result, our customers in annexed areas may be required to obtain services from

competitors that have been previously franchised by the annexing municipalities to provide those services. For example, municipalities in the State of Washington may, by law, annex any unincorporated territory, which could remove such territory from an area covered by a G Certificate issued to us by the Washington Utilities and Transportation Commission, or WUTC. Such occurrences could subject more of our Washington operations to competitive bidding. Moreover, legislative action could amend or repeal the laws governing WUTC regulation, which could harm our competitive position by subjecting more areas to competitive bidding and/or overlapping service. In addition, municipalities in which we provide services on a competitive basis may elect to franchise those services to other service providers. Unless we are awarded franchises by these municipalities, we will lose customers. Municipalities may also decide to provide services to their residents themselves, on an optional or mandatory basis, causing us to lose customers. If we are not able to replace revenues from contracts lost through competitive bidding or early termination or from the renegotiation of existing contracts with other revenues within a reasonable time, our revenues could decline.

Our financial and operating performance may be affected by the inability to renew landfill operating permits, obtain new landfills and expand existing ones.

We currently own and/or operate 93 landfills throughout the United States and Canada. Our ability to meet our financial and operating objectives may depend in part on our ability to acquire, lease, or renew landfill operating permits, expand existing landfills and develop new landfill sites, especially in our E&P waste business. It has become increasingly difficult and expensive to obtain required permits and approvals to build, operate and expand solid waste management facilities, including landfills and transfer stations. Although the process generally takes less time, the process of obtaining permits and approvals for E&P landfills has similar uncertainties. Operating permits for landfills in states and provinces where we operate must generally be renewed every five to ten years, although some permits are required to be renewed more frequently. These operating permits often must be renewed several times during the permitted life of a landfill. The permit and approval process is often time consuming, requires numerous hearings and compliance with zoning, environmental and other requirements, is frequently challenged by special interest and other groups, and may result in the denial of a permit or renewal, the award of a permit or renewal for a shorter duration than we believed was otherwise required by law, or burdensome terms and conditions being imposed on our operations. We may not be able to obtain new landfill sites or expand the permitted capacity of our landfills when necessary and may be required to expense up to the carrying value of the landfill or expansion project, less the recoverable value of the property and other amounts recovered. Obtaining new landfill sites is important to our expansion into new, non-exclusive solid waste markets and in our E&P waste business. If we do not believe that we can obtain a landfill site in a non-exclusive market, we may choose not to enter that market. Expanding existing landfill sites is important in those markets where the remaining lives of our landfills are relatively short. We may choose to forego acquisitions and internal growth in these markets because increased volumes would further shorten the lives of these landfills. Any of these circumstances could adversely affect our operating results.

Increases in labor costs could impact our financial results.

Labor is one of our highest costs and relatively small increases in labor costs per employee could materially affect our cost structure. We compete with other businesses in our markets for qualified employees and the labor supply is sometimes tight in our markets. In our E&P waste business, for example, we are exposed to the cyclical variations in demand that are particular to the development and production of oil and natural gas. A shortage of qualified employees would require us to incur additional costs related to wages and benefits, to hire more expensive temporary employees or to contract for services with more expensive third-party vendors.

Price increases may not be adequate to offset the impact of increased costs, or may cause us to lose customers.

We seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Contractual, general economic, competitive or market-specific conditions may limit our ability to raise prices. As a result of these factors, we may be unable to offset increases in costs, improve operating margins and obtain adequate investment returns through price increases. We may also lose customers to lower-price competitors. In some cases, certain volume losses related to operations we acquired in the Progressive Waste acquisition will be deliberate and may not reflect current economic conditions or underlying trends in our markets, which may be misinterpreted by shareholders, thus possibly affecting our share price.

The integration following the Progressive Waste acquisition may not achieve the anticipated benefits or may disrupt our operations.

The effort required for us to integrate the Progressive Waste operations could divert our management's attention from our day-to-day operations. We may not achieve anticipated synergies or those synergies may take longer to realize than expected, the integration effort may result in unforeseen expenses, or we may not realize the anticipated benefits of the integration plan, including implementing price increases, divesting of certain assets, shedding of less profitable customers and rebranding acquired operations.

The integration will require significant time and focus from our management and may disrupt achievement of other strategic objectives, which could adversely affect our results of operations or investor perceptions.

We plan to divest certain assets acquired in the Progressive Waste acquisition, which may result in lower than expected consideration or recorded losses on sale of assets, and such divestitures may take longer than expected to complete.

In conjunction with the Progressive Waste acquisition, we have indicated that we plan to divest certain assets that do not fit with our strategy. The timing of such sales or divestures may not be entirely within our control. In addition, such sales or divestitures may result in proceeds to us in an amount less than we expect or less than our assessment of the value of those assets. Any sale of our assets could result in a recorded loss on sale of assets. Any of the foregoing could adversely affect our business and results of operations.

A portion of our growth and future financial performance depends on our ability to integrate acquired businesses, and the success of our acquisitions.

A component of our growth strategy involves achieving economies of scale and operating efficiencies by growing through acquisitions. We may not achieve these goals unless we effectively combine the operations of acquired businesses with our existing operations. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills. In addition, we are not always able to control the timing of our acquisitions. Our inability to complete acquisitions within the time frames that we expect may cause our operating results to be less favorable than expected, which could cause our share price to decline.

Even if we are able to make acquisitions on advantageous terms and are able to integrate them successfully into our operations and organization, some acquisitions may not fulfill our anticipated financial or strategic objectives in a given market due to factors that we cannot control, such as market conditions, including the price of crude oil, market position, competition, customer base, loss of key employees, third-party legal challenges or governmental actions. In addition, we may change our strategy with respect to a market or acquired businesses and decide to sell such operations at a loss, or keep those operations and recognize an impairment of goodwill and/or intangible assets. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills.

Competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit our ability to grow through acquisitions.

We seek to grow through strategic acquisitions in addition to internal growth. Although we have and expect to continue to identify numerous acquisition candidates that we believe may be suitable, we may not be able to acquire them at prices or on terms and conditions favorable to us.

Other companies have adopted or may in the future adopt our strategy of acquiring and consolidating regional and local businesses. We expect that increased consolidation in the solid waste services industry will continue to reduce the number of attractive acquisition candidates. Moreover, general economic conditions and the environment for attractive investments may affect the desire of the owners of acquisition candidates to sell their companies. As a result, we may have fewer acquisition opportunities, and those opportunities may be on less attractive terms than in the past, which could cause a reduction in our rate of growth from acquisitions.

Our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so. While we expect we will be able to fund some of our acquisitions with our existing resources, additional financing to pursue additional acquisitions may be required. However, particularly if market conditions deteriorate, we may be unable to secure additional financing or any such additional financing may not be available to us on favorable terms, which could have an impact on our flexibility to pursue additional acquisition opportunities. In addition, disruptions in the capital and credit markets could adversely affect our ability to draw on our credit facility or raise other capital. Our access to funds under the credit facility is dependent on the ability of the banks that are parties to the facility to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period.

Our results are vulnerable to economic conditions.

Our business and financial results would be harmed by downturns in the global economy, or in the economy of the regions in which we operate as well as other factors affecting those regions, including the price of crude oil. In an economic slowdown, we experience the negative effects of decreased waste generation, increased competitive pricing pressure, customer turnover, and

reductions in customer service requirements, any of which could negatively impact our operating income and cash flows. Two of our business lines that could see a more immediate impact would be construction and demolition and E&P waste disposal as demand for new construction or energy exploration decreases. In addition, a weaker economy may result in declines in recycled commodity prices. Worsening economic conditions or a prolonged or recurring economic recession could adversely affect our operating results and expected seasonal fluctuations. Further, we cannot assure you that any improvement in economic conditions after such a downturn will result in an immediate, if at all, positive improvement in our operating results or cash flows.

The seasonal nature of our business and "event-driven" waste projects cause our results to fluctuate.

Based on historic trends, we expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters, and lower in the fourth quarter than in the second and third quarters. We expect the fluctuation in our revenues between our highest and lowest quarters to be approximately 10%. This seasonality reflects the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during the winter months in Canada and the U.S., and reduced E&P activity during harsh weather conditions. Conversely, mild winter weather conditions may reduce demand for oil and natural gas, which may cause our customers to curtail their drilling programs, which could result in production of lower volumes of E&P waste.

Adverse winter weather conditions, including severe storms or extended periods of inclement weather, slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected waste, resulting in higher disposal costs, which are calculated on a per ton basis. Certain weather conditions, including severe storms, may result in temporary suspension of our operations, which can significantly impact the operating results of the affected areas. Conversely, weather-related occurrences and other "event-driven" waste projects can boost revenues through heavier weight loads or additional work for a limited time. These factors impact period-to-period comparisons of financial results, and our share price may be negatively affected by these variations.

Our results will be affected by changes in recycled commodity prices.

We provide recycling services to some of our customers. The majority of the recyclables we process for sale are paper products that are shipped to customers in Asia. The sale prices of and the demand for recyclable commodities, particularly paper products, are frequently volatile and when they decline, our revenues, operating results and cash flows will be affected. Some of our recycling operations offer rebates to customers based on the market prices of commodities we buy to process for resale. Therefore, if we recognize increased revenues resulting from higher prices for recyclable commodities, the rebates we pay to suppliers will also increase, which also may impact our operating results.

Our results will be affected by changes in the value of renewable fuel.

Variations in the price of methane gas and other energy-related products that are marketed and sold by our landfill gas recovery operations affect our results. Pursuant to the Energy Independence and Security Act of 2007, the United States EPA has promulgated the Renewable Fuel Standards, or RFS, which require refiners to either blend "renewable fuels," such as ethanol and biodiesel, into their transportation fuels or to purchase renewable fuel credits, known as renewable identification numbers, or RINs, in lieu of blending. In some cases, landfill gas generated at our landfills qualifies as a renewable fuel for which RINs are available. The price of RINs has been extremely volatile and is dependent upon a variety of factors, including potential legislative changes, the availability of RINs for purchase, the demand for RINs, which is dependent on transportation fuel production levels, the mix of the petroleum business' petroleum products and fuel blending performed at the refineries and downstream terminals, all of which can vary significantly from period to period. On December 12, 2016, the EPA promulgated its 2017 RFS, increasing the renewable fuel volume requirements across all types of biofuels under the RFS program. However, there have been proposals to legislatively limit the RFS program. For example, earlier in 2016, a bill (H.R. 5180) was introduced in the United States House of Representatives seeking to limit the volumes of ethanol required to be blended by refiners to no more than 9.7% of the total volume of gasoline expected to be sold or introduced into commerce in the United States. Further, in January 2017, implementation of the rule setting 2017 renewable volume requirements was temporarily delayed for further review. Reductions or limitations on the requirement to blend renewable fuel would likely reduce the volume of RINs.

In Canada, the Renewable Fuels Regulations under the Canadian Environmental Protection Act, 1999 require producers and importers of gasoline, diesel fuel and heating distillate to acquire a certain number of renewable fuel compliance units, or Compliance Units, in connection with the volumes of fuel they produce or import. Compliance Units can be generated in a number of ways, including through the blending of renewable fuel into liquid petroleum fuels. In some cases, landfill gas generated at our landfills in Canada qualifies as a renewable fuel that can be sold by our Company to blenders or refiners for the purpose of creating Compliance Units. Certain provincial jurisdictions in Canada also impose obligations to incorporate renewable fuels into fuels that are distributed

within the jurisdiction. The price for our renewable fuel in Canada is dependent on a variety of factors, including demand. The Canadian federal government announced in 2016 that it will be developing a new clean fuel standard in the future that would provide more flexibility with respect to how to achieve lower carbon fuels in Canada. At this time, we do not know how a future clean fuel standard in Canada could impact demand for our renewable fuel.

A significant reduction in the value of RINs in the United States or the price paid for our renewable fuel in Canada could adversely impact our reported results.

Lower crude oil prices may adversely affect the level of exploration, development and production activity of E&P companies and the demand for our E&P waste services.

Lower crude oil prices and the volatility of such prices may affect the level of investment and the amount of linear feet drilled in the basins where we operate, as it may impact the ability of E&P companies to access capital on economically advantageous terms or at all. In addition, E&P companies may elect to decrease investment in basins where the returns on investment are inadequate or uncertain due to lower crude oil prices or volatility in crude oil prices. Such reductions in capital spending would negatively impact E&P waste generation and therefore the demand for our services. Further, we cannot provide assurances that higher crude oil prices will result in increased capital spending and linear feet drilled by our customers in the basins where we operate.

Increases in the price of diesel or compressed natural gas fuel may adversely affect our collection business and reduce our operating margins.

The market price of diesel fuel is volatile. We generally purchase diesel fuel at market prices, and such prices have fluctuated significantly in recent years. A significant increase in market prices for fuel could adversely affect our waste collection business through a combination of higher fuel and disposal-related transportation costs and reduce our operating margins and reported earnings. To manage a portion of this risk, we have entered into fuel hedge agreements related to forecasted diesel fuel purchases and fixed-price fuel purchase contracts. During periods of falling diesel fuel prices, our hedge payable positions may increase and it may become more expensive to purchase fuel under fixed-price fuel purchase contracts than at market prices.

We utilize compressed natural gas ("CNG") in a small percentage of our fleet and we may convert more of our fleet from diesel fuel to CNG over time. The market price of CNG is also volatile; a significant increase in such cost could adversely affect our operating margins and reported earnings.

Our financial results are based upon estimates and assumptions that may differ from actual results.

In preparing our consolidated financial statements in accordance with U.S. generally accepted accounting principles, estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and we must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to our accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, asset impairments and litigation, claims and assessments. Actual results for all estimates could differ materially from the estimates and assumptions that we use, which could have an adverse effect on our financial condition and results of operations.

Our accruals for our landfill site closure and post-closure costs may be inadequate.

We are required to pay capping, closure and post-closure maintenance costs for landfill sites that we own and operate. We are also required to pay capping, closure and post-closure maintenance costs for operated landfills for which we have life-of-site agreements. Our obligations to pay closure or post-closure costs may exceed the amount we have accrued and reserved and other amounts available from funds or reserves established to pay such costs. In addition, the completion or closure of a landfill site does not end our environmental obligations. After completion or closure of a landfill site, there exists the potential for unforeseen environmental problems to occur that could result in substantial remediation costs or potential litigation. Paying additional amounts for closure or post-closure costs and/or for environmental remediation and/or for litigation could harm our financial condition or operating results.

Increases in insurance costs and the amount that we self-insure for various risks could reduce our operating margins and reported earnings.

We maintain high deductible insurance policies for automobile, general, employer's, environmental, cyber, employment practices and directors' and officers' liability as well as for employee group health insurance, property insurance and workers' compensation. We carry umbrella policies for certain types of claims to provide excess coverage over the underlying policies and per incident deductibles or self-insured retentions. The amounts that we effectively self-insure could cause significant volatility in our operating margins and reported earnings based on the event and claim costs of incidents, accidents, injuries and adverse judgments. Our insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by our management with assistance from our third-party actuary and our third-party claims administrator. To the extent these estimates are inaccurate, we may recognize substantial additional expenses in future periods that would reduce operating margins and reported earnings. Furthermore, while we maintain liability insurance, our insurance is subject to coverage limitations. If we were to incur substantial liability, our insurance coverage may be inadequate to cover the entirety of such liability. This could have a material adverse effect on our financial position, results of operations and cash flows. One form of coverage limitation concerns claims for punitive damages, which are generally excluded from coverage under all of our liability insurance policies. A punitive damage award could have an adverse effect on our reported earnings in the period in which it occurs. Significant increases in premiums on insurance that we retain also could reduce our margins.

We may be subject in the normal course of business to judicial, administrative or other third-party proceedings that could interrupt or limit our operations, require expensive remediation, result in adverse judgments, settlements or fines and create negative publicity.

Governmental agencies may, among other things, impose fines or penalties on us relating to the conduct of our business, attempt to revoke or deny renewal of our operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations or as a result of third-party challenges, require us to install additional pollution control equipment or require us to remediate potential environmental problems relating to any real property that we or our predecessors ever owned, leased or operated or any waste that we or our predecessors ever collected, transported, disposed of or stored. Individuals, citizens groups, trade associations or environmental activists may also bring actions against us in connection with our operations that could interrupt or limit the scope of our business. Any adverse outcome in such proceedings could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and share price.

Pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements.

We are, and from time to time become, involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. Many of these matters raise complicated factual and legal issues and are subject to uncertainties and complexities, all of which make the matters costly to address. For example, in recent years, wage and employment laws have changed regularly and become increasingly complex, which has fostered litigation, including purported class actions. Similarly, citizen suits brought pursuant to environmental laws, such as those regulating the treatment of storm water runoff, have proliferated. The timing of the final resolutions to lawsuits, regulatory inquiries, and governmental and other legal proceedings is uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting our consolidated financial condition, results of operations and cash flows. See discussion in Note 10, "Commitments and Contingencies," of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Our financial results could be adversely affected by impairments of goodwill, indefinite-lived intangibles or property and equipment.

As a result of our acquisition strategy, we have a material amount of goodwill, indefinite-lived intangibles and property and equipment recorded in our financial statements. We do not amortize our existing goodwill or indefinite-lived intangibles and are required to test goodwill and indefinite-lived intangibles for impairment annually in the fourth quarter of the year and whenever events or changes in circumstances indicate that the carrying value of goodwill and/or indefinite-lived intangible assets may not be recoverable using the two-step process prescribed in the accounting guidance. The first step is a screen for potential impairment, using either a qualitative or quantitative assessment, while the second step measures the amount of the impairment, if any. We perform the first step of the required impairment tests of goodwill and indefinite-lived intangible assets using a quantitative assessment. The recoverability of property and equipment is tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Application of the impairment test requires judgment. A significant deterioration in a key estimate or assumption or a less significant deterioration to a combination of assumptions could result in an impairment charge in the future, which could have a significant adverse impact on our reported results. See the section Goodwill and Indefinite-Lived Intangible Assets as well as the discussion regarding New Accounting Pronouncements - Simplifying the Test for Goodwill Impairment in Note

1, "Organization, Business and Summary of Significant Accounting Policies" of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Income taxes may be uncertain.

Tax interpretations, regulations and legislation in the various jurisdictions in which we and our affiliates operate are subject to measurement uncertainty and the interpretations can impact net income, income tax expense or recovery, and deferred income tax assets or liabilities. In addition, tax rules and regulations, including those relating to foreign jurisdictions, are subject to interpretation and require judgment by us that may be challenged by the taxation authorities upon audit.

Future changes to U.S., Canadian and foreign tax laws could materially adversely affect us.

The U.S. Congress is considering an overhaul of the U.S. federal income tax laws and regulations during 2017 or 2018, which may include, among other changes, a reduction in the federal rate and loss of interest deductions. Such legislative action taken by the U.S. Congress, if ultimately enacted, could limit the availability of tax benefits or deductions that we currently claim, override tax treaties upon which we rely, or otherwise affect the taxes that the United States imposes on our operations. Such changes could materially adversely affect our effective tax rate and/or require us to take further action, at potentially significant expense, to seek to preserve our effective tax rate. In addition, if proposals were enacted that had the effect of limiting our ability as a Canadian corporation to take advantage of tax treaties with the United States, we could incur additional tax expense and/or otherwise incur business detriment.

In addition, the U.S. Congress, the Canadian government, the Organisation for Economic Co-operation and Development and other government agencies in jurisdictions where we and our affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting," where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The Organisation for Economic Co-operation and Development addressed fifteen specific actions as part of a comprehensive plan to create an agreed set of international rules for fighting base erosion and profit shifting that was presented in a report to the G20 finance ministers in October 2015. In November 2015, the G20 leaders endorsed such report. The Canadian government has acted on certain of the recommendations and is continuing to examine other recommendations. As a result, the tax laws in the United States, Canada, and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect us and our affiliates.

We may not be able to maintain a competitive effective corporate tax rate.

We cannot give any assurance as to what our effective tax rate will be in the future, because of, among other things, uncertainty regarding the tax policies of the jurisdictions where we operate. Our actual effective tax rate may vary from our expectation and that variance may be material. Additionally, the tax laws of the U.S., Canada and other jurisdictions could change in the future, and such changes could cause a material change in our effective tax rate.

Each business that we acquire or have acquired may have liabilities or risks that we fail or are unable to discover, or that become more adverse to our business than we anticipated at the time of acquisition.

It is possible that the corporate entities or sites we have acquired, or which we may acquire in the future, have liabilities or risks in respect of former or existing operations or properties, or otherwise, which we have not been able to identify and assess through our due diligence investigations. As a successor owner, we may be legally responsible for those liabilities that arise from businesses that we acquire. Even if we obtain legally enforceable representations, warranties and indemnities from the sellers of such businesses, they may not cover the liabilities fully or the sellers may not have sufficient funds to perform their obligations. Some environmental liabilities, even if we do not expressly assume them, may be imposed on us under various regulatory schemes and other applicable laws. In addition, our insurance program may not cover such sites and will not cover liabilities associated with some environmental issues that may have existed prior to attachment of coverage. A successful uninsured claim against us could harm our financial condition or operating results. Additionally, there may be other risks of which we are unaware that could have an adverse effect on businesses that we acquire or have acquired, such as foreign, state and local regulation and administrative risks. Another example of risk is interested parties that may bring actions against us in connection with operations that we acquire or have acquired. Furthermore, risks or liabilities we judge to be not material or remote at the time of acquisition may develop into more serious risks to our business. Any adverse outcome resulting from such risks or liabilities could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and share price. For example, see the

discussion regarding the Lower Duwamish Waterway Superfund Site Allocation Process in Note 10, "Commitments and Contingencies," of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Our indebtedness could adversely affect our financial condition and limit our financial flexibility.

As of December 31, 2016, we had approximately $3.633 billion of total indebtedness outstanding, and we may incur additional debt in the future. This amount of indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- expose us to interest rate risk since a majority of our indebtedness is at variable rates;
- limit our ability to obtain additional financing or refinancing at attractive rates;
- require the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures, dividends, share repurchases and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry; and
- place us at a competitive disadvantage relative to our competitors with less debt.

Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants under any of our indebtedness, we may be in default under the loan, which may entitle the lenders to accelerate the debt obligations. A default under one of our loans could result in cross-defaults under our other indebtedness. In order to avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating dividends or share repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, any of which may not be available on terms that are favorable to us, if at all.

We may be unable to obtain performance or surety bonds, letters of credit or other financial assurances or to maintain adequate insurance coverage.

If we are unable to obtain performance or surety bonds, letters of credit or insurance, we may not be able to enter into additional solid waste or other collection contracts or retain necessary landfill operating permits. Collection contracts, municipal contracts, transfer station operations and landfill closure and post-closure obligations may require performance or surety bonds, letters of credit or other financial assurance to secure contractual performance or comply with federal, state, provincial or local environmental laws or regulations. We typically satisfy these requirements by posting bonds or letters of credit. As of December 31, 2016, we had approximately $862.7 million of such surety bonds in place and approximately $247.5 million of letters of credit issued. Closure bonds are difficult and costly to obtain. If we are unable to obtain performance or surety bonds or additional letters of credit in sufficient amounts or at acceptable rates, we could be precluded from entering into additional collection contracts or obtaining or retaining landfill operating permits. Any future difficulty in obtaining insurance also could impair our ability to secure future contracts that are conditional upon the contractor having adequate insurance coverage. Accordingly, our failure to obtain performance or surety bonds, letters of credit or other financial assurances or to maintain adequate insurance coverage could limit our operations or violate federal, state, provincial, or local requirements, which could have a materially adverse effect on our business, financial condition and results of operations.

Our operations in Canada expose us to exchange rate fluctuations that could adversely affect our financial performance and our reported results of operations.

Our operations in Canada are conducted primarily in Canadian dollars. Our consolidated financial statements are denominated in U.S. dollars, and to prepare those financial statements we must translate the amounts of the assets, liabilities, net sales, other revenues and expenses of our operations in Canada from Canadian dollars into U.S. dollars using exchange rates for the current period. Fluctuations in the exchange rates that are unfavorable to us would have an adverse effect on our financial performance and reported results of operations.

Alternatives to landfill disposal may cause our revenues and operating results to decline.

Counties and municipalities in which we operate landfills may be required to formulate and implement comprehensive plans to reduce the volume of municipal solid waste deposited in landfills through waste planning, composting, recycling or other programs, while working to reduce the amount of waste they generate. Some state, provincial and local governments mandate diversion,

recycling and waste reduction at the source and prohibit the disposal of certain types of wastes, such as yard waste, food waste and electronics, at landfills. Even where not prohibited by state, provincial or local law, some grocery stores and restaurants have chosen to divert their organic waste from landfills, while other companies have set zero-waste goals where no waste is sent to a landfill. Although such actions are useful to protect our environment, these actions, as well as the actions of our customers to reduce waste or seek disposal alternatives, have reduced and may in the future further reduce the volume of waste going to landfills in certain areas, which may affect our ability to operate our landfills at full capacity and could adversely affect our operating results.

Labor union activity could divert management attention and adversely affect our operating results.

From time to time, labor unions attempt to organize our employees, and these efforts are likely to continue in the future. Certain groups of our employees are represented by unions, and we have negotiated collective bargaining agreements with most of these unions. Additional groups of employees may seek union representation in the future. As a result of these activities, we may be subjected to unfair labor practice charges, grievances, complaints and other legal and administrative proceedings initiated against us by unions or federal, state or provincial labor boards, which could negatively impact our operating results. Negotiating collective bargaining agreements with these unions could divert our management's attention, which could also adversely affect our operating results. If we are unable to negotiate acceptable collective bargaining agreements, we might have to wait through "cooling off" periods, which may be followed by work stoppages, including strikes or lock-outs. Depending on the type and duration of any such labor disruptions, our operating expenses could increase significantly, which could adversely affect our financial condition, results of operations and cash flows.

We could face significant withdrawal liability if we withdraw from participation in one or more multiemployer pension plans in which we participate and the accrued pension benefits are not fully funded.

We participate in six "multiemployer" pension plans administered by employee and union trustees. We make periodic contributions to these plans to fund pension benefits for our union employees pursuant to our various contractual obligations to do so. In the event that we withdraw from participation in or otherwise cease our contributions to one of these plans, then applicable law regarding withdrawal liability could require us to make additional contributions to the plan if the accrued benefits are not fully funded, and we would have to reflect that "withdrawal liability" as an expense in our consolidated statement of operations and as a liability on our consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent to which accrued benefits are funded. In the ordinary course of our renegotiation of collective bargaining agreements with labor unions that participate in these plans, we may decide to discontinue participation in a multiemployer plan, and in that event, we could face withdrawal liability. Some multiemployer plans in which we participate may from time to time have significant accrued benefits that are not funded. The size of our potential withdrawal liability may be affected by the level of unfunded accrued benefits, the actuarial assumptions used by the plan and the investment gains and losses experienced by the plan.

We rely on computer systems to run our business and disruptions or privacy breaches in these systems could impact our ability to service our customers and adversely affect our financial results, damage our reputation, and expose us to litigation risk.

Our businesses rely on computer systems to provide customer information, process customer transactions and provide other general information necessary to manage our businesses. We also rely on a payment card industry compliant third party to protect our customers' credit card information. We have an active disaster recovery plan in place that we continuously review and test. However, our computer systems are subject to damage or interruption due to cybersecurity threats, system conversions, power outages, computer or telecommunication failures, catastrophic physical events such as fires, tornadoes and hurricanes and usage errors by our employees. Given the unpredictability of the timing, nature and scope of such disruptions, we could be potentially subject to operational delays and interruptions in our ability to provide services to our customers. Any disruption caused by the unavailability of our computer systems could adversely affect our revenues or could require significant investment to fix or replace them, and, therefore, could affect our operating results.

In addition, cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. Further, as we pursue our acquisition growth strategy and pursue new initiatives that improve our operations and reduce our costs, we are also expanding and improving our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. If our network of security controls, policy enforcement mechanisms or monitoring systems we use to address these threats to technology fail, the theft or otherwise compromising of confidential or otherwise protected company, customer or employee information, destruction or corruption of data, security breaches or other

manipulation or improper use of our systems and networks could result in financial losses from remedial actions, business disruption, loss of business or potential liability, liabilities due to the violation of privacy laws and other legal actions, and damage to our reputation.

Extensive and evolving environmental, health and safety laws and regulations may restrict our operations and growth and increase our costs.

Existing environmental laws and regulations have become more stringently enforced in recent years. In addition, our industry is subject to regular enactment of new or amended federal, state, provincial and local environmental and health and safety statutes, regulations and ballot initiatives, as well as judicial decisions interpreting these requirements, which have become more stringent over time. Citizen suits brought pursuant to environmental laws have proliferated. We expect these trends to continue, which could lead to material increases in our costs for future environmental, health and safety compliance. These requirements also impose substantial capital and operating costs and operational limitations on us and may adversely affect our business. In addition, federal, state, provincial and local governments may change the rights they grant to, the restrictions they impose on or the laws and regulations they enforce against, solid waste and E&P waste services companies. These changes could adversely affect our operations in various ways, including without limitation, by restricting the way in which we manage storm water runoff, comply with health and safety laws, treat and dispose of E&P or other waste or our ability to operate and expand our business.

Governmental authorities and various interest groups in the United States and Canada have promoted laws and regulations that could or will limit greenhouse gas, or GHG, emissions due to concerns that GHGs are contributing to climate change. For example, the State of California and several Canadian provinces have enacted climate change laws, and other states and provinces in which we operate are considering similar actions. In addition, the EPA made an endangerment finding in 2009 allowing certain GHGs to be regulated under the CAA. This finding allows the EPA to create regulations that will impact our operations – including imposing emission reporting, permitting, control technology installation and monitoring requirements, although the materiality of the impacts will not be known until all applicable regulations are promulgated and finalized. Regulation of GHG emissions from oil and natural gas E&P operations may also increase the costs to our customers of developing and producing hydrocarbons, and as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers. These statutes and regulations increase the costs of our operations, and future climate change statutes and regulations may have an impact as well.

Our business is subject to operational and safety risks, including the risk of personal injury to employees and others.

Providing environmental and waste management services, including constructing and operating landfills, involves risks such as truck accidents, equipment defects, malfunctions and failures. Additionally, we closely monitor and manage landfills to minimize the risk of waste mass instability and releases of hazardous materials or odors that could be triggered by weather or natural disasters. There may also be risks presented by the potential for subsurface chemical reactions causing elevated landfill temperatures.

We also build and operate natural gas fueling stations, some of which also serve the public or third parties. Operation of fueling stations and landfill gas collection and control systems involves additional risks of fire and explosion. Any of these risks could potentially result in injury or death of employees and others, a need to shut down or reduce operation of facilities, increased operating expense and exposure to liability for pollution and other environmental damage, and property damage or destruction.

While we seek to minimize our exposure to such risks through comprehensive training, compliance and response and recovery programs, as well as vehicle and equipment maintenance programs, if we were to incur substantial liabilities in excess of any applicable insurance coverage, our business, results of operations and financial condition could be adversely affected. Any such incidents could also tarnish our reputation and reduce the value of our brand. Additionally, a major operational failure, even if suffered by a competitor, may bring enhanced scrutiny and regulation of our industry, with a corresponding increase in operating expense.

Future changes in laws regulating the flow of solid waste in interstate commerce could adversely affect our operating results.

Various state, provincial and local governments and the Canadian federal government have enacted, have the authority to enact or are considering enacting laws and regulations that restrict disposal within the jurisdiction of solid waste generated outside the jurisdiction. In addition, some state, provincial and local governments and the Canadian federal government have promulgated, have the authority to promulgate or are considering promulgating laws and regulations which govern the flow of waste generated within their respective jurisdictions. These "flow control" laws and regulations typically require that waste generated within the jurisdiction be retained within the jurisdiction or be directed to specified facilities for disposal or processing, which could limit or prohibit the disposal or processing of waste in our transfer stations and landfills or require notices be delivered or permits to be obtained prior to transport or final disposal. Certain of these flow control laws and regulations could also require us to deliver waste we collect within a particular jurisdiction to facilities not owned or controlled by us, which could increase our costs and reduce our revenues. In addition,

such laws and regulations could require us to obtain additional costly licenses or authorizations in order to be deemed an authorized hauler or disposal facility. All such waste disposal laws and regulations are subject to judicial interpretation and review. Court decisions, legislation and federal, state, provincial and local regulation in the waste disposal area could adversely affect our operations.

Extensive regulations that govern the design, operation, expansion and closure of landfills may restrict our landfill operations or increase our costs of operating landfills.

If we fail to comply with federal, state and provincial regulations, as applicable, governing the design, operation, expansion, closure and financial assurance of MSW, non-MSW and E&P waste landfills, we could be required to undertake investigatory or remedial activities, curtail operations or close such landfills temporarily or permanently. Future changes to these regulations may require us to modify, supplement or replace equipment or facilities at substantial costs. If regulatory agencies fail to enforce these regulations vigorously or consistently, our competitors whose facilities are not forced to comply with the regulations may obtain an advantage over us. Our financial obligations arising from any failure to comply with these regulations could harm our business and operating results.

Our E&P waste business could be adversely affected by changes in laws regulating E&P waste.

We believe that the demand for our E&P waste services is directly related to the regulation of E&P waste. In particular, the U.S. Resource Conservation and Recovery Act, or RCRA, which governs the disposal of solid and hazardous waste, currently exempts certain E&P wastes from classification as hazardous wastes. In recent years, proposals have been made to rescind this exemption from RCRA. If the exemption covering E&P wastes is repealed or modified, or if the regulations interpreting the rules regarding the treatment or disposal of this type of waste were changed, our operations could face significantly more stringent regulations, permitting requirements, and other restrictions, which could have a material adverse effect on our business.

In addition, if new federal, state, provincial or local laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities and make it more difficult or costly for our customers to perform fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could reduce our customers' oil and natural gas E&P activities and, therefore, adversely affect our business. Such laws or regulations could also materially increase our costs of compliance and doing business by more strictly regulating how hydraulic fracturing wastes are handled or disposed. Conversely, any loosening of existing federal, state, provincial or local laws or regulations regarding how such wastes are handled or disposed could adversely impact demand for our services.

Liabilities for environmental damage may adversely affect our financial condition, business and earnings.

We may be liable for any environmental damage that our current or former operations cause, including damage to neighboring landowners or residents, particularly as a result of the contamination of soil, groundwater or surface water, and especially drinking water, or to natural resources. We may be liable for damage resulting from conditions existing before we acquired these operations. Even if we obtain legally enforceable representations, warranties and indemnities from the sellers of these operations, they may not cover the liabilities fully or the sellers may not have sufficient funds to perform their obligations.

We may also be liable for any on-site environmental contamination caused by pollutants or hazardous substances whose transportation, treatment or disposal we or our predecessors arranged or conducted. Some environmental laws and regulations may impose strict, joint and several liability in connection with releases of regulated substances into the environment. Therefore, in some situations we could be exposed to liability as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties, including our predecessors. If we were to incur liability for environmental damage, environmental clean-ups, corrective action or damage not covered by insurance or in excess of the amount of our coverage, our financial condition or operating results could be materially adversely affected. For example, see the discussion regarding the Lower Duwamish Waterway Superfund Site Allocation Process in Note 10, "Commitments and Contingencies," of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

We depend significantly on the services of the members of our senior and regional management team, and the departure of any of those persons could cause our operating results to suffer.

Our success depends significantly on the continued individual and collective contributions of our senior and regional management team. Of particular importance to our success are the services of our founder, Chief Executive Officer and Chairman, Ronald J. Mittelstaedt. Key members of our management, including Mr. Mittelstaedt, have entered into employment agreements, but we may not be able to enforce these agreements. The loss of the services of any member of our senior and regional management or the inability to hire and retain experienced management personnel could harm our operating results.

Our decentralized decision-making structure could allow local managers to make decisions that may adversely affect our operating results.

We manage our operations on a decentralized basis. Local managers have the authority to make many decisions concerning their operations without obtaining prior approval from executive officers, subject to compliance with general company-wide policies. Poor decisions by local managers could result in the loss of customers or increases in costs, in either case adversely affecting operating results.

If we are not able to develop and protect intellectual property, or if a competitor develops or obtains exclusive rights to a breakthrough technology, our financial results may suffer.

Our existing and proposed service offerings to customers may require that we develop or license, and protect, new technologies. We may experience difficulties or delays in the research, development, production and/or marketing of new products and services which may negatively impact our operating results and prevent us from recouping or realizing a return on the investments required to bring new products and services to market. Further, protecting our intellectual property rights and combating unlicensed copying and use of intellectual property is difficult, and any inability to obtain or protect new technologies could impact our services to customers and development of new revenue sources. Additionally, a competitor may develop or obtain exclusive rights to a "breakthrough technology" that provides a revolutionary change in traditional waste management. If we have inferior intellectual property to our competitors, our financial results may suffer.

We have identified a material weakness in our internal control over financial reporting which could, if not remediated, increase the possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected and corrected on a timely basis.

Our management is responsible for establishing and maintaining adequate internal controls over our financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As disclosed in Item 9A, "Controls and Procedures," of Part II of this Annual Report on Form 10-K, in connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2016, we concluded that there is a material weakness in internal control over financial reporting related to our review procedures over the development and application of inputs, assumptions, and calculations used in fair value measurements associated with business combinations. The Exchange Act Rule 12b-2 and Rule 1-02(p) of Regulation S-X define a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis. Our management, with oversight from our Audit Committee, is in the process of developing and implementing remediation plans in response to the identified material weakness. Although we plan to complete this remediation process as quickly as possible, we cannot at this time estimate how long it will take, and our initiatives may not prove to be successful in remediating this material weakness.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2016, we owned 261 solid waste collection operations, 99 transfer stations, 55 MSW landfills, 11 E&P waste landfills, 13 non-MSW landfills, 71 recycling operations, five intermodal operations, 22 E&P liquid waste injection wells and 17 E&P waste treatment and oil recovery facilities, and operated, but did not own, an additional 36 transfer stations, 13 MSW landfills, one non-MSW landfill and two intermodal operations, in 40 states and the District of Columbia in the U.S. and five provinces in Canada. Non-MSW landfills accept construction and demolition, industrial and other non-putrescible waste. We lease certain of the sites on which these facilities are located. We lease various office facilities, including our corporate office in Ontario, Canada, where we occupy approximately 12,000 square feet of space, and our administrative office in The Woodlands, Texas, where we occupy approximately 67,000 square feet of space. We also maintain regional administrative offices in each of our segments. We own a variety of equipment, including waste collection and transportation vehicles, related support vehicles, double-stack rail cars, carts, containers, chassis and heavy equipment used in landfill, collection, transfer station, waste treatment and intermodal operations. We believe that our existing facilities and equipment are adequate for our current operations. However, we expect to make additional investments in property and equipment for expansion and replacement of assets in connection with future acquisitions.

ITEM 3. LEGAL PROCEEDINGS

Information regarding our legal proceedings can be found under the "Legal Proceedings" section in Note 10 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10K and is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURE

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "WCN". The following table sets forth the high and low prices per common share, as reported on the New York Stock Exchange and the Toronto Stock Exchange, and the cash dividends declared per common share, for the periods indicated.

	NEW YORK STOCK EXCHANGE(1)		TORONTO STOCK EXCHANGE (CAD $) (2)		DIVIDENDS
	HIGH	LOW	HIGH	LOW	DECLARED(3)
2017					
First Quarter (through February 10, 2017)	$ 81.98	$ 78.36	$ 108.52	$ 102.53	$ 0.180
2016					
Fourth Quarter	$ 79.90	$ 71.71	$ 107.50	$ 94.67	$ 0.180
Third Quarter	79.72	71.31	103.77	93.34	0.145
Second Quarter	74.23	59.92	94.76	85.00	0.145
First Quarter	66.25	50.64	N/A	N/A	0.145
2015					
Fourth Quarter	$ 57.65	$ 48.16	N/A	N/A	$ 0.145
Third Quarter	51.10	45.70	N/A	N/A	0.130
Second Quarter	49.39	44.81	N/A	N/A	0.130
First Quarter	48.96	42.05	N/A	N/A	0.130

(1) Source is the New York Stock Exchange historical data and includes share prices of Old Waste Connections common stock for periods prior to the completion of the Progressive Waste acquisition on June 1, 2016, and New Waste Connections common shares for periods following the completion of the Progressive Waste acquisition.

(2) Source is the Toronto Stock Exchange historical data and includes share prices of New Waste Connections common shares following the completion of the Progressive Waste acquisition on June 1, 2016. Our common shares began trading under the symbol "WCN" on the Toronto Stock Exchange following the completion of the Progressive Waste acquisition.

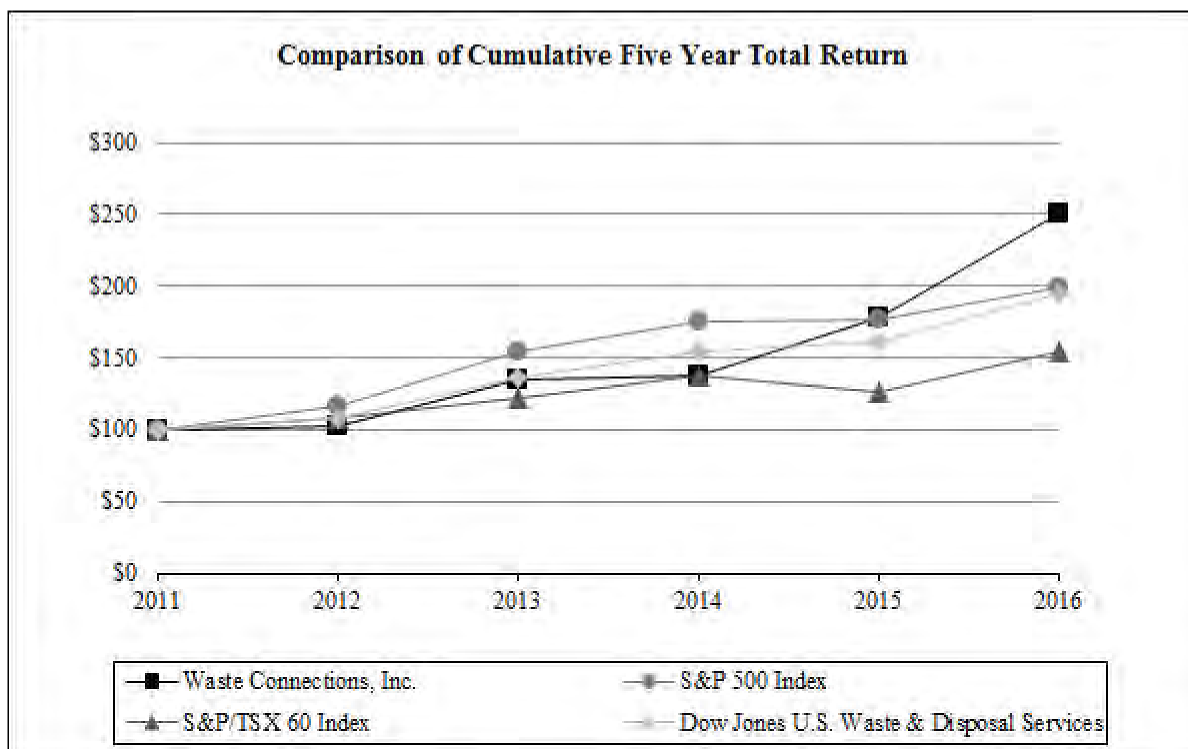
(3) On February 21, 2017, we announced that our Board of Directors approved a regular quarterly cash dividend of $0.18 per common share. Our Board of Directors will review the cash dividend periodically, with a long-term objective of increasing the amount of the dividend. We cannot assure you as to the amounts or timing of future dividends. We have the ability under our credit agreement and master note purchase agreement to repurchase our common shares and pay dividends provided we maintain specified financial ratios.

As of February 10, 2017, there were 79 holders of record of our common shares.

Performance Graph

The following performance graph compares the total cumulative shareholder returns on our common shares over the past five fiscal years with the total cumulative returns for the S&P 500 Index, the S&P/TSX 60 Index and the Dow Jones U.S. Waste and Disposal Services Index, or DJ Waste Services Index.

The graph depicts a five-year comparison of cumulative total returns for Old Waste Connections common stock for periods prior to the completion of the Progressive Waste acquisition on June 1, 2016, and New Waste Connections common shares for periods following the completion of the Progressive Waste acquisition. The graph assumes an investment of $100 in our common shares on December 31, 2011, and the reinvestment of all dividends. This chart has been calculated in compliance with SEC requirements and prepared by Capital IQ®.



This graph and the accompanying text is not "soliciting material," is not deemed filed with the SEC, and is not to be incorporated by reference in any filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

	Base Period	Indexed Returns Years Ending				
Company Name / Index	**Dec11**	**Dec12**	**Dec13**	**Dec14**	**Dec15**	**Dec16**
Waste Connections, Inc.	$ 100	$ 103.17	$ 134.61	$ 137.12	$ 177.47	$ 249.83
S&P 500 Index	$ 100	$ 116.00	$ 153.57	$ 174.60	$ 177.01	$ 198.18
S&P/TSX 60 Index	$ 100	$ 108.07	$ 122.39	$ 137.41	$ 126.74	$ 153.82
Dow Jones U.S. Waste & Disposal Services Index	$ 100	$ 108.50	$ 135.56	$ 154.20	$ 160.66	$ 194.63

THE SHARE PRICE PERFORMANCE INCLUDED IN THIS GRAPH IS NOT NECESSARILY INDICATIVE OF FUTURE SHARE PRICE PERFORMANCE.

ITEM 6. SELECTED FINANCIAL DATA

This table sets forth our selected financial data for the periods indicated. This data should be read in conjunction with, and is qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Annual Report on Form 10-K and our audited consolidated financial statements, including the related notes and our independent registered public accounting firm's report and the other financial information included in Item 8 of this Annual Report on Form 10-K. The selected data in this section is not intended to replace the consolidated financial statements included in this Annual Report on Form 10-K.

	YEARS ENDED DECEMBER 31,				
	2016 [a]	2015 [a]	2014 [a]	2013	2012
	(in thousands of U.S. dollars, except share and per share data)				
STATEMENT OF OPERATIONS DATA:					
Revenues	$ 3,375,863	$ 2,117,287	$ 2,079,166	$ 1,928,795	$ 1,661,618
Operating expenses:					
Cost of operations	1,957,712	1,177,409	1,138,388	1,064,819	956,357
Selling, general and administrative	474,263	237,484	229,474	212,637	197,454
Depreciation	393,600	240,357	230,944	218,454	169,027
Amortization of intangibles	70,312	29,077	27,000	25,410	24,557
Impairments and other operating items	27,678	494,492	4,091	14,031	(1,924)
Operating income (loss)	452,298	(61,532)	449,269	393,444	316,147
Interest expense	(92,709)	(64,236)	(64,674)	(73,579)	(53,037)
Other income (expense), net	655	(518)	1,067	1,056	1,993
Foreign currency transaction gain	1,121	-	-	-	-
Income (loss) before income tax provision	361,365	(126,286)	385,662	320,921	265,103
Income tax (provision) benefit	(114,044)	31,592	(152,335)	(124,916)	(105,443)
Net income (loss)	247,321	(94,694)	233,327	196,005	159,660
Less: Net income attributable to noncontrolling interests	(781)	(1,070)	(802)	(350)	(567)
Net income (loss) attributable to Waste Connections	$ 246,540	$ (95,764)	$ 232,525	$ 195,655	$ 159,093
Earnings (loss) per common share attributable to Waste Connections' common shareholders:					
Basic	$ 1.61	$ (0.78)	$ 1.87	$ 1.58	$ 1.31
Diluted	$ 1.60	$ (0.78)	$ 1.86	$ 1.58	$ 1.31
Shares used in the per share calculations:					
Basic	153,550,008	123,491,931	124,215,346	123,597,540	121,172,381
Diluted	154,054,331	123,491,931	124,787,421	124,165,052	121,824,349
Cash dividends per common share	$ 0.615	$ 0.535	$ 0.475	$ 0.415	$ 0.37
Cash dividends paid	$ 92,547	$ 65,990	$ 58,906	$ 51,213	$ 44,465

(a) For more information regarding this selected financial data, see the Management's Discussion and Analysis of Financial Condition and Results of Operations section included in Item 7 of this Annual Report on Form 10-K.

	DECEMBER 31,				
	2016	2015	2014	2013	2012
	(in thousands of U.S. dollars)				
BALANCE SHEET DATA:					
Cash and equivalents	$ 154,382	$ 10,974	$ 14,353	$ 13,591	$ 23,212
Working capital surplus (deficit)	140,392	(15,847)	5,833	(16,513)	(55,086)
Property and equipment, net	4,738,055	2,738,288	2,594,205	2,450,649	2,457,606
Total assets	11,193,102	5,121,798	5,245,267	5,057,617	5,067,199
Long-term debt and notes payable	3,616,760	2,147,127	1,971,152	2,060,955	2,196,140
Total equity	5,654,877	1,991,784	2,233,741	2,048,207	1,883,130

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the "Selected Financial Data" included in Item 6 of this Annual Report on Form 10-K, our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K.

Industry Overview

The solid waste industry is a local and highly competitive business, requiring substantial labor and capital resources. The participants compete for collection accounts primarily on the basis of price and, to a lesser extent, the quality of service, and compete for landfill business on the basis of tipping fees, geographic location and quality of operations. The solid waste industry has been consolidating and continues to consolidate as a result of a number of factors, including the increasing costs and complexity associated with waste management operations and regulatory compliance. Many small independent operators and municipalities lack the capital resources, management, operating skills and technical expertise necessary to operate effectively in such an environment. The consolidation trend has caused solid waste companies to operate larger landfills that have complementary collection routes that can use company-owned disposal capacity. Controlling the point of transfer from haulers to landfills has become increasingly important as landfills continue to close and disposal capacity moves farther from the collection markets it serves.

Generally, the most profitable operators within the solid waste industry are those companies that are vertically integrated or enter into long-term collection contracts. A vertically integrated operator will benefit from: (1) the internalization of waste, which is bringing waste to a company-owned landfill; (2) the ability to charge third-party haulers tipping fees either at landfills or at transfer stations; and (3) the efficiencies gained by being able to aggregate and process waste at a transfer station prior to landfilling.

The E&P waste services industry is regional in nature and is also highly fragmented, with acquisition opportunities available in several active natural resource basins. Competition for E&P waste comes primarily from smaller regional companies that utilize a variety of disposal methods and generally serve specific geographic markets, and other solid waste companies. In addition, customers in many markets have the option of using internal disposal methods or outsourcing to another third-party disposal company. The principal competitive factors in this business include: gaining customer approval of treatment and disposal facilities; location of facilities in relation to customer activity; reputation; reliability of services; track record of environmental compliance; ability to accept multiple waste types at a single facility; and price. The demand for our E&P waste services depends on the continued demand for, and production of, oil and natural gas. Crude oil and natural gas prices historically have been volatile and the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and into early 2016, resulted in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate. During the year ended December 31, 2015, we recorded charges totaling $517.8 million associated with the impairment of a portion of our goodwill, intangible assets and property and equipment within our E&P segment as a result of the sustained decline in oil prices being experienced at the time, together with market expectations of a likely slow recovery in such prices, making it more likely than not that the fair value of these assets had decreased below their respective carrying values. The prices of crude oil and natural gas began to recover during the later portion of 2016 and into early 2017 and the demand for our E&P waste services has improved as a result of increased production of oil and natural gas. If this recovery of the prices of crude oil and natural gas is not sustained, or if a further reduction in crude oil and natural gas prices occurs, it could lead to continued declines in the level of production activity and demand for our E&P waste services, which could result in the recognition of additional impairment charges on our goodwill, intangible assets and property and equipment associated with our E&P operations.

Executive Overview

We are an integrated solid waste services company that provides waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. and Canada. Through our R360 Environmental Solutions subsidiary, we are also a leading provider of non-hazardous E&P waste treatment, recovery and disposal services in several of the most active natural resource producing areas in the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

We seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple municipal sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. We also target niche markets, like E&P waste treatment and disposal services.

As of December 31, 2016, we served residential, commercial, industrial and E&P customers in 40 states and the District of Columbia in the U.S. and five provinces in Canada: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and Wyoming and the provinces of Alberta, British Columbia, Manitoba, Ontario and Québec. As of December 31, 2016, we owned or operated a network of 261 solid waste collection operations; 135 transfer stations; seven intermodal facilities; 71 recycling operations; 93 active MSW, E&P and/or non-MSW landfills; 22 E&P liquid waste injection wells and 17 E&P waste treatment and oil recovery facilities.

2016 Financial Performance

The functional currency of the Company, as the parent corporate entity, and its operating subsidiaries in the United States is the U.S. dollar. The functional currency of the Company's Canadian operations is the Canadian dollar. The reporting currency of the Company is the U.S. dollar. The Company's consolidated Canadian dollar financial position is translated to U.S. dollars by applying the foreign currency exchange rate in effect at the consolidated balance sheet date. The Company's consolidated Canadian dollar results of operations and cash flows are translated to U.S. dollars by applying the average foreign currency exchange rate in effect during the reporting period. The resulting translation adjustments are included in other comprehensive income or loss. Gains and losses from foreign currency transactions are included in earnings for the period.

Operating Results

Revenues in 2016 increased 59.4% to $3.376 billion from $2.117 billion in 2015, due primarily to acquisitions, which accounted for $1.270 billion in incremental revenues in 2016, with the remainder due to growth in solid waste, partially offset by decreased E&P waste activity. Solid waste internal growth increased to 4.5% in 2016, from 4.2% in 2015, due primarily to higher recycled commodity values. Pricing growth was 0.1 percentage point lower than in 2015, due to lower growth in fuel, materials and environmental surcharges, and smaller increases in landfill and hauling volumes contributed to total volume growth decreasing to 1.9% in 2016 from 2.2% in 2015. Recycled commodity prices increased in 2016 after decreasing in 2015, thus resulting in recycling contributing 0.1% to internal growth in 2016 versus a negative 0.6% 2015. E&P waste revenues decreased to $120.5 million from $215.4 million in 2015, due to decreased activity at existing facilities.

In 2016, adjusted earnings before interest, taxes, depreciation and amortization, or adjusted EBITDA, a non-GAAP financial measure (refer to page 68 of this Annual Report on Form 10-K for a definition and reconciliation to Net income (loss) attributable to Waste Connections), increased 50.7% to $1.071 billion, from $710.6 million in 2015. As a percentage of revenue, adjusted EBITDA decreased from 33.6% in 2015, to 31.7% in 2016. This 1.9 percentage point decrease was attributable to the comparably lower margin profile of Progressive Waste operations acquired on June 1, 2016. Adjusted net income attributable to Waste Connections, a non-GAAP financial measure (refer to page 69 of this Annual Report on Form 10-K for a definition and reconciliation to Net income (loss) attributable to Waste Connections), in 2016 increased 61.4% to $395.2 million from $244.9 million in 2015.

Adjusted Free Cash Flow

Net cash provided by operating activities increased 37.8% to $795.3 million in 2016, from $577.0 million in 2015, and capital expenditures increased from $238.8 million in 2015 to $344.7 million in 2016, an increase of $105.9 million, or 44.3%. This increase in capital expenditures was primarily due to the Progressive Waste acquisition. Adjusted free cash flow, a non-GAAP financial measure (refer to page 67 of this Annual Report on Form 10-K for a definition and reconciliation to Net cash provided by operating activities), increased by $207.9 million to $550.9 million in 2016, from $343.0 million in 2015. Adjusted free cash flow as a percentage of revenues was 16.3% in 2016, as compared to 16.2% in 2015.

Return of Capital to Shareholders

In 2016, we returned $92.5 million to shareholders through cash dividends declared by our Board of Directors, which also increased the quarterly cash dividend by 24% from $0.145 to $0.18 per common share in October 2016. Our Board of Directors intends to review the quarterly dividend during the fourth quarter of each year, with a long-term objective of increasing the amount of the dividend. In 2016, we did not repurchase any common shares due to the size and timing of acquisitions. We expect the amount of capital we return to shareholders through share repurchases to vary depending on our financial condition and results of operations, capital structure, the amount of cash we deploy on acquisitions, the market price of our common shares, and overall market conditions. We cannot assure you as to the amounts or timing of future share repurchases or dividends. We have the ability under our credit agreement and master note purchase agreement to repurchase our common shares and pay dividends provided that we maintain specified financial ratios.

Capital Position

We target a leverage ratio, as defined in our credit agreement, of approximately 2.75x – 3.0x total debt to EBITDA. Total consideration for the Progressive Waste acquisition consisted of the issuance of common shares and the assumption of Progressive Waste's debt and other liabilities.

The percentage increase in EBITDA in 2016 more than offset the percentage increase in debt in 2016; therefore, our leverage ratio decreased to 2.69x at December 31, 2016, from 2.88x at December 31, 2015.

Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the consolidated financial statements. As described by the SEC, critical accounting estimates and assumptions are those that may be material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and that have a material impact on the financial condition or operating performance of a company. Such critical accounting estimates and assumptions are applicable to our reportable segments. Based on this definition, we believe the following are our critical accounting estimates.

Insurance liabilities. We maintain high deductible or self-insured retention insurance policies for automobile, general, employer's, environmental, cyber, employment practices and directors' and officers' liability as well as for employee group health insurance, property insurance and workers' compensation. We carry umbrella policies for certain types of claims to provide excess coverage over the underlying policies and per incident deductibles or self-insured retentions. Our insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by our management with assistance from our third-party actuary and third-party claims administrator. The insurance accruals are influenced by our past claims experience factors, which have a limited history, and by published industry development factors. If we experience insurance claims or costs above or below our historically evaluated levels, our estimates could be materially affected. The frequency and amount of claims or incidents could vary significantly over time, which could materially affect our self-insurance liabilities. Additionally, the actual costs to settle the self-insurance liabilities could materially differ from the original estimates and cause us to incur additional costs in future periods associated with prior year claims.

Income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. If our judgment and estimates concerning assumptions made in calculating our expected future income tax rates are incorrect, our deferred tax assets and liabilities would change. Based on our net deferred tax liability balance at December 31, 2016, each 0.1 percentage point change to our expected future income tax rates would change our net deferred tax liability balance and income tax expense by approximately $2.3 million.

Accounting for landfills. We recognize landfill depletion expense as airspace of a landfill is consumed. Our landfill depletion rates are based on the remaining disposal capacity at our landfills, considering both permitted and probable expansion airspace. We calculate the net present value of our final capping, closure and post-closure commitments by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in our final capping, closure and post-closure liabilities being recorded in "layers." The resulting final capping, closure and post-closure obligations are recorded on the consolidated balance sheet along with an offsetting addition to site costs, which is amortized to depletion expense as the remaining landfill airspace is consumed. Interest is accreted on the recorded liability using the corresponding discount rate. The accounting methods discussed below require us to make certain estimates and assumptions. Changes to these estimates and assumptions could have a material effect on our financial condition and results of operations. Any changes to our estimates are applied prospectively.

Landfill development costs. Landfill development costs include the costs of acquisition, construction associated with excavation, liners, site berms, groundwater monitoring wells, gas recovery systems and leachate collection systems. We estimate the total costs associated with developing each landfill site to its final capacity. Total landfill costs include the development costs associated with expansion airspace. Expansion airspace is described below. Landfill development costs depend on future events and thus actual costs

could vary significantly from our estimates. Material differences between estimated and actual development costs may affect our cash flows by increasing our capital expenditures and thus affect our results of operations by increasing our landfill depletion expense.

Final capping, closure and post-closure obligations. We accrue for estimated final capping, closure and post-closure maintenance obligations at the landfills we own, and the landfills that we operate, but do not own, under life-of-site agreements. We could have additional material financial obligations relating to final capping, closure and post-closure costs at other disposal facilities that we currently own or operate or that we may own or operate in the future. Our discount rate assumption for purposes of computing 2016 and 2015 "layers" for final capping, closure and post-closure obligations was 4.75% for both years, which reflects our long-term credit adjusted risk free rate as of the end of both 2015 and 2014. Our inflation rate assumption was 2.5% for the years ended December 31, 2016 and 2015. Significant reductions in our estimates of the remaining lives of our landfills or significant increases in our estimates of the landfill final capping, closure and post-closure maintenance costs could have a material adverse effect on our financial condition and results of operations. Additionally, changes in regulatory or legislative requirements could increase our costs related to our landfills, resulting in a material adverse effect on our financial condition and results of operations.

We own two landfills for which the prior owner is obligated to reimburse us for certain costs we incur for final capping, closure and post-closure activities on the portion of the landfills utilized by the prior owner. We accrue the prior owner's portion of the final capping, closure and post-closure obligation within the balance sheet classification of Other long-term liabilities, and a corresponding receivable from the prior owner in long-term Other assets.

Disposal capacity. Our internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at our landfills. Our landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills that we own and at landfills that we operate, but do not own, under life-of-site agreements. Our landfill depletion rate is based on the term of the operating agreement at our operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets the following criteria is included in our estimate of total landfill airspace:

1) whether the land where the expansion is being sought is contiguous to the current disposal site, and we either own the expansion property or have rights to it under an option, purchase, operating or other similar agreement;
2) whether total development costs, final capping costs, and closure/post-closure costs have been determined;
3) whether internal personnel have performed a financial analysis of the proposed expansion site and have determined that it has a positive financial and operational impact;
4) whether internal personnel or external consultants are actively working to obtain the necessary approvals to obtain the landfill expansion permit; and
5) whether we consider it probable that we will achieve the expansion (for a pursued expansion to be considered probable, there must be no significant known technical, legal, community, business or political restrictions or similar issues existing that we believe are more likely than not to impair the success of the expansion).

We may be unsuccessful in obtaining permits for expansion disposal capacity at our landfills. In such cases, we will charge the previously capitalized development costs to expense. This will adversely affect our operating results and cash flows and could result in greater landfill depletion expense being recognized on a prospective basis.

We periodically evaluate our landfill sites for potential impairment indicators. Our judgments regarding the existence of impairment indicators are based on regulatory factors, market conditions and operational performance of our landfills. Future events could cause us to conclude that impairment indicators exist and that our landfill carrying costs are impaired. Any resulting impairment loss could have a material adverse effect on our financial condition and results of operations.

Goodwill and indefinite-lived intangible assets testing. Goodwill and indefinite-lived intangible assets are tested for impairment on at least an annual basis in the fourth quarter of the year. In addition, we evaluate our reporting units for impairment if events or circumstances change between annual tests indicating a possible impairment. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold;
- the testing for recoverability of a significant asset group within the segment; or
- current period or expected future operating cash flow losses.

In the first step ("Step 1") of testing for goodwill impairment, we estimate the fair value of each of our reporting units, which consisted of five geographic operating segments and our E&P segment at December 31, 2016 and three geographic operating segments and our E&P segment at December 31, 2015, using discounted cash flow analyses, which require significant assumptions and estimates about the future operations of each reporting unit. We compare the fair value of each reporting unit to the carrying value of its net assets. If the fair value of a reporting unit is greater than the carrying value of the net assets, including goodwill, assigned to the reporting unit, then no impairment results. If the fair value is less than its carrying value, then we would perform a second step ("Step 2") and determine the fair value of the goodwill. In Step 2, the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. If the fair value of the goodwill is less than its carrying value for a reporting unit, an impairment charge would be recorded to earnings in our Consolidated Statements of Net Income (Loss). In testing indefinite-lived intangible assets for impairment, we compare the estimated fair value of each indefinite-lived intangible asset to its carrying value. If the fair value of the indefinite-lived intangible asset is less than its carrying value, an impairment charge would be recorded to earnings in our Consolidated Statements of Net Income (Loss).

Significant judgments inherent in these analyses include the determination of appropriate discount rates, the amount and timing of expected future cash flows and growth rates. In assessing the reasonableness of our determined fair values of our reporting units, we evaluate our results against our current market capitalization. The results of our 2014, 2015 and 2016 impairment tests are described in Note 1 of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

For our annual impairment analysis of our E&P segment for the year ended December 31, 2016, we performed our Step 1 assessment of our E&P segment. The Step 1 assessment involved measuring the recoverability of goodwill by comparing the E&P segment's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value was estimated using an income approach employing a discounted cash flow ("DCF") model. The DCF model incorporated projected cash flows over a forecast period based on the remaining estimated lives of the operating locations comprising the E&P segment. This was based on a number of key assumptions, including, but not limited to, a discount rate of 12%, annual revenue projections based on E&P waste resulting from projected levels of oil and natural gas E&P activity during the forecast period, gross margins based on estimated operating expense requirements during the forecast period and estimated capital expenditures over the forecast period, all of which were classified as Level 3 in the fair value hierarchy. As a result of the Step 1 assessment, we determined that the E&P segment did not pass the Step 1 test because the carrying value exceeded the estimated fair value of the reporting unit. We then performed the Step 2 test to determine the fair value of goodwill for our E&P segment. Based on the Step 1 and Step 2 analyses, we did not record an impairment charge to our E&P segment as a result of our goodwill impairment test during the year ended December 31, 2016. Additionally, we evaluated the recoverability of the E&P segment's indefinite-lived intangible assets (other than goodwill) by comparing the estimated fair value of each indefinite-lived intangible asset to its carrying value. We estimated the fair value of the indefinite-lived intangible assets using an excess earnings approach. Based on the result of the recoverability test, we determined that the carrying values of certain indefinite-lived intangible assets within the E&P segment exceeded their fair values and were therefore not recoverable. We recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain indefinite-lived intangible assets within our E&P segment of $156,000 during the year ended December 31, 2016.

In 2015, we determined that sufficient indicators of potential impairment existed to require an interim goodwill and indefinite-lived intangible assets impairment analysis for our E&P segment as a result of the sustained decline in oil prices being experienced at the time, together with market expectations of a likely slow recovery in such prices. We performed a Step 1 assessment of our E&P segment, which involved measuring the recoverability of goodwill by comparing the E&P segment's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value was estimated using an income approach employing a discounted cash flow ("DCF") model. The DCF model incorporated projected cash flows over a forecast period based on the remaining estimated lives of the operating locations comprising the E&P segment. This was based on a number of key assumptions, including, but not limited to, a discount rate of 11.6%, annual revenue projections based on E&P waste resulting from projected levels of oil and natural gas E&P activity during the forecast period, gross margins based on estimated operating expense requirements during the forecast period and estimated capital expenditures over the forecast period, all of which were classified as Level 3 in the fair value hierarchy. As a result of the Step 1 assessment, we determined that the E&P segment did not pass the Step 1 test because the carrying value exceeded the estimated fair value of the reporting unit. We then performed the Step 2 test to determine the fair value of goodwill for our E&P segment. Based on the Step 1 and Step 2 analyses, we recorded a goodwill impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) within our E&P segment of $411.8 million in 2015. Additionally, we evaluated the recoverability of the E&P segment's indefinite-lived intangible assets (other than goodwill) by comparing the estimated fair value of each indefinite-lived intangible asset to its carrying value. We estimated the fair value of the indefinite-lived intangible assets using an excess earnings approach. Based on the result of the recoverability test, we determined that the carrying values of certain indefinite-lived intangible assets within the E&P segment exceeded their fair values and were therefore not recoverable. We recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain indefinite-lived intangible assets within our E&P segment of $38.4 million in 2015. We did not record an impairment charge

to our E&P segment as a result of our goodwill and indefinite-lived intangible assets impairment tests during the year ended December 31, 2014.

Business Combination Accounting. We recognize, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. We measure and recognize goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of our previously held equity interest in the acquiree (if any), over (b) the fair value of net assets acquired and liabilities assumed. At the acquisition date, we measure the fair values of all assets acquired and liabilities assumed that arise from contractual contingencies. We measure the fair values of all noncontractual contingencies if, as of the acquisition date, it is more likely than not that the contingency will give rise to an asset or liability.

General

Our revenues consist mainly of fees we charge customers for collection, transfer, recycling and disposal of non-hazardous solid waste and treatment, recovery and disposal of non-hazardous E&P waste. Our collection business also generates revenues from the sale of recyclable commodities, which have significant variability. A large part of our collection revenues comes from providing residential, commercial and industrial services. We frequently perform these services under service agreements, municipal contracts or franchise agreements with governmental entities. Our existing franchise agreements and most of our existing municipal contracts give us the exclusive right to provide specified waste services in the specified territory during the contract term. These exclusive arrangements are awarded, at least initially, on a competitive bid basis and subsequently on a bid or negotiated basis. We also provide residential collection services on a subscription basis with individual households.

We typically determine the prices of our solid waste collection services by the collection frequency and level of service, route density, volume, weight and type of waste collected, type of equipment and containers furnished, the distance to the disposal or processing facility, the cost of disposal or processing, and prices charged by competitors for similar services. The terms of our contracts sometimes limit our ability to pass on price increases. Long-term solid waste collection contracts often contain a formula, generally based on a published price index, that automatically adjusts fees to cover increases in some, but not all, operating costs, or that limit increases to less than 100% of the increase in the applicable price index.

We charge transfer station and landfill customers a tipping fee on a per ton and/or per yard basis for disposing of their solid waste at our transfer stations and landfill facilities. Many of our transfer station and landfill customers have entered into one to ten year disposal contracts with us, most of which provide for annual indexed price increases.

Our revenues from E&P waste services consist mainly of fees that we charge for the treatment and disposal of liquid and solid waste derived from the drilling of wells for the production of oil and natural gas. We also generate income from the transportation of waste to the disposal facility in certain markets and the sale of reclaimed oil, roadbase and processed and treated waters.

Our revenues from recycling services consist of proceeds generated from selling recyclable materials (including compost, cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals) collected from our residential customers and at our recycling operations to third parties for processing before resale.

Other revenues consist primarily of the sale of gas generated from our MSW landfills and revenues from intermodal services which consist mainly of fees we charge customers for the movement of cargo and solid waste containers between our intermodal facilities.

No single contract or customer accounted for more than 10% of our total revenues at the consolidated or reportable segment level during the periods presented. The following tables reflect a breakdown of our revenue and inter-company eliminations for the periods indicated (dollars in thousands of U.S. dollars):

	Year Ended December 31, 2016			
	Revenue	**Intercompany Revenue**	**Reported Revenue**	**% of Reported Revenue**
Solid waste collection	$ 2,359,813	$ (7,766)	$ 2,352,047	69.7%
Solid waste disposal and transfer	1,155,410	(443,022)	712,388	21.1
Solid waste recycling	92,456	(6,941)	85,515	2.5
E&P waste treatment, recovery and disposal	132,286	(12,086)	120,200	3.6
Intermodal and other	106,363	(650)	105,713	3.1
Total	$ 3,846,328	$ (470,465)	$ 3,375,863	100.0%

	Year Ended December 31, 2015			
	Revenue	**Intercompany Revenue**	**Reported Revenue**	**% of Reported Revenue**
Solid waste collection	$ 1,378,679	$ (4,623)	$ 1,374,056	64.9%
Solid waste disposal and transfer	670,369	(255,200)	415,169	19.6
Solid waste recycling	47,292	(924)	46,368	2.2
E&P waste treatment, recovery and disposal	228,529	(13,156)	215,373	10.2
Intermodal and other	66,321	-	66,321	3.1
Total	$ 2,391,190	$ (273,903)	$ 2,117,287	100.0%

	Year Ended December 31, 2014			
	Revenue	**Intercompany Revenue**	**Reported Revenue**	**% of Reported Revenue**
Solid waste collection	$ 1,289,906	$ (3,593)	$ 1,286,313	61.9%
Solid waste disposal and transfer	617,161	(235,851)	381,310	18.3
Solid waste recycling	58,226	(2,118)	56,108	2.7
E&P waste treatment, recovery and disposal	326,934	(16,862)	310,072	14.9
Intermodal and other	46,291	(928)	45,363	2.2
Total	$ 2,338,518	$ (259,352)	$ 2,079,166	100.0%

Cost of operations includes labor and benefits, tipping fees paid to third-party disposal facilities, vehicle and equipment maintenance, workers' compensation, vehicle and equipment insurance, insurance and employee group health claims expense, third-party transportation expense, fuel, the cost of materials we purchase for recycling, district and state taxes and host community fees and royalties. Our significant costs of operations in 2016 were labor, third-party disposal and transportation, vehicle and equipment maintenance, taxes and fees, insurance and fuel. We use a number of programs to reduce overall cost of operations, including increasing the use of automated routes to reduce labor and workers' compensation exposure, utilizing comprehensive maintenance and health and safety programs, and increasing the use of transfer stations to further enhance internalization rates. We carry high-deductible or self-insured retention insurance for automobile liability, general liability, employer's liability, environmental liability, cyber liability, employment practices liability and directors' and officers' liability as well as for employee group health claims, property and workers' compensation. If we experience insurance claims or costs above or below our historically evaluated levels, our estimates could be materially affected.

Selling, general and administrative, or SG&A, expense includes management, sales force, clerical and administrative employee compensation and benefits, legal, accounting and other professional services, acquisition expenses, bad debt expense and rent expense for our corporate headquarters.

Depreciation expense includes depreciation of equipment and fixed assets over their estimated useful lives using the straight-line method. Depletion expense includes depletion of landfill site costs and total future development costs as remaining airspace of the landfill is consumed. Remaining airspace at our landfills includes both permitted and probable expansion airspace. Amortization expense includes the amortization of finite-lived intangible assets, consisting primarily of long-term franchise agreements and contracts, customer lists and non-competition agreements, over their estimated useful lives using the straight-line method. Goodwill and indefinite-lived intangible assets, consisting primarily of certain perpetual rights to provide solid waste collection and transportation services in specified territories, are not amortized.

We capitalize some third-party expenditures related to development projects, such as legal, engineering and interest expenses. We expense all third-party and indirect acquisition costs, including third-party legal and engineering expenses, executive and corporate overhead, public relations and other corporate services, as we incur them. We charge against net income any unamortized capitalized expenditures and advances (net of any portion that we believe we may recover, through sale or otherwise) that may become impaired, such as those that relate to any operation that is permanently shut down and any landfill development project that we believe will not be completed. We routinely evaluate all capitalized costs, and expense those related to projects that we believe are not likely to succeed. For example, if we are unsuccessful in our attempts to obtain or defend permits that we are seeking or have been awarded to operate or expand a landfill, we will no longer generate anticipated income from the landfill and we will be required to expense in a future period up to the carrying value of the landfill or expansion project, less the recoverable value of the property and other amounts recovered.

Results of Operations

The following table sets forth items in our Consolidated Statements of Net Income (Loss) in thousands of U.S. dollars and as a percentage of revenues for the periods indicated:

	Years Ended December 31,					
	2016	% of Revenues	2015	% of Revenues	2014	% of Revenues
Revenues	$ 3,375,863	100.0%	$ 2,117,287	100.0%	$ 2,079,166	100.0%
Cost of operations	1,957,712	58.0	1,177,409	55.6	1,138,388	54.8
Selling, general and administrative	474,263	14.0	237,484	11.2	229,474	11.0
Depreciation	393,600	11.7	240,357	11.4	230,944	11.1
Amortization of intangibles	70,312	2.1	29,077	1.4	27,000	1.3
Impairments and other operating items	27,678	0.8	494,492	23.3	4,091	0.2
Operating income (loss)	452,298	13.4	(61,532)	(2.9)	449,269	21.6
Interest expense	(92,709)	(2.7)	(64,236)	(3.1)	(64,674)	(3.1)
Other income (expense), net	655	0.0	(518)	(0.0)	1,067	0.0
Foreign currency transaction gain	1,121	0.0	-	-	-	-
Income tax (provision) benefit	(114,044)	(3.4)	31,592	1.5	(152,335)	(7.3)
Net income (loss)	247,321	7.3	(94,694)	(4.5)	233,327	11.2
Net income attributable to noncontrolling interests	(781)	(0.0)	(1,070)	(0.0)	(802)	(0.0)
Net income (loss) attributable to Waste Connections	$ 246,540	7.3%	$ (95,764)	(4.5)%	$ 232,525	11.2%

Years Ended December 31, 2016 and 2015

Revenues. Total revenues increased $1.259 billion, or 59.4%, to $3.376 billion for the year ended December 31, 2016, from $2.117 billion for the year ended December 31, 2015.

During the year ended December 31, 2016, incremental revenue from acquisitions closed during, or subsequent to, the year ended December 31, 2015, increased revenues by approximately $1.270 billion, of which $1.185 billion is attributable to the Progressive Waste acquisition completed on June 1, 2016. Operations divested during, or subsequent to, the year ended December 31, 2015, decreased revenues by approximately $3.3 million.

During the year ended December 31, 2016, the net increase in prices charged to our customers was $47.9 million, consisting of $52.6 million of core price increases, partially offset by a decrease of $4.7 million from fuel, materials and environmental surcharges due primarily to a decline in the market price of diesel fuel.

During the year ended December 31, 2016, volume increases in our existing business increased solid waste revenues by $36.5 million from increases in roll off collection, transfer station volumes and landfill volumes resulting from increased construction and general economic activity in our markets. E&P revenues at facilities owned and fully-operated in each of the comparable periods decreased by $95.2 million due to the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and 2016, which resulted in a decline in the level of drilling and production activity thereby reducing the demand for E&P waste services in the basins in which we operate.

Revenues from sales of recyclable commodities at facilities owned during the year ended December 31, 2016 and 2015 increased $2.2 million due primarily to increased prices for recyclable commodities, which began to recover in the second half of 2016.

Other revenues increased by $0.8 million during the year ended December 31, 2016, due primarily to increased landfill gas sales and equipment sales, partially offset by a decline in intermodal revenue.

Cost of Operations. Total cost of operations increased $780.3 million, or 66.3%, to $1.958 billion for the year ended December 31, 2016, from $1.178 billion for the year ended December 31, 2015. The increase was primarily the result of $736.2 million of operating costs from the Progressive Waste acquisition, $43.1 million of additional operating costs from all other acquisitions closed during, or subsequent to, the year ended December 31, 2015, and an increase in operating costs at our existing solid waste and intermodal operations of $48.1 million, less a decrease in operating costs at our E&P operations of $47.1 million.

The increase in operating costs at our existing solid waste and intermodal operations of $48.1 million for the year ended December 31, 2016 was comprised of an increase in labor expenses of $19.7 million due primarily to employee pay rate increases and headcount increases to support volume increases, an increase in employee benefits expenses of $10.2 million due to increased medical claims costs, an increase in truck, container, equipment and facility maintenance and repair expenses of $9.6 million due to variability in the timing and severity of major repairs, an increase in taxes on revenues of $9.0 million due to increased revenues in our solid waste markets, an increase in third-party trucking and transportation expenses of $6.1 million due to increased transfer station and landfill volumes that require us to transport the waste to our disposal sites, an increase in third-party disposal expense of $1.3 million due to disposal rate increases and higher disposal costs associated with increased collection and transfer station volumes and an increase in leachate disposal expenses at our landfills of $1.1 million, partially offset by a decrease in fuel expense of $7.6 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, and a decrease in insurance premiums for our high deductible auto, workers' compensation and general liability program of $1.3 million due to leveraging the increased size of the Company as a result of the Progressive Waste acquisition.

During the year ended December 31, 2015, we incurred $5.0 million in expenses due to site clean-up and remediation work associated with flooding and other surface damage at two of our E&P disposal sites in New Mexico resulting from heavy precipitation affecting the sites, and $1.5 million of start-up related expenses at two new E&P disposal facilities. The remaining decrease in operating costs at our E&P operations of $40.6 million for the year ended December 31, 2016 was comprised of decreased fuel expenses of $2.1 million due primarily to decreases in the price of diesel fuel and the following changes attributable to a reduction in our operations resulting from the decline in the level of drilling and production activity: decreased employee wage and benefits expenses of $13.1 million, decreased third-party trucking and transportation expenses of $8.7 million, decreased equipment repair expenses of $4.1 million, decreased cell processing and site remediation work of $3.0 million, decreased landfill operating supplies of $2.3 million, decreased equipment rental expenses of $2.2 million, decreased disposal expenses of $1.3 million, decreased royalties on revenues of $1.2 million and $2.6 million of other net expense decreases.

Cost of operations as a percentage of revenues increased 2.4 percentage points to 58.0% for the year ended December 31, 2016, from 55.6% for the year ended December 31, 2015. The components of the 2.4 percentage point increase consist of a 2.4 percentage point increase from acquisitions closed during, or subsequent to, the year ended December 31, 2015 having operating margins lower than our Company average, a combined 0.6 percentage point increase from labor and benefits expenses in our solid waste segments and a 0.2 percentage point increase from our E&P operations resulting from fixed operating expenses increasing as an overall percentage of revenues due to the aforementioned decline in E&P revenues, partially offset by a 0.6 percentage point decrease at our solid waste operations due to decreased expenses for diesel fuel and a 0.2 percentage point decrease resulting from all other net changes.

SG&A. SG&A expenses increased $236.8 million, or 99.7%, to $474.3 million for the year ended December 31, 2016, from $237.5 million for the year ended December 31, 2015. The increase was comprised of $90.7 million of SG&A expenses from operating locations acquired in the Progressive Waste acquisition, $4.8 million of additional SG&A expenses from operating locations at all other acquisitions closed during, or subsequent to, the year ended December 31, 2015, an increase in direct acquisition costs of $29.1 million attributable primarily to the Progressive Waste acquisition, an increase of $26.0 million resulting from severance-related expenses payable to Progressive Waste personnel who were not permanently retained as employees of New Waste Connections following the close of the Progressive Waste acquisition, an increase of $14.5 million from New Waste Connections paying excise taxes levied on the unvested or vested and undistributed equity-compensation holdings of our corporate officers and members of our Board of Directors resulting from the Progressive Waste acquisition, an increase in share-based compensation expenses of $8.0 million related to awards granted to employees of Progressive Waste prior to June 1, 2016 for which vesting was accelerated due to plan provisions regarding a change in control followed by termination of employment, an increase in share-based compensation expenses of $14.3 million resulting from time-lapse vesting and changes to the fair value of awards granted by Progressive Waste prior to the June 1, 2016 closing of the Progressive Waste acquisition to employees of Progressive Waste who were retained as employees of New Waste Connections following the closing and which awards were continued by New Waste Connections, an increase of $11.8 million resulting from the accrual of incentive compensation expenses to certain of our executive officers and key employees related to the achievement of defined synergy goals realized by New Waste Connections from the Progressive Waste acquisition, an increase in equity-based compensation expenses of $2.3 million resulting from the acceleration of vesting of performance share units granted to Old Waste Connections' management in 2014 and 2015, an increase of $8.1 million resulting from employee relocation expenses and professional fees incurred to integrate the operations of Progressive Waste into New Waste Connections, an increase in payroll expenses of $8.0 million at our solid waste segments primarily related to headcount increases and annual compensation increases, an increase in accrued cash incentive compensation expense of $11.3 million due primarily to the addition of accrued cash incentive compensation expense for the retained employees of Progressive Waste, an increase in employee benefits expenses of $2.9 million due to increased medical claims costs, an increase in travel, meetings and training expenses of $2.7 million resulting from the integration of employees of Progressive Waste into New Waste Connections, an increase in legal and accounting professional fee expenses of $2.6 million due to increased support required as a result of growth from the Progressive

Waste acquisition, an increase in deferred compensation expense of $1.2 million resulting from deferred compensation liabilities to employees increasing as a result of increases in the market value of investments to which employee deferred compensation balances are tracked, an increase in software license fees of $1.1 million to support computer applications acquired in the Progressive Waste acquisition, an increase in equity-based compensation expenses of $1.0 million associated with our annual recurring grant of restricted share units to our personnel, an increase in credit card fees of $1.0 million resulting from an increase in the total number of customers remitting payments for our services using credit cards and $1.2 million of other net expense increases, partially offset by a decrease at our E&P segment of $5.8 million for payroll and employee travel expenses due to management-level headcount reductions resulting from the decline in E&P disposal volumes.

SG&A expenses as a percentage of revenues increased 2.8 percentage points to 14.0% for the year ended December 31, 2016, from 11.2% for the year ended December 31, 2015. The increase as a percentage of revenues was attributable to a 3.4 percentage point increase resulting from the combined totals of the aforementioned increases associated with direct acquisition costs, severance expenses, relocation and professional fee expense, synergy bonus expense, excise taxes, share-based compensation expense from the continuation of awards granted to Progressive Waste employees prior to the completion of the Progressive Waste acquisition and equity-based compensation expense from the acceleration of certain performance share units, a 0.3 percentage point increase from increased cash incentive compensation expense, a 0.3 percentage point increase from increased payroll and medical benefits expenses and a 0.1 percentage point increase from all other net changes at our existing operations, partially offset by a 1.3 percentage point decrease from the net impact of SG&A expenses from operating locations acquired in the Progressive Waste acquisition and all other acquisitions closed during, or subsequent to, the year ended December 31, 2015.

Depreciation. Depreciation expense increased $153.2 million, or 63.8%, to $393.6 million for the year ended December 31, 2016, from $240.4 million for the year ended December 31, 2015. The increase was primarily the result of additional depreciation and depletion expense of $136.6 million from the Progressive Waste acquisition, additional depreciation and depletion expense of $13.1 million from all other acquisitions closed during, or subsequent to, the year ended December 31, 2015, an increase in depreciation expense of $6.1 million associated with additions to our fleet and equipment purchased to support our existing operations and an increase in depletion expense of $2.7 million at our existing solid waste landfills due primarily to an increase in volumes, partially offset by a decrease in depletion expense of $5.3 million at our existing E&P landfills due to volume decreases resulting from a decline in the level of oil drilling and production activity due to reductions in crude oil prices.

Depreciation expense as a percentage of revenues increased 0.3 percentage points to 11.7% for the year ended December 31, 2016, from 11.4% for the year ended December 31, 2015. The increase as a percentage of revenues was due primarily to the Progressive Waste acquisition, the impact of a decline in E&P revenues from operations owned in the comparable periods and depreciation expense associated with additions to our fleet and equipment purchased to support our existing operations, partially offset by the decrease in depletion expense at our existing E&P landfills.

Amortization of Intangibles. Amortization of intangibles expense increased $41.2 million, or 141.8%, to $70.3 million for the year ended December 31, 2016, from $29.1 million for the year ended December 31, 2015. The increase in amortization expense was the result of $41.9 million recorded on contracts, customer lists and transfer station permits acquired in the Progressive Waste acquisition and $2.0 million from intangible assets acquired in other acquisitions closed in 2015 and 2016, partially offset by a decrease of $2.7 million from certain intangible assets becoming fully amortized subsequent to December 31, 2015.

Amortization expense as a percentage of revenues increased 0.7 percentage points to 2.1% for the year ended December 31, 2016, from 1.4% for the year ended December 31, 2015. The increase as a percentage of revenues was the result of the net impact of the aforementioned intangible assets acquired in the Progressive Waste acquisition, partially offset by certain intangible assets becoming fully amortized subsequent to the end of the prior year period.

Impairments and Other Operating Items. Impairments and other operating items decreased $466.8 million, to $27.7 million for the year ended December 31, 2016, from $494.5 million for the year ended December 31, 2015.

During the year ended December 31, 2016, we recorded a $15.0 million charge to adjust the carrying cost of assets held for disposal to fair market value, a $4.6 million charge to terminate an operating lease for our corporate aircraft, $3.3 million of losses on trucks and equipment that were disposed of through sales or as a result of being damaged in operations, impairment charges totaling $2.7 million related to four operating locations in our E&P segment which were permanently closed in 2016, a $2.5 million charge to write off the carrying cost of a tradename acquired from the Progressive Waste acquisition that will not provide future financial benefit, a $2.1 million charge to write off the carrying cost of certain contracts acquired from the Progressive Waste acquisition that were not renewed prior to their original estimated termination date and $1.1 million of other net charges, partially offset by a gain of $2.4 million resulting from the decrease to the fair value of an amount payable under a liability-classified contingent consideration arrangement from a prior year acquisition and a gain of $1.2 million from the favorable settlement of a legal matter.

During the year ended December 31, 2015, we recorded impairment charges at our E&P segment of $411.8 million associated with goodwill, $38.4 million associated with indefinite-lived intangible assets and $67.6 million related to property and equipment. These impairment charges were partially offset by $20.6 million of adjustments recorded during the year ended December 31, 2015 to reduce the fair value of amounts payable under liability-classified contingent consideration arrangements associated with the acquisition of an E&P business in 2014. The decline in oil prices that began in late 2014, and continued into 2015, resulted in decreased levels of oil and natural gas E&P activity and a corresponding decrease in demand for our E&P waste services. This decrease, together with market expectations of a likely slow recovery in oil prices, reduced the expected future period cash flows of our E&P segment, causing the fair value of the E&P segment to decrease below its carrying value. Additionally, we determined that the carrying value of certain asset groups in our E&P segment exceeded the undiscounted cash flows and were therefore not recoverable.

Operating Income (Loss). Operating income (loss) increased $513.8 million to income of $452.3 million for the year ended December 31, 2016, from a loss of $61.5 million for the year ended December 31, 2015. The increase was attributable to the $1.259 billion increase in revenues and a $466.8 million decrease in impairments and other operating items, partially offset by the $780.3 million increase in costs of operations, $236.8 million increase in SG&A expense, $153.2 million increase in depreciation expense and $41.2 million increase in amortization of intangibles expense.

Operating income (loss) as a percentage of revenues increased 16.3 percentage points to income of 13.4% for the year ended December 31, 2016, from a loss of 2.9% for the year ended December 31, 2015. The increase as a percentage of revenues was comprised of a 22.5 percentage point decrease in impairments and other operating items, partially offset by a 2.8 percentage point increase in SG&A expense, a 2.4 percentage point increase in cost of operations, a 0.7 percentage point increase in amortization expense and a 0.3 percentage point increase in depreciation expense.

Interest Expense. Interest expense increased $28.5 million, or 44.3%, to $92.7 million for the year ended December 31, 2016, from $64.2 million for the year ended December 31, 2015. The increase was primarily attributable to an increase of $12.4 million from the June 2016 issuance of our New 2021 Notes, 2023 Notes and 2026 Notes, an increase of $10.6 million from the August 2015 issuance of our 2022 Notes and 2025 Notes, an increase of $6.3 million due to an increase in the average borrowings outstanding under our Revolving Credit and Term Loan Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), an increase of $5.9 million due to higher interest rates on outstanding borrowings under our Credit Agreement, an increase of $2.5 million resulting from the commencement of four new interest rate swaps totaling $175 million with an average fixed rate of 2.34% and an increase of $1.4 million due to an increase in outstanding letters of credit resulting from the assumption of obligations from the Progressive Waste acquisition that are required to be secured with a letter of credit, partially offset by a decrease of $10.6 million for the redemption of our 2015 Notes and 2016 Notes using proceeds from the 2015 Old Waste Connections Credit Agreement which had a lower interest rate relative to the fixed interest rate in effect when the 2015 Notes and 2016 Notes were outstanding.

Other Income (Expense), Net. Other income (expense), net, increased $1.2 million, to an income total of $0.7 million for the year ended December 31, 2016, from an expense total of $0.5 million for the year ended December 31, 2015. The increase was primarily attributable to an increase of $1.4 million from investments purchased to fund our employee deferred compensation obligations and $0.6 million of other net changes, partially offset by an increase in expenses associated with the write off of unamortized debt issuance costs of $0.8 million.

Income Tax Provision (Benefit). Income taxes increased $145.6 million, to an expense total of $114.0 million for the year ended December 31, 2016, from a benefit total of $31.6 million for the year ended December 31, 2015.

Our effective tax expense rate for the year ended December 31, 2016 was 31.6%. Adjusting the prior year effective tax benefit rate for the impact of the aforementioned impairment charges, the year-over-year change in our effective tax rate was primarily the result of the impact of the Progressive Waste acquisition, which resulted in changes to the jurisdictions where we do business, including some jurisdictions with tax rates less than the U.S. federal statutory rate, partially offset by non-deductible expenses incurred in connection with the Progressive Waste acquisition. Our effective tax rate is dependent upon the proportion of pre-tax income among the jurisdictions where we do business. As such, our effective tax rate will be subject to some variability depending upon the proportional contribution of pre-tax income across jurisdictions in any period.

Our effective tax benefit rate for the year ended December 31, 2015 was 25.0%. The impairment of a portion of the goodwill, indefinite-lived intangible assets and property and equipment within our E&P segment impacted the geographical apportionment of our state income taxes primarily resulting in an adjustment to our deferred tax liabilities that increased our income tax benefit and increased our effective tax benefit rate during the year ended December 31, 2015 by $3.9 million and 3.1 percentage points, respectively. Additionally, a portion of the aforementioned goodwill impairment within our E&P segment that was not deductible for

tax purposes, resulted in a decrease to our income tax benefit and our effective tax benefit rate of $15.5 million and 12.3 percentage points, respectively.

Years Ended December 31, 2015 and 2014

Revenues. Total revenues increased $38.1 million, or 1.8%, to $2.117 billion for the year ended December 31, 2015, from $2.079 billion for the year ended December 31, 2014.

During the year ended December 31, 2015, incremental revenue from acquisitions closed during, or subsequent to, the year ended December 31, 2014, increased revenues by approximately $58.6 million. Operations divested during, or subsequent to, the year ended December 31, 2014, decreased revenues by approximately $1.0 million.

During the year ended December 31, 2015, the net increase in prices charged to our customers was $46.4 million, consisting of $50.0 million of core price increases, partially offset by a decrease of $3.6 million from fuel, materials and environmental surcharges.

During the year ended December 31, 2015, volume increases in our existing business increased solid waste revenues by $39.5 million from increases in roll off collection, transfer station volumes and landfill volumes resulting from increased construction and general economic activity in our markets. E&P disposal facilities which opened subsequent to December 31, 2014, increased E&P revenues by $3.9 million. E&P revenues at facilities owned and fully-operated in each of the comparable periods decreased by $120.0 million due to the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and into early 2016, which resulted in a decline in the level of drilling and production activity thereby reducing the demand for E&P waste services in the basins in which we operate.

During the year ended December 31, 2015, the closure of a recycling operation in our Western segment in April 2014 decreased revenues by $2.0 million. Revenues from sales of recyclable commodities at all other facilities owned during the year ended December 31, 2015 and 2014 decreased $7.9 million due primarily to decreased recyclable commodity prices.

During the year ended December 31, 2015, intermodal revenues increased $21.8 million due to cargo volume from a new large intermodal customer and higher cargo volume with existing customers.

Other revenues decreased by $1.2 million during the year ended December 31, 2015 due primarily to contracted landfill construction services we performed in the prior year period at a landfill we operate that did not recur in the current year, partially offset by an increase in equipment rental revenue.

Cost of Operations. Total cost of operations increased $39.0 million, or 3.4%, to $1.178 billion for the year ended December 31, 2015, from $1.138 billion for the year ended December 31, 2014. The increase was primarily the result of $34.7 million of additional operating costs from solid waste and E&P acquisitions closed during, or subsequent to, the year ended December 31, 2014 and an increase in operating costs at our existing solid waste operations of $26.9 million, less a decrease in operating costs at our existing and internally developed E&P operations of $22.6 million.

The increase in operating costs at our existing solid waste and intermodal operations of $26.9 million for the year ended December 31, 2015 was comprised of an increase in labor and employee benefits expenses of $15.6 million due primarily to employee pay rate and headcount increases to support volume increases, an increase in rail transportation expenses at our intermodal operations of $9.6 million due to increased rail cargo volume, an increase in truck, container, equipment and facility maintenance and repair expenses of $6.8 million due to variability in the timing and severity of major repairs, an increase in third-party disposal expense of $6.5 million due to disposal rate increases and higher disposal costs associated with increased collection and transfer station volumes, an increase in taxes on revenues of $6.0 million due to increased revenues in our solid waste markets, an increase in third-party trucking and transportation expenses of $3.1 million due to increased transfer station and landfill volumes that require us to transport the waste to our disposal sites and $3.4 million of other net expense increases, partially offset by a decrease in fuel expense of $20.2 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a decrease of $2.0 million associated with the cost of contracted landfill construction services we performed during the prior year period and a decrease in auto, workers' compensation and property claims expense under our high deductible insurance program of $1.9 million due primarily to adjustments to projected losses on prior period claims.

The decrease in operating costs at our existing and internally developed E&P operations of $22.6 million for the year ended December 31, 2015 was comprised of decreased fuel expenses of $4.0 million due primarily to decreases in the price of diesel fuel and the following changes attributable to a reduction in our operations resulting from the decline in the level of drilling and production activity: decreased third-party trucking and transportation expenses of $6.7 million, decreased site remediation work of $6.2 million,

decreased employee wage and benefits expenses of $3.3 million, decreased equipment repair expenses of $2.9 million, decreased equipment rental expenses of $1.9 million, decreased royalties on revenues of $1.1 million, decreased landfill operating supplies of $0.5 million and $2.5 million of other expense decreases, partially offset by an increase of $5.0 million in expenses due to site clean-up and remediation work during the first quarter of 2015 associated with flooding and other surface damage at two of our E&P disposal sites in New Mexico resulting from heavy precipitation affecting the sites and an increase of $1.5 million due to start-up related expenses at two new E&P disposal facilities during the first quarter of 2015.

Cost of operations as a percentage of revenues increased 0.8 percentage points to 55.6% for the year ended December 31, 2015, from 54.8% for the year ended December 31, 2014. The increase as a percentage of revenues was primarily the result of a 2.4 percentage point increase at our existing and internally developed E&P operations, partially offset by a 1.6 percentage point decrease at our existing solid waste operations. The increase at our existing and internally developed E&P operations was due primarily to fixed operating expenses increasing as an overall percentage of revenues due to the aforementioned decline in E&P revenues. The decrease at our existing solid waste operations was comprised of a 1.4 percentage point decrease in fuel expense and a 0.2 percentage point net decrease in all other expenses.

SG&A. SG&A expenses increased $8.0 million, or 3.5%, to $237.5 million for the year ended December 31, 2015, from $229.5 million for the year ended December 31, 2014. The increase was primarily the result of $3.5 million of additional SG&A expenses from acquisitions closed during, or subsequent to, the year ended December 31, 2014, an increase in payroll and benefits expenses of $3.9 million primarily related to headcount increases and annual compensation increases, an increase in professional fees of $2.0 million due primarily to increased expenses for external accounting services, legal expenses and sales consulting services, an increase in employee meeting, training and travel expenses of $1.0 million, an increase in direct acquisition costs of $2.1 million attributable to acquisitions closed during the current year period, an increase of $0.8 million in equity-based compensation expenses associated with our annual recurring grant of restricted share units to our personnel and a $0.6 million increase in credit card fees resulting from an increase in the total number of customer remitting payments for our services using credit cards, partially offset by a decrease in expenses for uncollectible accounts receivable of $3.0 million primarily related to improved collection results in the current year at our E&P segment and higher prior year expenses at our Western segment resulting from a receivables balance from a large customer that was deemed uncollectible, a decrease in accrued cash incentive compensation expense of $2.7 million as we are not projected to achieve the same level of certain financial targets that were met in the prior year period and $0.2 million of other net expense decreases.

SG&A expenses as a percentage of revenues increased 0.2% percentage points to 11.2% for the year ended December 31, 2015, from 11.0% for the year ended December 31, 2014, as a result of increases associated with higher payroll and benefit expenses, professional fees and direct acquisition costs being partially offset by decreased cash incentive compensation expense and decreased expenses for uncollectible accounts.

Depreciation. Depreciation expense increased $9.5 million, or 4.1%, to $240.4 million for the year ended December 31, 2015, from $230.9 million for the year ended December 31, 2014. The increase was primarily the result of an increase in depletion expense of $6.5 million at our existing solid waste landfills due primarily to an increase in volumes, additional depreciation and depletion expense of $8.6 million from acquisitions closed during, or subsequent to, the year ended December 31, 2014 and an increase in depreciation expense of $5.0 million associated with additions to our fleet and equipment purchased to support our existing operations, partially offset by a decrease in depletion expense of $10.6 million at our existing E&P landfills due to volume decreases resulting from a decline in the level of oil drilling and production activity due to reductions in crude oil prices.

Depreciation expense as a percentage of revenues increased 0.3 percentage points to 11.4% for the year ended December 31, 2015, from 11.1% for the year ended December 31, 2014. The increase as a percentage of revenues was due primarily to the impact of a decline in E&P revenues from operations owned in the comparable periods and depreciation expense associated with additions to our fleet and equipment purchased to support our existing operations, partially offset by the decrease in depletion expense at our existing E&P landfills.

Amortization of Intangibles. Amortization of intangibles expense increased $2.1 million, or 7.7%, to $29.1 million for the year ended December 31, 2015, from $27.0 million for the year ended December 31, 2014. Amortization expense as a percentage of revenues increased 0.1 percentage points to 1.4% for the year ended December 31, 2015, from 1.3% for the year ended December 31, 2014.

The dollar amount and percentage of revenues increases were attributable to additional amortization expense during the year ended December 31, 2015 from acquisitions closed during, or subsequent to, the year ended December 31, 2014.

Impairments and Other Operating Items. Impairments and other operating items increased $490.4 million, to $494.5 million for the year ended December 31, 2015, from $4.1 million for the year ended December 31, 2014.

The decline in oil prices that began in late 2014, and continued through 2015 and into early 2016, has resulted in decreased levels of oil and natural gas E&P activity and a corresponding decrease in demand for our E&P waste services. This decrease, together with market expectations of a likely slow recovery in oil prices, has reduced the expected future period cash flows of our E&P segment, causing the fair value of the E&P segment to decrease below its carrying value. During the third quarter of 2015, we recorded impairment charges of $411.8 million associated with goodwill and $38.4 million associated with indefinite-lived intangible assets in our E&P segment. The fair value of the E&P segment was estimated using an income approach employing a discounted cash flow, or DCF, model. The DCF model incorporated projected cash flows over a forecast period based on the estimated remaining lives of the operating locations comprising the E&P segment. We also recorded impairment charges of $67.6 million related to property and equipment at certain E&P operating locations during the third quarter and fourth quarter of 2015 based on an assessment that the carrying value of certain asset groups exceeded the undiscounted cash flows and were therefore not recoverable. The fair value of the unrecoverable asset groups was calculated using the aforementioned DCF model and the impairment charge was based on the amount the asset groups' carrying values exceeded their fair value. Each asset group that was assessed as being impaired had an insignificant fair value due primarily to the estimated discounted cash outflows exceeding the estimated discounted cash inflows over the remaining estimated lives of the asset groups.

The aforementioned impairment charges were partially offset by $20.6 million of adjustments recorded during the year ended December 31, 2015 to reduce the fair value of amounts payable under liability-classified contingent consideration arrangements associated with the acquisition of an E&P business in 2014 as it was determined that the decline in E&P waste services at acquired facilities subject to contingent consideration payments based on the earnings of the acquired facilities would reduce the amount ultimately payable by us upon the completion of the contingent consideration assessment period.

Other expense charges associated with changes to the fair value of certain long-term liabilities associated with prior year acquisitions and losses on the disposal of operating assets increased $1.6 million during the year ended December 31, 2015.

During the year ended December 31, 2014, we recorded an $8.4 million impairment charge at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that we own and operate.

Operating Income (Loss). Operating income (loss) decreased $510.8 million to a loss of $61.5 million for the year ended December 31, 2015, from income of $449.3 million for the year ended December 31, 2014. The decrease was attributable to the $490.4 million increase in impairments and other operating items, $39.0 million increase in costs of operations, $9.5 million increase in depreciation expense, $8.0 million increase in SG&A expense and $2.1 million increase in amortization of intangibles expense, partially offset by the $38.1 million increase in revenues.

Operating income (loss) as a percentage of revenues decreased 24.5 percentage points to negative 2.9% for the year ended December 31, 2015, from positive 21.6% for the year ended December 31, 2014. The decrease as a percentage of revenues was comprised of a 23.2 percentage point increase in impairments and other operating items, a 0.8 percentage point increase in cost of operations, a 0.2 percentage point increase in SG&A expense, a 0.2 percentage point increase in depreciation expense and a 0.1 percentage point increase in amortization expense.

Interest Expense. Interest expense decreased $0.5 million, or 0.7%, to $64.2 million for the year ended December 31, 2015, from $64.7 million for the year ended December 31, 2014. The decrease was primarily attributable to a decrease of $2.7 million for the redemption of our 2015 Notes in October 2015, a decrease of $3.8 million from the net change in the combined average outstanding borrowings under our revolving credit and term loan agreement and a decrease of $1.4 million due to refinancing and replacing our prior term loan agreement and prior credit agreement with our new revolving credit and term loan agreement resulting in a reduction in the applicable margin above the base rate or LIBOR rate for outstanding borrowings, partially offset by an increase of $6.0 million from the August 2015 issuance of our 2022 Notes and 2025 Notes and an increase of $1.4 million resulting from interest accretion expense recorded on long-term liabilities recorded at fair value associated with acquisitions closed in the fourth quarter of 2014.

Other Income (Expense), Net. Other income (expense), net, decreased $1.6 million, to an expense total of $0.5 million for the year ended December 31, 2015, from an income total of $1.1 million for the year ended December 31, 2014. The decrease was primarily attributable to an expense charge of $0.6 million for the write off of a portion of unamortized debt issuance costs resulting from refinancing our prior term loan agreement and prior credit agreement, a $0.8 million decrease in investment income and $0.2 million of other net changes.

Income Tax Provision (Benefit). Income taxes decreased $183.9 million, to a benefit total of $31.6 million for the year ended December 31, 2015, from an expense total of $152.3 million for the year ended December 31, 2014.

Our effective tax benefit rate for the year ended December 31, 2015 was 25.0%. The impairment of a portion of the goodwill, indefinite-lived intangible assets and property and equipment within our E&P segment impacted the geographical apportionment of our state income taxes primarily resulting in an adjustment to our deferred tax liabilities that increased our income tax benefit and increased our effective tax benefit rate during the year ended December 31, 2015 by $3.9 million and 3.1 percentage points, respectively. Additionally, a portion of the aforementioned goodwill impairment within our E&P segment that was not deductible for tax purposes, resulted in a decrease to our income tax benefit and our effective tax benefit rate of $15.5 million and 12.3 percentage points, respectively.

Our effective tax expense rate for the year ended December 31, 2014 was 39.5%. During the year ended December 31, 2014, an adjustment in deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act increased our income tax expense and our effective tax expense rate by $1.2 million and 0.3 percentage points, respectively.

Segment Reporting

Our Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. We define segment EBITDA as earnings before interest, taxes, depreciation, amortization, impairments and other operating items, other income (expense) and foreign currency transaction gain (loss). Segment EBITDA is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. Our management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments.

We manage our operations through five geographic operating segments and our E&P segment, which includes the majority of our E&P waste treatment and disposal operations. Our five geographic operating segments and our E&P segment comprise our reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. In June 2016, as a result of the Progressive Waste acquisition, described in Note 3 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K, we formed two new geographic operating segments, Canada and Southern, and realigned our reporting structure at our existing Central and Eastern segments. Our segment realignment consisted of the transfer of certain operations in Texas and Louisiana from our Central segment to our Southern segment and the transfer of certain operations in Tennessee, Mississippi and Alabama from our Eastern segment to our Southern segment. The Progressive Waste acquisition did not impact our Western or E&P segments. The segment information presented herein reflects the realignment of these districts.

Under the current orientation, our Southern segment services customers located in Alabama, Arkansas, Florida, Louisiana, Mississippi, southern Oklahoma, western Tennessee and Texas; our Western segment services customers located in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Eastern segment services customers located in Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, eastern Tennessee, Vermont, Virginia, Wisconsin and the District of Columbia; our Canada segment services customers located in the provinces of Alberta, British Columbia, Manitoba, Ontario and Québec; and our Central segment services customers located in Arizona, Colorado, Kansas, Minnesota, Missouri, Nebraska, New Mexico, Oklahoma, South Dakota, western Texas, Utah and eastern Wyoming. The E&P segment services E&P customers located in Arkansas, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico.

Revenues, net of intercompany eliminations, for our reportable segments are shown in the following table in thousands of U.S. dollars and as a percentage of total revenues for the periods indicated:

	Years Ended December 31,					
	2016	% of Revenues	2015	% of Revenues	2014	% of Revenues
Southern	$ 713,381	21.1%	$ 145,289	6.8%	$ 135,530	6.5%
Western	935,319	27.7	880,393	41.6	823,922	39.6
Eastern	636,652	18.9	376,156	17.8	342,338	16.5
Canada	407,861	12.1	-	-	-	-
Central	561,541	16.6	500,211	23.6	475,877	22.9
E&P	121,109	3.6	215,238	10.2	301,499	14.5
	$ 3,375,863	100.0%	$ 2,117,287	100.0%	$ 2,079,166	100.0%

Segment EBITDA for our reportable segments is shown in the following table in thousands of U.S. dollars and as a percentage of segment revenues for the periods indicated:

	Years Ended December 31,					
	2016	% of Revenues	2015	% of Revenues	2014	% of Revenues
Southern	$ 163,320	22.9%	$ 35,718	24.6%	$ 32,539	24.0%
Western	315,708	33.8	290,937	33.0	258,126	31.3
Eastern	193,361	30.4	119,668	31.8	104,224	30.4
Canada	149,305	36.6	-	-	-	-
Central	208,930	37.2	184,006	36.8	175,935	37.0
E&P	32,479	26.8	70,132	32.6	147,914	49.1
Corporate[(a)]	(119,215)	-	1,933	-	(7,434)	-
	$ 943,888	28.0%	$ 702,394	33.2%	$ 711,304	34.2%

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the six operating segments. Unallocated corporate overhead for the year ended December 31, 2016 includes direct acquisition costs associated with the Progressive Waste acquisition, severance-related expenses payable to Progressive Waste personnel, executive officer and key employee synergy bonus, excise taxes on corporate officer and Board of Directors' equity-compensation holdings paid by New Waste Connections and equity-based compensation expenses associated with Progressive Waste's equity-based compensation plans continued by New Waste Connections.

A reconciliation of segment EBITDA to Income before income tax provision is included in Note 14 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Significant changes in revenue and segment EBITDA for our reportable segments for the year ended December 31, 2016, compared to the year ended December 31, 2015, and for the year ended December 31, 2015, compared to the year ended December 31, 2014, are discussed below.

Segment Revenue

Revenue in our Southern segment increased $568.1 million, or 391.0%, to $713.4 million for the year ended December 31, 2016, from $145.3 million for the year ended December 31, 2015. The components of the increase consisted of net revenue growth from acquisitions and divestitures closed during, or subsequent to, the year ended December 31, 2015, of $557.9 million, solid waste volume increases of $4.9 million primarily from volume increases in residential collection, roll off collection, transfer station and landfill MSW, net price increases of $4.7 million and other revenue increases of $0.6 million.

Revenue in our Southern segment increased $9.8 million, or 7.2%, to $145.3 million for the year ended December 31, 2015, from $135.5 million for the year ended December 31, 2014. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $7.5 million and net price increases of $5.5 million, partially offset by other revenue decreases of $1.5 million due primarily to landfill construction services, contracted in the prior year, that we performed at a landfill we operate, decreases in solid waste volumes of $0.9 million due to primarily to declines in residential collection volumes and landfill special waste volumes and decreases in E&P volumes of $0.8 million due to the aforementioned decline in the level of drilling and production activity.

Revenue in our Western segment increased $54.9 million, or 6.2%, to $935.3 million for the year ended December 31, 2016, from $880.4 million for the year ended December 31, 2015. The components of the increase consisted of solid waste volume increases of $38.9 million associated with volume increases in residential collection, commercial collection, roll off collection, transfer station, landfill MSW and landfill special waste, net price increases of $12.5 million, net revenue growth from acquisitions and divestitures closed during, or subsequent to, the year ended December 31, 2015, of $3.6 million and recyclable commodity sales increases of $1.6 million due to increased prices for recyclable commodities, which began to recover in the second half of 2016, partially offset by decreases of $0.9 million from reduced E&P disposal volumes at our solid waste landfills and other revenue decreases of $0.8 million.

Revenue in our Western segment increased $56.5 million, or 6.9%, to $880.4 million for the year ended December 31, 2015, from $823.9 million for the year ended December 31, 2014. The components of the increase consisted of solid waste volume increases of $30.2 million associated with our residential, commercial and roll off collection operations, transfer stations and landfill special waste revenues being partially offset by lower landfill MSW revenues, intermodal revenue increases of $21.8 million due to a new large intermodal customer and higher cargo volume with existing customers, net price increases of $12.9 million, revenue growth from

acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $1.9 million and other revenue increases of $0.3 million, partially offset by recyclable commodity sales decreases of $2.0 million and $5.3 million resulting from the closure of a recycling operation in April 2014 and declines in the price of recyclable commodities, respectively, and decreases of $3.3 million from reduced E&P disposal volumes at our solid waste landfills.

Revenue in our Eastern segment increased $260.5 million, or 69.3%, to $636.7 million for the year ended December 31, 2016, from $376.2 million for the year ended December 31, 2015. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2015, of $246.4 million, net price increases of $10.9 million and solid waste volume increases of $2.4 million primarily from volume increases in roll off collection, transfer station and landfill special waste exceeding volume decreases in residential collection and other revenue increases of $0.8 million.

Revenue in our Eastern segment increased $33.9 million, or 9.9%, to $376.2 million for the year ended December 31, 2015, from $342.3 million for the year ended December 31, 2014. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $19.1 million, net price increases of $9.4 million and solid waste volume increases of $8.0 million primarily from volume increases in our roll off collection business, transfer station and landfill special waste exceeding decreases in residential collection volumes, partially offset by recyclable commodity sales decreases of $2.4 million due primarily to declines in the price of recyclable commodities and other revenue decreases of $0.2 million.

Revenue in our Canada segment was $407.9 million for the year ended December 31, 2016. Our Canada segment was formed in conjunction with the Progressive Waste acquisition on June 1, 2016; therefore, we did not recognize revenue in this segment prior to the close of the Progressive Waste acquisition.

Revenue in our Central segment increased $61.3 million, or 12.3%, to $561.5 million for the year ended December 31, 2016, from $500.2 million for the year ended December 31, 2015. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2015, of $50.6 million, net price increases of $19.8 million and other revenue increases of $0.7 million, partially offset by solid waste volume decreases of $7.4 million resulting from volume decreases in residential collection and transfer station and decreases of $2.4 million from reduced E&P disposal volumes at our solid waste landfills.

Revenue in our Central segment increased $24.3 million, or 5.1%, to $500.2 million for the year ended December 31, 2015, from $475.9 million for the year ended December 31, 2014. The components of the increase consisted of net price increases of $18.6 million, solid waste volume increases of $2.5 million associated with increases in roll off collection volumes, transfer station volumes, landfill MSW volumes and landfill special waste volumes exceeding declines in residential collection volumes, net revenue growth from acquisitions and divestitures closed during, or subsequent to, the year ended December 31, 2014, of $2.5 million and other revenue increases of $0.7 million.

Revenue in our E&P segment decreased $94.1 million, or 43.7%, to $121.1 million for the year ended December 31, 2016, from $215.2 million for the year ended December 31, 2015. The components of the decrease consisted of $91.7 million from reduced E&P volumes, $2.3 million from reduced solid waste volumes at non-E&P operations managed by our E&P segment and other revenue decreases of $0.1 million. During the year ended December 31, 2016, our E&P segment continued to be adversely affected by the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and 2016, resulting in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate.

Revenue in our E&P segment decreased $86.3 million, or 28.6%, to $215.2 million for the year ended December 31, 2015, from $301.5 million for the year ended December 31, 2014. The components of the decrease consisted of $116.6 million of E&P revenue decreases at facilities owned and fully-operated in each of the comparable periods due to declines in both E&P waste volumes and prices charged for our services and solid waste decreases of $0.3 million, partially offset by revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $26.7 million, and $3.9 million of revenue from two new E&P disposal facilities opened subsequent to December 31, 2014. During the year ended December 31, 2015, our E&P segment was adversely affected by the substantial reductions in crude oil prices that began in October 2014, and continued through 2015, resulting in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate.

Segment EBITDA

Segment EBITDA in our Southern segment increased $127.6 million, or 357.2%, to $163.3 million for the year ended December 31, 2016, from $35.7 million for the year ended December 31, 2015. The increase was due primarily to an increase in revenues of $568.1 million and $0.8 million of other net expense decreases, partially offset by a net $435.7 million increase in cost of operations

and SG&A expenses attributable to acquired operations, an increase in direct and administrative labor expenses of $3.5 million due primarily to employee pay rate increases and an increase in truck, container, equipment and facility maintenance and repair expenses of $2.1 million due to variability in the timing and severity of major repairs.

The Progressive Waste acquisition contributed $556.6 million of revenue and $121.4 million of EBITDA to our Southern segment for the year ended December 31, 2016. The reported EBITDA amounts include charges for allocated corporate overhead.

Segment EBITDA in our Southern segment increased $3.2 million, or 9.8%, to $35.7 million for the year ended December 31, 2015, from $32.5 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $9.8 million, a decrease in fuel expense of $2.3 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements and a decrease of $2.0 million associated with the cost of contracted landfill construction services we performed during the prior year period at a landfill we operate, partially offset by a net $5.6 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in corporate overhead expense allocations of $1.6 million due primarily to revenue growth, an increase in direct and administrative labor expenses of $1.2 million due primarily to employee pay rate increases, an increase in medical benefits expenses of $0.6 million due primarily to increased claim costs and $1.9 million of other net expense increases.

Segment EBITDA in our Western segment increased $24.8 million, or 8.5%, to $315.7 million for the year ended December 31, 2016, from $290.9 million for the year ended December 31, 2015. The increase was due primarily to an increase in revenues of $54.9 million, a decrease in fuel expense of $1.1 million due to lower market prices for diesel fuel not purchased under diesel fuel hedges, a reduction in professional fees of $1.8 million associated with prior year expenses related to new contracts and regulatory compliance and a decrease in corporate overhead expense allocations of $2.3 million due to a lower overhead allocation rate, partially offset by an increase in direct and administrative labor expenses of $10.5 million due primarily to employee pay rate increases and increased headcount to support revenue volume increases, an increase in taxes on revenues of $6.3 million due to increased revenues, an increase in employee benefits expenses of $5.0 million due to increased medical claims costs, an increase in third-party disposal expense of $4.5 million due to increased collection volumes and disposal rate increases, an increase in truck, container, equipment and facility maintenance and repair expenses of $3.9 million due to variability in the timing and severity of major repairs, an increase in third-party trucking and transportation expenses of $1.7 million due to increased disposal volumes that require transportation to our landfills, an increase in expenses for uncollectable accounts receivable of $1.0 million due primarily to a large intermodal customer filing for bankruptcy, an increase in the cost to purchase recyclable commodities of $0.8 million and $1.6 million of other net expense increases.

Segment EBITDA in our Western segment increased $32.8 million, or 12.7%, to $290.9 million for the year ended December 31, 2015, from $258.1 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $56.5 million, a decrease in fuel expense of $9.5 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a decrease in current year expenses for uncollectible accounts receivable of $1.1 million due primarily to a prior year expense charge associated with receivables from a large customer that were deemed uncollectible and a decrease in auto, workers' compensation and property claims expenses under our high deductible insurance program of $1.0 million due primarily to adjustments to projected losses on prior period claims, partially offset by an increase in rail transportation expenses at our intermodal operations of $9.6 million due to increased rail cargo volume, an increase in direct and administrative labor expenses of $9.3 million due primarily to employee pay rate increases and increased headcount to support revenue volume increases, an increase in third-party disposal expense of $4.3 million due to increased collection volumes and disposal rate increases, an increase in taxes on revenues of $3.6 million due to increased revenues, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.5 million due to variability in the timing and severity of major repairs, an increase in third-party trucking and transportation expenses of $1.6 million due to increased disposal volumes that require transportation to our landfills, an increase in corporate overhead expense allocations of $1.4 million due primarily to revenue growth, a net $0.8 million increase in cost of operations and SG&A expenses attributable to acquired operations, a $0.5 million increase in legal fees associated with our dispute with the County of Madera, California, a $0.4 million increase in credit card fees resulting from an increase in the total number of customers remitting payments for our services using credit cards and $1.3 million of other net expense increases.

Segment EBITDA in our Eastern segment increased $73.7 million, or 61.6%, to $193.4 million for the year ended December 31, 2016, from $119.7 million for the year ended December 31, 2015. The increase was due primarily to an increase in revenues of $260.5 million, a decrease in fuel expense of $1.8 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a decrease in corporate overhead expense allocations of $3.8 million due to a lower overhead allocation rate, a decrease in expenses for auto and workers' compensation claims of $1.5 million due to improved safety results, a decrease in third-party disposal expenses of $2.7 million due primarily to increased internal disposal of waste at our transfer stations and landfills in the Albany, NY market, a decrease in expenses for uncollectable accounts receivable of $0.8 million due primarily to the recovery of a receivable that was reserved as uncollectible in a prior period and $1.8 million of other net expense decreases, partially offset by a net

$185.3 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in direct and administrative labor expenses of $4.3 million due primarily to employee pay rate increases and increased headcount to support internal growth, an increase in employee benefits expenses of $3.1 million due to increased medical claims costs, an increase in third-party trucking and transportation expenses of $2.9 million due to increased landfill special waste volumes and transfer station volumes that require us to be responsible for the costs of transporting the waste to our disposal operations, an increase in taxes on revenues of $1.9 million due primarily to a new landfill site that commenced operations in 2015 and an increase in truck, container, equipment and facility maintenance and repair expenses of $1.7 million due to variability in the timing and severity of major repairs.

The Progressive Waste acquisition contributed $178.5 million of revenue and $42.3 million of EBITDA to our Eastern segment for the year ended December 31, 2016. The reported EBITDA amounts include charges for allocated corporate overhead.

Segment EBITDA in our Eastern segment increased $15.5 million, or 14.8%, to $119.7 million for the year ended December 31, 2015, from $104.2 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $33.9 million, a decrease in fuel expense of $5.1 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements and a decrease in disposal expenses of $1.6 million due primarily to increased internalization of collected waste volumes in our Albany, New York market, partially offset by a net $13.4 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in corporate overhead expense allocations of $3.5 million due primarily to revenue growth, an increase in direct and administrative labor expenses of $3.5 million due primarily to employee pay rate increases and increased headcount to support internal growth, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.3 million due to variability in the timing and severity of major repairs, an increase in third-party trucking and transportation expenses of $1.4 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills and an increase in taxes on revenues of $1.0 million at a new landfill site that commenced operations in 2015.

Segment EBITDA in our Canada segment was $149.3 million for the year ended December 31, 2016. The segment EBITDA was comprised of $407.9 million of acquired revenues, less the following expenses: direct labor and related benefits expenses of $82.0 million; disposal expenses of $46.2 million; SG&A and allocated corporate overhead expenses of $38.7 million; truck, container, equipment and facility maintenance and repair expenses of $24.2 million; third-party trucking and transportation expenses of $16.7 million; fuel expenses of $14.2 million; expenses related to the purchase and processing of recyclable commodities of $4.5 million; auto and workers' compensation expenses of $6.3 million; and $25.8 million of all other net expenses.

Segment EBITDA in our Central segment increased $24.9 million, or 13.5%, to $208.9 million for the year ended December 31, 2016, from $184.0 million for the year ended December 31, 2015. The increase was due primarily to an increase in revenues of $61.3 million, a decrease in fuel expense of $3.9 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a $1.1 million decrease in legal expenses due to the resolution of certain third-party claims subsequent to the prior year period and a decrease in corporate overhead expense allocations of $1.9 million due to a lower overhead allocation rate, partially offset by a net $31.3 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in direct and administrative labor expenses of $4.5 million due primarily to employee pay rate increases, an increase in employee benefits expenses of $4.5 million due to increased employee participation in our benefit plans and increased medical claims costs, an increase in truck, container, equipment and facility maintenance and repair expenses of $1.9 million due to variability in the timing and severity of major repairs and a $1.1 million increase in third-party trucking and transportation expenses due to increased utilization of our transfer stations which require received disposal volumes to be transported to our landfills.

The Progressive Waste acquisition contributed $42.0 million of revenue and $13.3 million of EBITDA to our Central segment for the year ended December 31, 2016. The reported EBITDA amounts include charges for allocated corporate overhead.

Segment EBITDA in our Central segment increased $8.1 million, or 4.6%, to $184.0 million for the year ended December 31, 2015, from $175.9 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $24.3 million and a decrease in fuel expense of $3.3 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, partially offset by an increase in direct and administrative labor expenses of $6.1 million due primarily to employee pay rate increases, an increase in corporate overhead expense allocations of $4.0 million due primarily to revenue growth and an increase to the overhead allocation rate, an increase in third-party disposal expense of $3.5 million due to disposal rate increases, changes in internalization of collected waste volumes in certain markets and increased transfer station volumes, an increase in truck, container, equipment and facility maintenance and repair expenses of $1.9 million due to variability in the timing and severity of major repairs, an increase in professional fees of $1.4 million due primarily to increased expenses for legal and sales consulting services, an increase in taxes on revenues of $1.2 million due primarily to increased landfill revenues, a net $0.6 million increase in cost of operations and SG&A expenses attributable to acquired operations and $0.8 million of other net expense increases.

Segment EBITDA in our E&P segment decreased $37.6 million, or 53.7%, to $32.5 million for the year ended December 31, 2016, from $70.1 million for the year ended December 31, 2015. The decrease was due primarily to a $94.1 million decrease in revenues, partially offset by decreased expenses of $5.0 million associated with costs incurred during the year ended December 31, 2015 for site clean-up and remediation work associated with flooding and other surface damage at two of our E&P disposal sites in New Mexico resulting from heavy precipitation affecting the sites, a decrease of $1.5 million in expenses resulting from start-up costs incurred during the year ended December 31, 2015 at two new E&P disposal facilities, a decrease in corporate overhead expense allocations of $0.9 million due primarily to declines in revenue and a lower overhead allocation rate, decreased fuel expenses of $2.1 million due primarily to decreases in the price of diesel fuel and the following changes attributable to a reduction in our operations and headcount resulting from the decline in the level of drilling and production activity: decreased direct and administrative employee wage and benefits expenses of $17.3 million, decreased third-party trucking and transportation expenses of $8.7 million, decreased equipment repair expenses of $4.1 million, decreased cell processing and site remediation work of $3.0 million, decreased landfill operating supplies of $2.3 million, decreased equipment rental expenses of $2.2 million, decreased employee travel expenses of $1.7 million, decreased disposal expenses of $1.3 million, decreased royalties on revenues of $1.2 million and $5.2 million of other expense decreases.

Segment EBITDA in our E&P segment decreased $77.8 million, or 52.6%, to $70.1 million for the year ended December 31, 2015, from $147.9 million for the year ended December 31, 2014. The decrease was due primarily to an $86.3 million decrease in revenues, a net $17.8 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase of $5.0 million in expenses due to site clean-up and remediation work during the first quarter of 2015 associated with flooding and other surface damage at two of our E&P disposal sites in New Mexico resulting from heavy precipitation affecting the sites and an increase of $1.5 million due to start-up related expenses at two new E&P disposal facilities during the first quarter of 2015, partially offset by decreased fuel expenses of $4.1 million due primarily to decreases in the price of diesel fuel, a decrease in corporate overhead expense allocations of $1.9 million due to lower revenues, a decrease in expenses for uncollectible accounts receivable of $1.5 million due to improved collection results in the current year and the following changes attributable to a reduction in our operations resulting from the decline in the level of drilling and production activity: decreased third-party trucking and transportation expenses of $6.7 million, decreased site remediation work of $6.2 million, decreased employee wage and benefits expenses of $3.4 million, decreased equipment repair expenses of $3.0 million, decreased equipment rental expenses of $1.9 million, decreased royalties on revenues of $1.1 million, decreased landfill operating supplies of $0.5 million and $2.5 million of other expense decreases.

Segment EBITDA at Corporate decreased $121.1 million, to a loss of $119.2 million for the year ended December 31, 2016, from income of $1.9 million for the year ended December 31, 2015. The loss was due to an increase in direct acquisition costs of $29.1 million attributable primarily to the Progressive Waste acquisition, an increase of $26.0 million resulting from severance-related expenses payable to Progressive Waste personnel who were not permanently retained as employees of New Waste Connections following the close of the Progressive Waste acquisition, an increase of $14.5 million from New Waste Connections paying excise taxes levied on the unvested or vested and undistributed equity-compensation holdings of our corporate officers and members of our Board of Directors resulting from the Progressive Waste acquisition, an increase in share-based compensation expenses of $14.3 million resulting from time-lapse vesting and changes to the fair value of awards granted by Progressive Waste prior to the June 1, 2016 closing of the Progressive Waste acquisition to employees of Progressive Waste who were retained as employees of New Waste Connections following the closing and which awards were continued by New Waste Connections, an increase in share-based compensation expenses of $8.0 million related to awards granted to employees of Progressive Waste prior to June 1, 2016 for which vesting was accelerated due to plan provisions regarding a change in control followed by termination of employment, an increase in equity-based compensation expenses of $2.3 million resulting from the acceleration of vesting of performance share units granted to Old Waste Connections' management in 2014 and 2015, an increase of $8.1 million resulting from employee relocation expenses and professional fees incurred to integrate the operations of Progressive Waste into New Waste Connections, an increase of $11.8 million resulting from the accrual of incentive compensation expenses to certain of our executive officers and key employees related to the achievement of defined synergy goals realized by New Waste Connections from the Progressive Waste acquisition, an increase in accrued recurring cash incentive compensation expense to our management of $12.0 million due to our solid waste segments exceeding their collective financial targets in 2016 and the addition of four months of accrued cash incentive compensation expense for the retained Progressive Waste employees, an increase in payroll expenses and employee benefits of $7.5 million due to increased corporate headcount to support the operations of Progressive Waste, annual compensation increases and expenses associated with corporate employees of Progressive Waste continuing to provide services to us over a short-term transition period, an increase in legal, accounting and information technology professional fee expenses of $6.7 million due to increased support required as a result of growth from the Progressive Waste acquisition, an increase in corporate travel, meetings and training expenses of $2.8 million resulting from the integration of employees of Progressive Waste into New Waste Connections, an increase in deferred compensation expense of $1.2 million resulting from deferred compensation liabilities to employees increasing as a result of increases in the market value of investments to which employee deferred compensation balances are tracked, an increase in software license fees of $1.0 million to support computer applications acquired in the Progressive Waste acquisition, an increase in equity-based compensation expenses of $1.0 million associated with our annual recurring grant of restricted share units to our personnel, an increase in employee

relocation expenses of $0.8 million associated with corporate personnel added to support the additional administrative oversight resulting from the Progressive Waste acquisition, an increase in real estate rent expense of $0.8 million due primarily to expenses incurred for duplicative corporate headquarters utilized by Progressive Waste which we expect to vacate and sublease in 2017 and $4.1 million of other net expense increases, partially offset by an increase in corporate overhead allocated to our segments of $30.9 million due to an increase in total corporate expenses to support the operations acquired in the Progressive Waste acquisition. During the year ended December 31, 2016, the allocation rate for charging corporate overhead to our segments was 2.9% of budgeted revenues, a decrease from 3.5% for the year ended December 31, 2015, as a result of allocating our total corporate expenses over a larger group of operations resulting from the Progressive Waste acquisition.

Segment EBITDA at Corporate increased $9.3 million, to income of $1.9 million for the year ended December 31, 2015, from a loss of $7.4 million for the year ended December 31, 2014. The increase was due to an increase in revenue-based corporate overhead expense allocations to our segments of $8.9 million due primarily to our revenue growth in our solid waste segments and an increase in the allocation rate to our Central and Eastern segments, a decrease in accrued cash incentive compensation expense of $2.9 million as we did not achieve the same level of certain financial targets that were met in the prior year period, a decrease in deferred compensation expense of $0.5 million resulting from deferred compensation liabilities to employees decreasing as a result of decreases in the market value of investments to which employee deferred compensation balances are tracked and $0.5 million of other net expense decreases, partially offset by an increase in direct acquisition expenses of $2.1 million attributable to acquisitions closed during the current year period, an increase of $0.8 million in equity-based compensation expenses associated with our annual recurring grant of restricted share units to our personnel and an increase in payroll expenses of $0.6 million due primarily to pay rate increases.

Liquidity and Capital Resources

The following table sets forth certain cash flow information for the years ended December 31, 2016, 2015 and 2014 (in thousands of U.S. dollars):

	2016	2015	2014
Net cash provided by operating activities	$ 795,312	$ 576,999	$ 545,077
Net cash used in investing activities	(296,395)	(470,534)	(363,408)
Net cash used in financing activities	(354,869)	(109,844)	(180,907)
Effect of exchange rate changes on cash and equivalents	(598)	-	-
Net increase (decrease) in cash and equivalents	143,450	(3,379)	762
Cash and equivalents at beginning of year	10,974	14,353	13,591
Less: cash held for sale	(42)	-	-
Cash and equivalents at end of year	$ 154,382	$ 10,974	$ 14,353

Operating Activities Cash Flows

For the year ended December 31, 2016, net cash provided by operating activities was $795.3 million. For the year ended December 31, 2015, net cash provided by operating activities was $577.0 million. The $218.3 million increase was due primarily to the following:

1) An increase in net income of $342.0 million, adjusted for a decrease in cash flows from operating assets and liabilities, net of effects from closed acquisitions, of $45.8 million. Cash flows from changes in operating assets and liabilities, net of effects from acquisitions, was a cash outflow of $35.2 million for the year ended December 31, 2016 and a cash inflow of $10.6 million for the year ended December 31, 2015. The significant components of the $35.2 million in net cash outflows from changes in operating assets and liabilities, net of effects from closed acquisitions, for the year ended December 31, 2016, include the following:
   a) an increase in cash resulting from an $8.0 million increase in deferred revenue due primarily to increased solid waste collection revenues and the timing of billing for those services; less
   b) a decrease in cash resulting from a $15.8 million decrease in accounts payable and accrued liabilities due primarily to the payment of $32.7 million of direct acquisition costs incurred by Progressive Waste prior to June 1, 2016 that were assumed by us in conjunction with the Progressive Waste acquisition, partially offset by an increase in accrued management bonuses; less
   c) a decrease in cash resulting from a $5.3 million increase in accounts receivable due to seasonally increased revenues, without improved collection results, contributing to a higher amount of revenues remaining uncollected at the end of the comparable periods; less
   d) a decrease in cash resulting from a $21.7 million increase in prepaid expenses and other current assets due primarily to increases in prepaid income taxes and prepaid insurance premiums;

2) An increase in depreciation expense of $153.2 million due primarily to increased depreciation expense resulting from increased capital expenditures and property, equipment and landfill assets acquired in the Progressive Waste acquisition;
3) An increase in amortization expense of $41.2 million due primarily to intangible assets acquired in the Progressive Waste acquisition;
4) An increase in our provision for deferred taxes of $174.8 million due primarily to tax deductible timing differences associated with depreciation and the prior year impairment charge in our E&P segment resulting in the reduction of corresponding deferred tax liabilities;
5) An increase in share-based compensation expense of $24.5 million due primarily to an increase in the total fair value of our annual recurring grant of restricted share units and performance share units to our personnel, expenses associated from time-lapse vesting and changes to the fair value of share-based compensation awards granted to Progressive Waste employees prior to the June 1, 2016 acquisition date that continued to remain outstanding following the close of the Progressive Waste acquisition and the acceleration of vesting of performance share units granted to Old Waste Connections' management in 2014 and 2015;
6) An increase of $19.6 million attributable to post-closing adjustments resulting in a net decrease in the fair value of amounts payable under liability-classified contingent consideration arrangements primarily associated with the 2014 acquisition of an E&P disposal company; and
7) An increase in interest accretion expense of $3.7 million due primarily to increased landfill closure and post-closure liabilities and contingent liabilities acquired in the Progressive Waste acquisition; less
8) A decrease in the loss on disposal of assets and impairments of $491.9 million due primarily to the prior year impairment of a portion of our goodwill, indefinite-lived intangible assets and property, plant and equipment within our E&P segment; less
9) A decrease of $3.1 million attributable to an increase in the excess tax benefits associated with equity-based compensation, due to an increase in taxable income recognized by employees from equity-based compensation that is tax deductible to us.

For the year ended December 31, 2015, net cash provided by operating activities was $577.0 million. For the year ended December 31, 2014, net cash provided by operating activities was $545.1 million. The $31.9 million increase was due primarily to the following:

1) A decrease in net income of $328.0 million, adjusted for an increase in cash flows from operating assets and liabilities, net of effects from acquisitions, of $10.2 million. Cash provided by operating assets and liabilities, net of effects from acquisitions, was $10.6 million and $0.4 million for the year ended December 31, 2015 and 2014, respectively. The significant components of the $10.6 million in net cash inflows from changes in operating assets and liabilities, net of effects from acquisitions, for the year ended December 31, 2015, include the following:
   a) an increase in cash resulting from a $17.3 million decrease in accounts receivable due, in part, to improved collection results;
   b) an increase in cash resulting from an increase in accrued liabilities of $8.2 million due primarily to an increase in accrued interest due to the timing of semi-annual interest payments under our various long-term notes and an increase in accrued payroll-related expenses due to our pay cycle timing resulting in an additional day of accrual at December 31, 2015, partially offset by a decrease in accrued cash incentive compensation expense as we did not achieve the same level of certain financial targets that were met in the prior year period;
   c) an increase in cash resulting from a $4.4 million increase in deferred revenue due primarily to increased collection revenues and the timing of billing for services; less
   d) a decrease in cash resulting from a $16.7 million increase in accounts payable due primarily to an increase in the volume of vendor payments remitted using electronic payment processes that decrease the period of time from receipt until payment for vendor invoices; less
   e) a decrease in cash resulting from a $2.8 million increase in prepaid expenses and other current assets due primarily to an increase in prepaid income taxes;
2) An increase in the loss on disposal of assets and impairments of $510.4 million due primarily to the current year impairment of a portion of our goodwill, indefinite-lived intangible assets and property and equipment within our E&P segment;
3) An increase in depreciation expense of $9.4 million due primarily to increased depreciation expense resulting from increased capital expenditures;
4) An increase of $5.4 million attributable to a decrease in the excess tax benefits associated with equity-based compensation, due to a decrease in share option exercises resulting in decreased taxable income recognized by employees that is tax deductible to us; and
5) An increase in interest accretion of $1.7 million from long-term liabilities recorded at fair value associated with acquisitions closed subsequent to December 31, 2014; less
6) A decrease in our provision for deferred taxes of $163.5 million due primarily to the aforementioned impairment charge in our E&P segment resulting in the reduction of corresponding deferred tax liabilities; less

7) A decrease of $18.7 million attributable to post-closing adjustments resulting in a net decrease in the fair value of amounts payable under liability-classified contingent consideration arrangements primarily associated with the 2014 acquisition of an E&P disposal company.

As of December 31, 2016, we had a working capital surplus of $140.4 million, including cash and equivalents of $154.4 million. Our working capital surplus increased $156.2 million from a working capital deficit of $15.8 million at December 31, 2015, including cash and equivalents of $11.0 million, due primarily to increased cash balances and increased prepaid income taxes. To date, we have experienced no loss or lack of access to our cash or cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets. Our strategy in managing our working capital is generally to apply the cash generated from our operations that remains after satisfying our working capital and capital expenditure requirements, along with share repurchase and dividend programs, to reduce the unhedged portion of our indebtedness under our Credit Agreement and to minimize our cash balances.

Investing Activities Cash Flows

Net cash used in investing activities decreased $174.1 million to $296.4 million for the year ended December 31, 2016, from $470.5 million for the year ended December 31, 2015. The significant components of the decrease include the following:

1) A decrease in cash paid for acquisitions of $213.4 million; and
2) Cash acquired in the Progressive Waste acquisition of $65.8 million; less
3) An increase in capital expenditures for property and equipment of $105.9 million.

Total consideration for the Progressive Waste acquisition consisted of the issuance of common shares and assumption of Progressive Waste's debt and other liabilities. We did not transfer cash consideration to the former shareholders of Progressive Waste. Progressive Waste had cash balances totaling $65.8 million, which we acquired upon the close of the Progressive Waste acquisition.

The increase in capital expenditures for property and equipment was due primarily to increases in expenditures for collection trucks and expenditures resulting from the November 2015 acquisition of Rock River Environmental Services, Inc. and the 2016 acquisition of Progressive Waste.

Net cash used in investing activities increased $107.1 million to $470.5 million for the year ended December 31, 2015, from $363.4 million for the year ended December 31, 2014. The significant components of the increase include the following:

1) An increase in payments for acquisitions of $104.3 million due primarily to the acquisition of ten solid waste collection businesses, two integrated solid waste collection and disposal businesses, an E&P waste stream treatment and recycling business and a permitted, development stage E&P landfill site during the year ended December 31, 2015; less
2) A decrease in capital expenditures for property and equipment of $2.4 million due primarily to decreases in expenditures for trucks purchased for purposes of converting fleets at certain hauling operations to compressed natural gas and decreases in expenditures for equipment in our E&P segment, partially offset by increased expenditures resulting from acquisitions closed subsequent to December 31, 2014 and expenditures in 2015 for two new E&P liquid waste injection wells.

Financing Activities Cash Flows

Net cash used in financing activities increased $245.0 million to $354.8 million for the year ended December 31, 2016, from $109.8 million for the year ended December 31, 2015. The significant components of the increase include the following:

1) An increase in net repayments of long-term borrowings of $305.1 million due primarily to increased cash provided from operations, cash acquired in the Progressive Waste acquisition, reduced proceeds from borrowings to fund payments for acquisitions and reduced proceeds from borrowings to fund payments to repurchase our common shares exceeding increased borrowings to fund capital expenditures and increases to end of period cash balances;
2) An increase in payments of contingent consideration recorded at acquisition date of $14.1 million due primarily to the payout of the fair value of contingent liabilities associated with the expansion of an acquired construction and demolition landfill, obtaining permits to construct and operate two new E&P landfills and a solid waste acquisition achieving required earnings targets;
3) An increase in payments for debt issuance costs of $6.6 million resulting primarily from our Credit Agreement that we entered into in June 2016 in conjunction with the Progressive Waste acquisition; and

4) An increase in cash dividends paid of $26.6 million due primarily to an increase in our quarterly dividend rate to an annual total of $0.615 per share for the year ended December 31, 2016, from an annual total of $0.535 per share for the year ended December 31, 2015, and an increase in common shares outstanding resulting from the Progressive Waste acquisition; less
5) A decrease in payments to repurchase our common shares of $91.2 million due to no shares being repurchased during the year ended December 31, 2016; less
6) An increase of $19.9 million from the sale of common shares held in trust; less
7) An increase of $3.1 million attributable to an increase in the excess tax benefits associated with equity-based compensation, due to an increase in taxable income recognized by employees from equity-based compensation that is tax deductible to us.

Net cash used in financing activities decreased $71.1 million to $109.8 million for the year ended December 31, 2015, from $180.9 million for the year ended December 31, 2014. The significant components of the decrease include the following:

1) A decrease in net repayments of long-term borrowings of $153.7 million due primarily to increased proceeds from borrowings to fund increases in payments for acquisitions and payments to repurchase our common stock during the year ended December 31, 2015;
2) A decrease in payment of contingent consideration recorded at acquisition date of $22.7 million due primarily to the payout in 2013 of the fair value of a contingent liability recorded at the close date of the 2012 acquisition of R360 associated with the achievement of a permitted expansion at one of the acquired landfills; less
3) An increase in payments to repurchase our common stock of $83.8 million due to an increase in share repurchase activity during the year ended December 31, 2015; less
4) An increase in cash dividends paid of $7.1 million due primarily to an increase in our quarterly dividend rate to an annual total of $0.535 per share for the year ended December 31, 2015, from an annual total of $0.475 per share for the year ended December 31, 2014; less
5) An increase in payments for debt issuance costs of $6.7 million incurred in connection with our new revolving credit and term loan agreement that we entered into in January 2015 and our new 2022 Notes and 2025 Notes that we issued in August 2015; less
6) A decrease of $5.4 million attributable to a decrease in the excess tax benefits associated with equity-based compensation, due to a decrease in share option exercises resulting in decreased taxable income recognized by employees that is tax deductible to us.

Our business is capital intensive. Our capital requirements include acquisitions and capital expenditures for landfill cell construction, landfill development, landfill closure activities and intermodal facility construction in the future.

On July 19, 2016, our Board of Directors approved, subject to receipt of regulatory approvals, undertaking a normal course issuer bid (the "NCIB") to purchase up to 8,770,732 of our common shares for a one-year period that expires on August 7, 2017. We received TSX approval of the NCIB on August 3, 2016. Under the NCIB, we may make share repurchases only in the open market, including on the NYSE, the TSX, and alternative Canadian trading systems, at the prevailing market price at the time of the transaction.

In accordance with TSX rules, any daily repurchases made through the TSX and alternative Canadian trading systems would be limited to a maximum of 60,150 common shares, which represents 25% of the average daily trading volume on the TSX of 240,601 common shares for the period from June 1, 2016 to July 31, 2016, being the whole calendar month periods that our shares traded on the TSX from the June 1, 2016 closing of the Progressive Waste acquisition to the date we filed our NCIB application with the TSX. The TSX rules also allow us to purchase, once a week, a block of common shares not owned by any insiders, which may exceed such daily limit. The maximum number of shares that can be purchased per day on the NYSE will be 25% of the average daily trading volume for the four calendar weeks preceding the date of purchase, subject to certain exceptions for block purchases. Shareholders may obtain a copy of our TSX Form 12 – Notice of Intention to Make a Normal Course Issuer Bid, without charge, by request directed to our Vice President – Finance at (832) 442-2200.

The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including our capital structure, the market price of the common shares and overall market conditions. All common shares purchased under the NCIB shall be immediately cancelled following their repurchase.

For the year ended December 31, 2016, we did not repurchase any common shares pursuant to the NCIB or other share repurchase programs. For the year ended December 31, 2015, Old Waste Connections repurchased 1,962,989 shares of common stock at an aggregate cost of $91.2 million.

The Board of Directors of Old Waste Connections authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. Cash dividends of $92.5 million and $66.0 million were paid during the years ended December 31, 2016 and 2015, respectively. In October 2016, our Board of Directors authorized an increase to our regular quarterly cash dividend of $0.035, from $0.145 to $0.18 per share. We cannot assure you as to the amounts or timing of future dividends.

We made $344.7 million in capital expenditures during the year ended December 31, 2016. We expect to make capital expenditures of approximately $450 million in 2017 in connection with our existing business. We intend to fund our planned 2017 capital expenditures principally through cash on hand, internally generated funds and borrowings under our Credit Agreement. In addition, we may make substantial additional capital expenditures in acquiring MSW and E&P waste businesses. If we acquire additional landfill disposal facilities, we may also have to make significant expenditures to bring them into compliance with applicable regulatory requirements, obtain permits or expand our available disposal capacity. We cannot currently determine the amount of these expenditures because they will depend on the number, nature, condition and permitted status of any acquired landfill disposal facilities. We believe that our cash and equivalents, Credit Agreement and the funds we expect to generate from operations will provide adequate cash to fund our working capital and other cash needs for the foreseeable future. However, disruptions in the capital and credit markets could adversely affect our ability to draw on our Credit Agreement or raise other capital. Our access to funds under the Credit Agreement is dependent on the ability of the banks that are parties to the agreement to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

On June 1, 2016, we assumed $1.729 billion of debt in the Progressive Waste acquisition consisting of $1.659 billion of amounts outstanding under Progressive Waste's prior Amended and Restated Credit Agreement, dated as of June 30, 2015, among Progressive Waste, Bank of America, N.A., acting through its Canada branch, as global agent, Bank of America, N.A., as the U.S. agent, and the other lenders and financial institutions party thereto (the "2015 Progressive Waste Credit Agreement"), $64.0 million of tax-exempt bonds and $5.8 million of other long-term debt.

On June 1, 2016, we terminated the 2015 Progressive Waste Credit Agreement. Also on June 1, 2016, Old Waste Connections terminated a Revolving Credit and Term Loan Agreement, dated as of January 26, 2015, by and among Old Waste Connections, Bank of America, N.A., as the administrative agent and swing line lender and letter of credit issuer, and certain lenders and other financial institutions party thereto (the "2015 Old Waste Connections Credit Agreement," and together with the 2015 Progressive Waste Credit Agreement, the "Prior Credit Agreements").

On June 1, 2016, we also entered into several financing agreements, including the Credit Agreement with Bank of America, N.A., acting through its Canada Branch, as global agent, the swing line lender and letter of credit issuer, Bank of America, N.A., as the U.S. Agent and an letter of credit issuer, the lenders (the "Lenders") and any other financial institutions from time to time party thereto, and a Master Note Purchase Agreement (as amended, restated, amended and restated, assumed, supplemented or modified from time to time, the "2016 NPA") with certain accredited institutional investors, as more fully described below. Proceeds from the borrowings under the Credit Agreement were used initially to refinance our indebtedness under the Prior Credit Agreements and for the payment of transaction fees and expenses related to the Progressive Waste acquisition. We used proceeds from the sale of the 2016 Notes to refinance existing indebtedness and for general corporate purposes. See Note 8 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details on the new debt agreements.

As of December 31, 2016, $1.638 billion under the term loan and $310.6 million under the revolving credit facility were outstanding under our Credit Agreement, exclusive of outstanding standby letters of credit of $247.5 million. Our Credit Agreement matures in June 2021.

Contractual Obligations

As of December 31, 2016, we had the following contractual obligations:

	Payments Due by Period (amounts in thousands of U.S. dollars)				
Recorded Obligations	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Long-term debt	$ 3,632,692	$ 1,650	$ 243,938	$ 2,200,776	$ 1,186,328
Cash interest payments	584,594	104,358	205,379	148,825	126,032
Contingent consideration	71,925	21,612	4,631	11,279	34,403
Final capping, closure and post-closure	1,448,334	19,119	23,772	5,050	1,400,393

Long-term debt payments include:

1) $310.6 million in principal payments due June 2021 related to our revolving credit facility under our Credit Agreement. We may elect to draw amounts on our Credit Agreement in either U.S. dollar base rate loans or LIBOR loans or Canadian dollar Canadian prime rate loans or Bankers' Acceptance loans. At December 31, 2016, $7.4 million of the outstanding borrowings drawn under the revolving credit facility were in Canadian-based Canadian prime rate loans, which bear interest at the Canadian prime rate plus the applicable Canadian prime rate margin (for a total rate of 2.95% at December 31, 2016) and $303.1 million of the outstanding borrowings drawn under the revolving credit facility were in Canadian-based Bankers' Acceptance loans, which bear interest at the Canadian Dollar Offered Rate plus the applicable acceptance fee (for a total rate of 2.13% at December 31, 2016).

2) $1.638 billion in principal payments due June 2021 related to our term loan under our Credit Agreement. Outstanding amounts on the term loan can be either base rate loans or LIBOR loans. At December 31, 2016, all amounts outstanding under the term loan were in LIBOR loans which bear interest at the LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.97% at December 31, 2016).

3) $50.0 million in principal payments due 2018 related to our 2018 Notes. Holders of the 2018 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2018 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2018 Notes bear interest at a rate of 4.00%.

4) $175.0 million in principal payments due 2019 related to our 2019 Notes. Holders of the 2019 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2019 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2019 Notes bear interest at a rate of 5.25%.

5) $100.0 million in principal payments due 2021 related to our 2021 Notes. Holders of the 2021 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2021 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2021 Notes bear interest at a rate of 4.64%.

6) $150.0 million in principal payments due 2021 related to our new 2021 Notes. Holders of the new 2021 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the new 2021 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The new 2021 Notes bear interest at a rate of 2.39%.

7) $125.0 million in principal payments due 2022 related to our 2022 Notes. Holders of the 2022 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2022 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2022 Notes bear interest at a rate of 3.09%.

8) $200.0 million in principal payments due 2023 related to our 2023 Notes. Holders of the 2023 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2023 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2023 Notes bear interest at a rate of 2.75%.

9) $375.0 million in principal payments due 2025 related to our 2025 Notes. Holders of the 2025 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2025 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2025 Notes bear interest at a rate of 3.41%.

10) $400.0 million in principal payments due 2026 related to our 2026 Notes. Holders of the 2026 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2026 Notes plus accrued and unpaid interest and the LIBOR breakage amount, if any, upon a change in control, as defined in the master note purchase agreement. The 2026 Notes bear interest at a rate of 3.03%.

11) $95.4 million in principal payments related to our tax-exempt bonds, which bear interest at variable rates (ranging between 0.77% and 0.80% at December 31, 2016). The tax-exempt bonds have maturity dates ranging from 2018 to 2039.

12) $14.2 million in principal payments related to our notes payable to sellers and other third parties. Our notes payable to sellers and other third parties bear interest at rates between 3.00% and 24.81% at December 31, 2016, and have maturity dates ranging from 2017 to 2036.

The following assumptions were made in calculating cash interest payments:

1) We calculated cash interest payments on the Credit Agreement using the LIBOR rate plus the applicable LIBOR margin and the Canadian Dollar Offered Rate plus the applicable acceptance fee at December 31, 2016. We assumed the Credit Agreement is paid off when it matures in June 2021.

2) We calculated cash interest payments on our interest rate swaps using the stated interest rate in the swap agreement less the LIBOR rate through the expiration of the term of the swaps.

Contingent consideration payments include $51.8 million recorded as liabilities in our consolidated financial statements at December 31, 2016, and $20.1 million of future interest accretion on the recorded obligations.

The estimated final capping, closure and post-closure expenditures presented above are in current dollars.

	Amount of Commitment Expiration Per Period (amounts in thousands of U.S. dollars)				
Unrecorded Obligations[(1)]	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Operating leases	$ 162,152	$ 26,820	$ 38,766	$ 27,130	$ 69,436
Unconditional purchase obligations	52,141	42,640	9,501	-	-

(1) We are party to operating lease agreements and unconditional purchase obligations as discussed in Note 10 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. These lease agreements and purchase obligations are established in the ordinary course of our business and are designed to provide us with access to facilities and products at competitive, market-driven prices. At December 31, 2016, our unconditional purchase obligations consisted of multiple fixed-price fuel purchase contracts under which we have 22.3 million gallons remaining to be purchased for a total of $52.1 million. The current fuel purchase contracts expire on or before December 31, 2018. These arrangements have not materially affected our financial position, results of operations or liquidity during the year ended December 31, 2016, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

We have obtained standby letters of credit as discussed in Note 8 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K and financial surety bonds as discussed in Note 10 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. These standby letters of credit and financial surety bonds are generally obtained to support our financial assurance needs and landfill and E&P operations. These arrangements have not materially affected our financial position, results of operations or liquidity during the year ended December 31, 2016, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

From time to time, we evaluate our existing operations and their strategic importance to us. If we determine that a given operating unit does not have future strategic importance, we may sell or otherwise dispose of those operations. Although we believe our reporting units would not be impaired by such dispositions, we could incur losses on them.

New Accounting Pronouncements

See Note 1 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for a description of the new accounting standards that are applicable to us.

Non-GAAP Financial Measures

Adjusted Free Cash Flow

We present adjusted free cash flow, a non-GAAP financial measure, supplementally because it is widely used by investors as a valuation and liquidity measure in the solid waste industry. Management uses adjusted free cash flow as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted free cash flow as net cash provided by operating activities, plus proceeds from disposal of assets, plus or minus change in book overdraft, plus excess tax benefit associated with equity-based compensation, less capital expenditures for property and equipment and distributions to noncontrolling interests. We further adjust this calculation to exclude the effects of items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP liquidity or financial measures. Other companies may calculate adjusted free cash flow differently. Our adjusted free cash flow for the years ended December 31, 2016, 2015 and 2014, are calculated as follows (amounts in thousands of U.S. dollars):

	Years Ended December 31,		
	2016	**2015**	**2014**
Net cash provided by operating activities	$ 795,312	$ 576,999	$ 545,077
Less: Change in book overdraft	(1,305)	(89)	(11)
Plus: Proceeds from disposal of assets	4,604	2,883	9,421
Plus: Excess tax benefit associated with equity-based compensation	5,196	2,069	7,518
Less: Capital expenditures for property and equipment	(344,723)	(238,833)	(241,277)
Less: Distributions to noncontrolling interests	(3)	(42)	(371)
Adjustments:			
Payment of contingent consideration recorded in earnings [(a)]	493	-	1,074
Transaction-related expenses [(b)]	45,228	-	-
Severance-related and other expenses [(c)]	82,526	-	-
Tax effect [(d)]	(36,384)	-	-
Adjusted free cash flow	$ 550,944	$ 342,987	$ 321,431

(a) Reflects the addback of acquisition-related payments for contingent consideration that were recorded as expenses in earnings and as a component of cash flows from operating activities as the amounts paid exceeded the fair value of the contingent consideration recorded at the acquisition date.

(b) Reflects the addback of acquisition-related transaction costs, including excise tax payments, related to the Progressive Waste acquisition.

(c) Reflects the addback of severance-related expenses and other items, including certain professional fees, in connection with the Progressive Waste acquisition.

(d) The aggregate tax effect of footnotes (a) through (c) is calculated based on the applied tax rates for the respective periods.

Adjusted EBITDA

We present adjusted EBITDA, a non-GAAP financial measure, supplementally because it is widely used by investors as a performance and valuation measure in the solid waste industry. Management uses adjusted EBITDA as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted EBITDA as net income (loss) attributable to Waste Connections, plus net income attributable to noncontrolling interests, plus or minus income tax provision (benefit), plus interest expense, plus depreciation and amortization expense, plus closure and post-closure accretion expense, plus or minus any loss or gain on impairments and other operating items, plus other expense, less other income, plus foreign currency transaction loss, less foreign currency transaction gain. We further adjust this calculation to exclude the effects of other items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate adjusted EBITDA differently. Our adjusted EBITDA for the years ended December 31, 2016, 2015 and 2014, are calculated as follows (amounts in thousands of U.S. dollars):

	Years Ended December 31,		
	2016	**2015**	**2014**
Net income (loss) attributable to Waste Connections	$ 246,540	$ (95,764)	$ 232,525
Plus: Net income attributable to noncontrolling interests	781	1,070	802
Plus (less): Income tax provision (benefit)	114,044	(31,592)	152,335
Plus: Interest expense	92,709	64,236	64,674
Plus: Depreciation and amortization	463,912	269,434	257,944
Plus: Closure and post-closure accretion	8,936	3,978	3,627
Plus: Impairments and other operating items	27,678	494,492	4,091
Plus (less): Other expense (income), net	(655)	518	(1,067)
Less: Foreign currency transaction gain	(1,121)	-	-
Adjustments:			
Plus: Transaction-related expenses [(a)]	47,842	4,235	2,147
Plus: Pre-existing Progressive Waste share-based grants [(b)]	14,289	-	-
Plus: Severance-related and other expenses [(c)]	44,336	-	-
Plus: Synergy bonus [(d)]	11,798	-	-
Adjusted EBITDA	$ 1,071,089	$ 710,607	$ 717,078

(a) Reflects the addback of acquisition-related transaction costs, including excise tax payments related to the Progressive Waste acquisition.

(b) Reflects share-based compensation costs, including changes in fair value, associated with share-based awards granted by Progressive Waste outstanding at the time of the Progressive Waste acquisition.

(c) Reflects the addback of severance-related expenses and other items, including certain professional fees, in connection with the Progressive Waste acquisition.

(d) Reflects the addback of bonuses accrued pursuant to the Company's Synergy Bonus Program adopted on July 19, 2016 in connection with the Progressive Waste acquisition.

Adjusted Net Income and Adjusted Net Income per Diluted Share

We present adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections, both non-GAAP financial measures, supplementally because they are widely used by investors as a valuation measure in the solid waste industry. Management uses adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We provide adjusted net income attributable to Waste Connections to exclude the effects of items management believes impact the comparability of operating results between periods. Adjusted net income attributable to Waste Connections has limitations due to the fact that it excludes items that have an impact on our financial condition and results of operations. Adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections are not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate these non-GAAP financial measures differently. Our adjusted net income attributable to Waste Connections and adjusted net income per diluted share attributable to Waste Connections for the years ended December 31, 2016, 2015 and 2014, are calculated as follows (amounts in thousands of U.S. dollars, except per share amounts):

	Years Ended December 31,		
	2016	2015	2014
Reported net income (loss) attributable to Waste Connections	$ 246,540	$ (95,764)	$ 232,525
Adjustments:			
Amortization of intangibles [(a)]	70,312	29,077	27,000
Impairments and other operating items [(b)]	27,678	494,492	4,091
Transaction-related expenses [(c)]	47,842	4,235	2,147
Pre-existing Progressive Waste share-based grants [(d)]	14,289	-	-
Severance-related and other expenses [(e)]	44,336	-	-
Synergy bonus [(f)]	11,798	-	-
Tax effect [(g)]	(69,581)	(182,945)	(12,747)
Impact of deferred tax adjustments [(h)]	1,964	(4,198)	1,220
Adjusted net income attributable to Waste Connections	$ 395,178	$ 244,897	$ 254,236
Diluted earnings (loss) per common share attributable to Waste Connections' common shareholders:			
Reported net income (loss)	$ 1.60	$ (0.78)	$ 1.86
Adjusted net income	$ 2.57	$ 1.98	$ 2.04
Shares used in the per share calculations:			
Reported diluted shares	154,054,331	123,491,931	124,787,421
Adjusted diluted shares [(i)]	154,054,331	123,871,636	124,787,421

(a) Reflects the elimination of the non-cash amortization of acquisition-related intangible assets.
(b) Reflects the addback of impairments and other operating items.
(c) Reflects the addback of acquisition-related transaction costs, including excise tax payments related to the Progressive Waste acquisition.
(d) Reflects share-based compensation costs, including changes in fair value, associated with share-based awards granted by Progressive Waste outstanding at the time of the Progressive Waste acquisition.
(e) Reflects the addback of severance-related and other items, including certain professional fees, in connection with the Progressive Waste acquisition.
(f) Reflects the addback of bonuses accrued pursuant to the Company's Synergy Bonus Program adopted on July 19, 2016 in connection with the Progressive Waste acquisition.
(g) The aggregate tax effect of the adjustments in footnotes (a) through (f) is calculated based on the applied tax rates for the respective periods.
(h) Reflects (1) a change in 2016 in the geographical apportionment of our deferred tax liabilities resulting from the Progressive Waste acquisition, (2) the elimination in 2015 of an increase to the income tax benefit primarily associated with a decrease in our deferred tax liabilities resulting from the impairment of assets in our E&P segment that impacted the geographical apportionment of our state income taxes, and (3) the elimination in 2014 of an increase to the income tax provision associated with an increase in our deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act on March 31, 2014.
(i) Reflects reported diluted shares adjusted for shares that were excluded from the reported diluted shares calculation due to reporting a net loss during the year ended December 31, 2015.

Inflation

Other than volatility in fuel prices and labor costs in certain markets, inflation has not materially affected our operations in recent years. Consistent with industry practice, many of our contracts allow us to pass through certain costs to our customers, including increases in landfill tipping fees and, in some cases, fuel costs. Therefore, we believe that we should be able to increase prices to offset many cost increases that result from inflation in the ordinary course of business. However, competitive pressures or delays in the timing of rate increases under our contracts may require us to absorb at least part of these cost increases, especially if cost increases exceed the average rate of inflation. Management's estimates associated with inflation have an impact on our accounting for landfill liabilities.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to market risk, including changes in interest rates and prices of certain commodities. We use hedge agreements to manage a portion of our risks related to interest rates and fuel prices. While we are exposed to credit risk in the event of non-performance by counterparties to our hedge agreements, in all cases such counterparties are highly rated financial institutions and we do not anticipate non-performance. We do not hold or issue derivative financial instruments for trading purposes. We monitor our hedge positions by regularly evaluating the positions at market and by performing sensitivity analyses over the unhedged fuel and variable rate debt positions.

At December 31, 2016, our derivative instruments included 12 interest rate swap agreements that effectively fix the interest rate on the applicable notional amounts of our variable rate debt as follows (dollars in thousands of U.S. dollars):

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
December 2011	$ 175,000	1.600%	1-month LIBOR	February 2014	February 2017
April 2014	$ 100,000	1.800%	1-month LIBOR	July 2014	July 2019
May 2014	$ 50,000	2.344%	1-month LIBOR	October 2015	October 2020
May 2014	$ 25,000	2.326%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
April 2016	$ 100,000	1.000%	1-month LIBOR	February 2017	February 2020
June 2016	$ 75,000	0.850%	1-month LIBOR	February 2017	February 2020
June 2016	$ 150,000	0.950%	1-month LIBOR	January 2018	January 2021
June 2016	$ 150,000	0.950%	1-month LIBOR	January 2018	January 2021
July 2016	$ 50,000	0.900%	1-month LIBOR	January 2018	January 2021
July 2016	$ 50,000	0.890%	1-month LIBOR	January 2018	January 2021

* Plus applicable margin.

Under derivatives and hedging guidance, the interest rate swap agreements are considered cash flow hedges for a portion of our variable rate debt, and we apply hedge accounting to account for these instruments. The notional amounts and all other significant terms of the swap agreements are matched to the provisions and terms of the variable rate debt being hedged.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged floating rate debt. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. We are exposed to cash flow risk due to changes in interest rates with respect to the unhedged floating rate balances owed at December 31, 2016 and 2015, of $1.594 billion and $771.4 million, respectively, including floating rate debt under our Credit Agreement and floating rate tax-exempt bond obligations. A one percentage point increase in interest rates on our variable-rate debt as of December 31, 2016 and 2015, would decrease our annual pre-tax income by approximately $15.9 million and $7.7 million, respectively. All of our remaining debt instruments are at fixed rates, or effectively fixed under the interest rate swap agreements described above; therefore, changes in market interest rates under these instruments would not significantly impact our cash flows or results of operations, subject to counterparty default risk.

The market price of diesel fuel is unpredictable and can fluctuate significantly. We purchase approximately 63.7 million gallons of fuel per year; therefore, a significant increase in the price of fuel could adversely affect our business and reduce our operating

margins. To manage a portion of this risk, we periodically enter into fuel hedge agreements related to forecasted diesel fuel purchases.

At December 31, 2016, our derivative instruments included four fuel hedge agreements as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed (per gallon)	Diesel Rate Received Variable	Effective Date	Expiration Date
May 2015	300,000	$ 3.2800	DOE Diesel Fuel Index*	January 2016	December 2017
May 2015	200,000	$ 3.2750	DOE Diesel Fuel Index*	January 2016	December 2017
July 2016	500,000	$ 2.4988	DOE Diesel Fuel Index*	January 2017	December 2017
July 2016	1,000,000	$ 2.6345	DOE Diesel Fuel Index*	January 2018	December 2018

*If the national U.S. on-highway average price for a gallon of diesel fuel, or average price, as published by the U.S. Department of Energy, exceeds the contract price per gallon, we receive the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, we pay the difference to the counterparty.

Under derivatives and hedging guidance, the fuel hedges are considered cash flow hedges for a portion of our forecasted diesel fuel purchases, and we apply hedge accounting to account for these instruments.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged diesel fuel purchases. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. For the year ending December 31, 2017, we expect to purchase approximately 63.7 million gallons of fuel, of which 33.6 million gallons will be purchased at market prices, 18.1 million gallons will be purchased under our fixed price fuel purchase contracts and 12.0 million gallons are hedged at a fixed price under our fuel hedge agreements. With respect to the approximately 33.6 million gallons of unhedged fuel we expect to purchase in 2017 at market prices, a $0.10 per gallon increase in the price of fuel over the year would decrease our pre-tax income during this period by approximately $3.4 million.

We market a variety of recyclable materials, including cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own and operate 71 recycling operations and sell other collected recyclable materials to third parties for processing before resale. To reduce our exposure to commodity price risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volume collected from third parties. In the event of a decline in recycled commodity prices, a 10% decrease in average recycled commodity prices from the average prices that were in effect during the year ended December 31, 2016 and 2015, would have had an $8.6 million and $4.6 million impact on revenues for the year ended December 31, 2016 and 2015, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

WASTE CONNECTIONS, INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Waste Connections, Inc.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Waste Connections, Inc. and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because a material weakness in internal control over financial reporting related to the valuation of certain assets in the application of the acquisition method of accounting for business combinations, specifically the development and application of inputs, assumptions and calculations used in the fair value measurement of assets associated with business combinations, existed as of that date. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2016 consolidated financial statements and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
February 27, 2017

WASTE CONNECTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and equivalents	$ 154,382	$ 10,974
Accounts receivable, net of allowance for doubtful accounts of $13,160 and $7,738 at December 31, 2016 and 2015, respectively	485,138	255,192
Deferred income taxes	89,177	49,727
Current assets held for sale	6,339	-
Prepaid expenses and other current assets	97,533	46,534
Total current assets	832,569	362,427
Property and equipment, net	4,738,055	2,738,288
Goodwill	4,390,261	1,422,825
Intangible assets, net	1,067,158	511,294
Restricted assets	63,406	46,232
Long-term assets held for sale	33,989	-
Other assets, net	67,664	40,732
	$ 11,193,102	$ 5,121,798
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 251,253	$ 115,206
Book overdraft	10,955	12,357
Accrued liabilities	269,402	136,018
Deferred revenue	134,081	90,349
Current portion of contingent consideration	21,453	22,217
Current liabilities held for sale	3,383	-
Current portion of long-term debt and notes payable	1,650	2,127
Total current liabilities	692,177	378,274
Long-term debt and notes payable	3,616,760	2,147,127
Long-term portion of contingent consideration	30,373	27,177
Other long-term liabilities	331,074	124,943
Deferred income taxes	867,841	452,493
Total liabilities	5,538,225	3,130,014
Commitments and contingencies (Note 10)		
Equity:		
Common shares: 175,426,824 shares issued and 175,201,895 shares outstanding at December 31, 2016; 122,375,955 shares issued and outstanding at December 31, 2015	4,174,808	1,224
Additional paid-in capital	102,220	736,652
Accumulated other comprehensive loss	(43,001)	(12,171)
Treasury shares: 224,929 and 0 shares at December 31, 2016 and 2015, respectively	-	-
Retained earnings	1,413,488	1,259,495
Total Waste Connections' equity	5,647,515	1,985,200
Noncontrolling interest in subsidiaries	7,362	6,584
Total equity	5,654,877	1,991,784
	$ 11,193,102	$ 5,121,798

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2016	2015	2014
Revenues	$ 3,375,863	$ 2,117,287	$ 2,079,166
Operating expenses:			
Cost of operations	1,957,712	1,177,409	1,138,388
Selling, general and administrative	474,263	237,484	229,474
Depreciation	393,600	240,357	230,944
Amortization of intangibles	70,312	29,077	27,000
Impairments and other operating items	27,678	494,492	4,091
Operating income (loss)	452,298	(61,532)	449,269
Interest expense	(92,709)	(64,236)	(64,674)
Other income (expense), net	655	(518)	1,067
Foreign currency transaction gain	1,121	-	-
Income (loss) before income tax provision	361,365	(126,286)	385,662
Income tax (provision) benefit	(114,044)	31,592	(152,335)
Net income (loss)	247,321	(94,694)	233,327
Less: Net income attributable to noncontrolling interests	(781)	(1,070)	(802)
Net income (loss) attributable to Waste Connections	$ 246,540	$ (95,764)	$ 232,525
Earnings (loss) per common share attributable to Waste Connections' common shareholders:			
Basic	$ 1.61	$ (0.78)	$ 1.87
Diluted	$ 1.60	$ (0.78)	$ 1.86
Shares used in the per share calculations:			
Basic	153,550,008	123,491,931	124,215,346
Diluted	154,054,331	123,491,931	124,787,421
Cash dividends per common share	$ 0.615	$ 0.535	$ 0.475

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2016	2015	2014
Net income (loss)	$ 247,321	$ (94,694)	$ 233,327
Other comprehensive income (loss), before tax:			
Interest rate swap amounts reclassified into interest expense	6,654	5,093	4,581
Fuel hedge amounts reclassified into cost of operations	5,832	3,217	(823)
Changes in fair value of interest rate swaps	11,431	(7,746)	(6,448)
Changes in fair value of fuel hedges	3,804	(11,138)	(3,355)
Foreign currency translation adjustment	(50,931)	-	-
Other comprehensive loss, before tax	(23,210)	(10,574)	(6,045)
Income tax (expense) benefit related to items of other comprehensive loss	(7,620)	3,996	2,321
Other comprehensive loss, net of tax	(30,830)	(6,578)	(3,724)
Comprehensive income (loss)	216,491	(101,272)	229,603
Less: Comprehensive income attributable to noncontrolling interests	(781)	(1,070)	(802)
Comprehensive income (loss) attributable to Waste Connections	$ 215,710	$ (102,342)	$ 228,801

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
YEARS ENDED DECEMBER 31, 2014, 2015 AND 2016
(IN THOUSANDS OF U.S. DOLLARS, EXCEPT SHARE AMOUNTS)

	WASTE CONNECTIONS' EQUITY								
	COMMON SHARES		ADDITIONAL PAID-IN	ACCUMULATED OTHER	TREASURY SHARES		RETAINED	NONCONTROLLING	
	SHARES	AMOUNT	CAPITAL	COMPREHENSIVE INCOME (LOSS)	SHARES	AMOUNT	EARNINGS	INTERESTS	TOTAL
Balances at December 31, 2013	123,566,487	$ 1,236	$ 796,085	$ (1,869)	-	$ -	$ 1,247,630	$ 5,125	$ 2,048,207
Vesting of restricted share units	492,695	5	(5)	-	-	-	-	-	-
Restricted share units released from deferred compensation plan	10,665	-	-	-	-	-	-	-	-
Tax withholdings related to net share settlements of restricted share units	(159,936)	(1)	(6,813)	-	-	-	-	-	(6,814)
Equity-based compensation	-	-	18,446	-	-	-	-	-	18,446
Exercise of share options and warrants	241,716	2	3,373	-	-	-	-	-	3,375
Excess tax benefit associated with equity-based compensation	-	-	7,518	-	-	-	-	-	7,518
Repurchase of common shares	(167,100)	(2)	(7,315)	-	-	-	-	-	(7,317)
Cash dividends on common shares	-	-	-	-	-	-	(58,906)	-	(58,906)
Amounts reclassified into earnings, net of taxes	-	-	-	2,317	-	-	-	-	2,317
Changes in fair value of cash flow hedges, net of taxes	-	-	-	(6,041)	-	-	-	-	(6,041)
Distributions to noncontrolling interests	-	-	-	-	-	-	-	(371)	(371)
Net income	-	-	-	-	-	-	232,525	802	233,327
Balances at December 31, 2014	123,984,527	1,240	811,289	(5,593)	-	-	1,421,249	5,556	2,233,741
Vesting of restricted share units	432,165	4	(4)	-	-	-	-	-	-
Restricted share units released from deferred compensation plan	14,082	-	-	-	-	-	-	-	-
Tax withholdings related to net share settlements of restricted share units	(138,611)	(1)	(6,446)	-	-	-	-	-	(6,447)
Equity-based compensation	-	-	20,318	-	-	-	-	-	20,318
Exercise of share options and warrants	46,781	1	571	-	-	-	-	-	572
Excess tax benefit associated with equity-based compensation	-	-	2,069	-	-	-	-	-	2,069
Repurchase of common shares	(1,962,989)	(20)	(91,145)	-	-	-	-	-	(91,165)
Cash dividends on common shares	-	-	-	-	-	-	(65,990)	-	(65,990)
Amounts reclassified into earnings, net of taxes	-	-	-	5,148	-	-	-	-	5,148
Changes in fair value of cash flow hedges, net of taxes	-	-	-	(11,726)	-	-	-	-	(11,726)
Distributions to noncontrolling interests	-	-	-	-	-	-	-	(42)	(42)
Net income (loss)	-	-	-	-	-	-	(95,764)	1,070	(94,694)
Balances at December 31, 2015	122,375,955	1,224	736,652	(12,171)	-	-	1,259,495	6,584	1,991,784
Conversion of Old Waste Connections' shares of common stock into common shares of New Waste Connections	-	650,552	(650,552)	-	-	-	-	-	-
Issuance of common shares to acquire Progressive Waste	52,145,919	3,503,162	-	-	-	-	-	-	3,503,162
Acquired common shares held in trust	-	-	-	-	490,112	-	-	-	-
Sale of common shares held in trust	265,183	19,870	-	-	(265,183)	-	-	-	19,870
Vesting of restricted share units	403,812	-	-	-	-	-	-	-	-
Vesting of performance-based restricted share units	122,960	-	-	-	-	-	-	-	-
Restricted share units released from deferred compensation plan	39,757	-	-	-	-	-	-	-	-
Tax withholdings related to net share settlements of restricted share units	(186,515)	-	(11,497)	-	-	-	-	-	(11,497)
Equity-based compensation	-	-	22,421	-	-	-	-	-	22,421
Exercise of warrants	34,824	-	-	-	-	-	-	-	-
Excess tax benefit associated with equity-based compensation	-	-	5,196	-	-	-	-	-	5,196
Cash dividends on common shares	-	-	-	-	-	-	(92,547)	-	(92,547)
Amounts reclassified into earnings, net of taxes	-	-	-	8,546	-	-	-	-	8,546
Changes in fair value of cash flow hedges, net of taxes	-	-	-	11,555	-	-	-	-	11,555
Foreign currency translation adjustment	-	-	-	(50,931)	-	-	-	-	(50,931)
Distributions to noncontrolling interests	-	-	-	-	-	-	-	(3)	(3)
Net income	-	-	-	-	-	-	246,540	781	247,321
Balances at December 31, 2016	175,201,895	$ 4,174,808	$ 102,220	$ (43,001)	224,929	$ -	$ 1,413,488	$ 7,362	$ 5,654,877

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

	Years Ended December 31, 2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 247,321	$ (94,694)	$ 233,327
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Loss on disposal of assets and impairments	26,741	518,657	8,239
Depreciation	393,600	240,357	230,944
Amortization of intangibles	70,312	29,077	27,000
Foreign currency transaction gain	(1,121)	-	-
Deferred income taxes, net of acquisitions	42,298	(132,454)	31,031
Amortization of debt issuance costs	4,847	3,097	3,085
Share-based compensation	44,772	20,318	18,446
Interest income on restricted assets	(477)	(428)	(446)
Interest accretion	10,505	6,761	5,076
Excess tax benefit associated with equity-based compensation	(5,196)	(2,069)	(7,518)
Payment of contingent consideration recorded in earnings	(493)	-	(1,074)
Adjustments to contingent consideration	(2,623)	(22,180)	(3,450)
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, net	(5,252)	17,348	(22,168)
Prepaid expenses and other current assets	(21,650)	(2,780)	(3,868)
Accounts payable	54,219	(16,674)	10,173
Deferred revenue	8,016	4,377	8,571
Accrued liabilities	(70,041)	8,217	4,985
Other long-term liabilities	(466)	69	2,724
Net cash provided by operating activities	795,312	576,999	545,077
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired	(17,131)	(230,517)	(126,181)
Cash acquired in the Progressive Waste acquisition	65,768	-	-
Capital expenditures for property and equipment	(344,723)	(238,833)	(241,277)
Proceeds from disposal of assets	4,604	2,883	9,421
Change in restricted assets, net of interest income	(428)	(2,225)	(4,475)
Other	(4,485)	(1,842)	(896)
Net cash used in investing activities	(296,395)	(470,534)	(363,408)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	3,469,289	1,489,500	432,500
Principal payments on notes payable and long-term debt	(3,714,044)	(1,429,195)	(525,909)
Payment of contingent consideration recorded at acquisition date	(16,322)	(2,190)	(24,847)
Change in book overdraft	(1,305)	(89)	(11)
Proceeds from option and warrant exercises	-	572	3,375
Excess tax benefit associated with equity-based compensation	5,196	2,069	7,518
Payments for repurchase of common shares	-	(91,165)	(7,317)
Payments for cash dividends	(92,547)	(65,990)	(58,906)
Tax withholdings related to net share settlements of restricted share units	(11,497)	(6,447)	(6,814)
Distributions to noncontrolling interests	(3)	(42)	(371)
Debt issuance costs	(13,506)	(6,867)	(125)
Proceeds from sale of common shares held in trust	19,870	-	-
Net cash used in financing activities	(354,869)	(109,844)	(180,907)
Effect of exchange rate changes on cash and equivalents	(598)	-	-
Net increase (decrease) in cash and equivalents	143,450	(3,379)	762
Cash and equivalents at beginning of year	10,974	14,353	13,591
Less: cash held for sale	(42)	-	-
Cash and equivalents at end of year	$ 154,382	$ 10,974	$ 14,353

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION AND NON-CASH TRANSACTIONS:

	Years Ended December 31,		
	2016	**2015**	**2014**
Cash paid for income taxes	$ 69,589	$ 102,279	$ 116,239
Cash paid for interest	$ 87,654	$ 55,674	$ 60,224
Accrued capital expenditures for property and equipment	$ 24,871	$ 3,648	$ 3,255
In connection with its acquisitions, the Company assumed liabilities as follows:			
Fair value of assets acquired	$ 6,023,667	$ 433,227	$ 172,875
Cash acquired	65,768	-	-
Cash paid and common shares issued for acquisition	(3,520,293)	(230,517)	(126,181)
Liabilities assumed and notes payable issued to sellers of businesses acquired	$ 2,569,142	$ 202,710	$ 46,694

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION, BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

On June 1, 2016, pursuant to the terms of the Agreement and Plan of Merger dated as of January 18, 2016 (the "Merger Agreement"), Water Merger Sub LLC ("Merger Sub"), a Delaware limited liability company and a wholly-owned subsidiary of Progressive Waste Solutions Ltd., merged with and into Waste Connections US, Inc. (f/k/a Waste Connections, Inc.), a Delaware corporation ("Old Waste Connections") with Old Waste Connections continuing as the surviving corporation and an indirect wholly-owned subsidiary of Waste Connections, Inc. (f/k/a Progressive Waste Solutions Ltd.), a corporation organized under the laws of Ontario, Canada. Following the closing of the transaction (referred to herein as the "Progressive Waste acquisition"), Old Waste Connections' common stock was delisted from the New York Stock Exchange ("NYSE") and deregistered under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Pursuant to the Merger Agreement, Old Waste Connections' stockholders received common shares of Waste Connections, Inc. (f/k/a Progressive Waste Solutions Ltd.) in exchange for their shares of common stock of Old Waste Connections.

Old Waste Connections was incorporated in Delaware on September 9, 1997, and commenced its operations on October 1, 1997, through the purchase of certain solid waste operations in the state of Washington. The Company (as defined below) is an integrated solid waste services company that provides waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. and Canada. Through its R360 Environmental Solutions subsidiary, the Company is also a leading provider of non-hazardous exploration and production ("E&P") waste treatment, recovery and disposal services in several of the most active natural resource producing areas in the U.S. The Company also provides intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

Basis of Presentation

As further discussed in Note 3 – "Acquisitions," the Progressive Waste acquisition was accounted for as a reverse merger using the acquisition method of accounting. Old Waste Connections has been identified as the acquirer for accounting purposes and the acquisition method of accounting has been applied. The term "Progressive Waste" is used herein in the context of references to Progressive Waste Solutions Ltd. and its shareholders prior to the completion of the Progressive Waste acquisition on June 1, 2016.

The accompanying consolidated financial statements relating to Waste Connections, Inc. (together with its subsidiaries, "New Waste Connections," "Waste Connections" or the "Company") are the historical financial statements of Old Waste Connections, together with its subsidiaries, for the years ended December 31, 2016, 2015 and 2014, with the inclusion on June 1, 2016 of the fair value of the assets and liabilities acquired from Progressive Waste and the inclusion of the results of operations from the acquired Progressive Waste operations commencing on June 1, 2016. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reporting Currency

The functional currency of the Company, as the parent corporate entity, and its operating subsidiaries in the United States is the U.S. dollar. The functional currency of the Company's Canadian operations is the Canadian dollar. The reporting currency of the Company is the U.S. dollar. The Company's consolidated Canadian dollar financial position is translated to U.S. dollars by applying the foreign currency exchange rate in effect at the consolidated balance sheet date. The Company's consolidated Canadian dollar results of operations and cash flows are translated to U.S. dollars by applying the average foreign currency exchange rate in effect during the reporting period. The resulting translation adjustments are included in other comprehensive income or loss. Gains and losses from foreign currency transactions are included in earnings for the period.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at purchase to be cash equivalents. As of December 31, 2016 and 2015, cash equivalents consisted of demand money market accounts.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and equivalents, restricted assets and accounts receivable. The Company maintains cash and equivalents with banks that at times exceed applicable insurance limits. The Company reduces its exposure to credit risk by maintaining such deposits with high quality financial institutions. The Company's restricted assets are invested primarily in U.S. government and agency securities and Canadian bankers' acceptance notes. The Company has not experienced any losses related to its cash and equivalents or restricted asset accounts. The Company generally does not require collateral on its trade receivables. Credit risk on accounts receivable is minimized as a result of the large and diverse nature of the Company's customer base. The Company maintains allowances for losses based on the expected collectability of accounts receivable.

Revenue Recognition and Accounts Receivable

Revenues are recognized when persuasive evidence of an arrangement exists, the service has been provided, the price is fixed or determinable and collection is reasonably assured. Certain customers are billed in advance and, accordingly, recognition of the related revenues is deferred until the services are provided. In accordance with revenue recognition guidance, any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer is presented in the Statements of Net Income (Loss) on a net basis (excluded from revenues).

The Company's receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company estimates its allowance for doubtful accounts based on historical collection trends, type of customer such as municipal or non-municipal, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due.

Property and Equipment

Property and equipment are stated at cost. Improvements or betterments, not considered to be maintenance and repair, which add new functionality or significantly extend the life of an asset are capitalized. Third-party expenditures related to pending development projects, such as legal and engineering expenses, are capitalized. Expenditures for maintenance and repair costs, including planned major maintenance activities, are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains and losses resulting from disposals of property and equipment are recognized in the period in which the property and equipment is disposed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or the lease term, whichever is shorter.

The estimated useful lives are as follows:

Buildings	10 – 20 years
Leasehold and land improvements	3 – 10 years
Machinery and equipment	3 – 12 years
Rolling stock	2 – 10 years
Containers	5 – 12 years

Landfill Accounting

The Company utilizes the life cycle method of accounting for landfill costs. This method applies the costs to be capitalized associated with acquiring, developing, closing and monitoring the landfills over the associated consumption of landfill capacity. The Company utilizes the units of consumption method to amortize landfill development costs over the estimated remaining capacity of a landfill. Under this method, the Company includes future estimated construction costs using current dollars, as well as costs incurred to date, in the amortization base. When certain criteria are met, the Company includes expansion airspace, which has not been permitted, in the calculation of the total remaining capacity of the landfill.

- Landfill development costs. Landfill development costs include the costs of acquisition, construction associated with excavation, liners, site berms, groundwater monitoring wells, gas recovery systems and leachate collection systems. The Company estimates the total costs associated with developing each landfill site to its final capacity. This includes certain projected landfill site costs that are uncertain because they are dependent on future events and thus actual costs could vary significantly from estimates. The total cost to develop a site to its final capacity includes amounts previously expended and capitalized, net of accumulated depletion, and projections of future purchase and development costs, liner construction costs, and operating construction costs. Total landfill costs include the development costs associated with expansion airspace. Expansion airspace is addressed below.

- Final capping, closure and post-closure obligations. The Company accrues for estimated final capping, closure and post-closure maintenance obligations at the landfills it owns and the landfills that it operates, but does not own, under life-of-site agreements. Accrued final capping, closure and post-closure costs represent an estimate of the current value of the future obligation associated with final capping, closure and post-closure monitoring of non-hazardous solid waste landfills currently owned or operated under life-of-site agreements by the Company. Final capping costs represent the costs related to installation of clay liners, drainage and compacted soil layers and topsoil constructed over areas of the landfill where total airspace capacity has been consumed. Closure and post-closure monitoring and maintenance costs represent the costs related to cash expenditures yet to be incurred when a landfill facility ceases to accept waste and closes. Accruals for final capping, closure and post-closure monitoring and maintenance requirements in the U.S. consider site inspection, groundwater monitoring, leachate management, methane gas control and recovery, and operating and maintenance costs to be incurred during the period after the facility closes. Certain of these environmental costs, principally capping and methane gas control costs, are also incurred during the operating life of the site in accordance with the landfill operation requirements of Subtitle D and the air emissions standards. Daily maintenance activities, which include many of these costs, are expensed as incurred during the operating life of the landfill. Daily maintenance activities include leachate disposal; surface water, groundwater, and methane gas monitoring and maintenance; other pollution control activities; mowing and fertilizing the landfill final cap; fence and road maintenance; and third-party inspection and reporting costs. Site specific final capping, closure and post-closure engineering cost estimates are prepared annually for landfills owned or landfills operated under life-of-site agreements by the Company.

The net present value of landfill final capping, closure and post-closure liabilities are calculated by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in the Company's final capping, closure and post-closure liabilities being recorded in "layers." The Company's discount rate assumption for purposes of computing 2016 and 2015 "layers" for final capping, closure and post-closure obligations was 4.75% for both years, which reflects the Company's long-term credit adjusted risk free rate as of the end of both 2015 and 2014. The Company's inflation rate assumption was 2.5% for the years ended December 31, 2016 and 2015.

In accordance with the accounting guidance on asset retirement obligations, the final capping, closure and post-closure liability is recorded on the balance sheet along with an offsetting addition to site costs which is amortized to depletion expense on a units-of-consumption basis as remaining landfill airspace is consumed. The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. Depletion expense resulting from final capping, closure and post-closure obligations recorded as a component of landfill site costs will generally be less during the early portion of a landfill's operating life and increase thereafter. Owned landfills and landfills operated under life-of-site agreements have estimated remaining lives, based on remaining permitted capacity, probable expansion capacity and projected annual disposal volumes, that range from approximately 1 to 183 years, with an average remaining life of approximately 33 years. The costs for final capping, closure and post-closure obligations at landfills the Company owns or operates under life-of-site agreements are generally estimated based on interpretations of current requirements and proposed or anticipated regulatory changes.

The estimates for landfill final capping, closure and post-closure costs consider when the costs would actually be paid and factor in inflation and discount rates. Interest is accreted on the recorded liability using the corresponding discount rate. When using discounted cash flow techniques, reliable estimates of market premiums may not be obtainable. In the waste industry, there is no market for selling the responsibility for final capping, closure and post-closure obligations independent of selling the landfill in its

entirety. Accordingly, the Company does not believe that it is possible to develop a methodology to reliably estimate a market risk premium and has therefore excluded any such market risk premium from its determination of expected cash flows for landfill asset retirement obligations. The possibility of changing legal and regulatory requirements and the forward-looking nature of these types of costs make any estimation or assumption less certain.

The following is a reconciliation of the Company's final capping, closure and post-closure liability balance from December 31, 2014 to December 31, 2016:

Final capping, closure and post-closure liability at December 31, 2014	$ 61,500
Adjustments to final capping, closure and post-closure liabilities	89
Liabilities incurred	4,690
Accretion expense associated with landfill obligations	3,759
Closure payments	(72)
Assumption of closure liabilities from acquisitions	8,647
Final capping, closure and post-closure liability at December 31, 2015	78,613
Adjustments to final capping, closure and post-closure liabilities	(6,797)
Liabilities incurred	10,922
Accretion expense associated with landfill obligations	8,699
Closure payments	(4,609)
Assumption of closure liabilities from acquisitions	158,081
Final capping, closure and post-closure liability at December 31, 2016	$ 244,909

Liabilities incurred of $10,922 and $4,690 for the years ended December 31, 2016 and 2015, respectively, represent non-cash increases to final capping, closure and post-closure liabilities. The Adjustments to final capping, closure and post-closure liabilities for the year ended December 31, 2016, primarily consisted of increases in estimated airspace at some of the Company's landfills at which expansions are being pursued, decreases in estimated annual tonnage consumptions at various landfills, decreases in estimated closure costs at some of the Company's landfills and changes in engineering estimates of total site capacity. The final capping, closure and post-closure liability is included in Other long-term liabilities in the Consolidated Balance Sheets. The Company performs its annual review of its cost and capacity estimates in the first quarter of each year.

At December 31, 2016 and 2015, $55,388 and $43,636, respectively, of the Company's restricted assets balance was for purposes of securing its performance of future final capping, closure and post-closure obligations.

- Disposal capacity. The Company's internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at its landfills. This is done by using surveys and other methods to calculate, based on the terms of the permit, height restrictions and other factors, how much airspace is left to fill and how much waste can be disposed of at a landfill before it has reached its final capacity. The Company's landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills it owns, and landfills it operates, but does not own, under life-of-site agreements. The Company's landfill depletion rate is based on the term of the operating agreement at its operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets the following criteria is included in the estimate of total landfill airspace:

    1) whether the land where the expansion is being sought is contiguous to the current disposal site, and the Company either owns the expansion property or has rights to it under an option, purchase, operating or other similar agreement;
    2) whether total development costs, final capping costs, and closure/post-closure costs have been determined;
    3) whether internal personnel have performed a financial analysis of the proposed expansion site and have determined that it has a positive financial and operational impact;
    4) whether internal personnel or external consultants are actively working to obtain the necessary approvals to obtain the landfill expansion permit; and
    5) whether the Company considers it probable that the Company will achieve the expansion (for a pursued expansion to be considered probable, there must be no significant known technical, legal, community, business, or political restrictions or similar issues existing that the Company believes are more likely than not to impair the success of the expansion).

It is possible that the Company's estimates or assumptions could ultimately be significantly different from actual results. In some cases, the Company may be unsuccessful in obtaining an expansion permit or the Company may determine that an expansion permit that the Company previously thought was probable has become unlikely. To the extent that such estimates, or the assumptions used to make those estimates, prove to be significantly different than actual results, or the belief that the Company will receive an expansion permit changes adversely in a significant manner, the costs of the landfill, including the costs incurred in the pursuit of the expansion, may be subject to impairment testing, as described below, and lower profitability may be experienced due to higher amortization rates, higher capping, closure and post-closure rates, and higher expenses or asset impairments related to the removal of previously included expansion airspace.

The Company periodically evaluates its landfill sites for potential impairment indicators. The Company's judgments regarding the existence of impairment indicators are based on regulatory factors, market conditions and operational performance of its landfills. Future events could cause the Company to conclude that impairment indicators exist and that its landfill carrying costs are impaired.

Cell Processing Reserves

The Company records a cell processing reserve related to its E&P segment for certain locations in Louisiana and Texas for the estimated amount of expenses to be incurred upon the treatment and excavation of oilfield waste received. The cell processing reserve is the future cost to properly treat and dispose of existing waste within the cells at the various facilities. The reserve generally covers estimated costs to be incurred over a period of time up to 24 months, with the current portion representing costs estimated to be incurred in the next 12 months. The estimate is calculated based on current estimated volume in the cells, estimated percentage of waste treated, and historical average costs to treat and excavate the waste. The processing reserve represents the estimated costs to process the volumes of oilfield waste on-hand for which revenue has been recognized. At December 31, 2016 and 2015, the current portion of cell processing reserves was $3,932 and $5,566, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. At December 31, 2016 and 2015, the long-term portion of cell processing reserves was $1,639 and $2,157, respectively, which is included in Other long-term liabilities in the Consolidated Balance Sheets.

Business Combination Accounting

The Company accounts for business combinations as follows:

- The Company recognizes, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. The Company measures and recognizes goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of net assets acquired and liabilities assumed.

- At the acquisition date, the Company measures the fair values of all assets acquired and liabilities assumed that arise from contractual contingencies. The Company measures the fair values of all noncontractual contingencies if, as of the acquisition date, it is more likely than not that the contingency will give rise to an asset or liability.

Finite-Lived Intangible Assets

The amounts assigned to franchise agreements, contracts, customer lists, permits and other agreements are being amortized on a straight-line basis over the expected term of the related agreements (ranging from 1 to 56 years).

Goodwill and Indefinite-Lived Intangible Assets

The Company acquired indefinite-lived intangible assets in connection with certain of its acquisitions. The amounts assigned to indefinite-lived intangible assets consist of the value of certain perpetual rights to provide solid waste collection and transportation services in specified territories and to operate E&P waste treatment and disposal facilities. The Company measures and recognizes acquired indefinite-lived intangible assets at their estimated acquisition date fair values. Indefinite-lived intangible assets are not amortized. Goodwill represents the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in

the acquiree (if any), over (b) the fair value of assets acquired and liabilities assumed. Goodwill and intangible assets, deemed to have indefinite lives, are subject to annual impairment tests as described below.

Goodwill and indefinite-lived intangible assets are tested for impairment on at least an annual basis in the fourth quarter of the year. In addition, the Company evaluates its reporting units for impairment if events or circumstances change between annual tests indicating a possible impairment. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold;
- the testing for recoverability of a significant asset group within the segment; or
- current period or expected future operating cash flow losses.

In the first step ("Step 1") of testing for goodwill impairment, the Company estimates the fair value of each of its reporting units, which consisted of five geographic operating segments and its E&P segment at December 31, 2016 and three geographic operating segments and its E&P segment at December 31, 2015, and compares the fair value with the carrying value of the net assets assigned to each reporting unit. If the fair value of a reporting unit is greater than the carrying value of the net assets, including goodwill, assigned to the reporting unit, then no impairment results. If the fair value is less than the carrying value, then the Company would perform a second step and determine the fair value of the goodwill. In this second step ("Step 2"), the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. If the fair value of the goodwill is less than its carrying value for a reporting unit, an impairment charge would be recorded to Impairments and other operating items in the Company's Consolidated Statements of Net Income (Loss).

During the Company's annual impairment analysis of its solid waste operations, the Company determined the fair value of each of its five geographic operating segments at December 31, 2016 and of its three geographic operating segments at December 31, 2015 as a whole and each indefinite-lived intangible asset within those segments using discounted cash flow analyses, which require significant assumptions and estimates about the future operations of each reporting unit and the future discrete cash flows related to each indefinite-lived intangible asset. Significant judgments inherent in these analyses include the determination of appropriate discount rates, the amount and timing of expected future cash flows and growth rates. The cash flows employed in the Company's 2016 discounted cash flow analyses were based on ten-year financial forecasts, which in turn were based on the 2017 annual budget developed internally by management. These forecasts reflect operating profit margins that were consistent with 2016 results and perpetual revenue growth rates of 3.4%. The Company's discount rate assumptions are based on an assessment of the market participant rate which approximated 6.2%. In assessing the reasonableness of the Company's determined fair values of its reporting units, the Company evaluates its results against its current market capitalization. The Company did not record an impairment charge to its geographic operating segments as a result of its goodwill and indefinite-lived intangible assets impairment tests for the years ended December 31, 2016, 2015 or 2014.

For the Company's annual impairment analysis of its E&P segment for the year ended December 31, 2016, the Company performed its Step 1 assessment of its E&P segment. The Step 1 assessment involved measuring the recoverability of goodwill by comparing the E&P segment's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value was estimated using an income approach employing a discounted cash flow ("DCF") model. The DCF model incorporated projected cash flows over a forecast period based on the remaining estimated lives of the operating locations comprising the E&P segment. This was based on a number of key assumptions, including, but not limited to, a discount rate of 12%, annual revenue projections based on E&P waste resulting from projected levels of oil and natural gas E&P activity during the forecast period, gross margins based on estimated operating expense requirements during the forecast period and estimated capital expenditures over the forecast period, all of which were classified as Level 3 in the fair value hierarchy. As a result of the Step 1 assessment, the Company determined that the E&P segment did not pass the Step 1 test because the carrying value exceeded the estimated fair value of the reporting unit. The Company then performed the Step 2 test to determine the fair value of goodwill for its E&P segment. Based on the Step 1 and Step 2 analyses, the Company did not record an impairment charge to its E&P segment as a result of its goodwill impairment test during the year ended December 31, 2016. Additionally, the Company evaluated the recoverability of the E&P segment's indefinite-lived intangible assets (other than goodwill) by comparing the estimated fair value of each indefinite-lived intangible asset to its carrying value. The Company estimated the fair value of the indefinite-lived intangible assets using an excess earnings approach. Based on the result of the recoverability test, the Company determined that the carrying value of certain indefinite-lived intangible assets within the E&P

segment exceeded their fair value and were therefore not recoverable. The Company recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain indefinite-lived intangible assets within its E&P segment of $156 during the year ended December 31, 2016.

During the third quarter of 2015, the Company determined that sufficient indicators of potential impairment existed to require an interim goodwill and indefinite-lived intangible assets impairment analysis for its E&P segment as a result of the sustained decline in oil prices in the year-to-date 2015 period, together with market expectations of a likely slow recovery in such prices. The Company, therefore, performed an interim Step 1 assessment of its E&P segment during the third quarter of 2015. The Step 1 assessment involved measuring the recoverability of goodwill by comparing the E&P segment's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value was estimated using an income approach employing a discounted cash flow ("DCF") model. The DCF model incorporated projected cash flows over a forecast period based on the remaining estimated lives of the operating locations comprising the E&P segment. This was based on a number of key assumptions, including, but not limited to, a discount rate of 11.6%, annual revenue projections based on E&P waste resulting from projected levels of oil and natural gas E&P activity during the forecast period, gross margins based on estimated operating expense requirements during the forecast period and estimated capital expenditures over the forecast period, all of which were classified as Level 3 in the fair value hierarchy. As a result of the Step 1 assessment, the Company determined that the E&P segment did not pass the Step 1 test because the carrying value exceeded the estimated fair value of the reporting unit. The Company then performed the Step 2 test to determine the fair value of goodwill for its E&P segment. Based on the Step 1 and Step 2 analyses, the Company recorded a goodwill impairment charge within its E&P segment of $411,786 during the third quarter of 2015. Additionally, the Company evaluated the recoverability of the E&P segment's indefinite-lived intangible assets (other than goodwill) by comparing the estimated fair value of each indefinite-lived intangible asset to its carrying value. The Company estimated the fair value of the indefinite-lived intangible assets using an excess earnings approach. Based on the result of the recoverability test, the Company determined that the carrying value of certain indefinite-lived intangible assets within the E&P segment exceeded their fair value and were therefore not recoverable. The Company recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain indefinite-lived intangible assets within its E&P segment of $38,351 during the third quarter and fourth quarter of 2015. The Company did not record an impairment charge to its E&P segment as a result of its goodwill and indefinite-lived intangible assets impairment tests during the year ended December 31, 2014.

Impairments of Property and Equipment and Finite-Lived Intangible Assets

Property, equipment and finite-lived intangible assets are carried on the Company's consolidated financial statements based on their cost less accumulated depreciation or amortization. Finite-lived intangible assets consist of long-term franchise agreements, contracts, customer lists, permits and other agreements. The recoverability of these assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Typical indicators that an asset may be impaired include, but are not limited to, the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold;
- the testing for recoverability of a significant asset group within a segment; or
- current period or expected future operating cash flow losses.

If any of these or other indicators occur, a test of recoverability is performed by comparing the carrying value of the asset or asset group to its undiscounted expected future cash flows. If the carrying value is in excess of the undiscounted expected future cash flows, impairment is measured by comparing the fair value of the asset to its carrying value. Fair value is determined by an internally developed discounted projected cash flow analysis of the asset. Cash flow projections are sometimes based on a group of assets, rather than a single asset. If cash flows cannot be separately and independently identified for a single asset, the Company will determine whether an impairment has occurred for the group of assets for which the projected cash flows can be identified. If the fair value of an asset is determined to be less than the carrying amount of the asset or asset group, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. Several impairment indicators are beyond the Company's control, and whether or not they will occur cannot be predicted with any certainty. Estimating future cash flows requires significant judgment and projections may vary from cash flows eventually realized. There are other considerations for impairments of landfills, as described below.

Prior to conducting Step 1 of the goodwill impairment test for the E&P segment during the third quarter of 2015, as described above, the Company first evaluated the recoverability of its long-lived assets, including finite-lived intangible assets. When indicators of impairment are present, the Company tests long-lived assets for recoverability by comparing the carrying value of an asset group to its undiscounted cash flows. The Company considered the sustained decline in oil prices during 2015, together with market expectations of a likely slow recovery in such prices, to be indicators of impairment for the E&P segment's long-lived assets. Based on the result of the recoverability test, the Company determined that the carrying value of certain asset groups within the E&P segment exceeded their undiscounted cash flows and were therefore not recoverable. The Company then compared the fair value of these asset groups to their carrying values. The Company estimated the fair value of the asset groups under an income approach, as described above. Based on the analysis, the Company recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain long-lived assets within its E&P segment of $67,647 during the year ended December 31, 2015.

During the year ended December 31, 2016, the Company recorded a $2,653 impairment charge, which is included in Impairments and other operating items in the Consolidated Statements of Net Income (Loss), for property and equipment at four E&P disposal facilities that were permanently closed in 2016 as a result of operating losses incurred. During the year ended December 31, 2014, the Company recorded an $8,445 impairment charge, which is included in Impairments and other operating items in the Consolidated Statements of Net Income (Loss), for property and equipment at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that the Company owns and operates.

There are certain indicators listed above that require significant judgment and understanding of the waste industry when applied to landfill development or expansion projects. A regulator or court may deny or overturn a landfill development or landfill expansion permit application before the development or expansion permit is ultimately granted. Management may periodically divert waste from one landfill to another to conserve remaining permitted landfill airspace. Therefore, certain events could occur in the ordinary course of business and not necessarily be considered indicators of impairment due to the unique nature of the waste industry.

Restricted Assets

Restricted assets held by trustees consist principally of funds deposited in connection with landfill final capping, closure and post-closure obligations and other financial assurance requirements. Proceeds from these financing arrangements are directly deposited into trust funds, and the Company does not have the ability to utilize the funds in regular operating activities. See Note 9 for further information on restricted assets.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and equivalents, trade receivables, restricted assets, trade payables, debt instruments, contingent consideration obligations, interest rate swaps and fuel hedges. As of December 31, 2016 and 2015, the carrying values of cash and equivalents, trade receivables, restricted assets, trade payables and contingent consideration are considered to be representative of their respective fair values. The carrying values of the Company's debt instruments, excluding certain notes as listed in the table below, approximate their fair values as of December 31, 2016 and 2015, based on current borrowing rates, current remaining average life to maturity and borrower credit quality for similar types of borrowing arrangements, and are classified as Level 2 within the fair value hierarchy. The carrying values and fair values of the Company's debt instruments where the carrying values do not approximate their fair values as of December 31, 2016 and 2015, are as follows:

	Carrying Value at December 31,		Fair Value* at December 31,	
	2016	2015	2016	2015
3.30% Senior Notes due 2016	$ -	$ 100,000	$ -	$ 100,536
4.00% Senior Notes due 2018	$ 50,000	$ 50,000	$ 51,226	$ 51,860
5.25% Senior Notes due 2019	$ 175,000	$ 175,000	$ 187,671	$ 190,985
4.64% Senior Notes due 2021	$ 100,000	$ 100,000	$ 106,618	$ 107,613
2.39% Senior Notes due 2021	$ 150,000	$ -	$ 146,168	$ -
3.09% Senior Notes due 2022	$ 125,000	$ 125,000	$ 123,974	$ 123,516
2.75% Senior Notes due 2023	$ 200,000	$ -	$ 192,238	$ -
3.41% Senior Notes due 2025	$ 375,000	$ 375,000	$ 368,968	$ 370,245
3.03% Senior Notes due 2026	$ 400,000	$ -	$ 379,438	$ -

*Senior Notes are classified as Level 2 within the fair value hierarchy. Fair value is based on quotes of bonds with similar ratings in similar industries.

For details on the fair value of the Company's interest rate swaps, fuel hedges, restricted assets and contingent consideration, see Note 9.

Derivative Financial Instruments

The Company recognizes all derivatives on the balance sheet at fair value. All of the Company's derivatives have been designated as cash flow hedges; therefore, the effective portion of the changes in the fair value of derivatives will be recognized in accumulated other comprehensive loss ("AOCL") until the hedged item is recognized in earnings. The ineffective portion of the changes in the fair value of derivatives will be immediately recognized in earnings. The Company classifies cash inflows and outflows from derivatives within operating activities on the statement of cash flows.

One of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the variable interest rates of certain borrowings issued under its Credit Agreement. The Company's strategy to achieve that objective involves entering into interest rate swaps. The interest rate swaps outstanding at December 31, 2016 were specifically designated to the Company's Credit Agreement and accounted for as cash flow hedges.

At December 31, 2016, the Company's derivative instruments included 12 interest rate swap agreements as follows:

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
December 2011	$ 175,000	1.600%	1-month LIBOR	February 2014	February 2017
April 2014	$ 100,000	1.800%	1-month LIBOR	July 2014	July 2019
May 2014	$ 50,000	2.344%	1-month LIBOR	October 2015	October 2020
May 2014	$ 25,000	2.326%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
April 2016	$ 100,000	1.000%	1-month LIBOR	February 2017	February 2020
June 2016	$ 75,000	0.850%	1-month LIBOR	February 2017	February 2020
June 2016	$ 150,000	0.950%	1-month LIBOR	January 2018	January 2021
June 2016	$ 150,000	0.950%	1-month LIBOR	January 2018	January 2021
July 2016	$ 50,000	0.900%	1-month LIBOR	January 2018	January 2021
July 2016	$ 50,000	0.890%	1-month LIBOR	January 2018	January 2021

* Plus applicable margin.

Another of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the price of diesel fuel. The Company's strategy to achieve that objective involves periodically entering into fuel hedges that are specifically designated to certain forecasted diesel fuel purchases and accounted for as cash flow hedges.

At December 31, 2016, the Company's derivative instruments included four fuel hedge agreements as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed (per gallon)	Diesel Rate Received Variable	Effective Date	Expiration Date
May 2015	300,000	$ 3.2800	DOE Diesel Fuel Index*	January 2016	December 2017
May 2015	200,000	$ 3.2750	DOE Diesel Fuel Index*	January 2016	December 2017
July 2016	500,000	$ 2.4988	DOE Diesel Fuel Index*	January 2017	December 2017
July 2016	1,000,000	$ 2.6345	DOE Diesel Fuel Index*	January 2018	December 2018

* If the national U.S. on-highway average price for a gallon of diesel fuel ("average price"), as published by the Department of Energy ("DOE"), exceeds the contract price per gallon, the Company receives the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, the Company pays the difference to the counterparty.

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2016, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Interest rate swaps	Prepaid expenses and other current assets[a]	$ 127	Accrued liabilities[a]	$ (3,260)
	Other assets, net	13,822	Other long-term liabilities	(2,350)
Fuel hedges	Prepaid expenses and other current assets[b]	1,343	Accrued liabilities[b]	(3,258)
	Other assets, net	1,651		-
Total derivatives designated as cash flow hedges		$ 16,943		$ (8,868)

(a) Represents the estimated amount of the existing unrealized gains and losses, respectively, on interest rate swaps as of December 31, 2016 (based on the interest rate yield curve at that date), included in AOCL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in interest rates.

(b) Represents the estimated amount of the existing unrealized gains and losses, respectively, on fuel hedges as of December 31, 2016 (based on the forward DOE diesel fuel index curve at that date), included in AOCL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in diesel fuel prices.

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2015, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Interest rate swaps		$ -	Accrued liabilities	$ (5,425)
			Other long-term liabilities	(4,320)
Fuel hedges		-	Accrued liabilities	(5,699)
			Other long-term liabilities	(4,201)
Total derivatives designated as cash flow hedges		$ -		$ (19,645)

The following table summarizes the impact of the Company's cash flow hedges on the results of operations, comprehensive income (loss) and AOCL for the years ended December 31, 2016, 2015 and 2014:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCL on Derivatives, Net of Tax (Effective Portion)[a]			Statement of Net Income (Loss) Classification	Amount of (Gain) or Loss Reclassified from AOCL into Earnings, Net of Tax (Effective Portion)[b], [c]		
	Years Ended December 31,				Years Ended December 31,		
	2016	**2015**	**2014**		**2016**	**2015**	**2014**
Interest rate swaps	$ 9,192	$ (4,820)	$ (3,970)	Interest expense	$ 4,939	$ 3,155	$ 2,824
Fuel hedges	2,363	(6,906)	(2,071)	Cost of operations	3,607	1,993	(507)
Total	$ 11,555	$ (11,726)	$ (6,041)		$ 8,546	$ 5,148	$ 2,317

(a) In accordance with the derivatives and hedging guidance, the effective portions of the changes in fair values of interest rate swaps and fuel hedges have been recorded in equity as a component of AOCL. As the critical terms of the interest rate swaps match the underlying debt being hedged, no ineffectiveness is recognized on these swaps and, therefore, all unrealized changes in fair value are recorded in AOCL. Because changes in the actual price of diesel fuel and changes in the DOE index price do not offset exactly each reporting period, the Company assesses whether the fuel hedges are highly effective using the cumulative dollar offset approach.

(b) Amounts reclassified from AOCL into earnings related to realized gains and losses on interest rate swaps are recognized when interest payments or receipts occur related to the swap contracts, which correspond to when interest payments are made on the Company's hedged debt.

(c) Amounts reclassified from AOCL into earnings related to realized gains and losses on the fuel hedges are recognized when settlement payments or receipts occur related to the hedge contracts, which correspond to when the underlying fuel is consumed.

The Company measures and records ineffectiveness on the fuel hedges in Cost of operations in the Consolidated Statements of Net Income (Loss) on a monthly basis based on the difference between the DOE index price and the actual price of diesel fuel

purchased, multiplied by the notional number of gallons on the contracts. There was no significant ineffectiveness recognized on the fuel hedges during the years ended December 31, 2016, 2015 and 2014.

See Note 12 for further discussion on the impact of the Company's hedge accounting to its consolidated Comprehensive income (loss) and AOCL.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company records valuation allowances to reduce net deferred tax assets to the amount considered more likely than not to be realized.

The Company is required to evaluate whether the tax positions taken on its income tax returns will more likely than not be sustained upon examination by the appropriate taxing authority. If the Company determines that such tax positions will not be sustained, it records a liability for the related unrecognized tax benefits. The Company classifies its liability for unrecognized tax benefits as a current liability to the extent it anticipates making a payment within one year.

Share-Based Compensation

The fair value of restricted share unit ("RSU") awards is determined based on the number of shares granted, the closing price of the common shares in the capital of the Company and an assumed forfeiture rate of 8%.

Compensation expense associated with outstanding performance-based restricted share unit ("PSU") awards is measured using the fair value of the Company's common shares and is based on the estimated achievement of the established performance criteria at the end of each reporting period until the performance period ends, recognized ratably over the performance period. Compensation expense is only recognized for those awards that the Company expects to vest, which it estimates based upon an assessment of the probability that the performance criteria will be achieved. The Company assumed a forfeiture rate of 8% for PSU awards, with a one-year performance-based metric and time-based vesting for the remaining three years of the four-year vesting period, granted to the Company's executive officers and non-executive officers during the years ended December 31, 2016 and 2015.

All share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized on a straight-line basis as expense over the employee's requisite service period. Under the share-based compensation guidance, the Company elected to use the short-cut method to calculate the historical pool of windfall tax benefits. The Company elected to use the tax law ordering approach for purposes of determining whether an excess of tax benefit has been realized.

Warrants are valued using the Black-Scholes pricing model with a contractual life of five years, a risk free interest rate based on the 5-year U.S. treasury yield curve and expected volatility. The Company uses the historical volatility of its common shares over a period equivalent to the contractual life of the warrants to estimate the expected volatility. Warrants issued to consultants are recorded as an element of the related cost of landfill development projects or to expense for warrants issued in connection with acquisitions.

Share-based compensation expense recognized during the years ended December 31, 2016, 2015 and 2014, was $44,772 ($28,680 net of taxes), $20,318 ($12,587 net of taxes) and $18,446 ($11,372 net of taxes), respectively. This share-based compensation expense includes RSU, PSU, deferred share units, share option and warrant expense. The share-based compensation expense totals include amounts associated with the Progressive Waste share-based compensation plans, continued by the Company following the Progressive Waste acquisition, which allow for the issuance of shares or cash settlement to employees upon vesting. The Company records share-based compensation expense in Selling, general and administrative expenses in the Consolidated Statements of Net Income (Loss). The total unrecognized compensation cost at December 31, 2016, related to unvested RSU awards was $23,213 and this future expense will be recognized over the remaining vesting period of the RSU awards, which extends to 2020. The weighted average remaining vesting period of the RSU awards is 1.0 years. The total unrecognized compensation cost at December 31, 2016, related to unvested PSU awards was $10,018 and this future expense will be recognized over the remaining vesting period of the PSU awards, which extends to 2020. The weighted average remaining vesting period of PSU awards is 1.4 years.

Restricted Share Units - Progressive Waste Plans

The Company recorded a liability of $25,925 at June 1, 2016 associated with the fair value of the Progressive Waste restricted share units outstanding. The fair value was calculated using a Black-Scholes pricing model with the following weighted average assumptions for the period from June 1, 2016 to December 31, 2016:

Expected remaining life	1 month to 2.15 years
Annual dividend rate	0.92%

Outstanding Progressive Waste restricted share units vest over periods that vary from immediately upon award to three years. As of December 31, 2016, the Company has $2,409 of unrecognized compensation cost for restricted share units under the Progressive Waste share-based compensation plans and a liability of $15,091 representing the December 31, 2016 fair value of outstanding Progressive Waste restricted share units, less unrecognized compensation cost.

Performance-Based Restricted Share Units - Progressive Waste Plans

The Company recorded a liability of $7,218 at June 1, 2016 associated with the fair value of the Progressive Waste performance-based restricted share units outstanding. The fair value was calculated using the volume weighted average price of the Company's shares for the five preceding business days as of December 31, 2016 which was $79.19. Outstanding Progressive Waste performance-based restricted share units vest over periods that vary from one month to two years. As of December 31, 2016, the Company has $1,474 of unrecognized compensation cost for performance-based restricted share units under the Progressive Waste share-based compensation plans and a liability of $3,435 representing the December 31, 2016 fair value of outstanding Progressive Waste performance-based restricted share units, less unrecognized compensation cost.

Share Based Options – Progressive Waste Plans

The Company recorded a liability of $13,022 at June 1, 2016 associated with the fair value of the Progressive Waste share based options outstanding. The fair value was calculated using a Black-Scholes pricing model with the following weighted average assumptions for the period from June 1, 2016 to December 31, 2016:

Expected remaining life	1.05 to 3.3 years
Share volatility	10.35% to 32.92%
Discount rate	0.92% to 1.66%
Annual dividend rate	0.92%

Outstanding Progressive Waste share based options vest over periods that vary from one to nine months. As of December 31, 2016, the Company has $114 of unrecognized compensation cost for share based options under the Progressive Waste share-based compensation plans and a liability of $18,529 representing the December 31, 2016 fair value of outstanding Progressive Waste share based options, less unrecognized compensation cost.

Per Share Information

Basic net income (loss) per share attributable to holders of the Company's common shares is computed using the weighted average number of common shares outstanding and vested and unissued restricted share units deferred for issuance into the deferred compensation plan. Diluted net income (loss) per share attributable to holders of the Company's common shares is computed using the weighted average number of common and potential common shares outstanding. Potential common shares are excluded from the computation if their effect is anti-dilutive.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2016, 2015 and 2014, was $3,960, $3,197 and $3,479, respectively, which is included in Selling, general and administrative expense in the Consolidated Statements of Net Income (Loss).

Insurance Liabilities

As a result of its high deductible or self-insured retention insurance policies, the Company is effectively self-insured for automobile liability, general liability, employer's liability, environmental liability, cyber liability, employment practices liability, and directors' and officers' liability as well as for employee group health insurance, property and workers' compensation. The Company's insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by the Company's management with assistance from its third-party actuary and its third-party claims administrator. The insurance accruals are influenced by the Company's past claims experience factors, which have a limited history, and by published industry development factors. At December 31, 2016 and 2015, the Company's total accrual for self-insured liabilities was $108,530 and $44,934, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. For the years ended December 31, 2016, 2015 and 2014, the Company recognized $100,505, $49,391 and $51,702, respectively, of self-insurance expense which is included in Cost of operations and Selling, general and administrative expense in the Consolidated Statements of Net Income (Loss).

New Accounting Pronouncements

Revenue From Contracts With Customers. In May 2014, the Financial Accounting Standards Board (the "FASB") issued guidance to provide a single, comprehensive revenue recognition model for all contracts with customers. The revenue guidance contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017 for public entities, with early adoption permitted (but not earlier than the original effective date of the pronouncement). The Company is currently assessing the impact that adopting this new accounting standard will have on its consolidated financial statements and footnote disclosures.

Accounting for Share-Based Payment When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period. In June 2014, the FASB issued guidance that applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. It requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition and follows existing accounting guidance for the treatment of performance conditions. The standard will be effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with early adoption permitted. The Company adopted this guidance as of January 1, 2016. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. In August 2014, the FASB issued guidance that requires management to evaluate, for each annual and interim reporting period, whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date the financial statements are issued or are available to be issued. If substantial doubt is raised, additional disclosures around management's plan to alleviate these doubts are required. This update became effective for all annual periods and interim reporting periods ending after December 15, 2016. The Company adopted this guidance as of December 31, 2016. The adoption of this guidance did not have any impact on current disclosures in the consolidated financial statements.

Balance Sheet Classification of Deferred Taxes. In November 2015, the FASB issued guidance that requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. As a result, each jurisdiction will now only have one net noncurrent deferred tax asset or liability. The guidance does not change the existing requirement that only permits offsetting within a jurisdiction. The new standard is effective in fiscal years beginning after December 15, 2016, including interim periods within those years, with early adoption permitted. The adoption of this guidance will result in the Company's current deferred tax assets being recorded as noncurrent on a prospective basis. The Company's current deferred tax assets were $89,177 and $49,727 at December 31, 2016 and 2015, respectively.

Lease Accounting. In February 2016, the FASB issued guidance that requires lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. The new standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Company has not yet assessed the potential impact of implementing this new accounting standard on its consolidated financial statements. For additional details on the Company's operating leases, see Note 10.

Improvements to Employee Share-Based Payment Accounting. In March 2016, the FASB issued guidance that identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including classification of awards as either equity or liabilities, an option to recognize gross share compensation expense with actual forfeitures recognized as they occur, certain classifications on the statement of cash flows and income tax consequences, including that all income tax effects of awards are to be recognized in the income statement when the awards are settled whereas previously the tax benefits in excess of compensation cost were recorded in equity. The new standard is effective for public companies for annual reporting periods beginning after December 15, 2016, and interim periods within that reporting period. As such, the Company will be required to adopt this standard on January 1, 2017 and will classify the excess tax benefits associated with equity-based compensation arrangements, which were $5,196 during the year ended December 31, 2016, as a discrete item within Income tax provision (benefit) on the Consolidated Statements of Net Income (Loss), rather than recognizing such excess income tax benefits in Additional Paid-In Capital on the Consolidated Statements of Equity. This reclassification will be made on a prospective basis and will also impact the related classification on the Company's Consolidated Statements of Cash Flows as excess tax benefits associated with equity-based compensation arrangements are currently reported in cash flows from operating activities and cash flows from financing activities. Under the new standard, excess tax benefits associated with equity-based compensation will only be reported in cash flows from operating activities. Additionally, the Company will recognize gross share compensation expense with actual forfeitures as they occur, which differs from the Company's current accounting policy to estimate forfeitures each period. Using the modified retrospective approach, the Company will record a cumulative effect adjustment to Retained Earnings of $1,392 for the differential between the amount of compensation cost previously recorded and the amount that would have been recorded without assuming forfeitures.

Principal versus Agent Considerations (Reporting Revenue Gross versus Net). In March 2016, the FASB issued guidance that clarifies the implementation of the new revenue standard on principal versus agent considerations. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customers. The amendments have the same effective date and transition requirements as the new revenue standard, which is described above. The Company is currently assessing the impact that adopting this new accounting standard will have on its consolidated financial statements and footnote disclosures.

Classification of Certain Cash Receipts and Cash Payments. In August 2016, the FASB issued guidance that addresses eight targeted changes with respect to how cash receipts and cash payments are classified in the statements of cash flows, with the objective of reducing diversity in practice. The new standard is effective for public companies for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, provided that all of the amendments are adopted in the same period. The guidance requires application using a retrospective transition method. The Company does not expect the adoption of this guidance to have a material impact on the Company's statement of cash flows.

Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory. In October 2016, the FASB issued guidance that eliminates the exception for all intra-entity sales of assets other than inventory. As a result, a reporting entity would recognize the tax expense from the sale of the asset in the seller's tax jurisdiction when the transfer occurs, even though the pre-tax effects of that transaction are eliminated in consolidation. Any deferred tax asset that arises in the buyer's jurisdiction would also be recognized at the time of the transfer. The modified retrospective approach will be required for transition to the new guidance, with a cumulative-effect adjustment recorded in retained earnings as of the beginning of the period of adoption. The new guidance will be effective for public business entities in fiscal years beginning after December 15, 2017, including interim periods within those years.

Early adoption is permitted; however, the guidance can only be adopted in the first interim period of a fiscal year. The Company does not expect the adoption of this guidance to have a material impact on the consolidated financial statements.

Classification of Money Market Fund as Cash Equivalents. The SEC instituted new rules for money market funds ("MMF") and key provisions of these rules became effective in October 2016. One of the key provisions mandated the use of a floating net asset value ("NAV") for institutional prime MMFs. When investments in an SEC-registered MMF meet the qualifications of Investment Company Act Rule 2a-7, investors in the fund are permitted to classify their investment as a cash equivalent. The SEC has stated that a floating NAV MMF investment would, under normal circumstances, continue to meet the definition of a cash equivalent. However, in the event credit or liquidity issues arise, including the enactment of liquidity fees or redemption gates, classification of such investments as cash equivalents may no longer be appropriate. Additionally, if a fund ceases to be an SEC-registered MMF, an investor's investment may no longer qualify as a cash equivalent. Money market fund investments that no longer meet the definition of a cash equivalent should be reclassified from cash and cash equivalents to equity investments and classified as either available for sale or trading. There was no impact to the Company's classification of cash and equivalents at December 31, 2016 as a result of these new rules. However, the Company will continue to review the classification of its cash and equivalents to the extent they are invested in MMFs.

Statement of Cash Flows: Restricted Cash. In November 2016, the FASB issued guidance that requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. The new standard is effective for public companies for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company does not expect the adoption of this guidance to have a material impact on the Company's statement of cash flows.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance that simplifies the accounting for goodwill impairment. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. The new standard will be applied prospectively, and is effective for public companies for their annual or any interim goodwill impairment tests for fiscal years beginning after December 15, 2019. Early adoption is permitted for any impairment tests performed after January 1, 2017. The Company intends to adopt this new pronouncement in 2017 and apply the standard for its annual goodwill impairment testing. During the year ended December 31, 2016, the Company did not record any impairment charges related to goodwill; however, the results of the Company's annual impairment testing indicated that the carrying value of its E&P segment exceeded its fair value by $125,692. At December 31, 2016, the carrying amount of goodwill at the E&P segment was $77,343. Therefore, if the carrying value of the E&P segment remains higher than its fair value when the Company performs its initial goodwill impairment test in 2017, the Company will record an impairment charge equal to the amount by which the E&P segment's carrying value exceeds its fair value, up to $77,343.

Reclassification

Certain amounts reported in the Company's prior year's financial statements have been reclassified to conform with the 2016 presentation.

2. USE OF ESTIMATES AND ASSUMPTIONS

In preparing the Company's consolidated financial statements, several estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain of the information that is used in the preparation of the Company's consolidated financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is simply not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and the Company must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to the Company's accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, contingent consideration accruals and asset impairments, which are discussed in Note 1. An additional area that involves estimation is when the Company estimates the amount of potential exposure it may have with respect to litigation,

claims and assessments in accordance with the accounting guidance on contingencies. Actual results for all estimates could differ materially from the estimates and assumptions that the Company uses in the preparation of its consolidated financial statements.

3. ACQUISITIONS

The Company recognizes, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. The Company measures and recognizes goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of assets acquired and liabilities assumed. If information about facts and circumstances existing as of the acquisition date is incomplete by the end of the reporting period in which a business combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. The measurement period ends once the Company receives the information it was seeking; however, this period will not exceed one year from the acquisition date. Any material adjustments recognized during the measurement period will be reflected prospectively in the period the adjustment is identified in the consolidated financial statements. The Company recognizes acquisition-related costs as expense.

Progressive Waste Acquisition

As described in Note 1, on June 1, 2016, pursuant to the Merger Agreement, Merger Sub merged with and into Old Waste Connections in an all-stock business combination with Old Waste Connections continuing as the surviving corporation and an indirect wholly-owned subsidiary of New Waste Connections. The term “Progressive Waste acquisition” is used herein to refer to the transaction completed under the Merger Agreement, and the term “Progressive Waste” is used herein in the context of references to Progressive Waste Solutions Ltd. and its shareholders prior to the completion of the Progressive Waste acquisition on June 1, 2016. The financial statements presented herein are the historical financial statements of Old Waste Connections with the inclusion on June 1, 2016 of the fair value of the identifiable assets and liabilities acquired from Progressive Waste and the inclusion of the results of operations from the acquired Progressive Waste operations commencing on June 1, 2016.

Under the terms of the Merger Agreement, Old Waste Connections’ stockholders received 2.076843 New Waste Connections common shares for each Old Waste Connections share held. Immediately following the completion of the Progressive Waste acquisition, New Waste Connections also completed (i) a consolidation whereby every 2.076843 common shares outstanding were converted into one common share (the “Consolidation”) and (ii) an amalgamation with a wholly-owned subsidiary whereby its legal name was changed from Progressive Waste Solutions Ltd. to Waste Connections, Inc. (the “Amalgamation”). Upon completion of the Progressive Waste acquisition, Old Waste Connections’ former stockholders owned approximately 70% of the Company, and Progressive Waste’s former shareholders owned approximately 30%. All share amounts stated herein reflect shares on a post-Consolidation basis.

Following the completion of the Progressive Waste acquisition, the Consolidation and the Amalgamation, on June 1, 2016, the post-Consolidation common shares of New Waste Connections (the “Common Shares”) commenced trading on the Toronto Stock Exchange (the “TSX”) and on the NYSE under the ticker symbol “WCN.” The common stock of Old Waste Connections, which traded previously under the symbol “WCN,” ceased trading on, and has been delisted from, the NYSE.

The Progressive Waste acquisition was accounted for as a reverse merger using the acquisition method of accounting. Old Waste Connections has been identified as the acquirer for accounting purposes and the acquisition method of accounting has been applied. Identifying the acquirer requires various considerations including the relative voting rights post-closing, the size of minority voting interests and the composition of the board of directors and senior management. Based on these considerations, Old Waste Connections’ former stockholders hold a majority of the post-closing voting rights of the Company and both the post-closing composition of the board of directors and senior management are most closely aligned with Old Waste Connections. The Progressive Waste acquisition provided the Company with significant strategic and financial benefits including enhanced size and revenue diversification, increased earnings and cash flows and better access to capital markets.

The results of operations from the acquired Progressive Waste operations have been included in the Company’s Consolidated Financial Statements from June 1, 2016, the acquisition date. Total revenues during the period from June 1, 2016 to December 31, 2016, generated from the operations acquired in the Progressive Waste acquisition and included within consolidated revenues, were $1,184,965. Total pre-tax earnings during the period from June 1, 2016 to December 31, 2016, generated from the operations

acquired in the Progressive Waste acquisition and included within consolidated income before income taxes, were $155,832.

The following table summarizes the consideration transferred to acquire Progressive Waste and the preliminary amounts of identifiable assets acquired and liabilities assumed:

Fair value of consideration transferred:		
Shares issued	$	3,503,162
Debt assumed		1,729,274
		5,232,436
Less: cash acquired		(65,768)
Net fair value of consideration transferred		5,166,668
Recognized amounts of identifiable assets acquired and liabilities assumed associated with the business acquired:		
Accounts receivable		231,709
Prepaid expenses and other current assets		28,623
Restricted assets		16,551
Property and equipment		2,078,350
Contracts		223,885
Customer lists		191,679
Other intangibles		218,499
Other long-term assets		4,491
Accounts payable and accrued liabilities		(264,992)
Deferred revenue		(35,635)
Contingent consideration		(19,412)
Other long-term liabilities		(185,774)
Deferred income taxes		(329,552)
Total identifiable net assets		2,158,422
Goodwill	$	3,008,246

During the six months ended December 31, 2016, adjustments to the initial amounts of identifiable assets acquired and liabilities assumed resulted in increases to contingent consideration, contracts, deferred tax liabilities and goodwill $6,647, $13,473, $105,436 and $146,329, respectively, and decreases to property and equipment and customer lists of $5,257 and $43,824, respectively.

Following the merger of Merger Sub into Old Waste Connections, and the issuance of 2.076843 New Waste Connections common shares for each Old Waste Connections share as a result of the Consolidation, the Company issued an additional 52,145,919 common shares at $67.18, the closing price on the NYSE of New Waste Connections common shares on June 1, 2016, as share consideration for the Progressive Waste acquisition. The Company assumed $1,729,274 of debt in the Progressive Waste acquisition, consisting of $1,659,465 of amounts outstanding under the Progressive Waste credit facilities that were repaid in full following the close of the Progressive Waste acquisition, $64,000 of tax-exempt bonds and $5,809 of other long-term debt. See Note 8 for further discussion of the debt assumed.

Contingent consideration acquired consists primarily of two amounts payable to the former owners of an acquisition completed by Progressive Waste in 2015. The first contingent amount payable is based on the acquired operations exceeding earnings targets specified in the purchase agreement over a one-year period ending September 30, 2017. There is no limit to this contingent amount payable under the terms of the purchase agreement, the fair value of which was computed at $10,488, based upon applying a discount rate of 2.0% to the probability assessment of the expected future cash flows over the period in which the obligation is expected to be settled. The second contingent amount payable has a maximum possible payment of $5,000, representing a purchase price holdback

payable to the former owners subject to the satisfaction of various business performance conditions through December 31, 2016. As of December 31, 2016, the obligations recognized at the purchase date have not materially changed.

The goodwill acquired is primarily attributable to growth opportunities at operations acquired in the Progressive Waste acquisition and synergies that are expected to arise as a result of the Progressive Waste acquisition. The expected tax deductible amount of the goodwill acquired is $303,594.

The fair value of acquired working capital related to Progressive Waste is final with the exception of certain open tax matters for which the assets and liabilities recorded are provisional. The fair value related to acquired landfills is provisional as well. The Company expects to finalize these fair value estimates in the first quarter of 2017 once it has finalized its cost and capacity estimates, including physical surveys of the landfills. Measurement period adjustments will be evaluated to determine whether they relate to facts and circumstances that existed at the acquisition date. Any measurement period adjustments recorded will be recognized in the reporting period in which they are identified.

The gross amount of trade receivables due under contracts is $239,212, of which $7,503 is expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the Progressive Waste acquisition.

The Company incurred $31,408 of acquisition-related costs for the Progressive Waste acquisition during the year ended December 31, 2016. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income (Loss).

Other Acquisitions

The Company acquired 12 individually immaterial non-hazardous solid waste collection businesses during the year ended December 31, 2016. The total acquisition-related costs incurred during the year ended December 31, 2016 for these acquisitions was $1,968. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income (Loss).

In January 2015, the Company acquired Shale Gas Services, LLC ("Shale Gas"), which owns two E&P waste stream treatment and recycling operations in Arkansas and Texas, for cash consideration of $41,000 and potential future contingent consideration. The contingent consideration would be paid to the former owners of Shale Gas based on the achievement of certain operating targets for the acquired operations, as specified in the membership purchase agreement, over a two-year period following the close of the acquisition. The Company used probability assessments of the expected future cash flows and determined that no liability for payment of future contingent consideration existed as of the acquisition close date. As of December 31, 2016, the assessment that no liability existed for payment of future contingent consideration has not changed.

In March 2015, the Company acquired DNCS Properties, LLC ("DNCS"), which owns land and permits to construct and operate an E&P waste facility in the Permian Basin, for cash consideration of $30,000 and a long-term note issued to the former owners of DNCS with a fair value of $5,088. The long-term note requires ten annual principal payments of $500, followed by an additional ten annual principal payments of $250, for total future cash payments of $7,500. The fair value of the long-term note was determined by applying a discount rate of 4.75% to the payments over the 20-year payment period.

In November 2015, the Company acquired Rock River Environmental Services, Inc. ("Rock River"), an integrated provider of solid waste collection, recycling, transfer and disposal services. The acquired operations service 19 counties in central and northern Illinois and include five collection operations, two landfills, one compost facility, one transfer station and one recycling facility. The Company paid cash consideration of $225,000 for this acquisition, using proceeds from borrowings under the Old Waste Connections Credit Agreement. The Company also paid an additional amount for the purchase of estimated working capital, which is subject to post-closing adjustments.

In addition to the acquisitions of Shale Gas, DNCS and Rock River, the Company also acquired 11 individually immaterial non-hazardous solid waste collection and disposal businesses during the year ended December 31, 2015. The total acquisition-related costs for these acquisitions was $4,235. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income (Loss).

In March 2014, the Company acquired Screwbean Landfill, LLC ("Screwbean"), which owns land and permits to construct and operate an E&P waste facility, and S.A. Dunn & Company, LLC ("Dunn"), which owns land and permits to construct and operate a construction and demolition landfill, for aggregate total cash consideration of $27,020 and contingent consideration of $2,923. Contingent consideration represents the fair value of up to $3,000 of amounts payable to the former Dunn owners based on the successful modification of site construction permits that would enable increased capacity at the landfill. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the two-year period in which the obligations were expected to be settled, and applying discount rates ranging from 2.4% to 2.7%. Contingent consideration of $3,000 was paid to the former Dunn owners during the year ended December 31, 2016.

In September 2014, the Company acquired Rumsey Environmental, LLC ("Rumsey"), which provides solid waste collection services in western Alabama, for aggregate total cash consideration of $16,000 and contingent consideration of $1,891. Contingent consideration represents the fair value of up to $2,000 of amounts payable to the former owners based on the achievement of certain operating targets specified in the asset purchase agreement. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the two-year period in which the obligation was expected to be settled, and applying a discount rate of 2.8%. Contingent consideration of $2,000 was paid to the former owners during the year ended December 31, 2016.

In October 2014, the Company acquired Section 18, LLC ("Section 18"), which provides E&P disposal services in North Dakota, for aggregate total cash consideration of $64,425 and contingent consideration of $37,724. The contingent consideration recorded represented the estimated fair value at the acquisition close date of amounts payable to the former owners based on approval of up to four site construction permits for future facilities in North Dakota, Wyoming and Montana and the achievement of certain operating targets at one current facility and up to four future facilities as specified in the asset purchase agreement. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the one to four-year period in which the obligations are expected to be settled, and applying a discount rate of 5.2%. During the third quarter of 2015, the Company remeasured the fair value of the contingent consideration and determined that the fair value of amounts payable associated with the achievement of certain operating targets decreased by $20,642, which was credited to Impairments and other operating items in the Consolidated Statements of Net Income (Loss). The change in the fair value of the contingent consideration was due to an expected decrease in earnings of the future facilities as a result of the sustained decline in oil prices subsequent to the closing date of the acquisition, together with market expectations of a likely slow recovery in such prices. During the year ended December 31, 2015, $2,000 of the contingent consideration associated with the approval of one of the site permits was earned and paid to the former owners.

In addition to the acquisitions of Screwbean, Dunn, Rumsey and Section 18, the Company acquired five individually immaterial non-hazardous solid waste collection, transfer and disposal businesses during the year ended December 31, 2014. The total acquisition-related costs incurred for these acquisitions was $2,147. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income (Loss).

The results of operations of the acquired businesses have been included in the Company's consolidated financial statements from their respective acquisition dates. The Company expects these acquired businesses to contribute towards the achievement of the Company's strategy to expand through acquisitions. Goodwill acquired is attributable to the synergies and ancillary growth opportunities expected to arise after the Company's acquisition of these businesses.

The following table summarizes the consideration transferred to acquire these businesses and the amounts of identifiable assets acquired and liabilities assumed at the acquisition date for acquisitions consummated in the years ended December 31, 2016, 2015 and 2014:

	2016 Acquisitions	2015 Acquisitions	2014 Acquisitions
Fair value of consideration transferred:			
Cash	$ 17,131	$ 230,517	$ 126,181
Debt assumed	-	111,324	-
Notes issued to sellers	-	6,091	-
	17,131	347,932	126,181
Recognized amounts of identifiable assets acquired and liabilities assumed associated with businesses acquired:			
Accounts receivable	833	12,571	3,785
Prepaid expenses and other current assets	477	1,440	111
Property and equipment	4,735	208,363	140,412
Long-term franchise agreements and contracts	-	16,462	369
Indefinite-lived intangibles	-	1,256	-
Customer lists	8,508	12,504	9,420
Permits	-	37,071	-
Other long-term assets	261	2,738	-
Accounts payable and accrued liabilities	(2,867)	(9,337)	(1,749)
Deferred revenue	(659)	(5,056)	(427)
Contingent consideration	(977)	(815)	(42,538)
Other long-term liabilities	-	(19,998)	(1,980)
Deferred income taxes	-	(50,089)	-
Total identifiable net assets	10,311	207,110	107,403
Goodwill	$ 6,820	$ 140,822	$ 18,778

The 2016 acquisitions of 12 non-hazardous solid waste collection businesses resulted in goodwill acquired in 2016 totaling $6,820, which is expected to be deductible for tax purposes. Goodwill acquired in 2015 and 2014 totaling $40,863 and $18,778, respectively, is expected to be deductible for tax purposes.

The fair value of acquired working capital related to three individually immaterial acquisitions completed during the year ended December 31, 2016, is provisional pending receipt of information to support the fair value of the assets acquired and liabilities assumed. Any adjustments recorded relating to finalizing the working capital for these three acquisitions are not expected to be material to the Company's financial position.

The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2016, was $1,316, of which $483 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2015, was $13,037, of which $466 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2014, was $3,981, of which $196 was expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the acquisition of these businesses.

Pro Forma Results of Operations

The following pro forma results of operations assume that the Company's acquisition of Progressive Waste and its other acquisitions that were collectively insignificant, occurring during the year ended December 31, 2016 and 2015, were acquired as of January 1, 2015 (unaudited):

	Years Ended December 31,	
	2016	2015
Total revenue	$ 4,184,871	$ 4,115,433
Net income	350,228	8,643
Basic income per share	2.00	0.05
Diluted income per share	1.99	0.05

The unaudited pro forma results of operations do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions occurred on January 1, 2015, nor are they necessarily indicative of future operating results. The above unaudited pro forma financial information includes adjustments to acquisition expenses incurred by the Company and the acquired businesses, severance payments to employees terminated as a result of the acquisitions, equity-based compensation expenses incurred as a result of accelerated vesting resulting from the Progressive Waste acquisition, interest expense on new and refinanced debt attributable to the acquisitions, expenses associated with Progressive Waste interest rate swaps resulting from its credit facility being terminated, depreciation expense on acquired property and equipment, amortization of identifiable intangible assets acquired, depletion expense on acquired landfills and provision for income taxes.

4. ASSETS HELD FOR SALE

As of December 31, 2016, certain assets and liabilities associated with our Southern and Eastern segments met the held for sale criteria. These markets were acquired in the Progressive Waste acquisition and have characteristics that are not consistent with our operating strategy. The assets held for sale have been recognized at the lower of cost or fair value less costs to sell, which resulted in recording an estimated loss on disposal of $14,902 in the year ended December 31, 2016. The expected consideration will include cash and non-monetary assets – consisting of a solid waste collection business and long-term contracts to deliver disposal volumes to our landfills.

Our assets and liabilities held for sale as of December 31, 2016 are comprised of the following:

Current assets held for sale:	
Cash and equivalents	$ 42
Accounts receivable	5,726
Other current assets	571
	$ 6,339
Long-term assets held for sale:	
Property and equipment	$ 33,624
Goodwill	244
Other assets	121
	$ 33,989
Current liabilities held for sale:	
Accounts payable	$ 1,320
Accrued liabilities	1,811
Deferred revenue	252
	$ 3,383

5. INTANGIBLE ASSETS, NET

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2016:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:				
Long-term franchise agreements and contracts	$ 428,783	$ (86,552)	$ -	$ 342,231
Customer lists	371,203	(131,525)	-	239,678
Permits and other	290,823	(21,966)	-	268,857
	1,090,809	(240,043)	-	850,766
Indefinite-lived intangible assets:				
Solid waste collection and transportation permits	152,761	-	-	152,761
Material recycling facility permits	42,283	-	-	42,283
E&P facility permits	59,855	-	(38,507)	21,348
	254,899	-	(38,507)	216,392
Intangible assets, exclusive of goodwill	$ 1,345,708	$ (240,043)	$ (38,507)	$ 1,067,158

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the year ended December 31, 2016 was 15.5 years. The weighted-average amortization period of customer lists acquired during the year ended December 31, 2016 was 11.5 years. The weighted-average amortization period of finite-lived permits and other acquired during the year ended December 31, 2016 was 20.0 years.

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2015:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:				
Long-term franchise agreements and contracts	$ 210,384	$ (60,205)	$ -	$ 150,179
Customer lists	173,855	(96,941)	-	76,914
Permits and other	81,240	(13,587)	-	67,653
	465,479	(170,733)	-	294,746
Indefinite-lived intangible assets:				
Solid waste collection and transportation permits	152,761	-	-	152,761
Material recycling facility permits	42,283	-	-	42,283
E&P facility permits	59,855	-	(38,351)	21,504
	254,899	-	(38,351)	216,548
Intangible assets, exclusive of goodwill	$ 720,378	$ (170,733)	$ (38,351)	$ 511,294

Estimated future amortization expense for the next five years relating to finite-lived intangible assets is as follows:

For the year ending December 31, 2017	$ 94,503
For the year ending December 31, 2018	$ 89,135
For the year ending December 31, 2019	$ 80,015
For the year ending December 31, 2020	$ 72,439
For the year ending December 31, 2021	$ 64,441

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	December 31,	
	2016	2015
Landfill site costs	$ 3,483,699	$ 2,379,535
Rolling stock	1,297,469	754,662
Land, buildings and improvements	768,432	433,230
Containers	532,477	323,953
Machinery and equipment	516,491	377,488
Construction in progress	35,038	9,861
	6,633,606	4,278,729
Less accumulated depreciation and depletion	(1,895,551)	(1,540,441)
	$ 4,738,055	$ 2,738,288

The Company's landfill depletion expense, recorded in Depreciation in the Consolidated Statements of Net Income (Loss), for the years ended December 31, 2016, 2015 and 2014, was $143,940, $82,369 and $84,308, respectively.

As of December 31, 2016, certain assets and liabilities associated with our Southern and Eastern segments met the held for sale criteria. As a result, property and equipment totaling $33,624, net of accumulated depreciation, have been reclassified to long-term assets held for sale on the accompanying Consolidated Balance Sheets at December 31, 2016. See Note 4 for additional discussion.

7. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	2016	2015
Insurance claims	$ 108,530	$ 44,934
Payroll and payroll-related	74,173	41,332
Interest payable	12,677	12,974
Unrealized cash flow hedge losses	6,518	11,124
Share-based compensation plan liability – current portion	3,955	-
Cell processing reserve - current portion	3,932	5,566
Environmental remediation reserve - current portion	2,316	2,328
Other	57,301	17,760
	$ 269,402	$ 136,018

As of December 31, 2016, certain assets and liabilities associated with our Southern and Eastern segments met the held for sale criteria. As a result, accrued liabilities totaling $1,811 have been reclassified to current liabilities held for sale on the accompanying Consolidated Balance Sheets at December 31, 2016. See Note 4 for additional discussion.

8. LONG-TERM DEBT

Long-term debt consists of the following:

	December 31, 2016	December 31, 2015
Revolver under Credit Agreement	$ 310,582	$ -
Term loan under Credit Agreement	1,637,500	-
Revolver under prior credit agreement	-	390,000
Term loan under prior credit agreement	-	800,000
2016 Notes	-	100,000
2018 Notes	50,000	50,000
2019 Notes	175,000	175,000
2021 Notes	100,000	100,000
New 2021 Notes	150,000	-
2022 Notes	125,000	125,000
2023 Notes	200,000	-
2025 Notes	375,000	375,000
2026 Notes	400,000	-
Tax-exempt bonds	95,430	31,430
Notes payable to sellers and other third parties, bearing interest at 3.00% to 24.81%, principal and interest payments due periodically with due dates ranging from 2017 to 2036 [(a)]	14,180	10,855
	3,632,692	2,157,285
Less – current portion	(1,650)	(2,127)
Less – debt issuance costs	(14,282)	(8,031)
	$ 3,616,760	$ 2,147,127

[(a)] Interest rates represent the interest rates incurred at December 31, 2016.

Summary of Changes in Debt Related to Progressive Waste Acquisition

On June 1, 2016, the Company assumed $1,729,274 of debt in the Progressive Waste acquisition consisting of $1,659,465 of amounts outstanding under Progressive Waste's prior Amended and Restated Credit Agreement, dated as of June 30, 2015, among Progressive Waste, Bank of America, N.A., acting through its Canada branch, as global agent, Bank of America, N.A., as the U.S. agent, and the other lenders and financial institutions party thereto (the "2015 Progressive Waste Credit Agreement"), $64,000 of tax-exempt bonds and $5,809 of other long-term debt.

On June 1, 2016, the Company terminated the 2015 Progressive Waste Credit Agreement. Also on June 1, 2016, Old Waste Connections terminated a Revolving Credit and Term Loan Agreement, dated as of January 26, 2015, by and among Old Waste Connections, Bank of America, N.A., as the administrative agent and swing line lender and letter of credit issuer, and certain lenders and other financial institutions party thereto (the "2015 Old Waste Connections Credit Agreement," and together with the 2015 Progressive Waste Credit Agreement, the "Prior Credit Agreements").

On June 1, 2016, the Company also entered into several financing agreements, including a Revolving Credit and Term Loan Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with Bank of America, N.A., acting through its Canada Branch, as global agent, the swing line lender and letter of credit issuer, Bank of America, N.A., as the U.S. Agent and a letter of credit issuer, the lenders (the "Lenders") and any other financial institutions from time to time party thereto, and a Master Note Purchase Agreement (as amended, restated, amended and restated, assumed, supplemented or modified from time to time, the "2016 NPA") with certain accredited institutional investors, as more fully described below. Proceeds from the borrowings under the Credit Agreement were used initially to refinance indebtedness of the Company and its subsidiaries under the Prior Credit Agreements and for the payment of transaction fees and expenses related to the Progressive Waste acquisition. The Company used proceeds from the sale of the 2016 Senior Notes (defined below) to refinance existing indebtedness and for general corporate purposes.

New Credit Agreement

As described above, on June 1, 2016, the Company entered into the Credit Agreement, which has a scheduled maturity date of June 1, 2021.

Summary details of indebtedness under the Credit Agreement at December 31, 2016 are as follows:

Revolver under Credit Agreement		
Available	$	1,004,451
Letters of credit outstanding	$	247,467
Total amount drawn, as follows:	$	310,582
Amount drawn – Canadian prime rate loan	$	7,448
Interest rate applicable - Canadian prime rate loan		2.95%
Interest rate margin – Canadian prime rate loan		0.25%
Amount drawn – Canadian bankers' acceptance ("BA") loan	$	303,134
Interest rate applicable – Canadian BA loan		2.13%
Interest rate acceptance fee – Canadian BA loan		1.20%
Commitment – rate applicable		0.15%
Term loan under Credit Agreement		
Amount drawn – U.S. based LIBOR loan	$	1,637,500
Interest rate applicable – U.S. based LIBOR loan		1.97%
Interest rate margin – U.S. based LIBOR loan		1.20%

Pursuant to the terms and conditions of the Credit Agreement, the Lenders have committed to provide a $3,200,000 credit facility to the Company, consisting of (i) revolving advances up to an aggregate principal amount of $1,562,500 at any one time outstanding, and (ii) a term loan in an aggregate principal amount of $1,637,500, which term loan was fully drawn at closing. As part of the aggregate commitments under the revolving advances, the Credit Agreement provides for letters of credit to be issued at the request of the Company in an aggregate amount not to exceed $500,000 and for swing line loans to be issued at the request of the Company in an aggregate amount not to exceed the lesser of $75,000 and the aggregate commitments under the revolving advances. This swing line sublimit is part of, and not in addition to, the aggregate commitments under the revolving advances. In addition, certain existing letters of credit in place under the Prior Credit Agreements are continued and now deemed issued under and governed by the terms of the Credit Agreement. Subject to certain specified conditions and additional deliveries, the Company has the option to request increases in the aggregate commitments for revolving advances and one or more additional term loans, provided that (i) the aggregate principal amount of such requests does not exceed $500,000 and (ii) the aggregate principal amount of commitments and term loans under the credit facility does not exceed $3,700,000. The Company has $6,543 of debt issuance costs related to the Credit Agreement recorded in Other assets, net in the Consolidated Balance Sheets at December 31, 2016, which are being amortized through the maturity date, or June 1, 2021.

Advances are available under the Credit Agreement in U.S. dollars and Canadian dollars. Interest accrues on the term loan at a LIBOR rate or a base rate, at the Company's option, plus an applicable margin. Interest accrues on revolving advances, at the Company's option, (i) at a LIBOR rate or a base rate for U.S. dollar borrowings, plus an applicable margin, and (ii) at the Canadian prime rate for Canadian dollar borrowings, plus an applicable margin. Canadian dollar borrowings are also available by way of bankers' acceptances or BA equivalent loans ("BA loans"), subject to the payment of a drawing fee. The fees for letters of credit in US dollars and Canadian dollars are also based on the applicable margin. The applicable margin used in connection with interest rates and fees is based on the Company's leverage ratio. The applicable margin for LIBOR rate loans, drawing fees for bankers' acceptance and BA loans and letter of credit fees ranges from 1.00% to 1.50%, and the applicable margin for base rate loans, Canadian prime rate

loans and swing line loans ranges from 0.00% to 0.50%. The Company will also pay a fee based on its leverage ratio on the actual daily unused amount of the aggregate revolving commitments.

The borrowings under the Credit Agreement are unsecured. Proceeds from the borrowings under the Credit Agreement may be used on a go forward basis (i) to finance acquisitions permitted under the Credit Agreement, and (ii) for capital expenditures, working capital, letters of credit, and general corporate purposes.

The Credit Agreement contains customary representations, warranties, covenants and events of default, including, among others, a change of control event of default and limitations on the incurrence of indebtedness and liens, new lines of business, mergers, transactions with affiliates and burdensome agreements. During the continuance of an event of default, the Lenders may take a number of actions, including, among others, declaring the entire amount then outstanding under the Credit Agreement to be due and payable. The Credit Agreement contains cross-defaults for certain events or conditions that could result in certain of the Company's material indebtedness becoming due before the scheduled time, which material indebtedness would include the principal amounts currently outstanding under the 2016 NPA and the 2008 NPA. The Credit Agreement includes a financial covenant limiting, as of the last day of each fiscal quarter, the ratio of (a) (i) Consolidated Total Funded Debt (as defined in the Credit Agreement) as of such date less (ii) the sum of cash and cash equivalents of the Company and its subsidiaries on a dollar-for-dollar basis as of such date in excess of $50,000 up to a maximum of $200,000 (such that the maximum amount of reduction pursuant to this calculation does not exceed $150,000) to (b) Consolidated EBITDA (as defined in the Credit Agreement), measured for the preceding 12 months (the "Leverage Ratio"), to not more than 3.50 to 1.00 (or 3.75 to 1.00 during material acquisition periods, subject to certain limitations). The Credit Agreement also includes a financial covenant requiring the ratio of Consolidated EBIT (as defined in the Credit Agreement) to Consolidated Total Interest Expense (as defined in the Credit Agreement), in each case, measured for the preceding 12 months, (the "Interest Coverage Ratio") to be not less than 2.75 to 1.00. As of December 31, 2016, the Company was in compliance with all applicable covenants in the Credit Agreement.

2015 Old Waste Connections Credit Agreement

The 2015 Old Waste Connections Credit Agreement provided revolving advances up to an aggregate principal amount of $1,200,000 at any one time outstanding (the "revolver"), a term loan in an aggregate principal amount of $800,000 (the "term loan") and letters of credit to be issued at the request of Old Waste Connections in an aggregate amount not to exceed $250,000. As of December 31, 2015, $800,000 under the term loan and $390,000 under the revolver were outstanding under the 2015 Old Waste Connections Credit Agreement, exclusive of outstanding standby letters of credit of $78,373. As of December 31, 2015 and through the date of termination of the 2015 Old Waste Connections Credit Agreement on June 1, 2016, Old Waste Connections was in compliance with all applicable covenants.

Interest accrued on advances on the revolver, at Old Waste Connections' option, at a LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.44% at December 31, 2015) on LIBOR loans or a base rate plus an applicable margin (for a total rate of 3.70% at December 31, 2015) on base rate and swing line loans for each interest period. The issuing fees for all letters of credit were also based on an applicable margin. The applicable margin used in connection with interest rates and fees was based on Old Waste Connections' consolidated leverage ratio. The applicable margin for LIBOR rate loans and letter of credit fees was 1.20% at December 31, 2015 and the applicable margin for base rate loans and swing line loans was 0.50% at December 31, 2015. As of December 31, 2015, $385,000 of the borrowings outstanding under the revolver were in LIBOR loans and $5,000 of the borrowings outstanding under the revolver were in swing line loans.

Outstanding amounts on the term loan could be either base rate loans or LIBOR loans. At December 31, 2015, all amounts outstanding under the term loan were in LIBOR loans which bore interest at the LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.44% at December 31, 2015). The applicable margin was based on Old Waste Connections' consolidated leverage ratio. The applicable margin for LIBOR rate loans was 1.20% at December 31, 2015.

Old Waste Connections paid a fee based on its consolidated leverage ratio on the actual daily unused amount of the aggregate revolving commitments (0.15% as of December 31, 2015).

2016 Master Note Purchase Agreement

As described above, on June 1, 2016, the Company entered into the 2016 NPA pursuant to which the Company issued and sold to the investors $750,000 aggregate principal amount of senior unsecured notes consisting of (i) $150,000 of 2.39% series 2016 senior notes, tranche A due June 1, 2021 (the "New 2021 Notes"), (ii) $200,000 of 2.75% series 2016 senior notes, tranche B due June 1, 2023 (the "2023 Notes") and (iii) $400,000 of 3.03% series 2016 senior notes, tranche C due June 1, 2026 (the "2026 Notes") (collectively, the "2016 Senior Notes") in a private placement. The 2016 Senior Notes bear interest at fixed rates with interest payable in arrears semi-annually on the first day of June and December, commencing on December 1, 2016, and on the respective maturity dates, until the principal thereunder becomes due and payable. The Company is amortizing the $5,319 of debt issuance costs through the maturity dates of the respective notes.

Under the terms and conditions of the 2016 NPA, the Company is authorized to issue and sell notes in the aggregate principal amount of $1,500,000, inclusive of the outstanding $750,000 aggregate principal amount of 2016 Senior Notes issued and sold by the Company on June 1, 2016, provided that the purchasers of the 2016 Senior Notes shall not have any obligation to purchase any additional notes issued pursuant to the 2016 NPA.

The 2016 Senior Notes are unsecured obligations and rank pari passu with obligations under the Credit Agreement and the 2008 Notes (defined below). Certain subsidiaries of the Company have executed a subsidiary guaranty in relation to the Company's obligations under the 2016 NPA.

The 2016 Senior Notes are subject to representations, warranties, covenants and events of default customary for a private placement of senior unsecured notes. Upon the occurrence of an event of default, payment of the 2016 Senior Notes may be accelerated by the holders of the 2016 Senior Notes. The 2016 Senior Notes may also be prepaid by the Company at any time at par plus a make whole amount determined by the amount of the excess, if any, to the discounted value of the remaining scheduled payments with respect to the called principal of such 2016 Senior Notes minus the amount of such called principal, provided that the make whole shall in no event be less than zero. The discounted value is determined using market-based discount rates. In addition, the Company will be required to offer to prepay the 2016 Senior Notes upon certain changes in control. The 2016 NPA also contemplates certain offers of prepayments for specified tax reasons or certain noteholder sanctions events. The 2016 NPA contains cross-defaults for certain events or conditions that could result in certain of the Company's material indebtedness becoming due before the scheduled time, which material indebtedness would include the principal amounts currently outstanding under the Credit Agreement and the 2008 NPA. The 2016 NPA requires that the Company comply with the specified quarterly leverage ratio and interest coverage ratio, in each case, as of the last day of each fiscal quarter. The required leverage ratio cannot exceed 3.75 to 1.00. The required interest coverage ratio must not be less than 2.75 to 1.00. As of December 31, 2016, the Company was in compliance with all applicable covenants in the 2016 NPA.

2008 Master Note Purchase Agreement

On June 1, 2016, prior to the closing of the Progressive Waste acquisition, Old Waste Connections, certain subsidiaries of Old Waste Connections (together with Old Waste Connections, the "Obligors") and certain holders of the 2008 Notes (defined below) entered into that certain Amendment No. 6 (the "Sixth Amendment") to that certain Master Note Purchase Agreement, dated July 15, 2008 (the "2008 NPA"), as amended by Amendment No. 1 to the 2008 NPA dated as of July 20, 2009 (the "First Amendment"), as supplemented by First Supplement to the 2008 NPA dated as of October 26, 2009 (the "First Supplement"), as amended by Amendment No. 2 to the 2008 NPA dated as of November 24, 2010 (the "Second Amendment"), as supplemented by Second Supplement to the 2008 NPA dated as of April 1, 2011 (the "Second Supplement"), as amended by Amendment No. 3 to the 2008 NPA dated as of October 12, 2011 (the "Third Amendment"), as amended by Amendment No. 4 to the 2008 NPA dated as of August 9, 2013 (the "Fourth Amendment"), as amended by Amendment No. 5 to the 2008 NPA dated as of February 20, 2015 (the "Fifth Amendment"), and as supplemented by Third Supplement to the 2008 NPA dated as of June 11, 2015 (the "Third Supplement") (the 2008 NPA, as so amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to June 1, 2016, the "Amended 2008 NPA"). The Sixth Amendment, among other things, provides certain amendments to the Amended 2008 NPA to facilitate (i) the Progressive Waste acquisition and related transactions contemplated thereunder, (ii) the Company's assumption of the Obligors' obligations under the Assumed 2008 NPA (defined below) pursuant to the Assumption Agreement (defined below) upon the consummation of the Progressive Waste acquisition, (iii) the release of and/or reconstitution of obligations as a guaranty for certain Obligors, and (iv) additional amendments to the Amended 2008 NPA (beyond those in the Sixth

Amendment) which were effective upon the Company's assumption of the Obligor's obligations under the Assumed 2008 NPA pursuant to the Assumption Agreement.

On June 1, 2016, following the closing of the Progressive Waste acquisition, the Company entered into that certain Assumption and Exchange Agreement (as amended, restated, amended and restated, supplemented or modified from time to time, the "Assumption Agreement") with Old Waste Connections, to and in favor of the holders of the notes issued from time to time under the Amended 2008 NPA as further amended by the Sixth Amendment (the Amended 2008 NPA as amended by the Sixth Amendment and as further modified by the Assumption Agreement, the "Assumed 2008 NPA").

Pursuant to the terms and conditions of the Assumed 2008 NPA, the Company has $825,000 of outstanding senior unsecured notes (the "2008 Notes") at December 31, 2016 consisting of (i) $175,000 of 5.25% senior notes due 2019 (the "2019 Notes"), (ii) $50,000 of 4.00% senior notes due 2018 (the "2018 Notes"), (iii) $100,000 of 4.64% senior notes due 2021 (the "2021 Notes"), (iv) $125,000 of 3.09% senior notes due 2022 (the "2022 Notes") and (v) $375,000 of 3.41% senior notes due 2025 (the "2025 Notes"), in each case, that were sold previously in a private placement.

Under the terms and conditions of the Assumed 2008 NPA, the Company is authorized to issue and sell notes in the aggregate principal amount of $1,250,000, inclusive of the outstanding $825,000 aggregate principal amount of 2008 Notes assumed by the Company on June 1, 2016, provided that the purchasers of the 2008 Notes shall not have any obligation to purchase any additional notes issued pursuant to the Assumed 2008 NPA.

The 2008 Notes are unsecured obligations and rank pari passu with obligations under the Credit Agreement and the 2016 Senior Notes. Certain subsidiaries of the Company have executed a subsidiary guaranty in relation to the Company's obligations under the Assumed 2008 NPA. The subsidiaries executing a guaranty in relation to the Assumed 2008 NPA are the same set of subsidiaries that executed a guaranty in relation to the 2016 NPA and the same set of subsidiaries that are guarantors under the Credit Agreement.

The 2008 Notes are subject to representations, warranties, covenants and events of default customary for a private placement of senior unsecured notes. Upon the occurrence of an event of default, payment of the 2008 Notes may be accelerated by the holders of the 2008 Notes. The 2008 Notes may also be prepaid by the Company at any time at par plus a make whole amount determined in respect of the remaining scheduled payments on the 2008 Notes, using a market-based discount rate. In addition, the Company will be required to offer to prepay the 2008 Notes upon certain changes in control; however, no such prepayment offer was accepted in connection with the Progressive Waste acquisition. The Assumed 2008 NPA also contemplates certain offers of prepayments for specified tax reasons or certain noteholder sanctions events. The Assumed 2008 NPA contains cross-defaults for certain events or conditions that could result in certain of the Company's material indebtedness becoming due before the scheduled time, which material indebtedness would include the principal amounts currently outstanding under the Credit Agreement and the 2016 NPA. The Assumed 2008 NPA requires that the Company comply with the specified quarterly leverage ratio and interest coverage ratio, in each case, as of the last day of each fiscal quarter. The required leverage ratio cannot exceed 3.75 to 1.00. The required interest coverage ratio must not be less than 2.75 to 1.00. As of December 31, 2016, the Company was in compliance with all applicable covenants in the Assumed 2008 NPA.

2016 Notes

Old Waste Connections fully redeemed the 2016 Notes on April 1, 2016, using borrowings under the 2015 Old Waste Connections Credit Agreement.

Tax-Exempt Bonds

As discussed above, the Company assumed $64,000 of tax-exempt bonds in the Progressive Waste acquisition which consisted of three industrial revenue bonds ("IRB") including the Pennsylvania Economic Development Corporation IRB ("PA IRB Facility"), Mission Economic Development Corporation IRB ("TX IRB Facility") and 2009 Seneca County Industrial Development Agency IRB ("2009 Seneca IRB Facility"). The Company's tax-exempt bond financings are as follows:

Name of Bond	Type of Interest Rate	Interest Rate on Bond at December 31, 2016	Maturity Date of Bond	Outstanding Balance at December 31, 2016	Outstanding Balance at December 31, 2015	Backed by Letter of Credit (Amount)
West Valley Bond	Variable	0.80%	August 1, 2018	$ 15,500	$ 15,500	$ 15,678
LeMay Washington Bond	Variable	0.77	April 1, 2033	15,930	15,930	16,126
PA IRB Facility	Variable	0.78	November 1, 2028	35,000	-	35,336
TX IRB Facility	Variable	0.78	April 1, 2022	24,000	-	24,230
2009 Seneca IRB Facility	Variable	0.78	December 31, 2039	5,000	-	5,058
				$ 95,430	$ 31,430	$ 96,428

The variable-rate bonds are all remarketed weekly by a remarketing agent to effectively maintain a variable yield. If the remarketing agent is unable to remarket the bonds, then the remarketing agent can put the bonds to the Company. The Company obtained standby letters of credit, issued under its credit agreement, to guarantee repayment of the bonds in this event. The Company classified these borrowings as long-term at December 31, 2016, because the borrowings were supported by standby letters of credit issued under the Company's Credit Agreement.

As of December 31, 2016, aggregate contractual future principal payments by calendar year on long-term debt are due as follows:

2017	$ 1,650
2018	67,149
2019	176,789
2020	1,383
2021	2,199,393
Thereafter	1,186,328
	$ 3,632,692

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments and restricted assets. The Company's derivative instruments are pay-fixed, receive-variable interest rate swaps and pay-fixed, receive-variable diesel fuel hedges. The Company's interest rate swaps are recorded at their estimated fair values based on quotes received from financial institutions that trade these contracts. The Company verifies the reasonableness of these quotes using similar quotes from another financial institution as of each date for which financial statements are prepared. The Company uses a discounted cash flow ("DCF") model to determine the estimated fair value of the diesel fuel hedges. The assumptions used in preparing the DCF model include: (i) estimates for the forward DOE index curve; and (ii) the discount rate based on risk-free interest rates over the term

of the hedge contracts. The DOE index curve used in the DCF model was obtained from financial institutions that trade these contracts and ranged from $2.61 to $2.78 at December 31, 2016 and from $2.21 to $2.64 at December 31, 2015. The weighted average DOE index curve used in the DCF model was $2.75 and $2.43 at December 31, 2016 and 2015, respectively. Significant increases (decreases) in the forward DOE index curve would result in a significantly higher (lower) fair value measurement. For the Company's interest rate swaps and fuel hedges, the Company also considers the Company's creditworthiness in its determination of the fair value measurement of these instruments in a net liability position and the counterparties' creditworthiness in its determination of the fair value measurement of these instruments in a net asset position. The Company's restricted assets are valued at quoted market prices in active markets for similar assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted assets measured at fair value are invested primarily in U.S. government and agency securities and Canadian bankers' acceptance notes.

The Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2016 and 2015, were as follows:

	Fair Value Measurement at December 31, 2016 Using			
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Interest rate swap derivative instruments – net asset position	$ 8,339	$ -	$ 8,339	$ -
Fuel hedge derivative instruments – net liability position	$ (264)	$ -	$ -	$ (264)
Restricted assets	$ 57,166	$ -	$ 57,166	$ -
Contingent consideration	$ (51,826)	$ -	$ -	$ (51,826)

	Fair Value Measurement at December 31, 2015 Using			
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Interest rate swap derivative instruments – net liability position	$ (9,745)	$ -	$ (9,745)	$ -
Fuel hedge derivative instruments – net asset position	$ (9,900)	$ -	$ -	$ (9,900)
Restricted assets	$ 46,148	$ -	$ 46,148	$ -
Contingent consideration	$ (49,394)	$ -	$ -	$ (49,394)

The following table summarizes the changes in the fair value for Level 3 derivatives for the years ended December 31, 2016 and 2015:

	Years Ended December 31,	
	2016	2015
Beginning balance	$ (9,900)	$ (1,979)
Realized losses included in earnings	5,832	3,217
Unrealized gains (losses) included in AOCL	3,804	(11,138)
Ending balance	$ (264)	$ (9,900)

The following table summarizes the changes in the fair value for Level 3 liabilities related to contingent consideration for the years ended December 31, 2016 and 2015:

	Years Ended December 31,	
	2016	2015
Beginning balance	$ 49,394	$ 70,165
Contingent consideration recorded at acquisition date	20,389	815
Payment of contingent consideration recorded at acquisition date	(16,322)	(2,190)
Payment of contingent consideration recorded in earnings	(493)	-
Adjustments to contingent consideration	(2,623)	(22,180)
Interest accretion expense	1,481	2,784
Ending balance	$ 51,826	$ 49,394

10. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

Leases

The Company leases certain facilities and certain equipment under non-cancelable operating leases for periods ranging from one to 45 years, with renewal options for certain leases. The Company's total rent expense under operating leases during the years ended December 31, 2016, 2015 and 2014, was $29,295, $26,858 and $27,466, respectively.

As of December 31, 2016, future minimum lease payments, by calendar year, are as follows:

2017	$ 26,820
2018	21,528
2019	17,238
2020	14,850
2021	12,280
Thereafter	69,436
	$ 162,152

Financial Surety Bonds

The Company uses financial surety bonds for a variety of corporate guarantees. The two largest uses of financial surety bonds are for municipal contract performance guarantees and asset closure and retirement requirements under certain environmental regulations. Environmental regulations require demonstrated financial assurance to meet final capping, closure and post-closure requirements for

landfills. In addition to surety bonds, these requirements may also be met through alternative financial assurance instruments, including insurance, letters of credit and restricted asset deposits.

At December 31, 2016 and 2015, the Company had provided customers and various regulatory authorities with surety bonds in the aggregate amount of approximately $589,270 and $353,828, respectively, to secure its asset closure and retirement requirements and $273,465 and $121,687, respectively, to secure performance under collection contracts and landfill operating agreements.

The Company owns a 9.9% interest in a company that, among other activities, issues financial surety bonds to secure landfill final capping, closure and post-closure obligations for companies operating in the solid waste industry. The Company accounts for this investment under the cost method of accounting. There have been no identified events or changes in circumstances that may have a significant adverse effect on the carrying value of the investment. This investee company and the parent company of the investee have written financial surety bonds for the Company, of which $546,145 and $185,753 were outstanding as of December 31, 2016 and 2015, respectively. The Company's reimbursement obligations under these bonds are secured by a pledge of its stock in the investee company.

Unconditional Purchase Obligations

At December 31, 2016, the Company's unconditional purchase obligations consist of multiple fixed-price fuel purchase contracts under which it has 22.3 million gallons remaining to be purchased for a total of $52,141. These fuel purchase contracts expire on or before December 31, 2018.

As of December 31, 2016, future minimum purchase commitments, by calendar year, are as follows:

2017	$	42,640
2018		9,501
	$	52,141

CONTINGENCIES

Environmental Risks

The Company expenses costs incurred to investigate and remediate environmental issues unless they extend the economic useful lives of the related assets. The Company records liabilities when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. The remediation reserves cover anticipated costs, including remediation of environmental damage that waste facilities may have caused to neighboring landowners or residents as a result of contamination of soil, groundwater or surface water, including damage resulting from conditions existing prior to the Company's acquisition of such facilities. The Company's estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. The Company does not discount remediation obligations. At December 31, 2016 and 2015, the current portion of remediation reserves was $2,316 and $2,328, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. At December 31, 2016 and 2015, the long-term portion of remediation reserves was $19,026 and $12,049, respectively, which is included in Other long-term liabilities in the Consolidated Balance Sheets. The 2015 long-term remediation reserve amount includes $11,301 of remediation reserves which the Company established after assuming certain remedial liabilities in the Rock River acquisition during the year ending December 31, 2015. Any substantial increase in the liabilities for remediation of environmental damage incurred by the Company could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Legal Proceedings

In the normal course of its business and as a result of the extensive governmental regulation of the solid waste and E&P waste industries, the Company is subject to various judicial and administrative proceedings involving Canadian regulatory authorities as well as U.S. federal, state and local agencies. In these proceedings, an agency may seek to impose fines on the Company or to revoke or deny renewal of an authorization held by the Company, including an operating permit. From time to time, the Company may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and

licensing of landfills, transfer stations, and E&P waste treatment, recovery and disposal operations, or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates.

In addition, the Company is a party to various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the normal operation of the waste management business. Except as noted in the matters described below, as of December 31, 2016, there is no current proceeding or litigation involving the Company or its property that the Company believes could have a material adverse impact on its business, financial condition, results of operations or cash flows.

Lower Duwamish Waterway Superfund Site Allocation Process

The Company's subsidiary, Northwest Container Services, Inc. ("NWCS"), has been named by the U.S. Environmental Protection Agency, Region 10 (the "EPA") as a potentially responsible party ("PRP"), along with more than 100 others, under the Comprehensive Environmental Response, Compensation and Liability Act (also known as CERCLA or the "Superfund" law) with respect to the Lower Duwamish Waterway Superfund Site (the "LDW Site"). Listed on the National Priorities List in 2001, the LDW Site is a five-mile stretch of the Duwamish River flowing into Elliott Bay in Seattle, Washington. A group of PRPs known as the Lower Duwamish Working Group or the "LDWG" and consisting of the City of Seattle, King County, the Port of Seattle, and Boeing Company conducted a Remedial Investigation/Feasibility Study for the LDW Site. On December 2, 2014, the EPA issued its Record of Decision (the "ROD") describing the selected clean-up remedy, and therein estimated that clean-up costs (in present value dollars as of November 2014) should total about $342,000. However, it is possible that additional costs could be incurred based upon various factors. The EPA estimates that it will take seven years to implement the clean-up. The ROD also requires ten years of monitoring following the clean-up, and provides that if clean-up goals have not been met by the end of this period, then additional clean-up activities, at additional cost, may be required at that time. Implementation of the clean-up will not begin until after the ongoing Early Action Area ("EAA") clean-ups have been completed. Typically, costs for monitoring may be in addition to those expended for the clean-up. While three of the EAA clean-ups have been completed to date, some work remains to be done on three other EAAs. Implementation of the clean-up also must await additional baseline sampling throughout the LDW Site and the preparation of a remedial design for performing the clean-up.

On April 27, 2016, the LDWG entered into a third amendment of its Administrative Order on Consent with the EPA (the "AOC 3") in which it agreed to perform the additional baseline sediment sampling and certain technical studies needed to prepare the actual remedial design. On November 9, 2016, the EPA and the Washington State Department of Ecology ("Ecology") conducted a public stakeholder meeting regarding the LDW Site. During the public stakeholder meeting, the EPA provided an overview of the AOC 3 pre-remedial design work and the progress of the on-going work on the EAA cleanups. At the meeting, both the EPA and Ecology estimated that the pre-design studies being performed pursuant to the AOC 3 would not be completed until the end of 2019. The next EPA stakeholder meeting is scheduled for June 14, 2017, at which time it is anticipated that more current information on the status of the cleanups will be available.

In August 2014, NWCS entered into an Alternative Dispute Resolution Memorandum of Agreement with several dozen other PRPs and a neutral allocator to conduct a confidential and non-binding allocation of certain past response costs allegedly incurred at the LDW Site as well as the anticipated future response costs associated with the clean-up. The allocation process is designed to develop evidence relating to each PRP's nexus, if any, to the LDW Site (regardless of whether that PRP is participating in the allocation process), and to determine each PRP's share of the past and future response costs. The goal of the allocation process is to reach agreement on a division of responsibility between and amongst the PRPs so that the PRPs then will be in a position to negotiate a global settlement with the EPA.

On August 16, 2016, the EPA sent individual letters to each of the PRPs at the LDW Site, including NWCS, stating that it expects to initiate negotiations with all PRPs in early 2018 relating to a Remedial Design/Remedial Action ("RD/RA") Consent Decree. An RD/RA Consent Decree provides for the cleanup of the entire site and is often referred to as a "global settlement." In the letter the EPA explained this schedule, noting that it expected the pre-remedial design work under the AOC 3 to be completed by the beginning of 2018, and also that it understood that several PRPs are participating in a neutral allocation which the EPA is hopeful will be completed by early 2018. The EPA encouraged the PRPs to complete the allocation on a schedule consistent with the EPA's intended negotiation schedule, adding that it expects to initiate the RD/RA negotiations on schedule regardless of the status of the allocation. The Company cannot provide assurance that the EPA's schedule can be met. NWCS is defending itself vigorously in this confidential allocation process. At this point, the Company is not able to determine the likelihood of the allocation process being completed as

intended by the participating PRPs, its specific allocation, nor the likelihood of the parties then negotiating a global settlement with the EPA. Thus, NWCS cannot reasonably determine the likelihood of any outcome in this matter, including its potential liability.

Under CERCLA, certain Federal, State and Indian Tribe officials are designated as natural resource trustees and have responsibility for ensuring the restoration of injured natural resources. On February 11, 2016, NWCS received a letter (the “Letter”) from the United States Department of Commerce, National Oceanic and Atmospheric Administration (“NOAA”), describing certain investigatory activities conducted by the Elliott Bay Trustee Council (the “Council”). The Council consists of all of the natural resources trustees for the LDW Site as well as two nearby Superfund sites, the Harbor Island site and the Lockheed West site. The members of the Council include the United States, on behalf of the U.S. National Oceanic and Atmospheric Administration and the U.S. Department of the Interior, the Washington State Department of Ecology and the Suquamish and Muckleshoot Indian Tribes (together, the “Trustees”). The Letter appears to allege that NWCS may be a potentially liable party that allegedly contributed to the release of hazardous substances that have injured natural resources at the LDW Site. Damages to natural resources are in addition to clean-up costs. The Letter, versions of which NWCS believes were sent to all or a group of the PRPs at the LDW Site, also notified its recipients of their opportunity to participate in the Trustees’ development of an Assessment Plan and the performance of a Natural Resources Damages Assessment (“NRDA”) in accordance with the Assessment Plan for both the LDW Site and the east and west waterways of the Harbor Island site. NWCS timely responded with correspondence to the NOAA Office of General Counsel, dated March 9, 2016, in which it declined the invitation at that time. NWCS does not know how other PRPs responded to the Letter, and has not received any further communication from NOAA or the Trustees. The Trustees have not responded to NWCS’ letter and NWCS is not aware of any further action by the Trustees with respect to the Assessment Plan and NRDA. At this point, the Company is not able to determine the likelihood or amount of an assessment of natural resource damages against NWCS in connection with this matter.

Some work is being done with respect to natural resource damages (“NRD”) at the LDW Site. On September 22, 2016, a proposed consent decree settlement was announced between the City of Seattle (the “City”) and NOAA and the other natural resource trustees for the LDW Site. The proposed NRD settlement that the City has entered into at the LDW Site, if approved, will generally provide that the City will fund the development of restoration projects by purchasing restoration credits from Bluefield Holdings, a company that develops such projects. At this time, NWCS has not been approached by either the Council or the trustees for the LDW Site regarding participation in any similar NRD settlements.

Collective Bargaining Agreements

Fourteen of the Company’s collective bargaining agreements have expired or are set to expire in 2017. The Company does not expect any significant disruption in its overall business in 2017 as a result of labor negotiations, employee strikes or organizational efforts.

11. SHAREHOLDERS' EQUITY

Cash Dividend

Old Waste Connections authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. In October 2016, New Waste Connections announced that its Board of Directors increased its regular quarterly cash dividend by $0.035, from $0.145 to $0.18 per share. Cash dividends of $92,547, $65,990 and $58,906 were paid during the years ended December 31, 2016, 2015 and 2014, respectively.

Normal Course Issuer Bid

On July 19, 2016, the Board of Directors of the Company approved, subject to receipt of regulatory approvals, undertaking a normal course issuer bid (the “NCIB”) to purchase up to 8,770,732 of the Company’s common shares for a one-year period that expires on August 7, 2017. The Company received TSX approval of the NCIB on August 3, 2016. Under the NCIB, the Company may make share repurchases only in the open market, including on the NYSE, the TSX, and alternative Canadian trading systems, at the prevailing market price at the time of the transaction.

In accordance with TSX rules, any daily repurchases made through the TSX and alternative Canadian trading systems would be limited to a maximum of 60,150 common shares, which represents 25% of the average daily trading volume on the TSX of 240,601 common shares for the period from June 1, 2016 to July 31, 2016, being the whole calendar month periods that the Company's shares traded on the TSX from the June 1, 2016 closing of the Progressive Waste acquisition to the date the Company filed its NCIB application with the TSX. The TSX rules also allow the Company to purchase, once a week, a block of common shares not owned by any insiders, which may exceed such daily limit. The maximum number of shares that can be purchased per day on the NYSE will be 25% of the average daily trading volume for the four calendar weeks preceding the date of purchase, subject to certain exceptions for block purchases.

The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including the Company’s capital structure, the market price of the common shares and overall market conditions. All common shares purchased under the NCIB shall be immediately cancelled following their repurchase.

For the year ended December 31, 2016, the Company did not repurchase any common shares pursuant to the NCIB or other share repurchase programs. For the years ended December 31, 2015 and 2014, Old Waste Connections repurchased 1,962,989 and 167,100 shares of common stock at an aggregate cost of $91,165 and $7,317, respectively.

Common Shares

Shares of Old Waste Connections common stock were converted into common shares of New Waste Connections, which do not have a stated par value; therefore, the portion of additional paid-in capital representing the amount of common shares issued above par for Old Waste Connections has been reclassified into common shares of New Waste Connections. The Company is authorized to issue an unlimited number of common shares, and uses reserved but unissued common shares to satisfy its obligations under its equity-based compensation plans. As of December 31, 2016, the Company has reserved the following common shares for issuance:

For outstanding RSUs, PSUs, DSUs and warrants	1,481,645
For future grants under the 2016 Incentive Award Plan	4,972,614
	6,454,259

Common Shares Held in Trust

Common shares held in trust consist of shares of New Waste Connections held in a trust that were acquired by Progressive Waste prior to June 1, 2016 for the benefit of its U.S. and Canadian employees participating in certain share-based compensation plans. A total of 490,112 common shares were held in the trust on June 1, 2016 when it was acquired by the Company in the Progressive Waste acquisition. Common shares held in trust are classified as treasury shares in the Company’s Consolidated Balance Sheets. The Company will sell shares out of the trust as employees exercise restricted share units, which will be settled with cash, under the Progressive Waste share-based compensation plans that were continued by the Company. During the period of June 1, 2016 to December 31, 2016, the Company sold 265,183 common shares held in the trust as a result of employees exercising cash-settled restricted share units.

Special Shares

The Company is authorized to issue an unlimited number of special shares. Holders of special shares are entitled to one vote in matters of the Company for each special share held. The special shares carry no right to receive dividends or to receive the remaining property or assets of the Company upon dissolution or wind-up. At December 31, 2016, no special shares were issued.

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares, issuable in series. Each series of preferred shares issued shall have rights, privileges, restrictions and conditions as determined by the Board of Directors prior to their issuance. Preferred shareholders are not entitled to vote, but take preference over the common shareholders rights in the remaining property and assets of the Company in the event of dissolution or wind-up. At December 31, 2016, no preferred shares were issued.

Restricted Share Units, Performance-Based Restricted Share Units, Share Options and Share Purchase Warrants

As a result of the Progressive Waste acquisition, each Old Waste Connections restricted stock unit award, deferred restricted stock unit award and warrant outstanding immediately prior to the Progressive Waste acquisition was automatically converted into a restricted share unit award, deferred restricted share unit award or warrant, as applicable, relating to an equal number of common shares of New Waste Connections, on the same terms and conditions as were applicable immediately prior to the Progressive Waste acquisition under such Old Waste Connections equity award. Such conversion of Old Waste Connections equity awards was approved by the Company's shareholders at its shareholder meeting as part of the shareholders' approval of the Progressive Waste acquisition. At its meeting on June 1, 2016, the Company's Board of Directors approved the assumption by the Company of the Old Waste Connections 2014 Incentive Plan Award (the "2014 Plan"), the Old Waste Connections Third Amended and Restated 2004 Equity Incentive Plan (the "2004 Plan"), and the Old Waste Connections Consultant Incentive Plan (the "Consultant Plan," and, together with the 2014 Plan and the 2004 Plan, the "Assumed Old Waste Connections Plans") for the purposes of administering the Assumed Old Waste Connections Plans and the awards issued thereunder. No additional awards will be made under any of the Assumed Old Waste Connections Plans. Upon the vesting, expiration, exercise in accordance with their terms or other settlement of all of the awards made pursuant to an Assumed Old Waste Connections Plan, such Assumed Old Waste Connections Plan shall automatically terminate.

Participation in the 2004 Plan was limited to employees, officers, directors and consultants. Restricted share units ("RSUs") granted under the 2004 Plan generally vest in installments pursuant to a vesting schedule set forth in each agreement. Old Waste Connections' Board of Directors authorized the granting of awards under the 2004 Plan, and determined the employees and consultants to whom such awards were to be granted, the number of shares subject to each award, and the exercise price, term, vesting schedule and other terms and conditions of each award. RSU awards granted under the plan did not require any cash payment from the participant to whom an award was made. No grants have been made under the 2004 Plan since May 16, 2014 pursuant to the approval by Old Waste Connections' stockholders of the 2014 Plan on such date.

The 2014 Plan also authorized the granting of RSUs, as well as performance awards payable in the form of the Company's common shares or cash, including equity awards and incentive cash bonuses that may have been intended to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)"). Participation in the 2014 Plan was limited to employees and consultants of the Company and its subsidiaries and non-employee directors. The 2014 Plan is administered by the Company's Board of Directors with respect to awards to non-employee directors and by its Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of the Company's directors and/or officers, subject to certain limitations (collectively, the "administrator").

RSUs granted under the 2014 Plan generally vest in installments pursuant to a vesting schedule set forth in each award agreement. RSU awards under the 2014 plan do not require any cash payment from the participant to whom an award was made. The vesting of performance awards, including performance-based restricted share units ("PSUs"), was dependent on one or more performance criteria determined by the administrator on a specific date or dates or over any period or periods determined by the administrator.

On June 1, 2016, the Company's Board of Directors adopted the 2016 Incentive Award Plan (the "2016 Plan"), which was approved by Progressive Waste's shareholders on May 26, 2016. The 2016 Plan is administered by the Company's Compensation Committee and provides that the aggregate number of common shares which may be issued from treasury pursuant to awards made under the 2016 Plan is 5,000,000 common shares. Awards under the 2016 Plan may be made to employees, consultants and non-employee directors and may be made in the form of options, warrants, restricted shares, restricted share units, performance awards (which may be paid in cash, common shares, or a combination thereof), dividend equivalent awards (representing a right of the holder thereof to receive the equivalent value (which may be paid in cash or common shares) of dividends paid on common shares), and share payments (a payment in the form of common shares or an option or other right to purchase common shares as part of a bonus, defined compensation or other arrangement). Directors, but not employees or consultants, are also eligible to receive deferred share units, which represent the right to receive a cash payment or its equivalent in common shares (or a combination of cash and common shares), or which may at the time of grant be expressly limited to settlement only in cash and not in common shares.

Restricted Share Units

A summary of the Company's RSU activity is presented below:

	Years Ended December 31,		
	2016	**2015**	**2014**
Restricted share units granted	304,149	332,782	504,255
Weighted average grant-date fair value of restricted share units granted	$ 57.57	$ 45.13	$ 42.54
Total fair value of restricted share units granted	$ 17,510	$ 15,019	$ 21,449
Restricted share units becoming free of restrictions	431,174	478,686	563,117
Weighted average restriction period (in years)	3.9	3.9	3.9

A summary of activity related to RSUs during the year ended December 31, 2016, is presented below:

	Unvested Shares	**Weighted-Average Grant Date Fair Value Per Share**
Outstanding at December 31, 2015	1,007,301	$ 39.74
Granted	304,149	57.57
Forfeited	(45,642)	48.42
Vested and Issued	(403,812)	37.87
Vested and Deferred	(27,362)	32.92
Outstanding at December 31, 2016	834,634	42.11

Recipients of the Company's RSUs who participate in the Company's Nonqualified Deferred Compensation Plan may have elected in years prior to 2015 to defer some or all of their RSUs as they vest until a specified date or dates they choose. At the end of the deferral periods, the Company issues to recipients who deferred their RSUs common shares of the Company underlying the deferred RSUs. At December 31, 2016, 2015 and 2014, the Company had 243,796, 256,191 and 223,752 vested deferred RSUs outstanding, respectively.

Performance-Based Restricted Share Units

A summary of the Company's PSU activity is presented below:

	Years Ended December 31,		
	2016	**2015**	**2014**
PSUs granted	147,644	238,690	54,723
Weighted average grant-date fair value of PSUs granted	$ 56.75	$ 44.96	$ 42.33
Total fair value of PSUs granted	$ 8,379	$ 10,732	$ 2,316
PSUs becoming free of restrictions	122,960	-	-
Weighted average restriction period (in years)	4.0	3.8	2.8

A summary of activity related to PSUs during the year ended December 31, 2016, is presented below:

	Unvested Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding at December 31, 2015	293,413	$ 44.47
Granted	147,644	56.75
Forfeited	(33,335)	43.66
Vested and Issued	(122,960)	44.20
Outstanding at December 31, 2016	284,762	51.11

During the years ended December 31, 2015 and 2014, Old Waste Connections' Compensation Committee granted PSUs to the Company's executive officers and non-executive officers with three-year performance-based metrics that the Company had been required to meet before those awards were earned. However, as a result of the Progressive Waste acquisition, the Company's Board of Directors accelerated the vesting of these PSUs at the target performance level, other than those PSUs held by Messrs. Mittelstaedt and Bouck, which were terminated.

During the year ended December 31, 2016, Old Waste Connections' Compensation Committee granted PSUs to the Company's executive officers and non-executive officers with a one-year performance-based metric that the Company must meet before those awards may be earned, with the awards then subject to time-based vesting for the remaining three years of their four-year vesting period. During the year ended December 31, 2015, Old Waste Connections' Compensation Committee also granted PSUs to the Company's executive officers and non-executive officers with a one-year performance-based metric that the Company was required to meet before those awards were earned, with the awards then subject to time-based vesting for the remaining three years of their four-year vesting period. The Compensation Committee determines the achievement of performance results and corresponding vesting of PSUs for each performance period.

Deferred Share Units

The Company granted 524 deferred share units ("DSUs") under its 2016 Plan that remained outstanding at December 31, 2016.

Share Purchase Warrants

The Company has outstanding share purchase warrants issued under the Consultant Plan, which expired in 2012, as well as outstanding share purchase warrants issued under the 2014 Plan and the 2016 Plan. Warrants to purchase the Company's common shares were issued to certain consultants to the Company. Warrants issued were fully vested and exercisable at the date of grant. Warrants outstanding at December 31, 2016, expire between 2017 and 2021.

A summary of warrant activity during the year ended December 31, 2016, is presented below:

	Warrants	Weighted-Average Exercise Price
Outstanding at December 31, 2015	197,783	$ 45.85
Granted	10,444	67.00
Forfeited	(55,474)	39.91
Exercised	(34,824)	38.05
Outstanding at December 31, 2016	117,929	52.82

The following table summarizes information about warrants outstanding as of December 31, 2016 and 2015:

Grant Date	Warrants Issued	Exercise Price	Fair Value of Warrants Issued	Outstanding at December 31, 2016	Outstanding at December 31, 2015
Throughout 2011	9,324	$27.53 to $33.14	79	-	6,226
Throughout 2012	71,978	$30.52 to $33.03	628	6,625	49,975
Throughout 2014	50,403	$45.62 to $49.06	276	14,365	50,403
Throughout 2015	91,179	$42.45 to $54.48	1,333	86,495	91,179
Throughout 2016	10,444	$63.33 to $77.33	189	10,444	-
				117,929	197,783

Restricted Share Units - Progressive Waste Plans

The Progressive Waste share-based compensation plans were continued by the Company following the Progressive Waste acquisition and allow for the issuance of shares or cash settlement to employees upon vesting of restricted share units ("RSUs"). A summary of activity related to Progressive Waste RSUs during the year ended December 31, 2016, is presented below:

Outstanding at June 1, 2016 (acquisition date)	490,112
Cash settled	(265,183)
Outstanding at December 31, 2016	224,929

A summary of vesting activity related to Progressive Waste RSUs during the year ended December 31, 2016, is presented below:

Vested at June 1, 2016 (acquisition date)	418,242
Vested due to acceleration	25,972
Vested over remaining service period	14,757
Cash settled	(265,183)
Vested at December 31, 2016	193,788

During the period from June 1, 2016 to December 31, 2016, 25,972 Progressive Waste RSUs vested as a result of plan provisions requiring accelerated vesting to employees due to a change in control followed by termination of employment. No RSUs under the Progressive Waste share-based compensation plans were granted subsequent to June 1, 2016. During the period from June 1, 2016 to December 31, 2016, 9,621 Progressive Waste RSUs were forfeited and will be redistributed to other remaining active participants.

Performance-Based Restricted Share Units - Progressive Waste Plans

The Progressive Waste share-based compensation plans were continued by the Company following the Progressive Waste acquisition and allow for cash settlement only to employees upon vesting of performance-based restricted share units ("PSUs") based on achieving target results. A summary of activity related to Progressive Waste PSUs during the year ended December 31, 2016, is presented below:

Outstanding at June 1, 2016 (acquisition date)	206,856
Cash settled, net of notional dividend	(144,862)
Outstanding at December 31, 2016	61,994

A summary of vesting activity related to Progressive Waste PSUs during the year ended December 31, 2016, is presented below:

Vested at June 1, 2016 (acquisition date)	38,409
Vested due to acceleration	75,282
Vested over remaining service period	54,989
Cash settled, net of notional dividend	(144,862)
Vested at December 31, 2016	23,818

During the period from June 1, 2016 to December 31, 2016, 75,282 Progressive Waste PSUs vested as a result of plan provisions requiring accelerated vesting to employees due to a change in control followed by termination of employment. No PSUs under the Progressive Waste share-based compensation plans were granted or forfeited subsequent to June 1, 2016.

Share Based Options – Progressive Waste Plans

The Progressive Waste share-based compensation plans were continued by the Company following the Progressive Waste acquisition and allow for the issuance of shares or cash settlement to employees upon vesting of share based options. A summary of activity related to Progressive Waste share based options during the year ended December 31, 2016, is presented below:

Outstanding at June 1, 2016 (acquisition date)	456,110
Cash settled	(7,432)
Outstanding at December 31, 2016	448,678

A summary of vesting activity related to Progressive Waste share based options during the year ended December 31, 2016, is presented below:

Vested at June 1, 2016 (acquisition date)	325,045
Vested due to acceleration	63,475
Vested over remaining service period	19,844
Cash settled	(7,432)
Vested at December 31, 2016	400,932

During the period from June 1, 2016 to December 31, 2016, 63,475 Progressive Waste share based options vested as a result of plan provisions requiring accelerated vesting to employees due to a change in control followed by termination of employment. No share based options under the Progressive Waste share-based compensation plans were granted or forfeited subsequent to June 1, 2016.

12. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes changes in the fair value of interest rate swaps and fuel hedges that qualify for hedge accounting. The components of other comprehensive income (loss) and related tax effects for the years ended December 31, 2016, 2015 and 2014, are as follows:

	Year Ended December 31, 2016		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 6,654	$ (1,715)	$ 4,939
Fuel hedge amounts reclassified into cost of operations	5,832	(2,225)	3,607
Changes in fair value of interest rate swaps	11,431	(2,239)	9,192
Changes in fair value of fuel hedges	3,804	(1,441)	2,363
Foreign currency translation adjustment	(50,931)	-	(50,931)
	$ (23,210)	$ (7,620)	$ (30,830)

	Year Ended December 31, 2015		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 5,093	$ (1,938)	$ 3,155
Fuel hedge amounts reclassified into cost of operations	3,217	(1,224)	1,993
Changes in fair value of interest rate swaps	(7,746)	2,926	(4,820)
Changes in fair value of fuel hedges	(11,138)	4,232	(6,906)
	$ (10,574)	$ 3,996	$ (6,578)

	Year Ended December 31, 2014		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 4,581	$ (1,757)	$ 2,824
Fuel hedge amounts reclassified into cost of operations	(823)	316	(507)
Changes in fair value of interest rate swaps	(6,448)	2,478	(3,970)
Changes in fair value of fuel hedges	(3,355)	1,284	(2,071)
	$ (6,045)	$ 2,321	$ (3,724)

A rollforward of the amounts included in AOCL, net of taxes, is as follows:

	Fuel Hedges	**Interest Rate Swaps**	**Foreign Currency Translation Adjustment**	**Accumulated Other Comprehensive Loss**
Balance at December 31, 2014	$ (1,221)	$ (4,372)	$ -	$ (5,593)
Amounts reclassified into earnings	1,993	3,155	-	5,148
Changes in fair value	(6,906)	(4,820)	-	(11,726)
Balance at December 31, 2015	(6,134)	(6,037)	-	(12,171)
Amounts reclassified into earnings	3,607	4,939	-	8,546
Changes in fair value	2,363	9,192	-	11,555
Foreign currency translation adjustment	-	-	(50,931)	(50,931)
Balance at December 31, 2016	$ (164)	$ 8,094	$ (50,931)	$ (43,001)

13. INCOME TAXES

The Company's operations are conducted through its various subsidiaries in countries throughout the world. The Company has provided for income taxes based upon the tax laws and rates in the countries in which operations are conducted and income is earned. For the year ended December 31, 2016, Waste Connections, Inc. is the public parent corporation organized under the laws of Ontario, Canada. For the years ended December 31, 2015 and December 31, 2014, Waste Connections US, Inc. (f/k/a Waste Connections, Inc.), a Delaware corporation, was the public parent corporation.

Income (loss) before provision (benefit) for income taxes consists of the following:

	Years Ended December 31,		
	2016	2015	2014
U.S.	$ 243,955	$ (126,286)	$ 385,662
Non – U.S.	117,410	-	-
Income (loss) before income taxes	$ 361,365	$ (126,286)	$ 385,662

The provision (benefit) for income taxes for the years ended December 31, 2016, 2015 and 2014, consists of the following:

	Years Ended December 31,		
	2016	2015	2014
Current:			
U.S. Federal	$ 46,735	$ 86,053	$ 103,332
State	14,692	14,809	17,972
Non – U.S.	10,307	-	-
	71,734	100,862	121,304
Deferred:			
U.S. Federal	47,403	(117,549)	27,646
State	3,536	(14,905)	3,385
Non – U.S.	(8,629)	-	-
	42,310	(132,454)	31,031
Provision (benefit) for income taxes	$ 114,044	$ (31,592)	$ 152,335

We are organized under the laws of Ontario, Canada; however, since the proportion of U.S. revenues, assets, operating income and associated tax provisions is significantly greater than any other single taxing jurisdiction within the worldwide group, the reconciliation of the differences between the Company's income tax provision (benefit) as presented in the accompanying Consolidated Statements of Net Income (Loss) and income tax provision (benefit) computed at the federal statutory rate is presented on the basis of the U.S. federal statutory income tax rate of 35% as opposed to the Canadian statutory rate of approximately 27% to provide a more meaningful insight into those differences and provide greater comparability to prior years. The items shown in the following table are a percentage of pre-tax income (loss):

	Years Ended December 31,		
	2016	2015	2014
U.S. federal statutory rate	35.0%	(35.0%)	35.0%
State taxes, net of federal benefit	3.9	(0.3)	3.8
Deferred income tax liability adjustments	0.6	(3.1)	0.3
Effect of international operations	(10.9)	-	-
Progressive Waste acquisition	2.3	-	-
Goodwill impairment	-	12.3	-
Other	0.7	1.1	0.4
	31.6%	(25.0%)	39.5%

The comparability of the Company's income tax provision (benefit) for the reported periods has been affected by variations in its income (loss) before income taxes.

During the year ended December 31, 2016, the effects of international operations are primarily due to the Company's non-U.S. income being taxed at rates substantially lower than the U.S. federal statutory rate, as well as a portion of the Company's income from internal financing that is either untaxed or taxed at rates substantially lower than the U.S. federal statutory rate. Additionally, non-deductible expenses incurred in connection with the Progressive Waste acquisition resulted in an increase to tax expense of $9,048. During the year ended December 31, 2015, the Deferred income tax liability adjustments, due primarily to changes in the geographical apportionment of the Company's state income taxes associated with the impairment of a portion of the goodwill, indefinite-lived intangible assets and property and equipment within its E&P segment, resulted in an increase to tax benefit of $3,869. Additionally, a portion of the aforementioned goodwill impairment within the Company's E&P segment that was not deductible for tax purposes resulted in a decrease to federal tax benefit of $15,546. During the year ended December 31, 2014, the Deferred income tax liability adjustments, due primarily to the enactment of New York State's 2014-2015 Budget Act, resulted in an increase to tax expense of $1,220.

The significant components of deferred income tax assets and liabilities, reduced by valuation allowances as applicable, as of December 31, 2016 and 2015 are presented below. The increases in 2016 are primarily due to the Progressive Waste acquisition.

	2016	2015
Deferred income tax assets:		
Accrued expenses	$ 68,706	$ 37,465
Compensation	28,994	16,924
Interest rate and fuel hedges	-	7,475
Contingent liabilities	20,653	17,636
Finance costs	10,374	-
Tax credits and loss carryforwards	43,596	-
Other	10,022	9,648
Gross deferred income tax assets	182,345	89,148
Less: Valuation allowance	(14,567)	-
Net deferred income tax assets	167,778	89,148
Deferred income tax liabilities:		
Goodwill and other intangibles	(383,205)	(158,093)
Property and equipment	(460,878)	(288,953)
Landfill closure/post-closure	(87,006)	(37,185)
Prepaid expenses	(13,244)	(7,683)
Interest rate and fuel hedges	(2,109)	-
Total deferred income tax liabilities	(946,442)	(491,914)
Net deferred income tax liability	$ (778,664)	$ (402,766)

We have $32,157 of U.S. federal tax loss carryforwards as of December 31, 2016. The utilization of these carryforwards as an available offset to future taxable income is subject to limitations under U.S. federal income tax laws. These carryforwards begin to expire in 2028. In addition, we have $14,269 of Canadian tax loss carryforwards with a 20-year carryforward period as well as various state tax losses with carryforward periods up to 20 years. We have $14,567 of foreign tax credits in the U.S. which have a full valuation allowance, as sufficient uncertainty exists regarding the future realization of these credits.

The excess tax benefit associated with equity-based compensation of $5,196, $2,069 and $7,518 for the years ended December 31, 2016, 2015 and 2014, respectively, was recorded in additional paid-in capital.

The Company and its subsidiaries are subject to U.S. federal and Canadian income tax, which are our principle operating jurisdictions. The Company has concluded all U.S. federal income tax matters for years through 2012, except for the Progressive Waste U.S. federal income tax jurisdiction, which remains open for years subsequent to 2007. Additionally, the Company has concluded all Canadian income tax matters for years through 2009.

The Company did not have any unrecognized tax benefits recorded at December 31, 2016, 2015 or 2014. The Company does not anticipate the total amount of unrecognized tax benefits will significantly change by December 31, 2017. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

As of December 31, 2016, the Company had undistributed earnings of approximately $1,600,000 for which income taxes have not been provided for. The Company intends to continue to reinvest these earnings for the foreseeable future. It is not practical to estimate the additional tax that may become payable upon the eventual repatriation of these earnings to Canada; however, repatriation of these earnings could result in a material increase to the Company's effective tax rate. As a result of the Progressive Waste acquisition, the Company continues to actively analyze cumulative earnings and profits in all jurisdictions.

14. SEGMENT REPORTING

The Company's revenues are generated from the collection, transfer, recycling and disposal of non-hazardous solid waste and the treatment, recovery and disposal of non-hazardous E&P waste. No single contract or customer accounted for more than 10% of the Company's total revenues at the consolidated or reportable segment level during the periods presented.

The Company manages its operations through five geographic operating segments and its E&P segment, which includes the majority of the Company's E&P waste treatment and disposal operations. The Company's five geographic operating segments and its E&P segment comprise the Company's reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. In June 2016, as a result of the Progressive Waste acquisition, described in Note 3, the Company formed two new geographic operating segments, Canada and Southern, and realigned its reporting structure at its existing Central and Eastern segments. The Company's segment realignment consisted of the transfer of certain operations in Texas and Louisiana from its Central segment to its Southern segment and the transfer of certain operations in Tennessee, Mississippi and Alabama from its Eastern segment to its Southern segment. The Progressive Waste acquisition did not impact the Company's Western or E&P segments. The segment information presented herein reflects the realignment of these districts.

Under the current orientation, the Company's Southern segment services customers located in Alabama, Arkansas, Florida, Louisiana, Mississippi, southern Oklahoma, western Tennessee and Texas; the Company's Western segment services customers located in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; the Company's Eastern segment services customers located in Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, eastern Tennessee, Vermont, Virginia, Wisconsin and the District of Columbia; the Company's Canada segment services customers located in the provinces of Alberta, British Columbia, Manitoba, Ontario and Québec; and the Company's Central segment services customers located in Arizona, Colorado, Kansas, Minnesota, Missouri, Nebraska, New Mexico, Oklahoma, South Dakota, western Texas, Utah and eastern Wyoming. The E&P segment services E&P customers located in Arkansas, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico.

The Company's Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. The Company defines segment EBITDA as earnings before interest, taxes, depreciation, amortization, impairments and other operating items, other income (expense) and foreign currency transaction gain (loss). Segment EBITDA is not a measure of operating income, operating performance or liquidity under generally accepted accounting principles and may not be comparable to similarly titled measures reported by other companies. The Company's management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments. A reconciliation of segment EBITDA to Income before income tax provision is included at the end of this Note 14.

Summarized financial information concerning the Company's reportable segments for the years ended December 31, 2016, 2015 and 2014, is shown in the following tables:

Year Ended December 31, 2016	Revenue	Intercompany Revenue[(b)]	Reported Revenue	Segment EBITDA[(c)]	Depreciation and Amortization	Capital Expenditures	Total Assets[(e)]
Southern	$ 809,926	$ (96,545)	$ 713,381	$ 163,320	$ 99,323	$ 64,624	$ 2,869,841
Western	1,051,637	(116,318)	935,319	315,708	89,198	86,200	1,516,870
Eastern	751,410	(114,758)	636,652	193,361	91,336	82,434	1,541,854
Canada	466,458	(58,597)	407,861	149,305	68,640	20,424	2,532,046
Central	634,393	(72,852)	561,541	208,930	70,027	71,888	1,302,900
E&P	132,504	(11,395)	121,109	32,479	41,215	10,178	1,068,086
Corporate[(a), (d)]	-	-	-	(119,215)	4,173	8,975	361,505
	$ 3,846,328	$ (470,465)	$ 3,375,863	$ 943,888	$ 463,912	$ 344,723	$ 11,193,102

Year Ended December 31, 2015	Revenue	Intercompany Revenue[(b)]	Reported Revenue	Segment EBITDA[(c)]	Depreciation and Amortization	Capital Expenditures	Total Assets[(e)]
Southern	$ 168,855	$ (23,566)	$ 145,289	$ 35,718	$ 19,959	$ 20,779	$ 259,046
Western	984,283	(103,890)	880,393	290,937	83,073	82,118	1,498,296
Eastern	451,469	(75,313)	376,156	119,668	52,132	44,299	1,062,761
Central	559,801	(59,590)	500,211	184,006	64,072	57,163	1,070,505
E&P	226,782	(11,544)	215,238	70,132	47,339	31,632	1,115,234
Corporate[(a), (d)]	-	-	-	1,933	2,859	2,842	115,956
	$ 2,391,190	$ (273,903)	$ 2,117,287	$ 702,394	$ 269,434	$ 238,833	$ 5,121,798

Year Ended December 31, 2014	Revenue	Intercompany Revenue[(b)]	Reported Revenue	Segment EBITDA[(c)]	Depreciation and Amortization	Capital Expenditures	Total Assets[(e)]
Southern	$ 158,480	$ (22,950)	$ 135,530	$ 32,539	$ 17,487	$ 32,033	$ 249,437
Western	920,116	(96,194)	823,922	258,126	79,907	65,227	1,482,474
Eastern	411,106	(68,768)	342,338	104,224	47,269	50,252	740,015
Central	532,415	(56,538)	475,877	175,935	57,902	55,481	1,050,436
E&P	316,401	(14,902)	301,499	147,914	52,805	36,726	1,610,133
Corporate[(a), (d)]	-	-	-	(7,434)	2,574	1,558	112,772
	$ 2,338,518	$ (259,352)	$ 2,079,166	$ 711,304	$ 257,944	$ 241,277	$ 5,245,267

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the six operating segments. For the year ended December 31, 2016, amounts also include costs associated with the Progressive Waste acquisition.

(b) Intercompany revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

(c) For those items included in the determination of segment EBITDA, the accounting policies of the segments are the same as those described in Note 1.

(d) Corporate assets include cash, net deferred tax assets, debt issuance costs, equity investments, and corporate facility leasehold improvements and equipment.

(e) Goodwill is included within total assets for each of the Company's six operating segments.

The following table shows changes in goodwill during the years ended December 31, 2015 and 2016, by reportable segment:

	Southern	Western	Eastern	Canada	Central	E&P	Total
Balance as of December 31, 2014	$ -	$ 372,915	$ 392,423	$ -	$ 460,381	$ 468,070	$ 1,693,789
Goodwill transferred [(a)]	92,531	-	(39,705)	-	(52,826)	-	-
Goodwill acquired	3,179	905	106,814	-	8,865	21,059	140,822
Impairment loss	-	-	-	-	-	(411,786)	(411,786)
Balance as of December 31, 2015	95,710	373,820	459,532	-	416,420	77,343	1,422,825
Goodwill acquired	1,378,879	2,717	79,116	1,502,850	51,504	-	3,015,066
Impairment loss related to assets held for sale	(4,566)	-	(5,244)	-	-	-	(9,810)
Goodwill reclassified as assets held for sale	-	-	(244)	-	-	-	(244)
Impact of changes in foreign currency	-	-	-	(37,576)	-	-	(37,576)
Balance as of December 31, 2016	$ 1,470,023	$ 376,537	$ 533,160	$ 1,465,274	$ 467,924	$ 77,343	$ 4,390,261

(a) In June 2016, as a result of the Progressive Waste acquisition, described in Note 3, the Company realigned its reporting structure and changed its three geographic operating segments (Western, Central and Eastern) to five geographic operating segments (Southern, Western, Eastern, Canada and Central). Additionally, the Company realigned certain of the Company's districts between operating segments. This realignment resulted in the reallocation of goodwill among its segments, which is reflected in the "Goodwill transferred" line item.

Property and equipment, net relating to operations in the United States and Canada are as follows:

	December 31,	
	2016	2015
United States	$ 4,020,703	$ 2,738,288
Canada	717,352	-
Total	$ 4,738,055	$ 2,738,288

A reconciliation of the Company's primary measure of segment profitability (segment EBITDA) to Income (loss) before income tax provision in the Consolidated Statements of Net Income (Loss) is as follows:

	Years ended December 31,		
	2016	2015	2014
Southern segment EBITDA	$ 163,320	$ 35,718	$ 32,539
Western segment EBITDA	315,708	290,937	258,126
Eastern segment EBITDA	193,361	119,668	104,224
Canada segment EBITDA	149,305	-	-
Central segment EBITDA	208,930	184,006	175,935
E&P segment EBITDA	32,479	70,132	147,914
Subtotal reportable segments	1,063,103	700,461	718,738
Unallocated corporate overhead	(119,215)	1,933	(7,434)
Depreciation	(393,600)	(240,357)	(230,944)
Amortization of intangibles	(70,312)	(29,077)	(27,000)
Impairments and other operating items	(27,678)	(494,492)	(4,091)
Interest expense	(92,709)	(64,236)	(64,674)
Other income (expense), net	655	(518)	1,067
Foreign currency transaction gain	1,121	-	-
Income (loss) before income tax provision	$ 361,365	$ (126,286)	$ 385,662

The following tables reflect a breakdown of the Company's revenue and inter-company eliminations for the periods indicated:

	Year Ended December 31, 2016			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 2,359,813	$ (7,766)	$ 2,352,047	69.7%
Solid waste disposal and transfer	1,155,410	(443,022)	712,388	21.1
Solid waste recycling	92,456	(6,941)	85,515	2.5
E&P waste treatment, recovery and disposal	132,286	(12,086)	120,200	3.6
Intermodal and other	106,363	(650)	105,713	3.1
Total	$ 3,846,328	$ (470,465)	$ 3,375,863	100.0%

	Year Ended December 31, 2015			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,378,679	$ (4,623)	$ 1,374,056	64.9%
Solid waste disposal and transfer	670,369	(255,200)	415,169	19.6
Solid waste recycling	47,292	(924)	46,368	2.2
E&P waste treatment, recovery and disposal	228,529	(13,156)	215,373	10.2
Intermodal and other	66,321	-	66,321	3.1
Total	$ 2,391,190	$ (273,903)	$ 2,117,287	100.0%

	Year Ended December 31, 2014			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,289,906	$ (3,593)	$ 1,286,313	61.9%
Solid waste disposal and transfer	617,161	(235,851)	381,310	18.3
Solid waste recycling	58,226	(2,118)	56,108	2.7
E&P waste treatment, recovery and disposal	326,934	(16,862)	310,072	14.9
Intermodal and other	46,291	(928)	45,363	2.2
Total	$ 2,338,518	$ (259,352)	$ 2,079,166	100.0%

15. NET INCOME (LOSS) PER SHARE INFORMATION

The following table sets forth the calculation of the numerator and denominator used in the computation of basic and diluted net income (loss) per common share attributable to the Company's shareholders for the years ended December 31, 2016, 2015 and 2014:

	Years Ended December 31,		
	2016	2015	2014
Numerator:			
Net income (loss) attributable to Waste Connections for basic and diluted earnings per share	$ 246,540	$ (95,764)	$ 232,525
Denominator:			
Basic shares outstanding	153,550,008	123,491,931	124,215,346
Dilutive effect of options and warrants	35,119	-	90,334
Dilutive effect of restricted share units	469,204	-	481,741
Diluted shares outstanding	154,054,331	123,491,931	124,787,421

16. EMPLOYEE BENEFIT PLANS

Retirement Savings Plans: Waste Connections and certain of its subsidiaries have voluntary retirement savings plans in Canada (the "RSPs"). RSPs are available to all eligible Canadian employees of Waste Connections and its subsidiaries. For eligible Canadian employees, Waste Connections and its subsidiaries make a contribution to a deferred profit sharing plan of 3% of the employee's eligible compensation, subject to certain limitations imposed by the Canadian Income Tax Act.

Certain of Waste Connections' subsidiaries also have voluntary savings and investment plans in the U.S. (the "401(k) Plans"). The 401(k) Plans are available to all eligible U.S. employees of Waste Connections and its subsidiaries. Waste Connections and its

subsidiaries make matching contributions under the 401(k) Plans of 50% to 100% of every dollar of a participating employee's pre-tax contributions until the employee's contributions equal from 3% to 6% of the employee's eligible compensation, subject to certain limitations imposed by the U.S. Internal Revenue Code.

Total employer expenses, including employer contributions and employer matching contributions, for the RSPs and 401(k) Plans were $10,420, $4,702 and $4,765, respectively, during the years ended December 31, 2016, 2015 and 2014. These amounts include matching contributions Waste Connections made under the Deferred Compensation Plan, described below.

Multiemployer Pension Plans: The Company also participates in six "multiemployer" pension plans. The Company does not administer these multiemployer plans. In general, these plans are managed by the trustees, with the unions appointing certain trustees, and other contributing employers of the plan appointing certain others. The Company is generally not represented on the board of trustees. The Company makes periodic contributions to these plans pursuant to its collective bargaining agreements. The Company's participation in multiemployer pension plans is summarized as follows:

Plan Name	EIN/Pension Plan Number/ Registration Number	Pension Protection Act Zone Status (a)		FIP/RP Status (a),(b)	Company Contributions			Expiration Date of Collective Bargaining Agreement
		2016	2015		2016	2015	2014	
Western Conference of Teamsters Pension Trust	91-6145047 - 001	Green	Green	Not applicable	$ 3,420	$ 4,314	$ 3,852	6/30/16 to 12/31/19
Locals 302 & 612 of the IOUE - Employers Construction Industry Retirement Plan	91-6028571 - 001	Green	Green	Not applicable	252	242	226	9/30/19
International Union of Operating Engineers Pension Trust	85512-1	Green	Not applicable	Not applicable	120	-	-	3/31/2017 to 3/31/2021
Multi-Sector Pension Plan	1085653	Green	Not applicable	Not applicable	112	-	-	3/31/2016
Local 813 Pension Trust Fund	13-1975659 - 001	Critical	Not applicable	Implemented	86	-	-	11/30/2019
Midwest Operating Engineers Pension Plan	36 - 6140097 - 001	Yellow	Yellow	Implemented	11	-	-	10/31/2020
					$ 4,001	$ 4,556	$ 4,078	

(a) The most recent Pension Protection Act zone status available in 2016 and 2015 is for the plans' years ended December 31, 2015 and 2014, respectively.
(b) The "FIP/RP Status" column indicates plans for which a Funding Improvement Plan ("FIP") or a Rehabilitation Plan ("RP") has been implemented.
(c) A multiemployer defined benefit pension plan that has been certified as endangered, seriously endangered or critical may begin to levy a statutory surcharge on contribution rates. Once authorized, the surcharge is at the rate of 5% for the first 12 months and 10% for any periods thereafter, until certain conditions are met. The Company was not required to pay a surcharge to these plans during the years ended December 31, 2016 and 2015.

The status is based on information that the Company received from the pension plans and is certified by the pension plans' actuary. Plans with "green" status are at least 80% funded. The Company's contributions to each individual multiemployer pension plan represent less than 5% of total contributions to such plan. Under current law regarding multiemployer benefit plans, a plan's termination, the Company's voluntary withdrawal, or the withdrawal of all contributing employers from any under-funded multiemployer pension plan would require the Company to make payments to the plan for its proportionate share of the multiemployer plan's unfunded vested liabilities. The Company could have adjustments to its estimates for these matters in the near term that could have a material effect on its consolidated financial condition, results of operations or cash flows.

Deferred Compensation Plan: Effective for compensation paid on and after July 1, 2004, Old Waste Connections established a Deferred Compensation Plan for eligible employees, which was amended and restated effective January 1, 2008, January 1, 2010, September 22, 2011 and December 1, 2014, and as further amended on July 6, 2016 (as amended to date, the "Deferred Compensation Plan"). The Deferred Compensation Plan was assumed by the Company on June 1, 2016. The Deferred Compensation Plan is a non-qualified deferred compensation program under which the eligible participants, including officers and certain employees who meet a minimum salary threshold, may voluntarily elect to defer up to 80% of their base salaries and up to 100% of their bonuses, commissions and restricted share unit grants. Effective as of December 1, 2014, Old Waste Connections' Board of Directors

determined to discontinue the option to allow eligible participants to defer restricted share unit grants pursuant to the Deferred Compensation Plan. Members of the Company's Board of Directors are eligible to participate in the Deferred Compensation Plan with respect to their director fees. Although the Company periodically contributes the amount of its obligation under the plan to a trust for the benefit of the participants, the amounts of any compensation deferred under the Deferred Compensation Plan constitute an unsecured obligation of the Company to pay the participants in the future and, as such, are subject to the claims of other creditors in the event of insolvency proceedings. Participants may elect certain future distribution dates on which all or a portion of their accounts will be paid to them, including in the case of a change in control of the Company. Their accounts will be distributed to them in cash, except for amounts credited with respect to deferred restricted share unit grants, which will be distributed in the Company's common shares pursuant to the 2014 Plan or the 2004 Plan. In addition to the amount of participants' contributions, the Company will pay participants an amount reflecting a deemed return based on the returns of various mutual funds or measurement funds selected by the participants, except in the case of restricted share units that were deferred, which will be credited to their accounts as Company common shares. The measurement funds are used only to determine the amount of return the Company pays to participants and participant funds are not actually invested in the measurement fund, nor are any Company common shares acquired under the Deferred Compensation Plan. During each of the three years ended December 31, 2016, 2015 and 2014, the Company also made matching contributions to the Deferred Compensation Plan of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equaled 6% of the employee's eligible compensation, less the amount of any match the Company made on behalf of the employee under the Waste Connections 401(k) Plan, and subject to certain deferral limitations imposed by the U.S. Internal Revenue Code on 401(k) plans, except that the Company's matching contributions under the Deferred Compensation Plan were 100% vested when made. The Company's total liability for deferred compensation at December 31, 2016 and 2015 was $21,051 and $19,387, respectively, which was recorded in Other long-term liabilities in the Consolidated Balance Sheets.

17. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes the Company's unaudited consolidated quarterly results of operations for 2016:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 514,680	$ 727,639	$ 1,084,922	$ 1,048,622
Operating income	90,979	63,495	158,666	139,157
Net income	45,017	27,720	88,881	85,703
Net income attributable to Waste Connections	44,842	27,489	88,617	85,592
Basic income per common share attributable to Waste Connections' common shareholders	0.37	0.20	0.51	0.49
Diluted income per common share attributable to Waste Connections' common shareholders	0.36	0.20	0.50	0.49

As described in Note 3, the financial statements presented herein are the historical financial statements of Old Waste Connections with the inclusion of the results of operations from the acquired Progressive Waste operations commencing on June 1, 2016. During the first quarter of 2016, the Company incurred $8,521 of direct acquisition costs associated with the Progressive Waste acquisition. During the second quarter of 2016, the Company incurred $23,037 of direct acquisition costs associated with the Progressive Waste acquisition, $19,402 of severance-related expenses payable to personnel of Progressive Waste, $14,322 from the Company paying excise taxes levied on the unvested or vested and undistributed equity-compensation holdings of Old Waste Connections' corporate officers resulting from the Progressive Waste acquisition and $8,022 of share-based compensation expenses related to awards granted to employees of Progressive Waste prior to June 1, 2016 for which vesting was accelerated due to plan provisions regarding a change in control followed by termination of employment. During the third quarter of 2016, the Company incurred $4,827 of severance-related expenses payable to personnel of Progressive Waste and $5,300 of incentive compensation expenses to certain of our executive officers and key employees related to the achievement of defined synergy goals realized by New Waste Connections from the Progressive Waste acquisition. During the fourth quarter of 2016, the Company incurred $6,498 of incentive compensation expenses

related to the aforementioned achievement of defined synergy goals realized by New Waste Connections from the Progressive Waste acquisition.

The following table summarizes the Company's unaudited consolidated quarterly results of operations for 2015:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 506,100	$ 531,312	$ 547,938	$ 531,937
Operating income (loss)	101,865	110,024	(375,152)	101,730
Net income (loss)	52,081	57,641	(256,805)	52,388
Net income (loss) attributable to Waste Connections	51,824	57,360	(257,009)	52,061
Basic income (loss) per common share attributable to Waste Connections' common shareholders	0.42	0.46	(2.08)	0.42
Diluted income (loss) per common share attributable to Waste Connections' common shareholders	0.42	0.46	(2.08)	0.42

During the third quarter of 2015, the Company recorded impairment charges of $411,786 associated with goodwill and $38,300 associated with indefinite-lived intangible assets in its E&P segment. The Company also recorded impairment charges of $63,928 related to property and equipment at certain E&P operating locations during the third quarter of 2015. The aforementioned impairment charges were partially offset by $20,642 of adjustments recorded during the third quarter of 2015 to reduce the fair value of amounts payable under liability-classified contingent consideration arrangements associated with the acquisition of an E&P business in 2014.

18. SUBSEQUENT EVENTS

On January 3, 2017, the Company announced that it acquired Groot Industries, Inc. ("Groot"). Groot is the largest privately-owned solid waste services company in Illinois with total annual revenue of approximately $200,000. Groot serves approximately 300,000 customers primarily in northern Illinois from a network of six collection operations, six transfer stations and two recycling facilities. The Company has not completed the allocation of the acquisition purchase price for Groot of the identifiable assets acquired and liabilities assumed.

On February 13, 2017, the Company entered into a First Supplement to Master Note Purchase Agreement with certain accredited institutional investors, pursuant to which the Company expects to issue and sell to the investors on April 20, 2017 $400,000 aggregate principal amount of senior unsecured notes consisting of (i) $150,000 of 3.24% series 2017A senior notes, tranche A due April 20, 2024 (the "2024 Notes") and (ii) $250,000 of 3.49% series 2017A senior notes, tranche B due April 20, 2027 (the "2027 Notes") (collectively, the "2017A Senior Notes") in a private placement. The 2017A Senior Notes bear interest at fixed rates with interest payable in arrears semi-annually on the first day of October and April beginning on October 1, 2017, and on the respective maturity dates, until the principal thereunder becomes due and payable.

The 2017A Senior Notes are unsecured obligations and rank pari passu with obligations under the Credit Agreement, the 2016 Senior Notes and the 2008 Notes. The 2017A Senior Notes are subject to representations, warranties, covenants and events of default. Upon the occurrence of an event of default, payment of the 2017A Senior Notes may be accelerated by the holders of the respective notes. The 2017A Senior Notes may also be prepaid by the Company at any time at par plus a make-whole amount determined in respect of the remaining scheduled interest payments on the respective notes, using a discount rate of the then current market standard for United States treasury bills plus 0.50%. In addition, the Company will be required to offer to prepay the 2017A Senior Notes upon certain changes in control.

The Company may issue additional series of senior unsecured notes pursuant to the terms and conditions of the 2016 NPA, provided that the purchasers of the outstanding notes, including the 2016 Senior Notes and 2017A Senior Notes, shall not have any

obligation to purchase any additional notes issued pursuant to the 2016 NPA and the aggregate principal amount of the outstanding notes and any additional notes issued pursuant to the 2016 NPA shall not exceed $1,500,000. Upon the funding of the 2017A Senior Notes, the Company will have $1,150,000 of Notes outstanding under the 2016 NPA.

The Company intends to use the proceeds from the sale of the 2017A Senior Notes for general corporate purposes, including funding a portion of the purchase price for the acquisition of Groot described above.

On February 21, 2017, the Company announced that its Board of Directors approved a regular quarterly cash dividend of $0.18 per Company common share. The dividend will be paid on March 21, 2017, to shareholders of record on the close of business on March 7, 2017.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2016, our disclosure controls and procedures were not effective, because of the material weakness in our internal control over financial reporting, as discussed below, that resulted in immaterial errors which were subsequently corrected.

Notwithstanding this material weakness in accounting for business combinations, our Chief Executive Officer and Chief Financial Officer have concluded that the Consolidated Financial Statements included in this Annual Report on Form 10-K present fairly, in all material respects, the financial position of the Company at December 31, 2016 and December 31, 2015 and the consolidated results of operations and cash flows for each of the three fiscal years in the period ended December 31, 2016 in conformity with U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

(a) Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. This process includes policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and any dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; (3) provide reasonable assurance that receipts and expenditures of ours are being made only in accordance with authorizations of our Management; and (4) provide reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements would be prevented or timely detected.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our internal control over financial reporting as of December 31, 2016. In conducting our evaluation, we used the framework set forth in the report titled *"Internal Control – Integrated Framework"* (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of our evaluation, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2016, because of the material weakness described below.

A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We did not maintain effective controls over the valuation of certain assets in the application of the acquisition method of accounting for business combinations. Specifically, our review procedures over the development and application of inputs, assumptions, and calculations used in fair value measurements associated with business combinations did not operate at an appropriate level of precision commensurate with our financial reporting requirements. This control deficiency resulted in immaterial errors to goodwill, intangible assets, property, plant & equipment and deferred taxes on the balance sheets and associated depreciation and amortization expenses on the income statement relating to the Progressive Waste acquisition for the three and nine months ended September 30, 2016 and the three and six months ended June 30, 2016. The errors were corrected prior to the issuance of the Company's consolidated financial statements as of and for the fiscal year ended December 31, 2016.

While these errors were determined not to be material to the consolidated financial statements, this control deficiency could result in a misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, our management has determined that this control deficiency represents a material weakness.

The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in Item 8 of this Annual Report.

(b) Remediation Plans

Our management, with oversight from our Audit Committee, is in the process of developing and implementing remediation plans in response to the identified material weakness described above. These plans include the implementation of additional controls and procedures to address the accounting and disclosures related to business combinations. These new controls and procedures will be tested as we apply the acquisition method of accounting for business combinations completed in 2017. Until the remediation steps set forth above have been tested by management and concluded to be operating effectively, the material weakness described above will continue to exist.

(c) Changes in Internal Control Over Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth above in Part I under "Executive Officers of the Registrant" and in the paragraph below, the information required by Item 10 has been omitted from this Annual Report on Form 10-K, and is incorporated by reference to the sections "Election of Directors," "Corporate Governance and Board Matters" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive Proxy Statement and Management Information Circular for the 2017 Annual Meeting of Shareholders, which we will file with the SEC pursuant to Regulation 14A within 120 days after the end of our 2016 fiscal year.

We have adopted a Code of Conduct and Ethics that applies to our officers, including our principal executive officer, principal financial officer, principal accounting officer and all other officers, directors and employees. We have also adopted Corporate Governance Guidelines and Board Charter to promote the effective functioning of our Board of Directors and its committees, to promote the interests of shareholders and to ensure a common set of expectations concerning how the Board, its committees and management should perform their respective functions. Our Code of Conduct and Ethics and our Corporate Governance Guidelines and Board Charter are available on our website at http://www.wasteconnections.com as are the charters of our Board's Audit, Nominating and Corporate Governance and Compensation Committees. Information on or that can be accessed through our website is not incorporated by reference to this Annual Report on Form 10-K. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendments to, or waiver from, a provision of our Code of Conduct and Ethics by posting such information on our website.

Shareholders may also obtain copies of the Corporate Governance documents discussed above by contacting our Secretary at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, or (832) 442-2200.

ITEM 11. EXECUTIVE COMPENSATION

Information required by Item 11 has been omitted from this Annual Report on Form 10-K and is incorporated by reference to the sections "Executive Compensation" and "Corporate Governance and Board Matters" in our definitive Proxy Statement and Management Information Circular for the 2017 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

Information required by Item 12 has been omitted from this Annual Report on Form 10-K and is incorporated by reference to the sections "Principal Shareholders" and "Equity Compensation Plan Information" in our definitive Proxy Statement and Management Information Circular for the 2017 Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by Item 13 has been omitted from this Annual Report on Form 10-K and is incorporated by reference to the sections "Certain Relationships and Related Transactions" and "Corporate Governance and Board Matters" in our definitive Proxy Statement and Management Information Circular for the 2017 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by Item 14 has been omitted from this Annual Report on Form 10-K and is incorporated by reference to the section "Appointment of Independent Registered Public Accounting Firm" in our definitive Proxy Statement and Management Information Circular for the 2017 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) See Index to Consolidated Financial Statements on page 72. The following Financial Statement Schedule is filed herewith on page 138 and made a part of this Annual Report on Form 10-K:

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) See Exhibit Index immediately following signature pages.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Waste Connections, Inc.

By: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

Date: February 27, 2017

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ronald J. Mittelstaedt and Worthing F. Jackman, jointly and severally, his or her true and lawful attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities to sign any amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and the securities commissions or similar regulatory authorities in Canada, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ronald J. Mittelstaedt Ronald J. Mittelstaedt	Chief Executive Officer and Chairman (principal executive officer)	February 27, 2017
/s/ Worthing F. Jackman Worthing F. Jackman	Executive Vice President and Chief Financial Officer (principal financial officer)	February 27, 2017
/s/ David G. Eddie David G. Eddie	Senior Vice President and Chief Accounting Officer (principal accounting officer)	February 27, 2017
/s/ Robert H. Davis Robert H. Davis	Director	February 27, 2017
/s/ Edward E. Guillet Edward E. Guillet	Director	February 27, 2017
/s/ Michael W. Harlan Michael W. Harlan	Director	February 27, 2017
/s/ Larry S. Hughes Larry S. Hughes	Director	February 27, 2017
/s/ Susan Lee Susan Lee	Director	February 27, 2017
/s/ William J. Razzouk William J. Razzouk	Director	February 27, 2017

WASTE CONNECTIONS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2016, 2015 and 2014
(in thousands of U.S. dollars)

		Additions		Deductions	
Description	**Balance at Beginning of Year**	**Charged to Costs and Expenses**	**Charged to Other Accounts**	**(Write-offs, Net of Collections)**	**Balance at End of Year**
Allowance for Doubtful Accounts:					
Year Ended December 31, 2016	$ 7,738	$ 13,980	$ -	$ (8,558)	$ 13,160
Year Ended December 31, 2015	9,175	5,423	-	(6,860)	7,738
Year Ended December 31, 2014	7,348	8,043	-	(6,216)	9,175

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
2.1	Agreement and Plan of Merger, dated as of January 18, 2016, by and among the Registrant (f.k.a. Progressive Waste Solutions Ltd.), Water Merger Sub LLC, and Waste Connections US, Inc. (f.k.a. Waste Connections, Inc.) (incorporated by reference to Exhibit 99.2 of the Registrant's Form 6-K filed on January 20, 2016)
3.1	Articles of Amendment dated June 1, 2016 (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on June 7, 2016)
3.2	Articles of Amalgamation dated June 1, 2016 (incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K filed on June 7, 2016)
3.3	By-laws of the Registrant (incorporated by reference to Exhibit 3.3 of the Registrant's Form 8-K filed on June 7, 2016)
3.4	Form of Common Share Certificate (incorporated by reference to Exhibit 3.4 of the Registrant's Form 8-K filed on June 7, 2016)
4.1	Revolving Credit and Term Loan Agreement, dated as of June 1, 2016 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on June 7, 2016)
4.2	Master Note Purchase Agreement, dated as of June 1, 2016 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on June 7, 2016)
4.3	Master Note Purchase Agreement, dated July 15, 2008 (incorporated by reference to Exhibit 4.3 of the Registrant's Form 8-K filed on June 7, 2016)
4.4	Amendment No. 1 to Master Note Purchase Agreement, dated as of July 20, 2009 (incorporated by reference to Exhibit 4.4 of the Registrant's Form 8-K filed on June 7, 2016)
4.5	First Supplement to Master Note Purchase Agreement, dated as of October 26, 2009 (incorporated by reference to Exhibit 4.5 of the Registrant's Form 8-K filed on June 7, 2016)
4.6	Amendment No. 2 to Master Note Purchase Agreement, dated as of November 24, 2010 (incorporated by reference to Exhibit 4.6 of the Registrant's Form 8-K filed on June 7, 2016)
4.7	Second Supplement to Master Note Purchase Agreement, dated as of April 1, 2011 (incorporated by reference to Exhibit 4.7 of the Registrant's Form 8-K filed on June 7, 2016)
4.8	Amendment No. 3 to Master Note Purchase Agreement, dated as of October 12, 2011 (incorporated by reference to Exhibit 4.8 of the Registrant's Form 8-K filed on June 7, 2016)
4.9	Amendment No. 4 to Master Note Purchase Agreement, dated August 9, 2013 (incorporated by reference to Exhibit 4.9 of the Registrant's Form 8-K filed on June 7, 2016)
4.10	Amendment No. 5 to Master Note Purchase Agreement, dated February 20, 2015 (incorporated by reference to Exhibit 4.10 of the Registrant's Form 8-K filed on June 7, 2016)
4.11	Third Supplement to Master Note Purchase Agreement, dated as of June 11, 2015 (incorporated by reference to Exhibit 4.11 of the Registrant's Form 8-K filed on June 7, 2016)
4.12	Amendment No. 6 to Master Note Purchase Agreement, dated June 1, 2016 (incorporated by reference to Exhibit 4.12 of the Registrant's Form 8-K filed on June 7, 2016)

Exhibit Number	Description of Exhibits
4.13	Assumption and Exchange Agreement, dated June 1, 2016 relating to the Master Note Purchase Agreement dated July 15, 2008 as amended and supplemented through and including June 1, 2016 and as further modified by the Assumption and Exchange Agreement (incorporated by reference to Exhibit 4.13 of the Registrant's Form 8-K filed on June 7, 2016)
10.1 +	Separation Benefits Plan and Employment Agreement by and between Waste Connections US, Inc. and Ronald J. Mittelstaedt, effective February 13, 2012 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on June 7, 2016)
10.2 +	Amendment to Separation Benefits Plan and Employment Agreement between Waste Connections US, Inc. and Ronald J. Mittelstaedt (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on June 7, 2016)
10.3 +	First Amended and Restated Employment Agreement between Waste Connections US, Inc. and David G. Eddie, dated as of October 1, 2005 (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K filed on June 7, 2016)
10.4 +	Employment Agreement between Waste Connections US, Inc. and James M. Little, dated as of September 13, 1999 (incorporated by reference to Exhibit 10.4 of the Registrant's Form 8-K filed on June 7, 2016)
10.5 +	Form of Amendment to Employment Agreement between Waste Connections US, Inc. and James M. Little (incorporated by reference to Exhibit 10.5 of the Registrant's Form 8-K filed on June 7, 2016)
10.6 +	Employment Agreement between Waste Connections US, Inc. and Patrick J. Shea, dated as of February 1, 2008 (incorporated by reference to Exhibit 10.6 of the Registrant's Form 8-K filed on June 7, 2016)
10.7 +	Form of Amendment to Employment Agreement between Waste Connections US, Inc. and each of David G. Eddie, David M. Hall and Patrick J. Shea (incorporated by reference to Exhibit 10.7 of the Registrant's Form 8-K filed on June 7, 2016)
10.8 +	Separation Benefits Plan, effective February 13, 2012 (incorporated by reference to Exhibit 10.8 of the Registrant's Form 8-K filed on June 7, 2016)
10.9 +	Separation Benefits Plan Participation Letter Agreement by and between Waste Connections US, Inc. and Steven F. Bouck, effective February 13, 2012 (incorporated by reference to Exhibit 10.9 of the Registrant's Form 8-K filed on June 7, 2016)
10.10 +	Separation Benefits Plan Participation Letter Agreement by and between Waste Connections US, Inc. and Worthing F. Jackman, effective February 13, 2012 (incorporated by reference to Exhibit 10.10 of the Registrant's Form 8-K filed on June 7, 2016)
10.11 +	Separation Benefits Plan Participation Letter Agreement by and between Waste Connections US, Inc. and Darrell W. Chambliss, effective February 13, 2012 (incorporated by reference to Exhibit 10.11 of the Registrant's Form 8-K filed on June 7, 2016)
10.12 +	Form of Indemnification Agreement dated June 1, 2016, between Waste Connections, Inc. and each of its directors and officers (incorporated by reference to Exhibit 10.12 of the Registrant's Form 8-K filed on June 7, 2016)
10.13 +	Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.13 of the Registrant's Form 8-K filed on June 7, 2016)

Exhibit Number	Description of Exhibits
10.14 +	Form of Restricted Share Unit Award Agreement (with One-Year Performance Period) under the Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.14 of the Registrant's Form 8-K filed on June 7, 2016)
10.15 +	Form of Performance-Based Restricted Share Unit Award Agreement (with Three-Year Performance Period) under the Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.15 of the Registrant's Form 8-K filed on June 7, 2016)
10.16 +	Form of Restricted Share Unit Agreement for Non-employee Directors under the Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.16 of the Registrant's Form 8-K filed on June 7, 2016)
10.17 +	Form of Restricted Share Unit Agreement under the Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.17 of the Registrant's Form 8-K filed on June 7, 2016)
10.18 +	Form of Warrant to Purchase Common Shares of Waste Connections, Inc. under the Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.18 of the Registrant's Form 8-K filed on June 7, 2016)
10.19 +	Waste Connections US, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.20 of the Registrant's Form 8-K filed on June 7, 2016)
10.20 +	Form of Grant Agreement for Restricted Stock Units under Waste Connections US, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.21 of the Registrant's Form 8-K filed on June 7, 2016)
10.21 +	Form of Grant Agreement for Restricted Stock Units (with One-Year Performance Period) under the Waste Connections US, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.22 of the Registrant's Form 8-K filed on June 7, 2016)
10.22 +	Form of Grant Agreement for Restricted Stock Units for Non-employee Directors under the Waste Connections US, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.23 of the Registrant's Form 8-K filed on June 7, 2016)
10.23 +	Form of Warrant to Purchase Common Stock under the Waste Connections US, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.24 of the Registrant's Form 8-K filed on June 7, 2016)
10.24 +	Waste Connections US, Inc. Third Amended and Restated 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.25 of the Registrant's Form 8-K filed on June 7, 2016)
10.25 +	Waste Connections US, Inc. Consultant Incentive Plan (incorporated by reference to Exhibit 10.26 of the Registrant's Form 8-K filed on June 7, 2016)
10.26 +	Waste Connections US, Inc. Nonqualified Deferred Compensation Plan, amended and restated as of December 1, 2014 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on August 5, 2016)
10.27 +	Amendment to the Waste Connections, Inc. Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on July 22, 2016)
10.28 +	Waste Connections, Inc. Synergy Bonus Program (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on July 22, 2016)

Exhibit Number	Description of Exhibits
10.29 +	Waste Connections, Inc. Compensation Recoupment Policy (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on July 22, 2016)
10.30 +	Form of Deferred Share Unit Agreement for Non-Employee Directors under the Waste Connections, Inc. 2016 Incentive Award Plan (incorporated by reference to Exhibit 10.3 of the Registrant's Form 10-Q filed on October 31, 2016)
10.31 + *	First Amended and Restated Employment Agreement between the Registrant and David M. Hall, dated as of October 1, 2005
10.32 + *	Employment Agreement between the Registrant and Matthew Black, dated as of March 1, 2012
12.1 *	Statement regarding Computation of Ratios
21.1 *	Subsidiaries of the Registrant
23.1 *	Consent of Independent Registered Public Accounting Firm
24.1 *	Power of Attorney (see signature page of this Annual Report on Form 10-K)
31.1 *	Certification of Chief Executive Officer
31.2 *	Certification of Chief Financial Officer
32.1 *	Certificate of Chief Executive Officer
32.2 *	Certificate of Chief Financial Officer
101.INS *	XBRL Instance Document
101.SCH *	XBRL Taxonomy Extension Schema Document
101.CAL *	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB *	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE *	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF *	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith.
+ Management contract or compensatory plan, contract or arrangement.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File No. 1-31507

WASTE CONNECTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware	94-3283464
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3 Waterway Square Place, Suite 110 The Woodlands, Texas	77380
(Address of principal executive offices)	(Zip Code)

(832) 442-2200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.01 per share	New York Stock Exchange
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

☑ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As of June 30, 2015, the aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant, based on the closing sales price for the registrant’s common stock, as reported on the New York Stock Exchange, was $5,778,923,129.

Number of shares of common stock outstanding as of January 29, 2016: 122,395,994

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2016 Annual Meeting of Stockholders (which will be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, or the Exchange Act, within 120 days after the end of our 2015 fiscal year) are incorporated by reference into Part III hereof.

WASTE CONNECTIONS, INC.
ANNUAL REPORT ON FORM 10-K

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PART I

ITEM 1. BUSINESS

Our Company

Waste Connections, Inc. is an integrated municipal solid waste, or MSW, services company that provides solid waste collection, transfer, disposal and recycling services primarily in exclusive and secondary markets in the U.S. and a leading provider of non-hazardous exploration and production, or E&P, waste treatment, recovery and disposal services in several of the most active natural resource producing areas of the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

As of December 31, 2015, we served residential, commercial, industrial and E&P customers in 32 states: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of December 31, 2015, we owned or operated a network of 155 solid waste collection operations; 69 transfer stations; seven intermodal facilities, 37 recycling operations, 62 active MSW, E&P and/or non-MSW landfills, 24 E&P liquid waste injection wells and 20 E&P waste treatment and oil recovery facilities. Non-MSW landfills accept construction and demolition, industrial and other non-putrescible waste.

Our senior management team has extensive experience in operating, acquiring and integrating non-hazardous waste services businesses, and we intend to continue to focus our efforts on balancing internal and acquisition-based growth. As described below, we recently entered into an agreement providing for a business combination with Progressive Waste Solutions Ltd. We anticipate that a part of our future growth will come from acquiring additional MSW and E&P waste businesses and, therefore, we expect that additional acquisitions beyond the transaction currently pending could continue to affect period-to-period comparisons of our operating results.

Waste Connections, Inc. is a Delaware corporation organized in 1997.

On January 18, 2016, Waste Connections entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Progressive Waste Solutions Ltd., a corporation organized under the laws of Ontario (“Progressive Waste”) and Water Merger Sub LLC, a Delaware limited liability company and wholly-owned subsidiary of Progressive Waste (“Merger Sub”). Subject to the terms and conditions of the Merger Agreement, Merger Sub will merge with and into Waste Connections (the “Merger”), with Waste Connections surviving the Merger as a wholly-owned subsidiary of Progressive Waste.

The transaction is expected to close in the second quarter of 2016. Upon closing, the combined company will use the Waste Connections name and it is anticipated that its shares will trade on the New York Stock Exchange and the Toronto Stock Exchange. Upon completion of the transaction, the combined company will be led by Waste Connections’ current management team. The Board of Directors for the combined company will include the five current members of Waste Connections’ Board and two members from Progressive Waste’s current Board.

Under the terms of the Merger Agreement, Waste Connections’ stockholders will receive 2.076843 Progressive Waste shares for each Waste Connections share they own. Subject to the approval of Progressive Waste’s shareholders, Progressive Waste expects to implement, immediately following the Merger, a share consolidation whereby every 2.076843 shares will be consolidated into one Progressive Waste share on the basis of 0.4815 (1 divided by the 2.076843 ratio above) of a share on a post-consolidation basis for each one share outstanding on a pre-consolidation basis. If the share consolidation is approved by Progressive Waste’s shareholders and effected, Waste Connections’ stockholders will receive one share of the combined company for each existing Waste Connections share. Upon the completion of the transaction and regardless of whether or not the share consolidation occurs, Waste Connections’ stockholders will own approximately 70% of the combined company, and Progressive Waste shareholders will own approximately 30%.

The transaction is subject to customary closing conditions, including the approval of both companies’ shareholders, U.S. antitrust approval and the approval of the Toronto Stock Exchange.

The remainder of this Annual Report on Form 10-K, other than the discussion of certain risks related to the Merger in the section entitled “Risk Factors” on page 20 of this Annual Report, excludes any impact that results or may result from the Merger.

Our Operating Strategy

Our operating strategy seeks to improve financial returns and deliver superior stockholder value creation within the solid waste industry. We seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. We also target niche markets, like E&P waste treatment and disposal services, with similar characteristics and, we believe, higher comparative growth potential. We are a leading provider of waste services in most of our markets, and the key components of our operating strategy, which are tailored to the competitive and regulatory factors that affect our markets, are as follows:

Target Secondary and Rural Markets. By targeting secondary and rural markets, we believe that we are able to garner a higher local market share than would be attainable in more competitive urban markets, which we believe reduces our exposure to customer churn and improves financial returns. In certain niche markets, like E&P waste treatment and disposal, early mover advantage in certain rural basins may improve market positioning and financial returns given the limited availability of existing third-party-owned waste disposal alternatives.

Control the Waste Stream. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. In addition, in certain E&P markets with "no pit" rules or other regulations that limit on-site storage or treatment of waste, control of the waste stream allows us to generate additional service revenue from the transportation of waste, as well as the waste treatment and disposal, thus increasing the overall scope and value of the services provided.

Optimize Asset Positioning. We believe that the location of disposal sites within competitive markets is a critical factor to success in both MSW and E&P waste services. Given the importance of and costs associated with the transportation of waste to treatment and disposal sites, having disposal capacity proximate to the waste stream may provide a competitive advantage and serve as a barrier to entry.

Provide Vertically Integrated Services. In markets where we believe that owning landfills is a strategic advantage to a collection operation because of competitive and regulatory factors, we generally focus on providing integrated services, from collection through disposal of solid waste in landfills that we own or operate. Similarly, we see this strategic advantage in E&P waste services where we offer closed loop systems for liquid and solid waste storage, transportation, treatment, and disposal.

Manage on a Decentralized Basis. We manage our operations on a decentralized basis. This places decision-making authority close to the customer, enabling us to identify and address customers' needs quickly in a cost-effective manner. We believe that decentralization provides a low-overhead, highly efficient operational structure that allows us to expand into geographically contiguous markets and operate in relatively small communities that larger competitors may not find attractive. We believe that this structure gives us a strategic competitive advantage, given the relatively rural nature of many of the markets in which we operate, and makes us an attractive buyer to many potential acquisition candidates.

As of December 31, 2015, we delivered our services from over 225 operating locations grouped into four operating segments: our Western segment is comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Central segment is comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; our Eastern segment is comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee; and, our E&P segment includes the majority of our E&P waste service operations in Arkansas, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico. Some E&P revenues are also included in other operating segments, where we accept E&P waste at some of our MSW landfills. In addition, a small amount of solid waste revenue is included in our E&P segment.

We manage and evaluate our business on the basis of the operating segments' geographic characteristics, interstate waste flow, revenue base, employee base, regulatory structure, and acquisition opportunities. Each operating segment has a regional vice president and a regional controller reporting directly to our corporate management. These regional officers are responsible for operations and accounting in their operating segments and supervise their regional staff. See Note 14 to the consolidated financial statements included in Item 8 of this Annual Report for further information on our segment reporting of our operations.

Each operating location has a district or site manager who has a high degree of decision-making authority for his or her operations and is responsible for maintaining service quality, promoting safety, implementing marketing programs and overseeing day-to-day operations, including contract administration. Local managers also help identify acquisition candidates and are responsible for

integrating acquired businesses into our operations and obtaining the permits and other governmental approvals required for us to operate.

Implement Operating Standards. We develop company-wide operating standards, which are tailored for each of our markets based on industry norms and local conditions. We implement cost controls and employee training and safety procedures and establish a sales and marketing plan for each market. By internalizing the waste stream of acquired operations, we can further increase operating efficiencies and improve capital utilization. We use a wide-area information system network, implement financial controls and consolidate certain accounting, personnel and customer service functions. While regional and district management operate with a high degree of autonomy, our executive officers monitor regional and district operations and require adherence to our accounting, purchasing, safety, marketing and internal control policies, particularly with respect to financial matters. Our executive officers regularly review the performance of regional officers, district managers and operations. We believe we can improve the profitability of existing and newly acquired operations by establishing operating standards, closely monitoring performance and streamlining certain administrative functions.

Our Growth Strategy

We tailor the components of our growth strategy to the markets in which we operate and into which we hope to expand.

Obtain Additional Exclusive Arrangements. Our operations include market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and governmental certificates, under which we are the exclusive service provider for a specified market. These exclusive rights and contractual arrangements create a barrier to entry that is usually obtained through the acquisition of a company with such exclusive rights or contractual arrangements or by winning a competitive bid.

We devote significant resources to securing additional franchise agreements and municipal contracts through competitive bidding and by acquiring other companies. In bidding for franchises and municipal contracts and evaluating acquisition candidates holding governmental certificates, our management team draws on its experience in the waste industry and knowledge of local service areas in existing and target markets. Our district management and sales and marketing personnel maintain relationships with local governmental officials within their service areas, maintain, renew and renegotiate existing franchise agreements and municipal contracts, and secure additional agreements and contracts while targeting acceptable financial returns. Our sales and marketing personnel also expand our presence into areas adjacent to or contiguous with our existing markets, and market additional services to existing customers. We believe our ability to offer comprehensive rail haul disposal services in the Pacific Northwest improves our competitive position in bidding for such contracts in that region.

Generate Internal Growth. To generate internal revenue growth, our district management and sales and marketing personnel focus on increasing market penetration in our current and adjacent markets, soliciting new customers in markets where such customers have the option to choose a particular waste collection service and marketing upgraded or additional services (such as compaction or automated collection) to existing customers. We also seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Where possible, we intend to leverage our franchise-based platforms to expand our customer base beyond our exclusive market territories. As customers are added in existing markets, our revenue per routed truck increases, which generally increases our collection efficiencies and profitability. In markets in which we have exclusive contracts, franchises and governmental certificates, we expect internal volume growth generally to track population and business growth.

In niche disposal markets, like E&P, our focus is on increasing market penetration, and providing additional service offerings in existing markets where appropriate. In addition, we focus on developing and permitting new treatment and disposal sites in new and existing E&P markets to position ourselves to capitalize on current and future drilling activity in those areas.

Expand Through Acquisitions. We intend to expand the scope of our operations by continuing to acquire MSW and E&P waste facilities and companies in new markets and in existing or adjacent markets that are combined with or "tucked in" to our existing operations. We focus our acquisition efforts on markets that we believe provide significant growth opportunities for a well-capitalized market entrant and where we can create economic and operational barriers to entry by new competitors. This focus typically highlights markets in which we can: (1) provide waste collection services under exclusive arrangements such as franchise agreements, municipal contracts and governmental certificates; (2) gain a leading market position and provide vertically integrated collection and disposal services; or (3) gain a leading market position in a niche market through the provision of treatment and disposal services. We believe that our experienced management, decentralized operating strategy, financial strength, size and public company status make us an attractive buyer to certain waste collection and disposal acquisition candidates. We have developed an acquisition discipline based on a set of financial, market and management criteria to evaluate opportunities. Once an acquisition is closed, we seek to integrate it while minimizing disruption to our ongoing operations and those of the acquired business.

In new markets, we often use an initial acquisition as an operating base and seek to strengthen the acquired operation's presence in that market by providing additional services, adding new customers and making "tuck-in" acquisitions of other waste companies in that market or adjacent markets. We believe that many suitable "tuck-in" acquisition opportunities exist within our current and targeted market areas that may provide us with opportunities to increase our market share and route density.

The U.S. solid waste services industry has experienced significant consolidation over the past decade, most notably with the merger between Republic Services, Inc. and Allied Waste Industries, Inc. in 2008, the merger between IESI-BFC Ltd. and Waste Services, Inc. in 2010, the sale of the U.S. solid waste business of Veolia Environnement S.A. to Advanced Disposal Services, Inc. in 2012, and our announcement of our entry into the Merger Agreement with Progressive Waste on January 18, 2016. In spite of this consolidation, the solid waste services industry remains regional in nature, with acquisition opportunities available in select markets. The E&P waste services industry is similarly regional in nature and is also highly fragmented, with acquisition opportunities available in several active natural resource basins. In some markets in both MSW and E&P waste, independent landfill, collection or service providers lack the capital resources, management skills and/or technical expertise necessary to comply with stringent environmental and other governmental regulations and to compete with larger, more efficient, integrated operators. In addition, many of the remaining independent operators may wish to sell their businesses to achieve liquidity in their personal finances or as part of their estate planning.

During the year ended December 31, 2015, we completed 14 acquisitions, none of which individually accounted for greater than 10% of our total assets. The total fair value of consideration transferred for the 14 acquisitions completed during the year ended December 31, 2015 was approximately $348.7 million. During the year ended December 31, 2014, we completed nine acquisitions, none of which individually accounted for greater than 10% of our total assets. The total fair value of consideration transferred for the nine acquisitions completed during the year ended December 31, 2014 was approximately $168.7 million. During the year ended December 31, 2013, we completed eight acquisitions, none of which individually accounted for greater than 10% of our total assets. The total fair value of consideration transferred for the eight acquisitions completed during the year ended December 31, 2013 was approximately $64.2 million.

WASTE SERVICES

Collection Services

We provide collection services to residential, commercial, industrial and E&P customers. Our services are generally provided under one of the following arrangements: (1) governmental certificates; (2) exclusive franchise agreements; (3) exclusive municipal contracts; (4) residential subscriptions; (5) residential contracts; or (6) commercial, industrial and E&P service agreements.

Governmental certificates, exclusive franchise agreements and exclusive municipal contracts grant us rights to provide MSW services within specified areas at established rates and are long-term in nature. Governmental certificates, or G Certificates, are unique to the State of Washington and are awarded by the Washington Utilities and Transportation Commission, or WUTC, to solid waste collection service providers in unincorporated areas and electing municipalities. These certificates typically grant the holder the exclusive and perpetual right to provide specific residential, commercial and/or industrial waste services in a defined territory at specified rates subject to divestiture and/or overlap or cancellation by the WUTC on specified, limited grounds. Franchise agreements typically provide an exclusive period of seven years or longer for a specified territory; they specify a broad range of services to be provided, establish rates for the services and often give the service provider a right of first refusal to extend the term of the agreement. Municipal contracts typically provide a shorter service period and a more limited scope of services than franchise agreements and generally require competitive bidding at the end of the contract term. In markets where exclusive arrangements are not available, we may enter into residential contracts with homeowners' associations, apartment owners and mobile home park operators, or work on a subscription basis with individual households. In such markets, we may also provide commercial and industrial services under customer service agreements generally ranging from one to five years in duration. Finally, in certain E&P markets with "no pit" rules or other regulations that limit on-site storage or treatment of waste, we offer containers and collection services to provide a closed loop system for the collection of drilling wastes at customers' well sites and subsequent transportation of the waste to our facilities for treatment and disposal.

Landfill Disposal Services

As of December 31, 2015, we owned or operated 44 MSW landfills, nine E&P waste landfills, which only accept E&P waste and nine non-MSW landfills, which only accept construction and demolition, industrial and other non-putrescible waste. Eleven of our MSW landfills also received E&P waste during 2015. We generally own landfills to achieve vertical integration in markets where the economic and regulatory environments make landfill ownership attractive. We also own landfills in certain markets where it is not necessary to provide collection services because we believe that we are able to attract volume to our landfills, given our location or

other market dynamics. Over time, MSW landfills generate a greenhouse gas, methane, which can be converted into a valuable source of clean energy. We deploy gas recovery systems at 33 of our landfills to collect methane, which can then be used to generate electricity for local households, fuel local industrial power plants, power alternative fueled vehicles, or qualify for carbon emission credits.

Our developed and operational landfill facilities consisted of the following at December 31, 2015:

Owned and operated landfills	52
Operated landfills under life-of-site agreements	5
Operated landfills under limited-term operating agreements	5
	62

Under landfill operating agreements, the owner of the property, generally a municipality, usually owns the permit and we operate the landfill for a contracted term, which may be the life of the landfill. Where the contracted term is not the life of the landfill, the property owner is generally responsible for final capping, closure and post-closure obligations. We are responsible for all final capping, closure and post-closure obligations at our operated landfills for which we have life-of-site agreements.

The expiration dates of two of our operating agreements for which the contracted term is less than the life of the landfill occur in 2017. These two landfills contributed $1.4 million of revenue during the year ended December 31, 2015. The expiration dates of the remaining three operating agreements for which the contracted term is less than the life of the landfill range from 2018 to 2024. These three landfills contributed $5.2 million of revenue during the year ended December 31, 2015. We intend to seek renewal of these contracts prior to, or upon, their expiration.

Based on remaining permitted capacity as of December 31, 2015, and projected annual disposal volumes, the average remaining landfill life for our owned and operated landfills and landfills operated, but not owned, under life-of-site agreements, is estimated to be approximately 32 years. Many of our existing landfills have the potential for expanded disposal capacity beyond the amount currently permitted. We regularly consider whether it is advisable, in light of changing market conditions and/or regulatory requirements, to seek to expand or change the permitted waste streams or to seek other permit modifications. We also monitor the available permitted in-place disposal capacity of our landfills on an ongoing basis and evaluate whether to seek capacity expansion using a variety of factors.

We are currently seeking to expand permitted capacity at nine of our landfills, for which we consider expansions to be probable. Although we cannot be certain that all future expansions will be permitted as designed, the average remaining landfill life for our owned and operated landfills and landfills operated, but not owned, under life-of-site agreements is estimated to be approximately 38 years when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume.

The following table reflects estimated landfill capacity and airspace changes, as measured in tons, for owned and operated landfills and landfills operated, but not owned, under life-of-site agreements (in thousands):

	2015			**2014**		
	Permitted	**Probable Expansion**	**Total**	**Permitted**	**Probable Expansion**	**Total**
Balance, beginning of year	714,155	105,498	819,653	668,052	146,933	814,985
Acquired landfills	40,343	41,432	81,775	19,994	-	19,994
Permits granted	9,846	(9,846)	-	31,265	(31,265)	-
Airspace consumed	(21,331)	-	(21,331)	(20,486)	-	(20,486)
Expansions initiated	-	21,731	21,731	-	-	-
Changes in engineering estimates	12,583	4,643	17,226	15,330	(10,170)	5,160
Balance, end of year	755,596	163,458	919,054	714,155	105,498	819,653

The estimated remaining operating lives for the landfills we own and landfills we operate under life-of-site agreements, based on remaining permitted and probable expansion capacity and projected annual disposal volume, in years, as of December 31, 2015, and December 31, 2014, are shown in the tables below. The estimated remaining operating lives include assumptions that the operating permits are renewed.

	2015						
	0 to 5	**6 to 10**	**11 to 20**	**21 to 40**	**41 to 50**	**51+**	**Total**
Owned and operated landfills	1	1	8	24	8	10	52
Operated landfills under life-of-site agreements	-	-	2	1	1	1	5
	1	1	10	25	9	11	57

	2014						
	0 to 5	**6 to 10**	**11 to 20**	**21 to 40**	**41 to 50**	**51+**	**Total**
Owned and operated landfills	1	3	4	17	6	16	47
Operated landfills under life-of-site agreements	1	-	3	1	-	1	6
	2	3	7	18	6	17	53

The disposal tonnage that we received in 2015 and 2014 at all of our landfills is shown in the tables below (tons in thousands):

	Three months ended								
	March 31, 2015		**June 30, 2015**		**September 30, 2015**		**December 31, 2015**		**Twelve months ended December 31, 2015**
	Number of Sites	**Total Tons**	**Number of Sites**	**Total Tons**	**Number of Sites**	**Total Tons**	**Number of Sites**	**Total Tons**	
Owned operational landfills and landfills operated under life-of-site agreements	54	4,566	54	5,429	55	5,821	57	5,515	21,331
Operated landfills	5	116	5	121	5	153	5	125	515
	59	4,682	59	5,550	60	5,974	62	5,640	21,846

	Three months ended								
	March 31, 2014		**June 30, 2014**		**September 30, 2014**		**December 31, 2014**		**Twelve months ended December 31, 2014**
	Number of Sites	**Total Tons**	**Number of Sites**	**Total Tons**	**Number of Sites**	**Total Tons**	**Number of Sites**	**Total Tons**	
Owned operational landfills and landfills operated under life-of-site agreements	50	4,545	50	5,139	51	5,562	53	5,240	20,486
Operated landfills	5	116	5	124	5	130	5	121	491
	55	4,661	55	5,263	56	5,692	58	5,361	20,977

Transfer Station and Intermodal Services

As of December 31, 2015, we owned or operated 64 MSW transfer stations and five E&P waste transfer stations with marine access. Transfer stations receive, compact and/or load waste to be transported to landfills or treatment facilities via truck, rail or barge. They extend our direct-haul reach and link collection operations or waste generators with distant disposal or treatment facilities by concentrating the waste stream from a wider area and thus providing better utilization rates and operating efficiencies.

Intermodal logistics is the movement of containers using two or more modes of transportation, usually including a rail or truck segment. We entered the intermodal services business in the Pacific Northwest through the acquisition of Northwest Container Services, Inc., which provides repositioning, storage, maintenance and repair of cargo containers for international shipping companies. We provide these services for containerized cargo primarily to international shipping companies importing and exporting goods through the Pacific Northwest. We also operate two intermodal facilities primarily for the shipment of waste by rail to distant

disposal facilities that we do not own. As of December 31, 2015, we owned or operated seven intermodal operations in Washington and Oregon. Our fleet of double-stack railcars provides dedicated direct-line haul services among terminals in Portland, Tacoma and Seattle. We have a contract with Union Pacific railroad for the movement of containers among our seven intermodal operations. We also provide our customers container and chassis sales and leasing services.

We intend to further expand our intermodal business through cross-selling efforts with our solid waste services operations. We believe that a significant amount of solid waste is transported currently by truck, rail and barge from primarily the Seattle-Tacoma and Metro Portland areas to remote landfills in Eastern Washington and Eastern Oregon. We believe our ability to market both intermodal and disposal services will enable us to more effectively compete for these volumes.

Recycling Services

We offer residential, commercial, industrial and municipal customers recycling services for a variety of recyclable materials, including compost, cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own or operate 37 recycling operations and sell other collected recyclable materials to third parties for processing before resale. The majority of the recyclables we process for sale are paper products and are shipped primarily to customers in Asia. Changes in end market demand as well as other factors can cause fluctuations in the prices for such commodities, which can affect revenue, operating income and cash flows. To reduce our exposure to commodity price volatility and risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volumes collected from third parties. We believe that recycling will continue to be an important component of local and state solid waste management plans due to the public's increasing environmental awareness and expanding regulations that mandate or encourage recycling.

E&P Waste Treatment, Recovery and Disposal Services

E&P waste is a broad term referring to the by-products resulting from oil and natural gas exploration and production activity. These generally include: waste created throughout the initial drilling and completion of an oil or natural gas well, such as drilling fluids, drill cuttings, completion fluids and flowback water; production wastes and produced water during a well's operating life; contaminated soils that require treatment during site reclamation; and substances that require clean-up after a spill, reserve pit clean-up or pipeline rupture. E&P customers are oil and natural gas exploration and production companies operating in the areas that we serve. E&P revenue is therefore driven by vertical and horizontal drilling, hydraulic fracturing, production and clean-up activity; it is complemented by other services including closed loop collection systems and the sale of recovered products. E&P activity varies across market areas which are tied to the natural resource basins in which the drilling activity occurs and reflects the regulatory environment, pricing and disposal alternatives available in any given market.

Our customers are generally responsible for the delivery of their waste streams to us. We receive flowback water, produced water and other drilling and production wastes at our facilities in vacuum trucks, dump trucks or containers deposited by roll-off trucks. In certain markets, we offer bins and rails systems that capture and separate liquid and solid oilfield waste streams at our customers' well sites and deliver the drilling and production wastes to our facilities. Waste generated by offshore drilling is delivered by supply vessel from the drilling rig to one of our transfer stations, where the waste is then transferred to our network of barges for transport to our treatment facilities.

As of December 31, 2015, we provided E&P waste treatment, recovery and/or disposal services from a network of nine E&P waste landfills, eleven MSW landfills that also received E&P waste during 2015, 24 E&P liquid waste injection wells and 20 E&P waste treatment and oil recovery facilities. Treatment processes vary by site and regulatory jurisdiction. At certain treatment facilities, loads of flowback and produced water and other drilling and production wastes delivered by our customers are sampled, assessed and tested by third parties according to state regulations. Solids contained in a waste load are deposited into a land treatment cell where liquids are removed from the solids and are sent through an oil recovery system before being injected into saltwater disposal injection wells or placed in evaporation cells that utilize specialized equipment to accelerate evaporation of liquids. In certain locations, fresh water is then added to the remaining solids in the cell to "wash" the solids several times to remove contaminants, including oil and grease, chlorides and other contaminants, to ensure the solids meet specific regulatory criteria that, in certain areas, are administered by third-party labs and submitted to the regulatory authorities.

After the washing or treatment process, the treated solids are designated "reuse materials," and are no longer considered a waste product by state regulation. These materials are dried, removed from the treatment cells, stockpiled and compacted in designated stockpile areas on site and at certain locations are available for use as feedstock for roadbase. At certain of our facilities, during the treatment process we reclaim oil for resale and we treat and recycle liquids for re-use in our operations or for sale to third parties as fresh or brine water.

COMPETITION

The U.S. municipal solid waste services industry is highly competitive and requires substantial labor and capital resources. Besides Waste Connections, the industry includes: two national, publicly held solid waste companies – Waste Management, Inc. and Republic Services, Inc.; several regional, publicly held and privately owned companies; and several thousand small, local, privately owned companies. Certain of the markets in which we compete or will likely compete are served by one or more large, national solid waste companies, as well as by numerous regional and local solid waste companies of varying sizes and resources, some of which we believe have accumulated substantial goodwill in their markets. We compete for collection, transfer and disposal volume based primarily on the price and, to a lesser extent, quality of our services. We also compete with operators of alternative disposal facilities, including incinerators, and with counties, municipalities and solid waste districts that maintain their own waste collection and disposal operations. Public sector operators may have financial and other advantages over us because of their access to user fees and similar charges, tax revenues, tax-exempt financing and the ability to flow-control waste streams to publicly owned disposal facilities.

From time to time, competitors may reduce the price of their services in an effort to expand their market shares or service areas or to win competitively bid municipal contracts. These practices may cause us to reduce the price of our services or, if we elect not to do so, to lose business. We provide a significant amount of our residential, commercial and industrial collection services under exclusive franchise and municipal contracts and G Certificates. Exclusive franchises and municipal contracts may be subject to periodic competitive bidding.

The U.S. municipal solid waste services industry has undergone significant consolidation, and we encounter competition in our efforts to acquire collection operations, transfer stations and landfills. We generally compete for acquisition candidates with publicly owned regional and national waste management companies. Accordingly, it may become uneconomical for us to make further acquisitions or we may be unable to locate or acquire suitable acquisition candidates at price levels and on terms and conditions that we consider appropriate, particularly in markets we do not already serve. Competition in the disposal industry is also affected by the increasing national emphasis on recycling and other waste reduction programs, which may reduce the volume of waste deposited in landfills.

Competition for E&P waste comes primarily from smaller regional companies that utilize a variety of disposal methods and generally serve specific geographic markets. We also compete in certain markets with publicly held and privately owned companies such as Waste Management, Inc., Republic Services, Inc., Clean Harbors, Inc., Secure Energy Services Inc., Nuverra Environmental Solutions, Trinity Environmental Services, LLC and Ecoserv. In addition, customers in many markets have the option of using internal disposal methods or outsourcing to another third-party disposal company. The principal competitive factors in this business include: gaining customer approval of treatment and disposal facilities; location of facilities in relation to customer activity; reputation; reliability of services; track record of environmental compliance; ability to accept multiple waste types at a single facility; and price.

The intermodal services industry is also highly competitive. We compete against other intermodal rail services companies, trucking companies and railroads, many of which have greater financial and other resources than we do. Competition is based primarily on price, reliability and quality of service.

REGULATION

Introduction

Our operations, including landfills, solid waste transportation, transfer stations, intermodal operations, vehicle maintenance shops, fueling facilities, and oilfield waste treatment, recovery and disposal operations, are all subject to extensive and evolving federal, state and local environmental, health, and safety laws and regulations, the enforcement of which has become increasingly stringent. These laws and regulations may, among other things, require the acquisition of permits or other authorizations for regulated activities; govern the amounts and types of substances that may be released into the environment in connection with our operations; impose clean-up or corrective action responsibility for releases of regulated substances into the environment; restrict the way we handle or dispose of wastes; limit or prohibit our or our customers' activities in sensitive areas such as wetlands, wilderness areas or areas inhabited by endangered or threatened species; require investigatory and remedial actions to mitigate pollution conditions caused by our operations or attributable to former operations; and impose specific standards addressing worker protection and health. Compliance is often costly or difficult, and the violation of these laws and regulations may result in the denial or revocation of permits, issuance of corrective action orders, assessment of administrative and civil penalties and even criminal prosecution. In many instances, liability is often "strict," meaning it is imposed without a requirement of intent or fault on the part of the regulated entity. The environmental regulations that affect us are administered by the Environmental Protection Agency, or the EPA, and numerous

other federal, state and local agencies having jurisdiction over our operations including environmental, health and safety, zoning and other areas. For example, the WUTC regulates the portion of our collection business in Washington performed under G Certificates.

With regard to any permit or authorization issued by a regulatory agency necessary for our operations, there are no assurances that we will be able to obtain or maintain all necessary permits or authorizations. With regard to any permit or authorization that has been issued, it remains subject to removal, modification, suspension or revocation by the agency with jurisdiction.

We currently comply in all material respects with applicable federal, state and local environmental and occupational health and safety laws, permits, orders and regulations. In addition, we attempt to anticipate future regulatory requirements and plan in advance as necessary to comply with them. We do not presently anticipate incurring any material costs to bring our operations into environmental compliance with existing or expected future regulatory requirements, although we can give no assurance that this will not change in the future. It is possible that substantial costs for compliance or penalties for non-compliance may be incurred in the future. It is also possible that other developments, such as the adoption of additional or stricter environmental laws, regulations and enforcement policies, could result in additional costs or liabilities that we cannot currently quantify. Moreover, changes in environmental laws or regulations could reduce the demand for our services and adversely impact our business. For example, changes in environmental laws or regulations could limit our customers' oil and natural gas E&P businesses or encourage our customers to handle and dispose of oil and natural gas E&P wastes in other ways.

Various federal and state laws impose clean-up or remediation liability on responsible parties, which are discussed in more detail below. Substances subject to clean-up liability have been or may have been disposed of or released on or under certain of our sites, including our E&P sites. At some of our facilities, we have conducted and continue to conduct monitoring or remediation of known soil and groundwater contamination, and we will continue to perform such monitoring and remediation of known contamination, including any post-remediation groundwater monitoring that may be required, until the appropriate regulatory standards have been achieved. These monitoring and remediation efforts are usually overseen by state environmental regulatory agencies. Further, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other pollutants into the environment.

In addition, from time to time our intermodal services business transports hazardous materials in substantial compliance with federal transportation requirements.

A number of the major federal, state and local statutes and regulations that apply to our operations are described generally below. Certain of the statutes described below contain provisions that authorize, under certain circumstances, lawsuits by private citizens to enforce the provisions of the statutes. In addition to penalties, some of those statutes authorize an award of attorneys' fees to parties that successfully bring such an action. Enforcement actions under these statutes may include both civil and criminal penalties, as well as injunctive relief in some instances.

The Resource Conservation and Recovery Act of 1976, or RCRA

RCRA regulates the generation, treatment, storage, handling, transportation and disposal of solid waste and requires states to develop programs to ensure the safe disposal of solid waste. RCRA generally divides solid waste into two groups, hazardous and nonhazardous. Wastes are generally classified as hazardous if they either: (1) are specifically included on a list of hazardous wastes or (2) exhibit certain characteristics defined as hazardous. Household wastes are specifically designated as nonhazardous. Wastes classified as hazardous under RCRA are subject to much stricter regulation than wastes classified as nonhazardous, and businesses that deal with hazardous waste are subject to regulatory obligations in addition to those imposed on handlers of nonhazardous waste. Some of our ancillary operations, such as vehicle maintenance operations, may generate hazardous wastes. We manage these wastes in substantial compliance with applicable laws.

In October 1991, the EPA adopted the Subtitle D Regulations governing solid waste landfills. The Subtitle D Regulations, which generally became effective in October 1993, include location restrictions, minimum facility design and performance standards, operating criteria, closure and post-closure requirements, financial assurance requirements, groundwater monitoring requirements, groundwater remediation standards and corrective action requirements. In addition, the Subtitle D Regulations require that new landfill sites meet more stringent liner design criteria (typically, composite soil and synthetic liners or two or more synthetic liners) intended to keep leachate out of groundwater and have extensive collection systems to carry away leachate for treatment prior to disposal. Groundwater monitoring wells must also be installed at virtually all landfills to monitor groundwater quality and, indirectly, the effectiveness of the leachate collection system. The Subtitle D Regulations also require, where certain regulatory thresholds are exceeded, that facility owners or operators control emissions of methane gas generated at landfills in a manner intended to protect human health and the environment. Each state is required to revise its landfill regulations to meet these requirements or such requirements will be imposed by the EPA on landfill owners and operators in that state. Each state is also required to adopt and

implement a permit program or other appropriate system to ensure that landfills in the state comply with the Subtitle D Regulations. Accordingly, we are required to obtain permits for landfills that we operate. Moreover, various states in which we operate or may operate in the future have adopted regulations or programs as stringent as, or more stringent than, the Subtitle D Regulations.

Most E&P waste is exempt from stringent regulation as a hazardous waste under RCRA. None of our oilfield waste recycling, treatment, and disposal facilities are currently permitted to accept hazardous wastes for disposal, and we take precautions to mitigate the potential that hazardous wastes could enter or be disposed of at these facilities. Some wastes handled by us that currently are exempt from treatment as hazardous wastes may in the future be designated as "hazardous wastes" under RCRA or other applicable statutes. For example, in September 2010, a nonprofit environmental group filed a petition with the EPA requesting reconsideration of the RCRA E&P waste exemption. Although the EPA has not yet formally responded to the petition, if the RCRA E&P waste exemption is repealed or modified, we could become subject to more rigorous and costly operating and disposal requirements.

We are required to obtain permits for the land treatment and disposal of E&P waste as part of our operations. The construction, operation and closure of E&P waste land treatment and disposal operations are generally regulated at the state level. These regulations vary widely from state to state.

In the course of our E&P waste operations, some of our equipment may be exposed to naturally occurring radiation associated with oil and gas deposits, and this exposure may result in the generation of wastes containing naturally occurring radioactive materials, or NORM. NORM wastes exhibiting trace levels of naturally occurring radiation in excess of established state standards are subject to special handling and disposal requirements, and any storage vessels, piping and work area affected by NORM may be subject to remediation or restoration requirements. It is possible that we may incur costs or liabilities associated with elevated levels of NORM.

With respect to any of our permitted facilities, permits can impose various requirements and may restrict the size and location of disposal operations, impose limits on the types and amount of waste a facility may receive and the overall capacity of a waste disposal facility. States may add additional restrictions on the operations of a disposal facility when a permit is renewed or amended. As these regulations change, our permit requirements could become more stringent and may require material expenditures at our facilities or impose significant restraints, or new or additional financial assurances on our operations.

RCRA also regulates underground storage of petroleum and other materials it defines as "regulated substances." RCRA requires registration, compliance with technical standards for tanks, release detection and reporting, and corrective action, among other things. Certain of our facilities and operations are subject to these requirements and these requirements are typically implemented at the state level.

The Federal Water Pollution Control Act of 1972, or the Clean Water Act

The Clean Water Act regulates the discharge of pollutants from a variety of sources, including, without limitation, solid waste disposal sites, transfer stations, and oilfield waste facilities, into waters of the United States, including surface and ground waters. If run-off or other contaminants from our owned or operated transfer stations or oilfield waste facilities or run-off, collected leachate or other contaminants from our owned or operated landfills is discharged into streams, rivers or other surface waters, the Clean Water Act would require us to respond, apply for and obtain a discharge permit, conduct sampling and monitoring and, under certain circumstances, reduce the quantity of pollutants in such discharge. Also, virtually all landfills are required to comply with the EPA's storm water regulations issued in November 1990, which are designed to prevent contaminated landfill storm water run-off from flowing into surface waters. Spill prevention, control and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of regulated waters in the event of a hydrocarbon storage tank spill, rupture or leak. We believe that our facilities comply in all material respects with the Clean Water Act requirements. Various states in which we operate or may operate in the future have been delegated authority to implement the Clean Water Act and its permitting requirements, and some of these states have adopted regulations that are more stringent than the federal Clean Water Act requirements. For example, states often require permits for discharges that may impact ground water as well as surface water. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act and analogous state laws and regulations. We believe that compliance with existing permits and regulatory requirements under the Clean Water Act and state counterparts will not have a material adverse effect on our business. Future changes to permits or regulatory requirements under the Clean Water Act, however, could adversely affect our business.

Safe Drinking Water Act, or SDWA

Our E&P underground injection operations are subject to the SDWA, as well as analogous state laws and regulations. Under the SDWA, the EPA established the underground injection control or UIC program, which includes requirements for permitting, testing,

monitoring, record keeping, and reporting of injection well activities, as well as a prohibition against the migration of fluid containing any contaminant into underground sources of drinking water. State regulations require us to obtain a permit from the applicable regulatory agencies to operate our underground injection wells. We believe that we have obtained the necessary permits from these agencies for our underground injection wells and that we are in substantial compliance with permit conditions and state rules. Although we monitor the injection process of our wells, any leakage from the subsurface portions of the injection wells could cause degradation of fresh groundwater resources, potentially resulting in suspension of our UIC permit, issuance of fines and penalties from governmental agencies, incurrence of expenditures for remediation of the affected resource and imposition of liability by third parties for property damages and personal injuries. In addition, our sales of residual crude oil collected as part of the saltwater injection process could impose liability on us in the event that the entity to which the oil was transferred fails to manage and, as necessary, dispose of residual crude oil in accordance with applicable environmental and occupational health and safety laws.

Oil Pollution Act of 1990, or OPA

The OPA, as amended, establishes strict liability for owners and operators of facilities that are the site of a release of oil into the waters of the U.S. The OPA also imposes ongoing requirements on owners or operators of facilities that handle certain quantities of oil, including the preparation of oil spill response plans and proof of financial responsibility to cover environmental clean-up and restoration costs that could be incurred in conjunction with an oil spill. We handle oil at many of our facilities, and if a release of oil into the waters of the U.S. occurred at one of our facilities, we could be liable for clean-up costs and damages under the OPA.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or CERCLA

CERCLA, which is also known as the "Superfund" law, established a regulatory and remedial program intended to provide for the investigation and clean-up of facilities where, or from which, a release of any hazardous substance into the environment has occurred or is threatened. CERCLA's primary mechanism to address such a release or threatened release is to impose strict joint and several liability for clean-up of facilities on responsible parties. Responsible parties are current owners and operators of the site, former owners and operators of the site at the time of the disposal of the hazardous substances, any person who arranged for the transportation, disposal or treatment of the hazardous substances, and the transporters who selected the disposal and/or treatment facilities, regardless of the intent or care exercised by such persons. CERCLA also imposes liability for the cost of evaluating and remedying any damage to natural resources. The costs of CERCLA investigation and clean-up can be very substantial. Liability under CERCLA does not depend on the existence or disposal of "hazardous waste" as defined by RCRA; it can also be based on the release of even very small amounts of the more than 700 "hazardous substances" listed by the EPA, many of which can be found in household waste. In addition, the definition of "hazardous substances" in CERCLA incorporates substances designated as hazardous or toxic under the federal Clean Water Act, Clear Air Act and Toxic Substances Control Act.

We may handle hazardous substances within the meaning of CERCLA, or similar state statutes, in the course of our ordinary operations and, as a result, may be jointly and severally liable under CERCLA for all or part of the costs required to clean up sites if and where these hazardous substances have been released into the environment. If we were found to be a responsible party for a CERCLA clean-up, the enforcing agency could hold us, or any other responsible party liable for all investigative and all response costs, even if others were also liable. Under such laws, we could be required to remove previously disposed substances and wastes (including substances disposed of or released by prior owners or operators) or remediate contaminated property (including groundwater contamination, whether from prior owners or operators or other historic activities or spills). These laws may also require us to conduct natural resource damage assessments and pay penalties for such damages. These laws and regulations may also expose us to liability for our acts that were in compliance with applicable laws at the time the acts were performed.

CERCLA also authorizes the imposition of a lien in favor of the United States on all real property subject to, or affected by, a remedial action for all costs for which a party is liable. Subject to certain procedural restrictions, CERCLA gives a responsible party the right to bring a contribution or cost recovery action against other responsible parties for their allocable shares of investigative and remedial costs. Our ability to obtain reimbursement from others for their allocable shares of such costs would be limited by our ability to find other responsible parties and prove the extent of their responsibility, their financial resources, and other procedural requirements. Various state laws also impose liability, which is typically strict and joint and several, for investigation, clean-up and other damages associated with the release of hazardous or other regulated substances.

The Clean Air Act, or CAA

The CAA generally regulates emissions of air pollutants from emissions sources, including certain landfills and oilfield waste facilities, based on factors such as the date of the construction and tons per year of emissions of regulated pollutants. Typically, federal requirements are implemented at the state level. The CAA and analogous state laws require permits for and impose other restrictions on facilities that have the potential to emit pollutants into the atmosphere above certain specified quantities or in a manner that could

adversely affect environmental quality. Failure to obtain a permit or to comply with permit requirements could result in the imposition of substantial administrative, civil and even criminal penalties.

Larger landfills and landfills located in areas where the ambient air does not meet certain air quality standards called for by the CAA may be subject to even more extensive air pollution controls and emission limitations. In addition to the potential CAA permitting of landfill facilities, CAA permitting may be required for the construction of gas collection and flaring systems, composting and other operations. In some instances, operating permits may be required depending on the nature and volume of air emissions. Further, in those situations where major source permitting is not required, typically state laws and rules will require permitting or authorization as a type of minor source.

Additional or more stringent regulations of our facilities may occur in the future, which could increase operating costs or impose additional compliance burdens. In July 2014, the EPA proposed "Subpart XXX," a New Source Performance Standard, or NSPS, that would apply to newly constructed or modified municipal solid waste, or MSW, landfills. Subpart XXX would reduce the non-methane organic compounds, or NMOC, emission threshold at which MSW landfills must install controls, require compliance even during periods of start-up, shutdown, and malfunction, and impose other requirements. In August 2015, the EPA proposed a supplemental proposal for the Standard of Performance for MSW landfills. This "supplemental" proposal would address the NMOC emission rate threshold at which gas collection and controls must be installed at an MSW landfill. Further, in July 2014, the EPA used an Advanced Notice of Proposed Rule Making ("ANPRM") seeking input on methods to reduce emissions from existing MSW landfills. This ANPRM was used to determine if additional changes to existing landfill NSPS were required beyond the proposed Subpart XXX. Based upon this ANPRM, the EPA proposed in August 2015 a new Subpart Cf that updates existing Emission Guidelines and Compliance Times for MSW landfills. The proposal would generally apply to landfills that accepted waste after November 8, 1987 and commenced construction or modification on or before July 17, 2014. The proposal would be expected to result in the reduction of landfill gas emissions, including methane, by lowering the thresholds where an MSW landfill must install a gas collection and control system. It is expected that, if implemented, the proposed Subpart Cf would ultimately affect existing sources that may not have been affected by proposed Subpart XXX. State air regulatory programs may impose additional restrictions beyond federal requirements. For example, some state air programs uniquely regulate odor and the emission of toxic air pollutants.

In addition, the EPA recently modified, or is in the process of modifying, other standards promulgated under the CAA in a manner which could increase our compliance costs. For example, the EPA has recently modified or discussed modifying national ambient air quality standards applicable to particulate matter, carbon monoxide, and oxides of sulfur and nitrogen, and other standards to make them more stringent.

In addition, our customers' operations may be subject to existing and future CAA permitting and regulatory requirements that could have a material effect on their operations, which could have an adverse effect on our business. For example, on April 17, 2012, the EPA approved new CAA rules requiring additional emissions controls and practices for oil and natural gas production wells, including wells that are the subject of hydraulic fracturing operations. These rules may increase the costs to our customers of developing and producing hydrocarbons, and as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers.

Climate Change Laws and Regulations

Generally, the promulgation of climate change laws or rules restricting greenhouse gas emissions could increase our costs to operate. For example, the EPA's current and proposed regulation of greenhouse gas, or GHG, emissions may impact our operations. In 2009, the EPA made an endangerment finding allowing GHGs to be regulated under the CAA. The CAA requires stationary sources of air pollution to obtain New Source Review, or NSR, permits prior to construction and, in some cases, Title V operating permits. Pursuant to the EPA's rulemakings and interpretations, certain Title V and NSR Prevention of Significant Deterioration, or PSD, permits issued on or after January 2, 2011, must address GHG emissions. As a result, new or modified emissions sources may be required to install Best Available Control Technology to limit GHG emissions. The EPA's proposed Subpart XXX would also require the reduction of GHG emissions from new or modified landfills, and the EPA published in July 2014 an Advanced Notice of Proposed Rulemaking, or ANPRM, that sought public comment on rules that would reduce GHG emissions from existing landfills. In addition, the EPA's Mandatory Greenhouse Gas Reporting Rule sets monitoring, recordkeeping, and reporting requirements applicable to certain landfills and other entities.

At the state level, on September 27, 2006, California enacted AB 32, the Global Warming Solutions Act of 2006, which established the first statewide program in the United States to limit GHG emissions and impose penalties for non-compliance. Because landfill and collection operations emit GHGs, our operations in California are subject to regulations issued under AB 32. The California Air Resources Board, or CARB, has taken, and plans to take, various actions to implement AB 32. CARB approved a landfill methane control measure, which became effective in June 2010, and this measure requires that certain uncontrolled landfills

install gas collection and control systems and also sets operating standards for gas collection and control systems. In addition, CARB implemented a GHG cap-and-trade program, which began imposing compliance obligations in January 2013.

State climate change laws could also affect our non-California operations. For example, the Western Climate Initiative, which once included seven states and four Canadian provinces, has developed GHG reduction strategies, among them a GHG cap-and-trade program.

Heightened regulation of our customers' operations, could also adversely affect our business. The regulation of GHG emissions from oil and gas E&P operations may increase the costs to our customers of developing and producing hydrocarbons and, as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers. On August 18, 2015, the EPA proposed measures to cut methane and volatile organic compounds, or VOC, emissions from the oil and natural gas industry. The measures include proposed NSPS Subpart OOOO, which sets methane and VOC requirements for certain new and modified sources, including hydraulically fractured oil wells, pneumatic pumps, compressors and pneumatic controllers. The State of Colorado adopted rules in February 2014 that would directly regulate methane emissions from the oil and gas sector, and other states have subsequently adopted or considered similar regulations, including Wyoming, California and Ohio.

These statutes and regulations increase the costs of our and our customers' operations, and future climate change statutes and regulations may have an impact as well. If we are unable to pass such higher costs through to our customers, or if our customers' costs of developing and producing hydrocarbons increase, our business, financial condition and operating results could be adversely affected.

The Occupational Safety and Health Act of 1970, or the OSH Act

The OSH Act is administered by the Occupational Safety and Health Administration, or OSHA, and many state agencies whose programs have been approved by OSHA. The OSH Act establishes employer responsibilities for worker health and safety, including the obligation to maintain a workplace free of recognized hazards likely to cause death or serious injury, comply with adopted worker protection standards, maintain certain records, provide workers with required disclosures and implement certain health and safety training programs. Various OSHA standards may apply to our operations, including standards concerning notices of hazards, safety in excavation and demolition work, the handling of asbestos and asbestos-containing materials and worker training and emergency response programs. Moreover, the Department of Transportation, OSHA and other agencies regulate and have jurisdiction concerning the transport, movement, and related safety of hazardous and other regulated materials. In some instances, state and local agencies also regulate the safe transport of such materials to the extent not preempted by federal law.

Hydraulic Fracturing Regulation

We do not conduct hydraulic fracturing operations, but we do provide treatment, recovery and disposal services with respect to the fluids used and wastes generated by our customers in such operations, which are often necessary to drill and complete new wells and maintain existing wells. Recently, there has been increased public concern regarding the alleged potential for hydraulic fracturing to adversely affect drinking water supplies, and proposals have been made to enact separate federal legislation or legislation at the state and local government levels that would increase the regulatory burden imposed on hydraulic fracturing. Bills and regulations have been proposed and/or adopted at the federal, state and local levels that would regulate, restrict or prohibit hydraulic fracturing operations or require the reporting and public disclosure of chemicals used in the hydraulic fracturing process. Additionally, the EPA is currently studying the environmental impacts of hydraulic fracturing on drinking water. The EPA released its Draft Assessment outlining its findings in June 2015. In 2014, the EPA proposed or discussed new rules that would regulate hydraulic fracturing and the treatment and disposal of E&P wastes associated with fracturing.

Hydraulic fracturing is regulated extensively at the state level, typically by state oil and natural gas commissions and similar agencies. Certain states and localities have placed moratoria or bans on hydraulic fracturing or the disposal of waste therefrom, or have considered the same. For example, in December 2014, New York announced its intention to ban hydraulic fracturing, and bans or moratoria are in effect in localities in California, Colorado, Ohio, Pennsylvania and Texas, as well as in other states. Several states, including Louisiana, New Mexico, North Dakota, Oklahoma, Texas and Wyoming, where we conduct business, have adopted or proposed laws and/or regulations to require oil and natural gas operators to disclose information concerning their operations, which could result in increased public scrutiny.

As part of its efforts to regulate hydraulic fracturing, the EPA developed a proposed rule to amend the Effluent Limitations Guidelines and Standards, or ELGs, to address discharges of wastewater pollutants from onshore unconventional oil and gas extraction facilities to publicly-owned treatment works, or POTWs. The EPA sent the proposed rule to the White House Office of Management & Budget in November 2014 for pre-publication review and published the proposed rule in April 2015. The EPA is

currently conducting a detailed study of centralized waste treatment, or CWT, facilities accepting oil and gas extraction wastewater to ensure that current controls are adequate and to analyze the environmental impacts of discharges from CWTs, available treatment technologies and their costs. In May 2014, the EPA issued an ANPR under the Toxic Substances Control Act, or TSCA, seeking comment on whether and how the EPA should regulate the reporting or disclosure of the use of hydraulic fracturing chemical substances and mixtures. The EPA also released in 2014 guidance concerning the applicability of the SDWA to hydraulic fracturing operations. The impacts of these rules that the EPA is proposing or considering will be uncertain until the rules are finalized.

If the EPA's newly proposed or discussed rules, or other new federal, state or local laws or regulations that significantly restrict hydraulic fracturing, are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities and make it more difficult or costly for our customers to perform hydraulic fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could reduce oil and natural gas exploration and production activities by our customers and, therefore, adversely affect our business. Such laws or regulations could also materially increase our costs of compliance.

Flow Control/Interstate Waste Restrictions

Certain permits and approvals and state and local regulations may limit a landfill's or transfer station's ability to accept waste that originates from specified geographic areas, import out-of-state waste or wastes originating outside the local jurisdictions or otherwise discriminate against non-local waste. These restrictions, generally known as flow control restrictions, are controversial, and some courts have held that some state and local flow control schemes violate constitutional limits on state or local regulation of interstate commerce, while other state and local flow control schemes do not. Certain state and local jurisdictions may seek to enforce flow control restrictions through local legislation or contractually. These actions could limit or prohibit the importation of wastes originating outside of local jurisdictions or direct that wastes be handled at specified facilities. Such actions could adversely affect our transfer stations and landfills. These restrictions could also result in higher disposal costs for our collection operations. If we were unable to pass such higher costs through to our customers, our business, financial condition and operating results could be adversely affected. Additionally, certain local jurisdictions have sought or may seek to impose extraterritorial obligations on our operations in an effort to affect flow control and enforce tax and fee arrangements on behalf of such jurisdictions.

Disposal of Drilling Fluids

Certain of our facilities accept drilling fluids and other E&P wastes for disposal via underground injection. While generally regulated at the state level, claims, including some regulatory actions, have been brought against some owners or operators of these types of facilities for nuisance, seismic disturbances, and other claims in relation to the operation of underground injection facilities. To date, our facilities have not been subject to any such litigation.

State and Local Regulations

Each state in which we now operate or may operate in the future has laws and regulations governing the management, generation, storage, treatment, handling, transportation and disposal of solid waste, oilfield waste, occupational safety and health, water and air pollution and, in most cases, the siting, design, operation, maintenance, corrective action, closure and post-closure maintenance of landfills and transfer stations. State and local permits and approval for these operations may be required and may be subject to periodic renewal, modification or revocation by the issuing agencies. In addition, many states have adopted statutes comparable to, and in some cases more stringent than, their federal counterparts, including CERCLA. State law analogous to CERCLA typically impose requirements for investigation and clean-up of contaminated sites and liability for costs and damages associated with such sites, and some provide for the imposition of liens on property owned by responsible parties.

Many municipalities also have enacted or could enact ordinances, local laws and regulations affecting our operations. These include zoning and health measures that limit solid waste management activities to specified sites or activities, flow control provisions that direct or restrict the delivery of solid wastes to specific facilities, laws that grant the right to establish franchises for collection services and bidding for such franchises, and bans or other restrictions on the movement of solid wastes into a municipality.

Various jurisdictions have enacted "fitness" regulations which allow agencies with authority over waste service contracts or permits to deny or revoke such contracts or permits based on the compliance history of the provider. Some jurisdictions also consider the compliance history of the parent, subsidiaries, or affiliated companies of the provider in making these decisions.

Permits or other land use approvals with respect to a landfill, as well as state or local laws and regulations, may specify the quantity of waste that may be accepted at the landfill during a given time period and/or the types of waste that may be accepted at the landfill. Once an operating permit for a landfill is obtained, it generally must be renewed periodically.

There has been an increasing trend at the state and local level to mandate and encourage waste reduction at the source and waste recycling, and to prohibit or restrict the disposal in landfills of certain types of solid wastes, such as food waste, yard waste, leaves, tires, computers and other electronic equipment waste, and painted wood and other construction and demolition debris. The enactment of regulations reducing the volume and types of wastes available for transport to and disposal in landfills could prevent us from operating our facilities at their full capacity.

Some state and local authorities enforce certain federal requirements in addition to state and local laws and regulations. For example, in some states, local or state authorities enforce requirements of RCRA, the OSH Act and parts of the CAA and the Clean Water Act instead of the EPA or OSHA, as applicable, and in some states such laws are enforced jointly by state or local and federal authorities.

E&P waste treatment, recovery and disposal operations are also regulated at the state level. For example, in Louisiana, the Louisiana Department of Natural Resources, or LDNR is responsible for regulating and permitting all oil and natural gas activities in the state, including E&P waste treatment and disposal operations, such as injection wells, land treatment and disposal facilities and transfer stations. As an example of the impact state regulations can have, in November 2009, the LDNR amended its regulations allowing operators to reuse certain E&P waste in hydraulic fracturing operations one time before the operators must dispose of the waste, and on June 20, 2010, the LDNR amended its regulations to allow operators to reuse E&P waste from hydraulic fracturing as many times as reasonably feasible. This regulatory action allows operators to, in some cases, forego sending their E&P waste to commercial disposal facilities such as ours, directly impacting our operations in Louisiana. State environmental laws and regulations require that we obtain permits and authorizations prior to the development and operation of E&P waste treatment and storage facilities and in connection with the disposal and transportation of certain types of waste. The applicable regulatory agencies strictly monitor production and disposal practices at all of our facilities. As part of our permitting process, we participate in annual monitoring, internal testing and third-party testing. A breach of such laws or regulations may result in suspension or revocation of necessary permits and authorizations, civil liability and imposition of fines and penalties. Moreover, if we experience a delay in obtaining, are unable to obtain, or suffer the revocation of required permits, we may be unable to serve our customers, our operations may be interrupted, and our growth and revenue may be limited.

Public Utility Regulation

In some states, public authorities regulate the rates that landfill operators may charge. The adoption of rate regulation or the reduction of current rates in states in which we own or operate landfills could adversely affect our business, financial condition and operating results.

Solid waste collection services in all unincorporated areas of Washington and in electing municipalities in Washington are provided under G Certificates awarded by the WUTC. In association with the regulation of solid waste collection service levels in these areas, the WUTC also reviews and approves rates for regulated solid waste collection and transportation service.

RISK MANAGEMENT, INSURANCE AND FINANCIAL SURETY BONDS

Risk Management

We maintain environmental and other risk management programs that we believe are appropriate for our business. Our environmental risk management program includes evaluating existing facilities and potential acquisitions for environmental law compliance. We do not presently expect environmental compliance costs to increase materially above current levels, but we cannot predict whether future acquisitions will cause such costs to increase. We also maintain a worker safety program that encourages safe practices in the workplace. Operating practices at our operations emphasize minimizing the possibility of environmental contamination and litigation. Our facilities comply in all material respects with applicable federal and state regulations.

Insurance

We have a high deductible or self-insured retention insurance program for automobile liability, general liability, employer's liability claims, environmental liability, cyber liability, employment practices liability and directors' and officers' liability as well as for employee group health insurance, property and workers' compensation. Our loss exposure for insurance claims is generally limited to per incident deductibles or self-insured retentions. Losses in excess of deductible or self-insured retention levels are insured subject to policy limits. Under our current insurance program, we carry per incident deductibles or self-insured retentions of \$2 million for automobile liability claims, \$1.5 million for workers' compensation and employer's liability claims, \$1 million for general liability claims, \$1 million for directors' and officers' liability claims, \$250,000 for employee group health insurance and employment practices liability, and primarily \$100,000 for property claims, subject to certain additional terms and conditions. We

also have a policy covering risks associated with cyber liability that has a $50,000 self-insured retention. Additionally, we have umbrella policies with insurance companies for automobile liability, general liability and employer's liability. Since workers' compensation is a statutory coverage limited by the various state jurisdictions, the umbrella coverage is not applicable. Also, our umbrella policy does not cover property claims, as the insurance limits for these claims are in accordance with the replacement values of the insured property. From time to time, actions filed against us include claims for punitive damages, which are generally excluded from coverage under our liability insurance policies.

We carry environmental protection insurance which has a $250,000 per incident deductible. This insurance policy covers all owned or operated landfills, certain transfer stations and other facilities, subject to the policy terms and conditions. Our policy provides insurance for new pollution conditions that originate after the commencement of our coverage. Pollution conditions existing prior to the commencement of our coverage, if found, could be excluded from coverage.

Financial Surety Bonds

We use financial surety bonds for a variety of corporate guarantees. The financial surety bonds are primarily used for guaranteeing municipal contract performance and providing financial assurances to meet asset closure and retirement requirements under certain environmental regulations. In addition to surety bonds, such guarantees and obligations may also be met through alternative financial assurance instruments, including insurance, letters of credit and restricted asset deposits. At December 31, 2015 and 2014, we had provided customers and various regulatory authorities with surety bonds in the aggregate amount of approximately $353.8 million and $342.6 million, respectively, to secure our asset closure and retirement requirements and $121.7 million and $94.4 million, respectively, to secure performance under collection contracts and landfill operating agreements.

We own a 9.9% interest in a company that, among other activities, issues financial surety bonds to secure landfill final capping, closure and post-closure obligations for companies operating in the solid waste sector, including a portion of our own.

EMPLOYEES

At December 31, 2015, we had 7,227 employees, of which 797, or approximately 11.0% of our workforce, were employed under collective bargaining agreements, primarily with the Teamsters Union. These collective bargaining agreements are renegotiated periodically. We have 11 collective bargaining agreements covering 358 employees that have expired or are set to expire during 2016. We do not expect any significant disruption in our overall business in 2016 as a result of labor negotiations, employee strikes or organizational efforts.

SEASONALITY

We expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters and lower in the fourth quarter than in the second and third quarters. This seasonality reflects (a) the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during winter months in the U.S., and (b) reduced E&P activity during harsh weather conditions, with expected fluctuation due to such seasonality between our highest and lowest quarters of approximately 12% to 15%. In addition, some of our operating costs may be higher in the winter months. Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected municipal solid waste, resulting in higher disposal costs, which are calculated on a per ton basis.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information concerning our executive officers as of February 9, 2016:

NAME	AGE	POSITIONS
Ronald J. Mittelstaedt [(1)]	52	Chief Executive Officer and Chairman
Steven F. Bouck	58	President
Darrell W. Chambliss	51	Executive Vice President and Chief Operating Officer
Worthing F. Jackman	51	Executive Vice President and Chief Financial Officer
David G. Eddie	46	Senior Vice President and Chief Accounting Officer
David M. Hall	58	Senior Vice President – Sales and Marketing
James M. Little	54	Senior Vice President – Engineering and Disposal
Patrick J. Shea	45	Senior Vice President, General Counsel and Secretary
Matthew S. Black	43	Vice President and Chief Tax Officer
Robert M. Cloninger	43	Vice President, Deputy General Counsel and Assistant Secretary
Eric O. Hansen	50	Vice President – Chief Information Officer
Susan R. Netherton	46	Vice President – People, Training and Development
Scott I. Schreiber	59	Vice President – Disposal Operations
Gregory Thibodeaux	49	Vice President – Maintenance and Fleet Management
Mary Anne Whitney	52	Vice President – Finance
Richard K. Wojahn	58	Vice President – Business Development

(1) Member of the Executive Committee of the Board of Directors.

Ronald J. Mittelstaedt has served as Chief Executive Officer and a director of Waste Connections since the company was formed, and was elected Chairman in January 1998. Mr. Mittelstaedt also served as President from Waste Connections' formation through August 2004. Mr. Mittelstaedt has more than 26 years of experience in the solid waste industry. Mr. Mittelstaedt serves as a director of SkyWest, Inc. Mr. Mittelstaedt holds a B.A. degree in Business Economics with a finance emphasis from the University of California at Santa Barbara.

Steven F. Bouck has served as President of Waste Connections since September 1, 2004. From February 1998 to that date, Mr. Bouck served as Executive Vice President and Chief Financial Officer. Mr. Bouck held various positions with First Analysis Corporation from 1986 to 1998, focusing on financial services to the environmental industry. Mr. Bouck holds B.S. and M.S. degrees in Mechanical Engineering from Rensselaer Polytechnic Institute, and an M.B.A. in Finance from the Wharton School of Business.

Darrell W. Chambliss has served as Executive Vice President and Chief Operating Officer of Waste Connections since October 2003. From October 1, 1997, to that date, Mr. Chambliss served as Executive Vice President – Operations. Mr. Chambliss has more than 25 years of experience in the solid waste industry. Mr. Chambliss holds a B.S. degree in Business Administration from the University of Arkansas.

Worthing F. Jackman has served as Executive Vice President and Chief Financial Officer of Waste Connections since September 1, 2004. From April 2003 to that date, Mr. Jackman served as Vice President – Finance and Investor Relations. Mr. Jackman held various investment banking positions with Alex. Brown & Sons, now Deutsche Bank Securities, Inc., from 1991 through 2003, including most recently as a Managing Director within the Global Industrial & Environmental Services Group. In that capacity, he provided capital markets and strategic advisory services to companies in a variety of sectors, including solid waste services. Mr. Jackman serves as a director of Quanta Services, Inc. He holds a B.S. degree in Finance from Syracuse University and an M.B.A. from the Harvard Business School.

David G. Eddie has served as Senior Vice President and Chief Accounting Officer of Waste Connections since January 2011. From February 2010 to that date, Mr. Eddie served as Vice President – Chief Accounting Officer. From March 2004 to February 2010, Mr. Eddie served as Vice President – Corporate Controller. From April 2003 to February 2004, Mr. Eddie served as Vice President – Public Reporting and Compliance. From May 2001 to March 2003, Mr. Eddie served as Director of Finance. Mr. Eddie served as Corporate Controller for International Fibercom, Inc. from April 2000 to May 2001. From September 1999 to April 2000, Mr. Eddie served as Waste Connections' Manager of Financial Reporting. From September 1994 to September 1999, Mr. Eddie held various positions, including Audit Manager, for PricewaterhouseCoopers LLP. Mr. Eddie is a Certified Public Accountant and holds a B.S. degree in Accounting from California State University, Sacramento.

David M. Hall has served as Senior Vice President – Sales and Marketing of Waste Connections since October 2005. From August 1998 to that date, Mr. Hall served as Vice President – Business Development. Mr. Hall has more than 30 years of experience

in the solid waste industry with extensive operating and marketing experience in the Western U.S. Mr. Hall received a B.S. degree in Management and Marketing from Missouri State University.

James M. Little has served as Senior Vice President – Engineering and Disposal of Waste Connections since February 2009. From September 1999 to that date, Mr. Little served as Vice President – Engineering. Mr. Little held various management positions with Waste Management, Inc. (formerly USA Waste Services, Inc., which acquired Waste Management, Inc. and Chambers Development Co. Inc.) from April 1990 to September 1999, including Regional Environmental Manager and Regional Landfill Manager, and most recently Division Manager in Ohio, where he was responsible for the operations of ten operating companies in the Northern Ohio area. Mr. Little is a certified professional geologist and holds a B.S. degree in Geology from Slippery Rock University.

Patrick J. Shea has served as Senior Vice President, General Counsel and Secretary of Waste Connections since August 2014. From February 2009 to that date, Mr. Shea served as Vice President, General Counsel and Secretary. From February 2008 to February 2009, Mr. Shea served as General Counsel and Secretary. He served as Corporate Counsel from February 2004 to February 2008. Mr. Shea practiced corporate and securities law with Brobeck, Phleger & Harrison LLP in San Francisco from 1999 to 2003 and Winthrop, Stimson, Putnam & Roberts (now Pillsbury Winthrop Shaw Pittman LLP) in New York and London from 1995 to 1999. Mr. Shea holds a B.S. degree in Managerial Economics from the University of California at Davis and a J.D. degree from Cornell University.

Matthew S. Black has served as Vice President and Chief Tax Officer of Waste Connections since March 2012. From December 2006 to that date, Mr. Black served as Executive Director of Taxes. Mr. Black served as Tax Director for The McClatchy Company from April 2001 to November 2006, and served as Tax Manager from December 2000 to March 2001. From January 1994 to November 2000, Mr. Black held various positions, including Tax Manager, for PricewaterhouseCoopers LLP. Mr. Black is a Certified Public Accountant and holds a B.S. degree in Accounting and M.S. degree in Taxation from California State University, Sacramento.

Robert M. Cloninger has served as Vice President, Deputy General Counsel and Assistant Secretary of Waste Connections since August 2014. From February 2013 to that date, Mr. Cloninger served as Deputy General Counsel. He served as Corporate Counsel from February 2008 to February 2013. Mr. Cloninger practiced corporate, securities and mergers and acquisitions law with Schiff Hardin LLP in Chicago from 1999 to 2004 and Downey Brand LLP in Sacramento from 2004 to 2008. Mr. Cloninger holds a B.A. degree in History from Northwestern University and a J.D. degree from the University of California at Davis.

Eric O. Hansen has served as Vice President – Chief Information Officer of Waste Connections since July 2004. From January 2001 to that date, Mr. Hansen served as Vice President – Information Technology. From April 1998 to December 2000, Mr. Hansen served as Director of Management Information Systems. Mr. Hansen holds a B.S. degree from Portland State University.

Susan R. Netherton has served as Vice President – People, Training and Development since July 2013. From February 2007 to that date, Ms. Netherton served as Director of Human Resources and Employment Manager. From 1994 to 2007, Ms. Netherton held various human resources positions at Carpenter Technology Corporation, a publicly traded specialty metals and materials company. Ms. Netherton holds a B. S. in Elementary Education from Kutztown University and an M.B.A. from St. Mary's College of California.

Scott I. Schreiber has served as Vice President – Disposal Operations of Waste Connections since February 2009. From October 1998 to that date, Mr. Schreiber served as Director of Landfill Operations. Mr. Schreiber has more than 35 years of experience in the solid waste industry. From September 1993 to September 1998, Mr. Schreiber served as corporate Director of Landfill Development and corporate Director of Environmental Compliance for Allied Waste Industries, Inc. From August 1988 to September 1993, Mr. Schreiber served as Regional Engineer (Continental Region) and corporate Director of Landfill Development for Laidlaw Waste Systems Inc. From June 1979 to August 1988, Mr. Schreiber held several managerial and technical positions in the solid waste and environmental industry. Mr. Schreiber holds a B.S. degree in Chemistry from the University of Wisconsin at Parkside.

Gregory Thibodeaux has served as Vice President – Maintenance and Fleet Management of Waste Connections since January 2011. From January 2000 to that date, Mr. Thibodeaux served as Director of Maintenance. Mr. Thibodeaux has more than 29 years of experience in the solid waste industry having held various management positions with Browning Ferris Industries, Sanifill, and USA Waste Services, Inc. Before coming to Waste Connections, Mr. Thibodeaux served as corporate Director of Maintenance for Texas Disposal Systems.

Mary Anne Whitney has served as Vice President - Finance of Waste Connections since March 2012. From November 2006 to that date, Ms. Whitney served as Director of Finance. Ms. Whitney held various finance positions for Wheelabrator Technologies

from 1990 to 2001. Ms. Whitney holds a B.A. degree in Economics from Georgetown University and an M.B.A. in Finance from New York University Stern School of Business.

Richard K. Wojahn has served as Vice President – Business Development of Waste Connections since February 2009. From September 2005 to that date, Mr. Wojahn served as Director of Business Development. Mr. Wojahn served as Vice President of Operations for Mountain Jack Environmental Services, Inc. (which was acquired by Waste Connections in September 2005) from January 2004 to September 2005. Mr. Wojahn has more than 34 years of experience in the solid waste industry having held various management positions with Waste Management, Inc. and Allied Waste Industries, Inc. Mr. Wojahn attended Western Illinois University.

AVAILABLE INFORMATION

Our corporate website address is http://www.wasteconnections.com. The information on our website is not incorporated by reference in this annual report on Form 10-K. We make our reports on Forms 10-K, 10-Q and 8-K and any amendments to such reports available on our website free of charge as soon as reasonably practicable after we file them with or furnish them to the Securities and Exchange Commission, or SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC, 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

Certain statements contained in this Annual Report on Form 10-K are forward-looking in nature, including statements related to the impact of global economic conditions, including the price of crude oil, on our volume, business and results of operations; our ability to generate internal growth or expand permitted capacity at landfills we own or operate; our ability to grow through acquisitions and our expectations with respect to the impact of acquisitions on our expected revenues and expenses following the integration of such businesses; the competitiveness of our industry and how such competition may affect our operating results; our ability to provide adequate cash to fund our operating activities; our ability to draw on our credit agreement or raise additional capital; our ability to generate free cash flow and reduce our leverage; the effects of landfill special waste projects on volume results; the impact that price increases may have on our business and operating results; demand for recyclable commodities and recyclable commodity pricing; the effects of seasonality on our business and results of operations; our ability to obtain additional exclusive arrangements; increasing alternatives to landfill disposal; increases in labor and pension plan costs or the impact that labor union activity may have on our operating results; our expectations with respect to the purchase of fuel and fuel prices; our expectations with respect to capital expenditures; our expectations with respect to the outcomes of our legal proceedings; the impairment of our goodwill; insurance costs; disruptions to or breaches of our information systems; environmental, health and safety laws and regulations, including changes to the regulation of landfills, solid waste disposal, E&P waste disposal, or hydraulic fracturing; and the Merger Agreement, including the ability of the parties to consummate the proposed Merger. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy. Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, those listed below and elsewhere in this report. There may be additional risks of which we are not presently aware or that we currently believe are immaterial which could have an adverse impact on our business. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances that may change.

<u>Negative trends or volatility in crude oil prices may adversely affect the level of exploration, development and production activity of E&P companies and the demand for our E&P waste services</u>.

The price of crude oil stayed lower in 2015 and has dropped again at the beginning of 2016. This sustained weakness is expected to affect the profitability and creditworthiness of many E&P companies and therefore may affect their level of investment and the amount of linear feet drilled in the basins where we operate. Lower crude oil prices and the volatility of such prices may impact the ability of E&P companies to access capital on economically advantageous terms or at all; in addition, E&P companies may elect to decrease investment in basins where the returns on investment are inadequate or uncertain due to lower crude oil prices or volatility in crude oil prices. Such reductions in capital spending would negatively impact E&P waste generation and therefore the demand for our services. Further, we cannot provide assurances that higher crude oil prices will result in increased capital spending and linear feet drilled by our customers in the basins where we operate.

<u>Our results are vulnerable to economic conditions</u>.

Our business and financial results would be harmed by downturns in the general economy, or in the economy of the regions in which we operate as well as other factors affecting those regions, including the price of crude oil. In an economic slowdown, we experience the negative effects of decreased waste generation, increased competitive pricing pressure, customer turnover, and reductions in customer service requirements. Two lines of business that could see a more immediate impact would be construction and demolition and E&P waste disposal. In addition, a weaker economy may result in declines in recycled commodity prices. Worsening economic conditions or a prolonged or recurring economic recession could adversely affect our operating results and expected seasonal fluctuations. Further, we cannot assure you that any improvement in economic conditions after such a downturn will result in an immediate, if at all positive, improvement in our operating results or cash flows.

<u>Our financial and operating performance may be affected by the inability to renew landfill operating permits, obtain new landfills and expand existing ones</u>.

We currently own and/or operate 62 landfills. Our ability to meet our financial and operating objectives may depend in part on our ability to acquire, lease, or renew landfill operating permits, expand existing landfills and develop new landfill sites, especially in our E&P waste business. It has become increasingly difficult and expensive to obtain required permits and approvals to build, operate and expand solid waste management facilities, including landfills and transfer stations. Although the process generally takes less time, the process of obtaining permits and approvals for E&P landfills has similar uncertainties. Operating permits for landfills in states where we operate must generally be renewed every five to ten years, although some permits are required to be renewed more frequently. These operating permits often must be renewed several times during the permitted life of a landfill. The permit and

approval process is often time consuming, requires numerous hearings and compliance with zoning, environmental and other requirements, is frequently challenged by special interest and other groups, and may result in the denial of a permit or renewal, the award of a permit or renewal for a shorter duration than we believed was otherwise required by law, or burdensome terms and conditions being imposed on our operations. We may not be able to obtain new landfill sites or expand the permitted capacity of our landfills when necessary and may be required to expense up to the carrying value of the landfill or expansion project, less the recoverable value of the property and other amounts recovered. Obtaining new landfill sites is important to our expansion into new, non-exclusive solid waste markets and in our E&P waste business. If we do not believe that we can obtain a landfill site in a non-exclusive market, we may choose not to enter that market. Expanding existing landfill sites is important in those markets where the remaining lives of our landfills are relatively short. We may choose to forego acquisitions and internal growth in these markets because increased volumes would further shorten the lives of these landfills. Any of these circumstances could adversely affect our operating results.

<u>A portion of our growth and future financial performance depends on our ability to integrate acquired businesses, and the success of our acquisitions</u>.

A component of our growth strategy involves achieving economies of scale and operating efficiencies by growing through acquisitions. We may not achieve these goals unless we effectively combine the operations of acquired businesses with our existing operations. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills. In addition, we are not always able to control the timing of our acquisitions. Our inability to complete acquisitions within the time frames that we expect may cause our operating results to be less favorable than expected, which could cause our stock price to decline.

Even if we are able to make acquisitions on advantageous terms and are able to integrate them successfully into our operations and organization, some acquisitions may not fulfill our anticipated financial or strategic objectives in a given market due to factors that we cannot control, such as market conditions, including the price of crude oil, market position, competition, customer base, loss of key employees, third-party legal challenges or governmental actions. In addition, we may change our strategy with respect to a market or acquired businesses and decide to sell such operations at a loss, or keep those operations and recognize an impairment of goodwill and/or intangible assets. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills.

<u>Each business that we acquire or have acquired may have liabilities or risks that we fail or are unable to discover, or that become more adverse to our business than we anticipated at the time of acquisition</u>.

It is possible that the corporate entities or sites we have acquired, or which we may acquire in the future, have liabilities or risks in respect of former or existing operations or properties, or otherwise, which we have not been able to identify and assess through our due diligence investigations. As a successor owner, we may be legally responsible for those liabilities that arise from businesses that we acquire. Even if we obtain legally enforceable representations, warranties and indemnities from the sellers of such businesses, they may not cover the liabilities fully or the sellers may not have sufficient funds to perform their obligations. Some environmental liabilities, even if we do not expressly assume them, may be imposed on us under various regulatory schemes and other applicable laws. In addition, our insurance program may not cover such sites and will not cover liabilities associated with some environmental issues that may have existed prior to attachment of coverage. A successful uninsured claim against us could harm our financial condition or operating results. Additionally, there may be other risks of which we are unaware that could have an adverse effect on businesses that we acquire or have acquired. For example, interested parties may bring actions against us in connection with operations that we acquire or have acquired. Furthermore, risks or liabilities we judge to be not material or remote at the time of acquisition may develop into more serious risks to our business. Any adverse outcome resulting from such risks or liabilities could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and stock price. For example, see the discussion regarding the Lower Duwamish Waterway Superfund Site Allocation Process under the "Legal Proceedings" section of Note 10 of our consolidated financial statements included in Item 8 of this report.

<u>Competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit our ability to grow through acquisitions</u>.

We seek to grow through strategic acquisitions in addition to internal growth. Although we have and expect to continue to identify numerous acquisition candidates that we believe may be suitable, we may not be able to acquire them at prices or on terms and conditions favorable to us.

Other companies have adopted or may in the future adopt our strategy of acquiring and consolidating regional and local businesses. We expect that increased consolidation in the solid waste services industry will continue to reduce the number of attractive acquisition candidates. Moreover, general economic conditions and the environment for attractive investments may affect

the desire of the owners of acquisition candidates to sell their companies. As a result, we may have fewer acquisition opportunities, and those opportunities may be on less attractive terms than in the past, which could cause a reduction in our rate of growth from acquisitions.

Our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so. While we expect we will be able to fund some of our acquisitions with our existing resources, additional financing to pursue additional acquisitions may be required. However, particularly if market conditions deteriorate, we may be unable to secure additional financing or any such additional financing may be available to us on unfavorable terms, which could have an impact on our flexibility to pursue additional acquisition opportunities. In addition, disruptions in the capital and credit markets could adversely affect our ability to draw on our credit agreement or raise other capital. Our access to funds under the credit agreement is dependent on the ability of the banks that are parties to the facility to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

Our industry is highly competitive and includes larger and better capitalized companies, companies with lower prices, return expectations or other advantages, and governmental service providers, which could adversely affect our ability to compete and our operating results.

Our industry is highly competitive and requires substantial labor and capital resources. Some of the markets in which we compete or will seek to compete are served by one or more large, national companies, as well as by regional and local companies of varying sizes and resources, some of which we believe have accumulated substantial goodwill in their markets. Some of our competitors may also be better capitalized than we are, have greater name recognition than we do, or be able to provide or be willing to bid their services at a lower price than we may be willing to offer. In addition, existing and future competitors may develop or offer services or new technologies, new facilities or other advantages. Our inability to compete effectively could hinder our growth or negatively impact our operating results.

In our solid waste business, we also compete with counties, municipalities and solid waste districts that maintain or could in the future choose to maintain their own waste collection and disposal operations, including through the implementation of flow control ordinances or similar legislation. These operators may have financial advantages over us because of their access to user fees and similar charges, tax revenues and tax-exempt financing.

In our E&P waste business, we compete for disposal volumes with existing facilities owned by third parties, and we face potential competition from new facilities that are currently under development. Increased competition in certain markets may result in lower pricing and decreased volumes at our facilities. In addition, customers in certain markets may decide to use internal disposal methods for the treatment and disposal of their waste.

Our indebtedness could adversely affect our financial condition and limit our financial flexibility.

As of December 31, 2015, we had approximately $2.2 billion of total indebtedness outstanding, and we may incur additional debt in the future. This amount of indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- expose us to interest rate risk since a majority of our indebtedness is at variable rates;
- limit our ability to obtain additional financing or refinancings at attractive rates;
- require the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures, dividends, share repurchases and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry; and
- place us at a competitive disadvantage relative to our competitors with less debt.

Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants under any of our indebtedness, we may be in default under the loan, which may entitle the lenders to accelerate the debt obligations. A default under one of our loans could result in cross-defaults under our other indebtedness. In order to avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating dividends or stock repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, any of which may not be available on terms that are favorable to us, if at all.

Price increases may not be adequate to offset the impact of increased costs, or may cause us to lose volume.

We seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Contractual, general economic, competitive or market-specific conditions may limit our ability to raise prices. As a result of these factors, we may be unable to offset increases in costs, improve operating margins and obtain adequate investment returns through price increases. We may also lose volume to lower-price competitors.

Fluctuations in prices for recycled commodities that we sell and rebates we offer to customers may cause our revenues and operating results to decline.

We provide recycling services to some of our customers. The majority of the recyclables we process for sale are paper products that are shipped to customers in Asia. The sale prices of and demands for recyclable commodities, particularly paper products, are frequently volatile and when they decline, our revenues, operating results and cash flows will be affected. Many of our recycling operations offer rebates to customers based on the market prices of commodities we buy to process for resale. Therefore, if we recognize increased revenues resulting from higher prices for recyclable commodities, the rebates we pay to suppliers will also increase, which also may impact our operating results.

The seasonal nature of our business and “event-driven” waste projects cause our results to fluctuate.

Based on historic trends, we expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters, and lower in the fourth quarter than in the second and third quarters. We expect the fluctuation in our revenues between our highest and lowest quarters to be approximately 12% to 15%. This seasonality reflects the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during the winter months in the U.S., and reduced E&P activity during harsh weather conditions. Conversely, mild winter weather conditions may reduce demand for oil and natural gas, which may cause our customers to curtail their drilling programs, which could result in production of lower volumes of E&P waste.

Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected waste, resulting in higher disposal costs, which are calculated on a per ton basis. Certain weather conditions, including severe storms, may result in temporary suspension of our operations, which can significantly impact the operating results of the affected areas. Conversely, weather-related occurrences and other “event-driven” waste projects can boost revenues through heavier weight loads or additional work for a limited time period. These factors impact period-to-period comparisons of financial results, and our stock price may be negatively affected by these variations.

We may lose contracts through competitive bidding, early termination or governmental action.

We derive a significant portion of our revenues from market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and G Certificates. Many franchise agreements and municipal contracts are for a specified term and are, or will be, subject to competitive bidding in the future. For example, we have approximately 265 contracts, representing approximately 2.5% of our annual revenues, which are set for expiration or automatic renewal on or before December 31, 2016. Although we intend to bid on additional municipal contracts and franchise agreements, we may not be the successful bidder. In addition, some of our customers, including municipalities, may terminate their contracts with us before the end of the terms of those contracts. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills. For example, see the discussion regarding the Madera County, California Materials Recovery Facility Contract Litigation under the “Legal Proceedings” section of Note 10 of our consolidated financial statements included in Item 8 of this report.

Governmental action may also affect our exclusive arrangements. Municipalities may annex unincorporated areas within counties where we provide collection services. As a result, our customers in annexed areas may be required to obtain services from competitors that have been franchised by the annexing municipalities to provide those services. In addition, municipalities in which we provide services on a competitive basis may elect to franchise those services. Unless we are awarded franchises by these municipalities, we will lose customers. Municipalities may also decide to provide services to their residents themselves, on an optional or mandatory basis, causing us to lose customers. Municipalities in Washington may, by law, annex any unincorporated territory, which could remove such territory from an area covered by a G Certificate issued to us by the WUTC. Such occurrences could subject more of our Washington operations to competitive bidding. Moreover, legislative action could amend or repeal the laws governing WUTC regulation, which could harm our competitive position by subjecting more areas to competitive bidding and/or overlapping service. If we are not able to replace revenues from contracts lost through competitive bidding or early termination or from the renegotiation of existing contracts with other revenues within a reasonable time period, our revenues could decline.

Alternatives to landfill disposal may cause our revenues and operating results to decline.

Counties and municipalities in which we operate landfills may be required to formulate and implement comprehensive plans to reduce the volume of municipal solid waste deposited in landfills through waste planning, composting, recycling or other programs. Some state and local governments prohibit the disposal of certain types of wastes, such as yard waste, at landfills. Although such actions are useful to protect our environment, these actions, as well as the actions of our customers to reduce waste or seek disposal alternatives, have reduced and may in the future further reduce the volume of waste going to landfills in certain areas, which may affect our ability to operate our landfills at full capacity and could adversely affect our operating results.

Increases in labor costs could impact our financial results.

Labor is one of our highest costs and relatively small increases in labor costs per employee could materially affect our cost structure. We compete with other businesses in our markets for qualified employees and the labor supply is sometimes tight in our markets. In our E&P waste business, for example, we are exposed to the cyclical variations in demand that are particular to the development and production of oil and natural gas in the U.S. A shortage of qualified employees would require us to incur additional costs related to wages and benefits, to hire more expensive temporary employees or to contract for services with more expensive third-party vendors.

Increases in the price of diesel or compressed natural gas fuel may adversely affect our collection business and reduce our operating margins.

The market price of diesel fuel is volatile. We generally purchase diesel fuel at market prices, and such prices have fluctuated significantly in recent years. A significant increase in market prices for fuel could adversely affect our waste collection business through a combination of higher fuel and disposal-related transportation costs and reduce our operating margins and reported earnings. To manage a portion of this risk, we have entered into fuel hedge agreements related to forecasted diesel fuel purchases and fixed-price fuel purchase contracts. During periods of falling diesel fuel prices, our hedge payable positions may increase and it may become more expensive to purchase fuel under fixed-price fuel purchase contracts than at market prices.

We utilize compressed natural gas, or CNG, in a small percentage of our fleet and may convert more of our fleet from diesel fuel to CNG over time. The market price of CNG is also volatile; a significant increase in such cost could adversely affect our operating margins and reported earnings.

Labor union activity could divert management attention and adversely affect our operating results.

From time to time, labor unions attempt to organize our employees. Some groups of our employees are represented by unions, and we have negotiated collective bargaining agreements with most of these unions. Additional groups of employees may seek union representation in the future. As a result of these activities, we may be subjected to unfair labor practice charges, complaints and other legal and administrative proceedings initiated against us by unions or the National Labor Relations Board, which could negatively impact our operating results. Negotiating collective bargaining agreements with these unions could divert management attention, which could also adversely affect operating results. If we are unable to negotiate acceptable collective bargaining agreements, we might have to wait through "cooling off" periods, which are often followed by union-initiated work stoppages, including strikes. Depending on the type and duration of any labor disruptions, our operating expenses could increase significantly, which could adversely affect our financial condition, results of operations and cash flows.

We could face significant withdrawal liability if we withdraw from participation in one or more multiemployer pension plans in which we participate and the accrued pension benefits are not fully funded.

We participate in two "multiemployer" pension plans administered by employee and union trustees. We make periodic contributions to these plans to fund pension benefits for our union employees pursuant to our various contractual obligations to do so. In the event that we withdraw from participation in or otherwise cease our contributions to one of these plans, then applicable law regarding withdrawal liability could require us to make additional contributions to the plan if the accrued benefits are not fully funded, and we would have to reflect that "withdrawal liability" as an expense in our consolidated statement of operations and as a liability on our consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent to which accrued benefits are funded. In the ordinary course of our renegotiation of collective bargaining agreements with labor unions that participate in these plans, we may decide to discontinue participation in a multiemployer plan, and in that event, we could face withdrawal liability. Some multiemployer plans in which we participate may from time to time have significant accrued benefits that are not funded. The size of our potential withdrawal liability may be affected by the level of unfunded accrued benefits, the actuarial assumptions used by the plan and the investment gains and losses experienced by the plan.

Pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements.

We are, and from time to time become, involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. Many of these matters raise complicated factual and legal issues and are subject to uncertainties and complexities, all of which makes the matters costly to address. For example, in recent years, wage and hour and employment laws have changed regularly and become increasingly complex, which has fostered litigation, including purported class actions. Similarly, citizen suits brought pursuant to environmental laws, such as those regulating the treatment of storm water runoff, have proliferated. The timing of the final resolutions to lawsuits, regulatory inquiries, and governmental and other legal proceedings is uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting our consolidated financial condition, results of operations and cash flows. See discussion under the "Legal Proceedings" section of Note 10 of our consolidated financial statements included in Item 8 of this report.

We may be subject in the normal course of business to judicial, administrative or other third-party proceedings that could interrupt or limit our operations, require expensive remediation, result in adverse judgments, settlements or fines and create negative publicity.

Governmental agencies may, among other things, impose fines or penalties on us relating to the conduct of our business, attempt to revoke or deny renewal of our operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations or as a result of third-party challenges, require us to install additional pollution control equipment or require us to remediate potential environmental problems relating to any real property that we or our predecessors ever owned, leased or operated or any waste that we or our predecessors ever collected, transported, disposed of or stored. Individuals, citizens groups, trade associations or environmental activists may also bring actions against us in connection with our operations that could interrupt or limit the scope of our business. Any adverse outcome in such proceedings could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and stock price.

Our financial results could be adversely affected by impairments of goodwill, indefinite-lived intangibles or property and equipment.

As a result of our acquisition strategy, we have a material amount of goodwill, indefinite-lived intangibles and property and equipment recorded in our financial statements. We do not amortize our existing goodwill or indefinite-lived intangibles and are required to test goodwill and indefinite-lived intangibles for impairment annually in the fourth quarter of the year and whenever events or changes in circumstances indicate that the carrying value of goodwill and/or indefinite-lived intangible assets may not be recoverable using the two-step process prescribed in the accounting guidance. The first step is a screen for potential impairment, using either a qualitative or quantitative assessment, while the second step measures the amount of the impairment, if any. We perform the first step of the required impairment tests of goodwill and indefinite-lived intangible assets using a quantitative assessment. The recoverability of property and equipment is tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

The decline in oil prices that began in late 2014, and continued during 2015, together with market expectations of a likely slow recovery in oil prices, reduced the expected future period cash flows of our E&P segment, causing the fair value of the E&P segment to decrease below its carrying value. During the year ended December 31, 2015, we recorded impairment charges of $411.8 million associated with goodwill, $38.4 million associated with indefinite-lived intangible assets and $67.6 million associated with property and equipment in our E&P segment. Following the impairment charge, at December 31, 2015, our E&P segment has remaining balances of $77.3 million in goodwill, $21.5 million in indefinite-lived intangible assets and $929.8 million in property and equipment. Continued declines in oil prices, and/or a slower recovery in oil prices relative to market expectations could result in additional impairment charges associated with goodwill, indefinite-lived intangible assets and/or property and equipment in our E&P segment, which could adversely affect our financial condition and results of operations.

Increases in insurance costs and the amount that we self-insure for various risks could reduce our operating margins and reported earnings.

We maintain high deductible insurance policies for automobile, general, employer's, environmental, cyber, employment practices and directors' and officers' liability as well as for employee group health insurance, property insurance and workers' compensation. We carry umbrella policies for certain types of claims to provide excess coverage over the underlying policies and per incident deductibles. The amounts that we effectively self-insure could cause significant volatility in our operating margins and reported earnings based on the event and claim costs of incidents, accidents, injuries and adverse judgments. Our insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by our management with assistance from our third-party actuary and our third-party claims administrator. To the extent these estimates are inaccurate, we may recognize

substantial additional expenses in future periods that would reduce operating margins and reported earnings. Furthermore, while we maintain liability insurance, our insurance is subject to coverage limitations. If we were to incur substantial liability, our insurance coverage may be inadequate to cover the entirety of such liability. This could have a material adverse effect on our financial position, results of operations and cash flows. One form of coverage limitation concerns claims for punitive damages, which are generally excluded from coverage under all of our liability insurance policies. A punitive damage award could have an adverse effect on our reported earnings in the period in which it occurs. Significant increases in premiums on insurance that we retain also could reduce our margins.

<u>We rely on computer systems to run our business and disruptions or privacy breaches in these systems could impact our ability to service our customers and adversely affect our financial results, damage our reputation, and expose us to litigation risk</u>.

Our businesses rely on computer systems to provide customer information, process customer transactions and provide other general information necessary to manage our businesses. We also rely on a payment card industry compliant third party to protect our customers' credit card information. We have an active disaster recovery plan in place that we review and test. However, our computer systems are subject to damage or interruption due to system conversions, power outages, computer or telecommunication failures, catastrophic events such as fires, tornadoes and hurricanes and usage errors by our employees. Given the unpredictability of the timing, nature and scope of such disruptions, we could potentially be subject to operational delays and interruptions in our ability to provide services to our customers. Any disruption caused by the unavailability of our computer systems could adversely affect our revenues or could require significant investment to fix or replace them, and, therefore, could affect our operating results.

In addition, cyber-security attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. If the network of security controls, policy enforcement mechanisms or monitoring systems we use to address these threats to technology fail, the compromising of confidential or otherwise protected company, customer or employee information, destruction or corruption of data, security breaches or other manipulation or improper use of our systems and networks could result in financial losses from remedial actions, loss of business or potential liability and damage to our reputation.

<u>Extensive and evolving environmental, health and safety laws and regulations may restrict our operations and growth and increase our costs</u>.

Existing environmental laws and regulations have become more stringently enforced in recent years. In addition, our industry is subject to regular enactment of new or amended federal, state and local environmental and health and safety statutes, regulations and ballot initiatives, as well as judicial decisions interpreting these requirements, which have become more stringent over time. Citizen suits brought pursuant to environmental laws have proliferated. We expect these trends to continue, which could lead to material increases in our costs for future environmental, health and safety compliance. These requirements also impose substantial capital and operating costs and operational limitations on us and may adversely affect our business. In addition, federal, state and local governments may change the rights they grant to, the restrictions they impose on, or the laws and regulations they enforce against, solid waste and E&P waste services companies. These changes could adversely affect our operations in various ways, including without limitation, by restricting the way in which we manage storm water runoff, comply with health and safety laws, treat and dispose of E&P or other waste or our ability to operate and expand our business.

Governmental authorities and various interest groups have promoted laws and regulations that could or will limit GHG emissions due to concerns that GHGs are contributing to climate change. The State of California has already adopted a climate change law, and other states in which we operate are considering similar actions. In addition, the EPA made an endangerment finding in 2009 allowing certain GHGs to be regulated under the CAA. This finding allows the EPA to create regulations that will impact our operations – including imposing emission reporting, permitting, control technology installation, and monitoring requirements, although the materiality of the impacts will not be known until all applicable regulations are promulgated and finalized. Regulation of GHG emissions from oil and natural gas E&P operations may also increase the costs to our customers of developing and producing hydrocarbons, and as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers. These statutes and regulations increase the costs of our operations, and future climate change statutes and regulations may have an impact as well.

<u>Our E&P waste business could be adversely affected by changes in laws regulating E&P waste</u>.

We believe that the demand for our E&P waste services is directly related to the regulation of E&P waste. In particular, RCRA, which governs the disposal of solid and hazardous waste, currently exempts certain E&P wastes from classification as hazardous wastes. In recent years, proposals have been made to rescind this exemption from RCRA. If the exemption covering E&P wastes is

repealed or modified, or if the regulations interpreting the rules regarding the treatment or disposal of this type of waste were changed, our operations could face significantly more stringent regulations, permitting requirements, and other restrictions, which could have a material adverse effect on our business.

Our E&P waste business depends on the willingness of E&P companies to outsource their waste services activities.

The demand for E&P waste services in the basins in which we operate may be adversely affected by the willingness of E&P companies to outsource their waste services activities. In certain basins, we are largely dependent on the willingness of E&P companies to outsource their waste services activities generally, and to us specifically, rather than to our competitors. To the extent that E&P companies, including our current customers, elect not to outsource their E&P waste services activities or market prices decline, our results may be affected. E&P companies have varying market shares within basins, and, depending on that share, the loss of any customer in a given basin could have an adverse effect on results of operations and cash flows in that market. Furthermore, while our E&P customers frequently require us to enter into master service agreements, such agreements typically do not include volume commitments from the customers and typically are terminable at the discretion of either party. These factors introduce greater volatility to our revenues and operating margins for this business, which could have a material adverse effect on our financial position, results of operations and cash flows.

Changes in laws or government regulations regarding hydraulic fracturing could increase our customers' costs of doing business and reduce oil and gas production by our customers, which could adversely impact our business.

We do not conduct hydraulic fracturing operations, but we do provide treatment, recovery and disposal services with respect to the fluids used and wastes generated by our customers in such operations, which are often necessary to drill and complete new wells and maintain existing wells. Recently, there has been increased public concern regarding the alleged potential for hydraulic fracturing to adversely affect drinking water supplies, and proposals have been made to enact separate federal, state and local legislation that would increase the regulatory burden imposed on hydraulic fracturing. Bills and regulations have been proposed and/or adopted at the federal, state, and local levels that would regulate, restrict, or prohibit hydraulic fracturing operations or require the reporting and public disclosure of chemicals used in the hydraulic fracturing process. Additionally, the EPA is currently studying the environmental impacts of hydraulic fracturing, including the impacts resulting from the treatment and disposal of E&P wastes associated with the hydraulic fracturing process, which could result in increased regulation of hydraulic fracturing and new rules regarding the treatment and disposal of E&P wastes associated with fracturing.

If new federal, state, or local laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities, and make it more difficult or costly for our customers to perform fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could reduce oil and natural gas E&P activities by our customers and, therefore, adversely affect our business. Such laws or regulations could also materially increase our costs of compliance and doing business by more strictly regulating how hydraulic fracturing wastes are handled or disposed. Conversely, any loosening of existing federal, state, or local laws or regulations regarding how such wastes are handled or disposed could adversely impact demand for our services.

Future changes in laws regulating the flow of solid waste in interstate commerce could adversely affect our operating results.

Various state and local governments have enacted, or are considering enacting, laws and regulations that restrict the disposal within the jurisdiction of solid waste generated outside the jurisdiction. In addition, some state and local governments have promulgated, or are considering promulgating, laws and regulations which govern the flow of waste generated within their respective jurisdictions. These "flow control" laws and regulations typically require that waste generated within the jurisdiction be directed to specified facilities for disposal or processing, which could limit or prohibit the disposal or processing of waste in our transfer stations and landfills. Such flow control laws and regulations could also require us to deliver waste collected by us within a particular jurisdiction to facilities not owned or controlled by us, which could increase our costs and reduce our revenues. In addition, such laws and regulations could require us to obtain additional costly licenses or authorizations to be deemed an authorized hauler or disposal facility. All such waste disposal laws and regulations are subject to judicial interpretation and review. Court decisions, legislation, and state and local regulation in the waste disposal area could adversely affect our operations.

Extensive regulations that govern the design, operation, expansion and closure of landfills may restrict our landfill operations or increase our costs of operating landfills.

If we fail to comply with state and federal regulations governing the design, operation, expansion, closure and financial assurance of MSW, non-MSW and E&P landfills, we could be required to undertake investigatory or remedial activities, curtail operations or close such landfills temporarily or permanently. Future changes to these regulations may require us to modify, supplement or replace

equipment or facilities at substantial costs. If regulatory agencies fail to enforce these regulations vigorously or consistently, our competitors whose facilities are not forced to comply with the regulations may obtain an advantage over us. Our financial obligations arising from any failure to comply with these regulations could harm our business and operating results.

Our financial results are based upon estimates and assumptions that may differ from actual results.

In preparing our consolidated financial statements in accordance with U.S. generally accepted accounting principles, estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and we must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to our accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, asset impairments and litigation, claims and assessments. Actual results for all estimates could differ materially from the estimates and assumptions that we use, which could have an adverse effect on our financial condition and results of operations.

Our accruals for our landfill site closure and post-closure costs may be inadequate.

We are required to pay capping, closure and post-closure maintenance costs for landfill sites that we own and operate. We are also required to pay capping, closure and post-closure maintenance costs for operated landfills for which we have life-of-site agreements. Our obligations to pay closure or post-closure costs may exceed the amount we have accrued and reserved and other amounts available from funds or reserves established to pay such costs. In addition, the completion or closure of a landfill site does not end our environmental obligations. After completion or closure of a landfill site, there exists the potential for unforeseen environmental problems to occur that could result in substantial remediation costs or potential litigation. Paying additional amounts for closure or post-closure costs and/or for environmental remediation and/or for litigation could harm our financial condition or operating results.

We depend significantly on the services of the members of our senior and regional management team, and the departure of any of those persons could cause our operating results to suffer.

Our success depends significantly on the continued individual and collective contributions of our senior and regional management team. Of particular importance to our success are the services of our founder, Chief Executive Officer and Chairman, Ronald J. Mittelstaedt. Key members of our management, including Mr. Mittelstaedt, have entered into employment agreements, but we may not be able to enforce these agreements. The loss of the services of any member of our senior and regional management or the inability to hire and retain experienced management personnel could harm our operating results.

Our decentralized decision-making structure could allow local managers to make decisions that may adversely affect our operating results.

We manage our operations on a decentralized basis. Local managers have the authority to make many decisions concerning their operations without obtaining prior approval from executive officers, subject to compliance with general company-wide policies. Poor decisions by local managers could result in the loss of customers or increases in costs, in either case adversely affecting operating results.

Liabilities for environmental damage may adversely affect our financial condition, business and earnings.

We may be liable for any environmental damage that our current or former operations cause, including damage to neighboring landowners or residents, particularly as a result of the contamination of soil, groundwater or surface water, and especially drinking water, or to natural resources. We may be liable for damage resulting from conditions existing before we acquired these operations. Even if we obtain legally enforceable representations, warranties and indemnities from the sellers of these operations, they may not cover the liabilities fully or the sellers may not have sufficient funds to perform their obligations.

We may also be liable for any on-site environmental contamination caused by pollutants or hazardous substances whose transportation, treatment or disposal we or our predecessors arranged or conducted. Some environmental laws and regulations may impose strict, joint and several liability in connection with releases of regulated substances into the environment. Therefore, in some situations we could be exposed to liability as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties, including our predecessors. If we were to incur liability for environmental damage, environmental clean-ups, corrective action or damage not covered by insurance or in excess of the amount of our coverage, our financial condition or

operating results could be materially adversely affected. For example, see the discussion regarding the Lower Duwamish Waterway Superfund Site Allocation Process under the "Legal Proceedings" section of Note 10 of our consolidated financial statements included in Item 8 of this report.

If we are not able to develop and protect intellectual property, or if a competitor develops or obtains exclusive rights to a breakthrough technology, our financial results may suffer.

Our existing and proposed service offerings to customers may require that we develop or license, and protect, new technologies. We may experience difficulties or delays in the research, development, production and/or marketing of new products and services which may negatively impact our operating results and prevent us from recouping or realizing a return on the investments required to bring new products and services to market. Further, protecting our intellectual property rights and combating unlicensed copying and use of intellectual property is difficult, and any inability to obtain or protect new technologies could impact our services to customers and development of new revenue sources. Additionally, a competitor may develop or obtain exclusive rights to a "breakthrough technology" that provides a revolutionary change in traditional waste management. If we have inferior intellectual property to our competitors, our financial results may suffer.

Risks Related to our Proposed Merger with Progressive Waste

The proposed Merger is subject to various closing conditions, including regulatory and stockholder approvals, as well as other uncertainties and there can be no assurances as to whether and when the Merger may be completed.

As previously announced, on January 18, 2016, we entered into the Merger Agreement with Progressive Waste and Merger Sub, a wholly-owned subsidiary of Progressive Waste, under which, subject to the terms and conditions of the Merger Agreement, Merger Sub will be merged with and into Waste Connections, with Waste Connections surviving the Merger as a wholly-owned subsidiary of Progressive Waste, which we refer to as the Merger. The consummation of the Merger is subject to various customary conditions, including the affirmative vote of holders of a majority of the outstanding shares of our common stock, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other regulatory clearances. If these conditions to the closing of the Merger are not fulfilled, some of which are not within our control, then the Merger cannot be consummated. If the Merger does not receive, or timely receive, the required regulatory approvals and clearances, or if another event occurs that delays or prevents the Merger, such delay or failure to complete the Merger may cause uncertainty and other negative consequences that may materially and adversely affect our business, financial position, and results of operations.

In addition, under certain circumstances in connection with a termination of the Merger Agreement, we may be required to pay a termination fee of up to $150 million to Progressive Waste. We can give you no assurance that the Merger will be consummated, in which case we would not realize the anticipated benefits of having completed the Merger, which may adversely affect us.

In the event that the proposed Merger is not completed, the trading price of our common stock and our future business and financial results may be negatively impacted.

As noted above, the conditions to the completion of the Merger with Progressive Waste may not be satisfied. If the Merger is not completed for any reason, including those not involving the payment by us of the termination fee to Progressive Waste, we would still be liable for significant transaction costs and the focus of our management would have been diverted from seeking other potential opportunities without realizing any benefits of the completed Merger. If we do not complete the Merger, the price of our common stock may decline from the current market price, which may reflect a market assumption that the Merger will be completed.

The proposed Merger may divert management attention and not achieve the intended benefits or may disrupt our operations.

The pendency of the Merger could cause the attention of our management to be diverted from the day-to-day operations and customers or suppliers may seek to modify or terminate their business relationships with us. These disruptions could be exacerbated by a delay in the completion of the Merger and could have an adverse effect on our business, operating results or prospects.

If and when the Merger closes, we may not achieve anticipated synergies, integration may result in unforeseen expenses, and we may not realize the anticipated benefits of the integration plan. Our business may be negatively impacted following the Merger if we are unable to effectively manage our expanded operations. The integration will require significant time and focus from our management and may disrupt achievement of other strategic objectives.

The exchange ratio is fixed and will not be adjusted in the event of any change in the price of either our common stock or Progressive Waste common shares.

At the effective time of the Merger, each share of our common stock issued and outstanding immediately prior to the Merger will be converted into the right to receive 2.076843 validly issued, fully paid and nonassessable common shares of Progressive Waste (or, if the anticipated consolidation of shares of Progressive Waste is approved by the shareholders of Progressive Waste and implemented, one common share of Progressive Waste on a post-consolidation basis). This exchange ratio will not be adjusted for changes in the market price of either our common stock or Progressive Waste common shares between the date of signing the Merger Agreement and completion of the Merger. Changes in the price of Progressive Waste common shares prior to the closing of the Merger will affect the value of Progressive Waste common shares that our stockholders will receive on the effective date. The exchange ratio will, however, be adjusted appropriately to fully reflect the effect of any reclassification, stock split, stock dividend or distribution, recapitalization or other similar transaction with respect to either our common stock or Progressive Waste common shares prior to the effective date of the Merger.

The prices of our common stock and Progressive Waste common shares on the effective date of the Merger may vary from their prices between the date the Merger Agreement was executed and the effective date of the Merger. As a result, the value represented by the exchange ratio will also vary. These variations could result from changes in the business, operations or prospects of either Waste Connections or Progressive Waste prior to or following the effective date of the Merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of Waste Connections or Progressive Waste.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2015, we owned 155 solid waste collection operations, 52 transfer stations, 35 MSW landfills, nine E&P waste landfills, eight non-MSW landfills, 37 recycling operations, five intermodal operations, 24 E&P liquid waste injection wells and 20 E&P waste treatment and oil recovery facilities, and operated, but did not own, an additional 17 transfer stations, nine MSW landfills, one non-MSW landfill and two intermodal operations, in 32 states. Non-MSW landfills accept construction and demolition, industrial and other non-putrescible waste. We lease certain of the sites on which these facilities are located. We lease various office facilities, including our corporate offices in The Woodlands, Texas, where we occupy approximately 53,000 square feet of space. We also maintain regional administrative offices in each of our segments. We own a variety of equipment, including waste collection and transportation vehicles, related support vehicles, double-stack rail cars, carts, containers, chassis and heavy equipment used in landfill, collection, transfer station, waste treatment and intermodal operations. We believe that our existing facilities and equipment are adequate for our current operations. However, we expect to make additional investments in property and equipment for expansion and replacement of assets in connection with future acquisitions.

ITEM 3. LEGAL PROCEEDINGS

Information regarding our legal proceedings can be found under the "Legal Proceedings" section of Note 10 of our consolidated financial statements included in Item 8 of this report and is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURE

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange under the symbol "WCN". The following table sets forth the high and low prices per share of our common stock, as reported on the New York Stock Exchange, and the cash dividends declared per share of common stock, for the periods indicated.

	HIGH	LOW	DIVIDENDS DECLARED[1]
2016			
First Quarter (through January 29, 2016)	$ 60.24	$ 50.64	$ 0.145
2015			
Fourth Quarter	$ 57.65	$ 48.16	$ 0.145
Third Quarter	51.10	45.70	0.13
Second Quarter	49.39	44.81	0.13
First Quarter	48.96	42.05	0.13
2014			
Fourth Quarter	$ 50.73	$ 42.86	$ 0.13
Third Quarter	50.93	46.60	0.115
Second Quarter	48.80	41.76	0.115
First Quarter	44.62	39.69	0.115

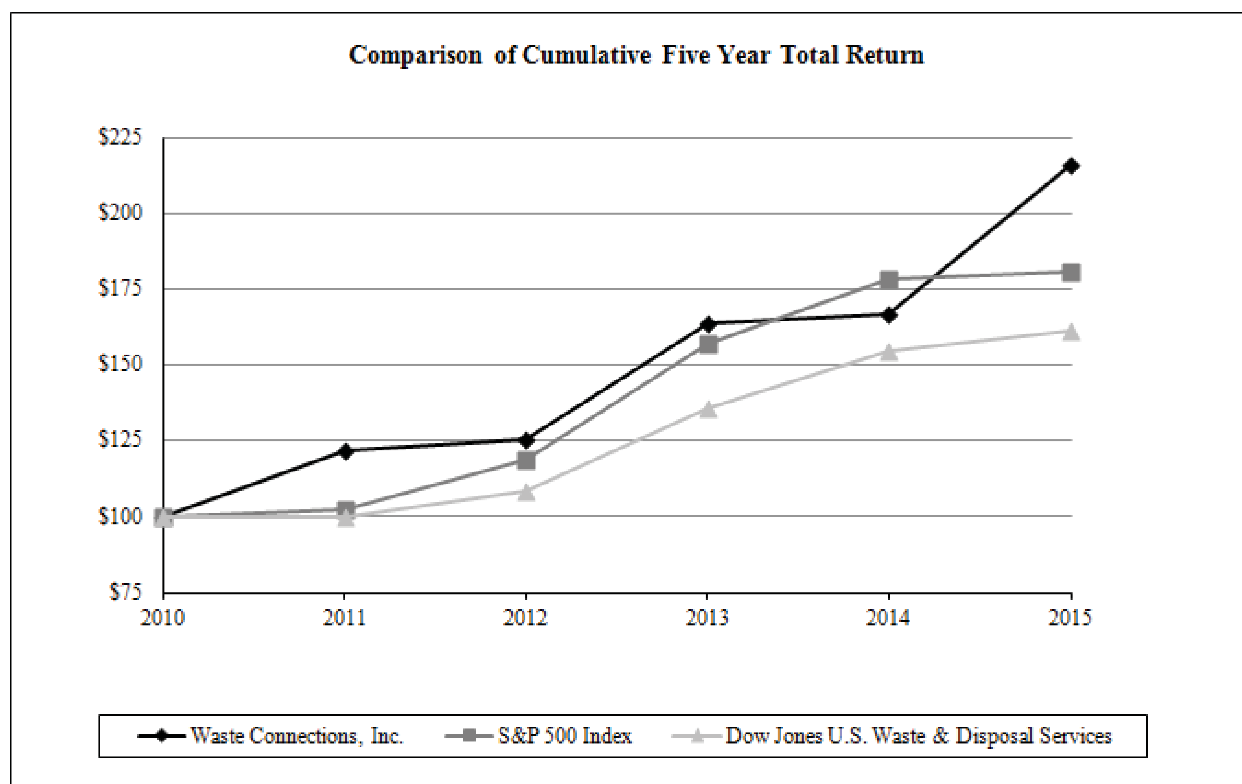
(1) On February 8, 2016, we announced that our Board of Directors approved a regular quarterly cash dividend of $0.145 per share on our common stock. Our Board of Directors will review the cash dividend periodically, with a long-term objective of increasing the amount of the dividend. We cannot assure you as to the amounts or timing of future dividends. We have the ability under our credit agreement and master note purchase agreement to repurchase our common stock and pay dividends provided we maintain specified financial ratios.

As of January 29, 2016, there were 95 record holders of our common stock.

Performance Graph

The following performance graph compares the total cumulative stockholder returns on our common stock over the past five fiscal years with the total cumulative returns for the S&P 500 Index and the Dow Jones U.S. Waste and Disposal Services Index, or DJ Waste Services Index.

The graph assumes an investment of $100 in our common stock on December 31, 2010, and the reinvestment of all dividends. This chart has been calculated in compliance with SEC requirements and prepared by Capital IQ®.



This graph and the accompanying text is not "soliciting material," is not deemed filed with the SEC, and is not to be incorporated by reference in any filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Company Name / Index	Base Period Dec10	Indexed Returns Years Ending Dec11	Dec12	Dec13	Dec14	Dec15
Waste Connections, Inc.	$ 100	$ 121.56	$ 125.42	$ 163.63	$ 166.68	$ 215.73
S&P 500 Index	$ 100	$ 102.11	$ 118.45	$ 156.82	$ 178.29	$ 180.75
Dow Jones U.S. Waste & Disposal Services Index	$ 100	$ 100.18	$ 108.70	$ 135.80	$ 154.48	$ 160.95

THE STOCK PRICE PERFORMANCE INCLUDED IN THIS GRAPH IS NOT NECESSARILY INDICATIVE OF FUTURE STOCK PRICE PERFORMANCE.

ITEM 6. SELECTED FINANCIAL DATA

This table sets forth our selected financial data for the periods indicated. This data should be read in conjunction with, and is qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Annual Report on Form 10-K and our audited consolidated financial statements, including the related notes and our independent registered public accounting firm's report and the other financial information included in Item 8 of this Annual Report on Form 10-K. The selected data in this section is not intended to replace the consolidated financial statements included in this report.

	YEARS ENDED DECEMBER 31,				
	2015 [(a)]	2014 [(a)]	2013 [(a)]	2012	2011
	(in thousands, except share and per share data)				
STATEMENT OF OPERATIONS DATA:					
Revenues	$ 2,117,287	$ 2,079,166	$ 1,928,795	$ 1,661,618	$ 1,505,366
Operating expenses:					
Cost of operations	1,177,409	1,138,388	1,064,819	956,357	857,580
Selling, general and administrative	237,484	229,474	212,637	197,454	161,967
Depreciation	240,357	230,944	218,454	169,027	147,036
Amortization of intangibles	29,077	27,000	25,410	24,557	20,064
Loss on prior office leases	-	-	9,902	-	-
Impairments and other operating items	494,492	4,091	4,129	(1,924)	1,657
Operating income (loss)	(61,532)	449,269	393,444	316,147	317,062
Interest expense	(64,236)	(64,674)	(73,579)	(53,037)	(44,520)
Other income (expense), net	(518)	1,067	1,056	1,993	587
Income (loss) before income tax provision	(126,286)	385,662	320,921	265,103	273,129
Income tax (provision) benefit	31,592	(152,335)	(124,916)	(105,443)	(106,958)
Net income (loss)	(94,694)	233,327	196,005	159,660	166,171
Less: Net income attributable to noncontrolling interests	(1,070)	(802)	(350)	(567)	(932)
Net income (loss) attributable to Waste Connections	$ (95,764)	$ 232,525	$ 195,655	$ 159,093	$ 165,239
Earnings (loss) per common share attributable to Waste Connections' common stockholders:					
Basic	$ (0.78)	$ 1.87	$ 1.58	$ 1.31	$ 1.47
Diluted	$ (0.78)	$ 1.86	$ 1.58	$ 1.31	$ 1.45
Shares used in the per share calculations:					
Basic	123,491,931	124,215,346	123,597,540	121,172,381	112,720,444
Diluted	123,491,931	124,787,421	124,165,052	121,824,349	113,583,486
Cash dividends per common share	$ 0.535	$ 0.475	$ 0.415	$ 0.37	$ 0.315
Cash dividends paid	$ 65,990	$ 58,906	$ 51,213	$ 44,465	$ 35,566

(a) For more information regarding this financial data, see the Management's Discussion and Analysis of Financial Condition and Results of Operations section included in this report.

	DECEMBER 31,				
	2015	2014	2013	2012	2011
	(in thousands, except share and per share data)				
BALANCE SHEET DATA:					
Cash and equivalents	$ 10,974	$ 14,353	$ 13,591	$ 23,212	$ 12,643
Working capital surplus (deficit)	(15,847)	5,833	(16,513)	(55,086)	(34,544)
Property and equipment, net	2,738,288	2,594,205	2,450,649	2,457,606	1,450,469
Total assets	5,121,798	5,245,267	5,057,617	5,067,199	3,325,633
Long-term debt and notes payable	2,147,127	1,971,152	2,060,955	2,196,140	1,170,386
Total equity	1,991,784	2,233,741	2,048,207	1,883,130	1,399,687

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As previously noted, the following discussion excludes any impact that may result from the Merger. The following discussion should be read in conjunction with the "Selected Financial Data" included in Item 6 of this Annual Report on Form 10-K, our consolidated financial statements and the related notes included elsewhere in this report.

Industry Overview

The municipal solid waste industry is a local and highly competitive business, requiring substantial labor and capital resources. The participants compete for collection accounts primarily on the basis of price and, to a lesser extent, the quality of service, and compete for landfill business on the basis of tipping fees, geographic location and quality of operations. The municipal solid waste industry has been consolidating and continues to consolidate as a result of a number of factors, including the increasing costs and complexity associated with waste management operations and regulatory compliance. Many small independent operators and municipalities lack the capital resources, management, operating skills and technical expertise necessary to operate effectively in such an environment. The consolidation trend has caused municipal solid waste companies to operate larger landfills that have complementary collection routes that can use company-owned disposal capacity. Controlling the point of transfer from haulers to landfills has become increasingly important as landfills continue to close and disposal capacity moves farther from the collection markets it serves.

Generally, the most profitable operators within the municipal solid waste industry are those companies that are vertically integrated or enter into long-term collection contracts. A vertically integrated operator will benefit from: (1) the internalization of waste, which is bringing waste to a company-owned landfill; (2) the ability to charge third-party haulers tipping fees either at landfills or at transfer stations; and (3) the efficiencies gained by being able to aggregate and process waste at a transfer station prior to landfilling.

The E&P waste services industry is regional in nature and is also highly fragmented, with acquisition opportunities available in several active natural resource basins. Competition for E&P waste comes primarily from smaller regional companies that utilize a variety of disposal methods and generally serve specific geographic markets, and other solid waste companies. In addition, customers in many markets have the option of using internal disposal methods or outsourcing to another third-party disposal company. The principal competitive factors in this business include: gaining customer approval of treatment and disposal facilities; location of facilities in relation to customer activity; reputation; reliability of services; track record of environmental compliance; ability to accept multiple waste types at a single facility; and price. The demand for our E&P waste services depends on the continued demand for, and production of, oil and natural gas. Crude oil and natural gas prices historically have been volatile and the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and into early 2016, have resulted in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate. During the year ended December 31, 2015, we recorded charges totaling $517.8 million associated with the impairment of a portion of our goodwill, intangible assets and property and equipment within our E&P segment as a result of the sustained decline in oil prices in recent months, together with market expectations of a likely slow recovery in such prices, making it more likely than not that the fair value of these assets had decreased below their respective carrying values. A further reduction in crude oil and natural gas prices could lead to continued declines in the level of production activity and demand for our E&P waste services, which could result in the recognition of additional impairment charges on our goodwill, intangible assets and property and equipment associated with our E&P operations.

Executive Overview

We are an integrated municipal solid waste services company that provides solid waste collection, transfer, disposal and recycling services primarily in exclusive and secondary markets in the U.S. and a leading provider of non-hazardous exploration and production, or E&P, waste treatment, recovery and disposal services in several of the most active natural resource producing areas of the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

We seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple municipal sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. We also target niche markets, like E&P waste treatment and disposal services.

As of December 31, 2015, we served residential, commercial, industrial and E&P customers in 32 states: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of December 31, 2015, we owned or operated a network of 155 solid waste collection operations; 69 transfer stations; seven intermodal facilities, 37 recycling operations, 62 active MSW, E&P and/or non-MSW landfills, 24 E&P liquid waste injection wells and 20 E&P waste treatment and oil recovery facilities.

2015 Financial Performance

Operating Results

Revenues in 2015 increased 1.8% to $2.12 billion from $2.08 billion in 2014, as a result of growth in solid waste, partially offset by decreased E&P waste activity. Solid waste revenues increased 7.5%, due to internal growth and acquisitions. Solid waste internal growth decreased to 4.2% in 2015, from 4.3% in 2014. Pricing growth was 0.2 percentage points lower than in 2014, due to lower fuel, materials and environmental surcharges. Increases in landfill and hauling volumes contributed to total volume growth increasing to 2.2% in 2015 from 2.1% in 2014. A similar decrease in recycled commodity prices as in the prior year resulted in recycling contributing negative 0.6% to internal growth in 2015 and 2014. E&P waste revenues decreased to $215.4 million from $310.1 million in 2014, due to decreased activity at existing facilities partially offset by contributions from new facilities.

In 2015, adjusted earnings before interest, taxes, depreciation and amortization, or adjusted EBITDA, a non-GAAP financial measure (refer to page 62 of this report for a definition and reconciliation to Net income (loss)), decreased 0.9% to $710.6 million, from $717.1 million in 2014. As a percentage of revenue, adjusted EBITDA decreased from 34.5% in 2014, to 33.6% in 2015. This 0.9 percentage point decrease was primarily attributable to the decrease in higher margin E&P waste revenues. Adjusted net income attributable to Waste Connections, a non-GAAP financial measure (refer to page 63 of this report for a definition and reconciliation to Net income (loss) attributable to Waste Connections), in 2015 decreased 3.7% to $244.9 million from $254.2 million in 2014.

Adjusted Free Cash Flow

Net cash provided by operating activities increased 5.9% to $577.0 million in 2015, from $545.1 million in 2014, and capital expenditures decreased from $241.3 million in 2014 to $238.8 million in 2015, a decrease of $2.5 million, or 1.0%. This decrease in capital expenditures was primarily due to pulling forward into 2014 capital expenditures from 2015 to take advantage of bonus depreciation tax benefits available in 2014, and the construction of two new E&P waste disposal facilities and a new construction and demolition landfill in 2014. Adjusted free cash flow, a non-GAAP financial measure (refer to page 61 of this report for a definition and reconciliation to Net cash provided by operating activities), increased 6.7% to $343.0 million in 2015, from $321.4 million in 2014. Adjusted free cash flow as a percentage of revenues was 16.2% in 2015, compared to 15.5% in 2014. This increase as a percentage of revenues was primarily due to higher net cash provided by operating activities as noted above.

Return of Capital to Stockholders

In 2015, we returned $66.0 million to stockholders through cash dividends declared by our Board of Directors, which also increased the quarterly cash dividend by 11.5% from $0.13 to $0.145 per share of common stock in October 2015. Our Board of Directors intends to review the quarterly dividend during the fourth quarter of each year, with a long-term objective of increasing the amount of the dividend. In 2015, we also repurchased approximately 1.96 million shares of common stock at a cost of $91.2 million. We expect the amount of capital we return to stockholders through stock repurchases to vary depending on our financial condition and results of operations, capital structure, the amount of cash we deploy on acquisitions, the market price of our common stock, and overall market conditions. We cannot assure you as to the amounts or timing of future stock repurchases or dividends. We have the ability under our credit agreement and master note purchase agreement to repurchase our common stock and pay dividends provided that we maintain specified financial ratios.

Capital Position

We target a leverage ratio, as defined in our credit agreement, of approximately 2.75x – 3.0x total debt to EBITDA. We deployed $347.9 million during 2015 for acquisitions, and we increased our debt by $177.7 million. As a result, our leverage ratio increased to 2.88x at December 31, 2015, from 2.67x at December 31, 2014.

Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the consolidated financial statements. As described by the SEC, critical accounting estimates and assumptions are those that may be material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and that have a material impact on the financial condition or operating performance of a company. Such critical accounting estimates and assumptions are applicable to our reportable segments. Based on this definition, we believe the following are our critical accounting estimates.

Insurance liabilities. We maintain high deductible or self-insured retention insurance policies for automobile, general, employer's, environmental, cyber, employment practices and directors' and officers' liability as well as for employee group health insurance, property insurance and workers' compensation. We carry umbrella policies for certain types of claims to provide excess coverage over the underlying policies and per incident deductibles or self-insured retentions. Our insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by our management with assistance from our third-party actuary and third-party claims administrator. The insurance accruals are influenced by our past claims experience factors, which have a limited history, and by published industry development factors. If we experience insurance claims or costs above or below our historically evaluated levels, our estimates could be materially affected. The frequency and amount of claims or incidents could vary significantly over time, which could materially affect our self-insurance liabilities. Additionally, the actual costs to settle the self-insurance liabilities could materially differ from the original estimates and cause us to incur additional costs in future periods associated with prior year claims.

Income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. If our judgment and estimates concerning assumptions made in calculating our expected future income tax rates are incorrect, our deferred tax assets and liabilities would change. Based on our net deferred tax liability balance at December 31, 2015, each 0.1 percentage point change to our expected future income tax rate would change our net deferred tax liability balance and income tax expense by approximately $1.1 million.

Accounting for landfills. We recognize landfill depletion expense as airspace of a landfill is consumed. Our landfill depletion rates are based on the remaining disposal capacity at our landfills, considering both permitted and probable expansion airspace. We calculate the net present value of our final capping, closure and post-closure commitments by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in our final capping, closure and post-closure liabilities being recorded in "layers." The resulting final capping, closure and post-closure obligation is recorded on the balance sheet along with an offsetting addition to site costs, which is amortized to depletion expense as the remaining landfill airspace is consumed. Interest is accreted on the recorded liability using the corresponding discount rate. The accounting methods discussed below require us to make certain estimates and assumptions. Changes to these estimates and assumptions could have a material effect on our financial condition and results of operations. Any changes to our estimates are applied prospectively.

Landfill development costs. Landfill development costs include the costs of acquisition, construction associated with excavation, liners, site berms, groundwater monitoring wells, gas recovery systems and leachate collection systems. We estimate the total costs associated with developing each landfill site to its final capacity. Total landfill costs include the development costs associated with expansion airspace. Expansion airspace is described below. Landfill development costs depend on future events and thus actual costs could vary significantly from our estimates. Material differences between estimated and actual development costs may affect our cash flows by increasing our capital expenditures and thus affect our results of operations by increasing our landfill depletion expense.

Final capping, closure and post-closure obligations. We accrue for estimated final capping, closure and post-closure maintenance obligations at the landfills we own, and the landfills that we operate, but do not own, under life-of-site agreements. We could have additional material financial obligations relating to final capping, closure and post-closure costs at other disposal facilities that we currently own or operate or that we may own or operate in the future. Our discount rate assumption for purposes of computing 2015 and 2014 "layers" for final capping, closure and post-closure obligations was 4.75% and 5.75%, respectively, which reflects our long-term credit adjusted risk free rate as of the end of 2014 and 2013. Our inflation rate assumption was 2.5% for the years ended December 31, 2015 and 2014. Significant reductions in our estimates of the remaining lives of our landfills or significant increases in

our estimates of the landfill final capping, closure and post-closure maintenance costs could have a material adverse effect on our financial condition and results of operations. Additionally, changes in regulatory or legislative requirements could increase our costs related to our landfills, resulting in a material adverse effect on our financial condition and results of operations.

We own two landfills for which the prior owners are obligated to reimburse us for certain costs we incur for final capping, closure and post-closure activities on the portion of the landfill utilized by the prior owners. We accrue the prior owner's portion of the final capping, closure and post-closure obligation within the balance sheet classification of Other long-term liabilities, and a corresponding receivable from the prior owner in long-term Other assets.

Disposal capacity. Our internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at our landfills. Our landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills that we own and at landfills that we operate, but do not own, under life-of-site agreements. Our landfill depletion rate is based on the term of the operating agreement at our operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets the following criteria is included in our estimate of total landfill airspace:

1) whether the land where the expansion is being sought is contiguous to the current disposal site, and we either own the expansion property or have rights to it under an option, purchase, operating or other similar agreement;
2) whether total development costs, final capping costs, and closure/post-closure costs have been determined;
3) whether internal personnel have performed a financial analysis of the proposed expansion site and have determined that it has a positive financial and operational impact;
4) whether internal personnel or external consultants are actively working to obtain the necessary approvals to obtain the landfill expansion permit; and
5) whether we consider it probable that we will achieve the expansion (for a pursued expansion to be considered probable, there must be no significant known technical, legal, community, business or political restrictions or similar issues existing that we believe are more likely than not to impair the success of the expansion).

We may be unsuccessful in obtaining permits for expansion disposal capacity at our landfills. In such cases, we will charge the previously capitalized development costs to expense. This will adversely affect our operating results and cash flows and could result in greater landfill depletion expense being recognized on a prospective basis.

We periodically evaluate our landfill sites for potential impairment indicators. Our judgments regarding the existence of impairment indicators are based on regulatory factors, market conditions and operational performance of our landfills. Future events could cause us to conclude that impairment indicators exist and that our landfill carrying costs are impaired. Any resulting impairment loss could have a material adverse effect on our financial condition and results of operations.

Goodwill and indefinite-lived intangible assets testing. Goodwill and indefinite-lived intangible assets are tested for impairment on at least an annual basis in the fourth quarter of the year. In addition, we evaluate our reporting units for impairment if events or circumstances change between annual tests indicating a possible impairment. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold;
- the testing for recoverability of a significant asset group within the segment; or
- current period or expected future operating cash flow losses.

In the first step ("Step 1") of testing for goodwill impairment, we estimate the fair value of each reporting unit, which we have determined to be our three geographic operating segments and our E&P segment, and compare the fair value with the carrying value of the net assets assigned to each reporting unit. If the fair value of a reporting unit is greater than the carrying value of the net assets, including goodwill, assigned to the reporting unit, then no impairment results. If the fair value is less than its carrying value, then we would perform a second step ("Step 2") and determine the fair value of the goodwill. In Step 2, the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. If the fair value of the goodwill is less than its carrying value for a reporting unit, an impairment charge would be recorded to earnings in our Consolidated Statements of Net Income (Loss). In testing indefinite-lived intangible assets for impairment, we compare the estimated fair value of each indefinite-lived intangible asset to its carrying value. If the fair value of the indefinite-lived intangible asset is less than its carrying value, an impairment charge would be recorded to earnings in our Consolidated Statements of Net Income (Loss).

During the third quarter of 2015, we determined that sufficient indicators of potential impairment existed to require an interim goodwill and indefinite-lived intangible assets impairment analysis for our E&P segment as a result of the sustained decline in oil prices in the recent months, together with market expectations of a likely slow recovery in such prices. We, therefore, performed a Step 1 assessment of our E&P segment during the third quarter of 2015. The Step 1 assessment involved measuring the recoverability of goodwill by comparing the E&P segment's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value was estimated using an income approach employing a discounted cash flow ("DCF") model. The DCF model incorporated projected cash flows over a forecast period based on the remaining estimated lives of the operating locations comprising the E&P segment. This was based on a number of key assumptions, including, but not limited to, a discount rate of 11.6%, annual revenue projections based on E&P waste resulting from projected levels of oil and natural gas exploration and production activity during the forecast period, gross margins based on estimated operating expense requirements during the forecast period and estimated capital expenditures over the forecast period, all of which were classified as Level 3 in the fair value hierarchy. As a result of the Step 1 assessment, we determined that the E&P segment did not pass the Step 1 test because the carrying value exceeded the estimated fair value of the reporting unit. We then performed the Step 2 test to determine the fair value of goodwill for our E&P segment. Based on the Step 1 and Step 2 analyses, we recorded a goodwill impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) within our E&P segment of $411.8 million in the third quarter of 2015. Additionally, we evaluated the recoverability of the E&P segment's indefinite-lived intangible assets (other than goodwill) by comparing the estimated fair value of each indefinite-lived intangible asset to its carrying value. We estimated the fair value of the indefinite-lived intangible assets using an excess earnings approach. Based on the result of the recoverability test, we determined that the carrying value of certain indefinite-lived intangible assets within the E&P segment exceeded their fair value and were therefore not recoverable. We recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain indefinite-lived intangible assets within our E&P segment of $38.4 million in the third quarter and fourth quarter of 2015. We did not record an impairment charge to our E&P segment as a result of our goodwill and indefinite-lived intangible assets impairment tests in 2014.

During our annual impairment analysis, we determined the fair value of each of our three geographic operating segments as a whole and each indefinite-lived intangible asset within those segments using discounted cash flow analyses, which require significant assumptions and estimates about the future operations of each reporting unit and the future discrete cash flows related to each indefinite-lived intangible asset. Significant judgments inherent in these analyses include the determination of appropriate discount rates, the amount and timing of expected future cash flows and growth rates. The cash flows employed in our 2015 discounted cash flow analyses of our three geographic operating segments were based on ten-year financial forecasts, which in turn were based on the 2016 annual budget developed internally by management. These forecasts reflect operating profit margins that were consistent with 2015 results and annual revenue growth rates of 3.3% in perpetuity. Our discount rate assumptions are based on an assessment of our weighted average cost of capital which approximated 5.0%. In assessing the reasonableness of our determined fair values of our reporting units, we evaluate our results against our current market capitalization. We did not record an impairment charge to our three geographic operating segments as a result of our goodwill and indefinite-lived intangible assets impairment tests in 2015 and 2014.

Business Combination Accounting. We recognize, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. We measure and recognize goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of our previously held equity interest in the acquiree (if any), over (b) the fair value of net assets acquired and liabilities assumed. At the acquisition date, we measure the fair values of all assets acquired and liabilities assumed that arise from contractual contingencies. We measure the fair values of all noncontractual contingencies if, as of the acquisition date, it is more likely than not that the contingency will give rise to an asset or liability.

General

Our revenues consist mainly of fees we charge customers for collection, transfer, recycling and disposal of non-hazardous solid waste and treatment, recovery and disposal of non-hazardous E&P waste. Our collection business also generates revenues from the sale of recyclable commodities, which have significant variability. A large part of our collection revenues comes from providing residential, commercial and industrial services. We frequently perform these services under service agreements, municipal contracts or franchise agreements with governmental entities. Our existing franchise agreements and most of our existing municipal contracts give us the exclusive right to provide specified waste services in the specified territory during the contract term. These exclusive arrangements are awarded, at least initially, on a competitive bid basis and subsequently on a bid or negotiated basis. We also provide residential collection services on a subscription basis with individual households.

We typically determine the prices of our solid waste collection services by the collection frequency and level of service, route density, volume, weight and type of waste collected, type of equipment and containers furnished, the distance to the disposal or processing facility, the cost of disposal or processing, and prices charged by competitors for similar services. The terms of our

contracts sometimes limit our ability to pass on price increases. Long-term solid waste collection contracts often contain a formula, generally based on a published price index, that automatically adjusts fees to cover increases in some, but not all, operating costs, or that limit increases to less than 100% of the increase in the applicable price index.

We charge transfer station and landfill customers a tipping fee on a per ton and/or per yard basis for disposing of their solid waste at our transfer stations and landfill facilities. Many of our transfer station and landfill customers have entered into one to ten year disposal contracts with us, most of which provide for annual indexed price increases.

Our revenues from E&P waste services consist mainly of fees that we charge for the treatment and disposal of liquid and solid waste derived from the drilling of wells for the production of oil and natural gas. We also generate income from the transportation of waste to the disposal facility in certain markets and the sale of reclaimed oil, roadbase and processed and treated waters.

Our revenues from recycling services consist of proceeds generated from selling recyclable materials (including compost, cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals) collected from our residential customers and at our recycling operations to third parties for processing before resale.

Our revenues from intermodal services consist mainly of fees we charge customers for the movement of cargo and solid waste containers between our intermodal facilities. We also generate revenue from the storage, maintenance and repair of cargo and solid waste containers and the sale or lease of containers and chassis.

No single contract or customer accounted for more than 10% of our total revenues at the consolidated or reportable segment level during the periods presented. The following tables reflect a breakdown of our revenue and inter-company eliminations for the periods indicated (dollars in thousands):

	Year Ended December 31, 2015			
	Revenue	**Intercompany Revenue**	**Reported Revenue**	**% of Reported Revenue**
Solid waste collection	$ 1,378,679	$ (4,623)	$ 1,374,056	64.9%
Solid waste disposal and transfer	670,369	(255,200)	415,169	19.6
Solid waste recycling	47,292	(924)	46,368	2.2
E&P waste treatment, recovery and disposal	228,529	(13,156)	215,373	10.2
Intermodal and other	66,321	-	66,321	3.1
Total	$ 2,391,190	$ (273,903)	$ 2,117,287	100.0%

	Year Ended December 31, 2014			
	Revenue	**Intercompany Revenue**	**Reported Revenue**	**% of Reported Revenue**
Solid waste collection	$ 1,289,906	$ (3,593)	$ 1,286,313	61.9%
Solid waste disposal and transfer	617,161	(235,851)	381,310	18.3
Solid waste recycling	58,226	(2,118)	56,108	2.7
E&P waste treatment, recovery and disposal	326,934	(16,862)	310,072	14.9
Intermodal and other	46,291	(928)	45,363	2.2
Total	$ 2,338,518	$ (259,352)	$ 2,079,166	100.0%

	Year Ended December 31, 2013			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,219,091	$ (4,304)	$ 1,214,787	63.0%
Solid waste disposal and transfer	579,379	(226,897)	352,482	18.3
Solid waste recycling	71,831	(6,101)	65,730	3.4
E&P waste treatment, recovery and disposal	262,286	(11,462)	250,824	13.0
Intermodal and other	46,038	(1,066)	44,972	2.3
Total	$ 2,178,625	$ (249,830)	$ 1,928,795	100.0%

Cost of operations includes labor and benefits, tipping fees paid to third-party disposal facilities, vehicle and equipment maintenance, workers' compensation, vehicle and equipment insurance, insurance and employee group health claims expense, third-party transportation expense, fuel, the cost of materials we purchase for recycling, district and state taxes and host community fees and royalties. Our significant costs of operations in 2015 were labor, third-party disposal and transportation, vehicle and equipment maintenance, taxes and fees, insurance and fuel. We use a number of programs to reduce overall cost of operations, including increasing the use of automated routes to reduce labor and workers' compensation exposure, utilizing comprehensive maintenance and health and safety programs, and increasing the use of transfer stations to further enhance internalization rates. We carry high-deductible or self-insured retention insurance for automobile liability, general liability, employer's liability, environmental liability, cyber liability, employment practices liability and directors' and officers' liability as well as for employee group health claims, property and workers' compensation. If we experience insurance claims or costs above or below our historically evaluated levels, our estimates could be materially affected.

Selling, general and administrative, or SG&A, expense includes management, sales force, clerical and administrative employee compensation and benefits, legal, accounting and other professional services, acquisition expenses, bad debt expense and rent expense for our corporate headquarters.

Depreciation expense includes depreciation of equipment and fixed assets over their estimated useful lives using the straight-line method. Depletion expense includes depletion of landfill site costs and total future development costs as remaining airspace of the landfill is consumed. Remaining airspace at our landfills includes both permitted and probable expansion airspace. Amortization expense includes the amortization of finite-lived intangible assets, consisting primarily of long-term franchise agreements and contracts, customer lists and non-competition agreements, over their estimated useful lives using the straight-line method. Goodwill and indefinite-lived intangible assets, consisting primarily of certain perpetual rights to provide solid waste collection and transportation services in specified territories, are not amortized.

We capitalize some third-party expenditures related to development projects, such as legal, engineering and interest expenses. We expense all third-party and indirect acquisition costs, including third-party legal and engineering expenses, executive and corporate overhead, public relations and other corporate services, as we incur them. We charge against net income any unamortized capitalized expenditures and advances (net of any portion that we believe we may recover, through sale or otherwise) that may become impaired, such as those that relate to any operation that is permanently shut down and any landfill development project that we believe will not be completed. We routinely evaluate all capitalized costs, and expense those related to projects that we believe are not likely to succeed. For example, if we are unsuccessful in our attempts to obtain or defend permits that we are seeking or have been awarded to operate or expand a landfill, we will no longer generate anticipated income from the landfill and we will be required to expense in a future period up to the carrying value of the landfill or expansion project, less the recoverable value of the property and other amounts recovered.

Results of Operations

The following table sets forth items in our Consolidated Statements of Net Income (Loss) in thousands and as a percentage of revenues for the periods indicated:

	Years Ended December 31,					
	2015	% of Revenues	2014	% of Revenues	2013	% of Revenues
Revenues	$ 2,117,287	100.0%	$ 2,079,166	100.0%	$ 1,928,795	100.0%
Cost of operations	1,177,409	55.6	1,138,388	54.8	1,064,819	55.2
Selling, general and administrative	237,484	11.2	229,474	11.0	212,637	11.0
Depreciation	240,357	11.3	230,944	11.1	218,454	11.4
Amortization of intangibles	29,077	1.4	27,000	1.3	25,410	1.3
Loss on prior office leases	-	-	-	-	9,902	0.5
Impairments and other operating items	494,492	23.4	4,091	0.2	4,129	0.2
Operating income (loss)	(61,532)	(2.9)	449,269	21.6	393,444	20.4
Interest expense	(64,236)	(3.1)	(64,674)	(3.1)	(73,579)	(3.8)
Other income (expense), net	(518)	(0.0)	1,067	0.0	1,056	0.0
Income tax (provision) benefit	31,592	1.5	(152,335)	(7.3)	(124,916)	(6.5)
Net income (loss)	(94,694)	(4.5)	233,327	11.2	196,005	10.1
Net income attributable to noncontrolling interests	(1,070)	(0.0)	(802)	(0.0)	(350)	(0.0)
Net income (loss) attributable to Waste Connections	$ (95,764)	(4.5)%	$ 232,525	11.2%	$ 195,655	10.1%

Years Ended December 31, 2015 and 2014

Revenues. Total revenues increased $38.1 million, or 1.8%, to $2.117 billion for the year ended December 31, 2015, from $2.079 billion for the year ended December 31, 2014.

During the year ended December 31, 2015, incremental revenue from acquisitions closed during, or subsequent to, the year ended December 31, 2014, increased revenues by approximately $58.6 million. Operations divested during, or subsequent to, the year ended December 31, 2014, decreased revenues by approximately $1.0 million.

During the year ended December 31, 2015, the net increase in prices charged to our customers was $46.4 million, consisting of $50.0 million of core price increases, partially offset by a decrease of $3.6 million from fuel, materials and environmental surcharges.

During the year ended December 31, 2015, volume increases in our existing business increased solid waste revenues by $39.5 million from increases in roll off collection, transfer station volumes and landfill volumes resulting from increased construction and general economic activity in our markets. E&P disposal facilities which opened subsequent to December 31, 2014, increased E&P revenues by $3.9 million. E&P revenues at facilities owned and fully-operated in each of the comparable periods decreased by $120.0 million due to the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and into early 2016, which resulted in a decline in the level of drilling and production activity thereby reducing the demand for E&P waste services in the basins in which we operate.

During the year ended December 31, 2015, the closure of a recycling operation in our Western segment in April 2014 decreased revenues by $2.0 million. Revenues from sales of recyclable commodities at all other facilities owned during the year ended December 31, 2015 and 2014 decreased $7.9 million due primarily to decreased recyclable commodity prices.

During the year ended December 31, 2015, intermodal revenues increased $21.8 million due to cargo volume from a new large intermodal customer and higher cargo volume with existing customers.

Other revenues decreased by $1.2 million during the year ended December 31, 2015 due primarily to contracted landfill construction services we performed in the prior year period at a landfill we operate that did not recur in the current year, partially offset by an increase in equipment rental revenue.

Cost of Operations. Total cost of operations increased $39.0 million, or 3.4%, to $1.178 billion for the year ended December 31, 2015, from $1.138 billion for the year ended December 31, 2014. The increase was primarily the result of $34.7 million of additional operating costs from solid waste and E&P acquisitions closed during, or subsequent to, the year ended December 31, 2014 and an increase in operating costs at our existing solid waste operations of $26.9 million, less a decrease in operating costs at our existing and internally developed E&P operations of $22.6 million.

The increase in operating costs at our existing solid waste and intermodal operations of $26.9 million for the year ended December 31, 2015 was comprised of an increase in labor and employee benefits expenses of $15.6 million due primarily to employee pay rate and headcount increases to support volume increases, an increase in rail transportation expenses at our intermodal operations of $9.6 million due to increased rail cargo volume, an increase in truck, container, equipment and facility maintenance and repair expenses of $6.8 million due to variability in the timing and severity of major repairs, an increase in third-party disposal expense of $6.5 million due to disposal rate increases and higher disposal costs associated with increased collection and transfer station volumes, an increase in taxes on revenues of $6.0 million due to increased revenues in our solid waste markets, an increase in third-party trucking and transportation expenses of $3.1 million due to increased transfer station and landfill volumes that require us to transport the waste to our disposal sites and $3.4 million of other net expense increases, partially offset by a decrease in fuel expense of $20.2 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a decrease of $2.0 million associated with the cost of contracted landfill construction services we performed during the prior year period and a decrease in auto, workers' compensation and property claims expense under our high deductible insurance program of $1.9 million due primarily to adjustments to projected losses on prior period claims.

The decrease in operating costs at our existing and internally developed E&P operations of $22.6 million for the year ended December 31, 2015 was comprised of decreased fuel expenses of $4.0 million due primarily to decreases in the price of diesel fuel and the following changes attributable to a reduction in our operations resulting from the decline in the level of drilling and production activity: decreased third-party trucking and transportation expenses of $6.7 million, decreased site remediation work of $6.2 million, decreased employee wage and benefits expenses of $3.3 million, decreased equipment repair expenses of $2.9 million, decreased equipment rental expenses of $1.9 million, decreased royalties on revenues of $1.1 million, decreased landfill operating supplies of $0.5 million and $2.5 million of other expense decreases, partially offset by an increase of $5.0 million in expenses due to site clean-up and remediation work during the first quarter of 2015 associated with flooding and other surface damage at two of our E&P disposal sites in New Mexico resulting from heavy precipitation affecting the sites and an increase of $1.5 million due to start-up related expenses at two new E&P disposal facilities during the first quarter of 2015.

Cost of operations as a percentage of revenues increased 0.8 percentage points to 55.6% for the year ended December 31, 2015, from 54.8% for the year ended December 31, 2014. The increase as a percentage of revenues was primarily the result of a 2.4 percentage point increase at our existing and internally developed E&P operations, partially offset by a 1.6 percentage point decrease at our existing solid waste operations. The increase at our existing and internally developed E&P operations was due primarily to fixed operating expenses increasing as an overall percentage of revenues due to the aforementioned decline in E&P revenues. The decrease at our existing solid waste operations was comprised of a 1.4 percentage point decrease in fuel expense and a 0.2 percentage point net decrease in all other expenses.

SG&A. SG&A expenses increased $8.0 million, or 3.5%, to $237.5 million for the year ended December 31, 2015, from $229.5 million for the year ended December 31, 2014. The increase was primarily the result of $3.5 million of additional SG&A expenses from acquisitions closed during, or subsequent to, the year ended December 31, 2014, an increase in payroll and benefits expenses of $3.9 million primarily related to headcount increases and annual compensation increases, an increase in professional fees of $2.0 million due primarily to increased expenses for external accounting services, legal expenses and sales consulting services, an increase in employee meeting, training and travel expenses of $1.0 million, an increase in direct acquisition costs of $2.1 million attributable to acquisitions closed during the current year period, an increase of $0.8 million in equity-based compensation expenses associated with our annual recurring grant of restricted stock units to our personnel and a $0.6 million increase in credit card fees resulting from an increase in the total number of customer remitting payments for our services using credit cards, partially offset by a decrease in expenses for uncollectible accounts receivable of $3.0 million primarily related to improved collection results in the current year at our E&P segment and higher prior year expenses at our Western segment resulting from a receivables balance from a large customer that was deemed uncollectible, a decrease in accrued cash incentive compensation expense of $2.7 million as we are not projected to achieve the same level of certain financial targets that were met in the prior year period and $0.2 million of other net expense decreases.

SG&A expenses as a percentage of revenues increased 0.2% percentage points to 11.2% for the year ended December 31, 2015, from 11.0% for the year ended December 31, 2014, as a result of increases associated with higher payroll and benefit expenses, professional fees and direct acquisition costs being partially offset by decreased cash incentive compensation expense and decreased expenses for uncollectible accounts.

Depreciation. Depreciation expense increased $9.5 million, or 4.1%, to $240.4 million for the year ended December 31, 2015, from $230.9 million for the year ended December 31, 2014. The increase was primarily the result of an increase in depletion expense of $6.5 million at our existing solid waste landfills due primarily to an increase in volumes, additional depreciation and depletion expense of $8.6 million from acquisitions closed during, or subsequent to, the year ended December 31, 2014 and an increase in depreciation expense of $5.0 million associated with additions to our fleet and equipment purchased to support our existing operations, partially offset by a decrease in depletion expense of $10.6 million at our existing E&P landfills due to volume decreases resulting from a decline in the level of oil drilling and production activity due to reductions in crude oil prices.

Depreciation expense as a percentage of revenues increased 0.2 percentage points to 11.3% for the year ended December 31, 2015, from 11.1% for the year ended December 31, 2014. The increase as a percentage of revenues was due primarily to the impact of a decline in E&P revenues from operations owned in the comparable periods and depreciation expense associated with additions to our fleet and equipment purchased to support our existing operations, partially offset by the decrease in depletion expense at our existing E&P landfills.

Amortization of Intangibles. Amortization of intangibles expense increased $2.1 million, or 7.7%, to $29.1 million for the year ended December 31, 2015, from $27.0 million for the year ended December 31, 2014. Amortization expense as a percentage of revenues increased 0.1 percentage points to 1.4% for the year ended December 31, 2015, from 1.3% for the year ended December 31, 2014.

The dollar amount and percentage of revenues increases were attributable to additional amortization expense during the year ended December 31, 2015 from acquisitions closed during, or subsequent to, the year ended December 31, 2014.

Impairments and Other Operating Items. Impairments and other operating items increased $490.4 million, to $494.5 million for the year ended December 31, 2015, from $4.1 million for the year ended December 31, 2014.

The decline in oil prices that began in late 2014, and continued through 2015 and into early 2016, has resulted in decreased levels of oil and natural gas exploration and production activity and a corresponding decrease in demand for our E&P waste services. This decrease, together with market expectations of a likely slow recovery in oil prices, has reduced the expected future period cash flows of our E&P segment, causing the fair value of the E&P segment to decrease below its carrying value. During the third quarter of 2015, we recorded impairment charges of $411.8 million associated with goodwill and $38.4 million associated with indefinite-lived intangible assets in our E&P segment. Following the impairment charge, at December 31, 2015, our E&P segment has remaining balances of $77.3 million in goodwill and $21.5 million in indefinite-lived intangible assets. The fair value of the E&P segment was estimated using an income approach employing a discounted cash flow, or DCF, model. The DCF model incorporated projected cash flows over a forecast period based on the estimated remaining lives of the operating locations comprising the E&P segment. One of the key assumptions in the DCF model was the estimated EBITDA contribution from each operating location. If the estimated EBITDA in the DCF model for each operating location was reduced an additional 10%, the goodwill and indefinite-lived intangible asset impairment charge would have increased by $5.4 million and $0.8 million, respectively. We also recorded impairment charges of $67.6 million related to property and equipment at certain E&P operating locations during the third quarter and fourth quarter of 2015 based on an assessment that the carrying value of certain asset groups exceeded the undiscounted cash flows and were therefore not recoverable. The fair value of the unrecoverable asset groups was calculated using the aforementioned DCF model and the impairment charge was based on the amount the asset groups' carrying values exceeded their fair value. Each asset group that was assessed as being impaired had an insignificant fair value due primarily to the estimated discounted cash outflows exceeding the estimated discounted cash inflows over the remaining estimated lives of the asset groups. Following the impairment charge, our E&P segment has a remaining balance in property and equipment of $929.8 million at December 31, 2015. If the estimated EBITDA in the DCF model for each asset group was reduced an additional 10%, the property and equipment impairment charge would have been unchanged.

The aforementioned impairment charges were partially offset by $20.6 million of adjustments recorded during the year ended December 31, 2015 to reduce the fair value of amounts payable under liability-classified contingent consideration arrangements associated with the acquisition of an E&P business in 2014 as it was determined that the decline in E&P waste services at acquired facilities subject to contingent consideration payments based on the earnings of the acquired facilities would reduce the amount ultimately payable by us upon the completion of the contingent consideration assessment period.

Other expense charges associated with changes to the fair value of certain long-term liabilities associated with prior year acquisitions and losses on the disposal of operating assets increased $1.6 million during the year ended December 31, 2015.

During the year ended December 31, 2014, we recorded an $8.4 million impairment charge at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that we own and operate.

Operating Income (Loss). Operating income (loss) decreased $510.8 million to a loss of $61.5 million for the year ended December 31, 2015, from income of $449.3 million for the year ended December 31, 2014. The decrease was attributable to the $490.4 million increase in impairments and other operating items, $39.0 million increase in costs of operations, $9.5 million increase in depreciation expense, $8.0 million increase in SG&A expense and $2.1 million increase in amortization of intangibles expense, partially offset by the $38.1 million increase in revenues.

Operating income (loss) as a percentage of revenues decreased 24.5 percentage points to negative 2.9% for the year ended December 31, 2015, from positive 21.6% for the year ended December 31, 2014. The decrease as a percentage of revenues was comprised of a 23.2 percentage point increase in impairments and other operating items, a 0.8 percentage point increase in cost of operations, a 0.2 percentage point increase in SG&A expense, a 0.2 percentage point increase in depreciation expense and a 0.1 percentage point increase in amortization expense.

Interest Expense. Interest expense decreased $0.5 million, or 0.7%, to $64.2 million for the year ended December 31, 2015, from $64.7 million for the year ended December 31, 2014. The decrease was primarily attributable to a decrease of $2.7 million for the redemption of our 2015 Notes in October 2015, a decrease of $3.8 million from the net change in the combined average outstanding borrowings under our revolving credit and term loan agreement and a decrease of $1.4 million due to refinancing and replacing our prior term loan agreement and prior credit agreement with our new revolving credit and term loan agreement resulting in a reduction in the applicable margin above the base rate or LIBOR rate for outstanding borrowings, partially offset by an increase of $6.0 million from the August 2015 issuance of our 2022 Notes and 2025 Notes and an increase of $1.4 million resulting from interest accretion expense recorded on long-term liabilities recorded at fair value associated with acquisitions closed in the fourth quarter of 2014.

Other Income (Expense), Net. Other income (expense), net, decreased $1.6 million, to an expense total of $0.5 million for the year ended December 31, 2015, from an income total of $1.1 million for the year ended December 31, 2014. The decrease was primarily attributable to an expense charge of $0.6 million for the write off of a portion of unamortized debt issuance costs resulting from refinancing our prior term loan agreement and prior credit agreement, a $0.8 million decrease in investment income and $0.2 million of other net changes.

Income Tax Provision (Benefit). Income taxes decreased $183.9 million, to a benefit total of $31.6 million for the year ended December 31, 2015, from an expense total of $152.3 million for the year ended December 31, 2014.

Our effective tax benefit rate for the year ended December 31, 2015 was 25.0%. The impairment of a portion of the goodwill, indefinite-lived intangible assets and property and equipment within our E&P segment impacted the geographical apportionment of our state income taxes primarily resulting in an adjustment to our deferred tax liabilities that increased our income tax benefit and increased our effective tax benefit rate during the year ended December 31, 2015 by $3.9 million and 3.1 percentage points, respectively. Additionally, a portion of the aforementioned goodwill impairment within our E&P segment that was not deductible for tax purposes, resulted in a decrease to our income tax benefit and our effective tax benefit rate of $15.5 million and 12.3 percentage points, respectively.

Our effective tax expense rate for the year ended December 31, 2014 was 39.5%. During the year ended December 31, 2014, an adjustment in deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act increased our income tax expense and our effective tax expense rate by $1.2 million and 0.3 percentage points, respectively.

Years Ended December 31, 2014 and 2013

Revenues. Total revenues increased $150.4 million, or 7.8%, to $2.079 billion for the year ended December 31, 2014, from $1.929 billion for the year ended December 31, 2013.

During the year ended December 31, 2014, incremental revenue from acquisitions closed during, or subsequent to, the year ended December 31, 2013, increased solid waste revenues and E&P revenues by approximately $28.0 million and $3.8 million, respectively. Operations divested during, or subsequent to, the year ended December 31, 2013, decreased solid waste revenues by approximately $10.0 million.

During the year ended December 31, 2014, the net increase in prices charged to our solid waste customers was $47.3 million, consisting of $46.6 million of core price increases and $0.7 million of fuel, materials and environmental surcharges.

During the year ended December 31, 2014, volume increases in our existing business increased solid waste revenues and E&P revenues by $35.1 million and $55.8 million, respectively. The increase in solid waste volumes was primarily attributable to increases in roll off collection, landfill special waste projects, landfill MSW volumes and transfer station volumes resulting from increased construction and general economic activity in our markets. The increase in E&P volumes was primarily attributable to $23.9 million of revenue from new facilities opened subsequent to December 31, 2013 and $31.9 million of volume increases at facilities owned and operated in each of the comparable periods.

During the year ended December 31, 2014, the closure of two recycling operations in our Western segment decreased revenues by $10.2 million. Revenues from sales of recyclable commodities at all other facilities owned during the year ended December 31, 2014 and 2013 increased $0.4 million due primarily to an increase in volumes processed and sold.

Other revenues increased by $0.2 million during the year ended December 31, 2014, consisting of $2.0 million of contracted landfill construction services we performed at a landfill we operate and $0.5 million of other revenue increases, partially offset by a $2.3 million decrease from lower cargo volumes at our intermodal operations due primarily to the loss of a large intermodal customer.

Cost of Operations. Total cost of operations increased $73.6 million, or 6.9%, to $1.138 billion for the year ended December 31, 2014, from $1.065 billion for the year ended December 31, 2013. The increase was primarily the result of $17.0 million of additional operating costs from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in operating costs of $7.8 million resulting from operations divested during, or subsequent to, the year ended December 31, 2013, and the following changes at operations owned in comparable periods in 2013 and 2014: an increase in third-party trucking and transportation expenses of $14.6 million due to increased transfer station, landfill and E&P volumes that require us to transport the waste to our disposal sites, an increase in labor expenses of $14.3 million due primarily to employee pay rate and headcount increases, an increase in taxes and royalties on revenues of $9.4 million due primarily to increased revenues, an increase in truck, container, equipment and facility maintenance and repair expenses of $8.6 million due to an increase in the cost of parts and services and variability in the timing and severity of major repairs, an increase in third-party disposal expense of $8.1 million due to disposal rate increases and higher disposal associated with increased collection volumes, an increase in third-party subcontractor expenses of $4.2 million at our E&P facilities to perform processing and remediation services resulting from higher E&P disposal volumes, an increase in auto and workers' compensation claims expense under our high deductible insurance program of $3.3 million due primarily to adjustments to projected losses on prior period claims, an increase of $2.7 million related to an increase in the volume of waste solidification materials needed to treat higher E&P waste volumes at our facilities and regulatory changes requiring use of higher cost waste solidification materials at one of our landfills, an increase of $2.0 million associated with the cost of contracted landfill construction services we performed at a landfill we operate, an increase in employee benefits expenses of $1.4 million due to increased employee participation in our benefits program and increased medical claim costs, and $0.9 million of other net increases, partially offset by a decrease in equipment rental expense of $2.3 million resulting from capital purchases replacing certain equipment that was previously rented at our E&P facilities, a decrease in the cost of recyclable commodities of $1.8 million due to declines in commodity prices and decreased commodity volumes resulting from the closure of two of our recyclable processing centers subsequent to December 31, 2013 and a decrease in fuel expense of $1.0 million resulting from the net of lower market prices for diesel fuel not purchased under diesel fuel hedge agreements offsetting an increase in total diesel fuel gallons consumed.

Cost of operations as a percentage of revenues decreased 0.4 percentage points to 54.8% for the year ended December 31, 2014, from 55.2% for the year ended December 31, 2013. The decrease as a percentage of revenues was comprised of a 0.4 percentage point decrease in labor expenses and a 0.4 percentage point decrease in fuel expense due to lower prices for diesel fuel, a 0.2 percentage point decrease from lower equipment rental expenses and a 0.1 percentage point decrease in disposal expense resulting from the increased internalization of certain collection and transfer station volumes as well as increased landfill and E&P revenues not resulting in increased disposal expenses, partially offset by a 0.5 percentage point increase from higher third-party trucking expenses and a 0.2 percentage point increase in third party subcontractor expenses at our E&P facilities.

SG&A. SG&A expenses increased $16.9 million, or 7.9%, to $229.5 million for the year ended December 31, 2014, from $212.6 million for the year ended December 31, 2013. The increase was primarily the result of $2.8 million of additional SG&A expenses from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in SG&A expenses of $0.9 million resulting from operations divested during, or subsequent to, the year ended December 31, 2013, and the following changes at operations owned in comparable periods in 2013 and 2014: an increase in accrued cash incentive compensation expense of $6.2 million resulting from the achievement of certain financial targets in the current period, an increase in payroll and payroll-related expenses of $3.1 million primarily related to annual compensation increases, an increase in equity-based compensation expense of $3.0 million associated with a decrease in our estimated pre-vesting forfeiture rate and an increase in the total fair value of our annual recurring grant of restricted stock units to our personnel, an increase in professional fees of $2.0 million due primarily to increased expenses for external legal and information technology services, a $1.2 million increase in expenses for uncollectible accounts receivable primarily in our E&P business due to the impact of the decline in crude oil prices at the end of 2014

impacting the solvency of certain E&P customers and $0.4 million of other net increases, partially offset by a decrease in deferred compensation expense of $0.9 million as a result of decreases in the market value of investments to which employee deferred compensation liability balances are tracked.

SG&A expenses as a percentage of revenues was unchanged at 11.0% for the years ended December 31, 2014 and 2013, resulting from a 0.2 percentage point increase from increased cash incentive compensation expense being offset by a 0.2 percentage point decrease from leveraging existing administrative functions to support increases in revenues.

Depreciation. Depreciation expense increased $12.4 million, or 5.7%, to $230.9 million for the year ended December 31, 2014, from $218.5 million for the year ended December 31, 2013. The increase was primarily the result of $2.0 million of additional depreciation expense and $0.1 million of additional depletion expense from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in depreciation expense of $0.9 million resulting from operations divested during, or subsequent to, the year ended December 31, 2013, and the following changes at operations owned in comparable periods in 2013 and 2014: an increase in depreciation expense of $7.2 million associated with additions to our fleet and equipment purchased to support our existing operations and an increase in depletion expense of $5.4 million due primarily to an increase in volumes at our existing landfill operations, partially offset by an adjustment to depletion expense of $1.4 million recorded during the year ended December 31, 2013 resulting from an adjustment to final capping obligations at one of our landfill operations.

Depreciation expense as a percentage of revenues decreased 0.3 percentage points to 11.1% for the year ended December 31, 2014, from 11.4% for the year ended December 31, 2013. The decrease as a percentage of revenues was due primarily to the aforementioned prior year adjustment to depletion expense resulting from an adjustment to final capping obligations at one of our landfill operations and leveraging existing equipment to support increases in revenues.

Amortization of Intangibles. Amortization of intangibles expense increased $1.6 million, or 6.3%, to $27.0 million for the year ended December 31, 2014, from $25.4 million for the year ended December 31, 2013. The increase was attributable to $2.0 million of additional amortization expense during the year ended December 31, 2014 from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in amortization expense of $0.4 million resulting from certain intangible assets becoming fully amortized subsequent to the year ended December 31, 2013.

Amortization expense as a percentage of revenues was unchanged at 1.3% for the years ended December 31, 2014 and 2013.

Loss on Prior Office Leases. During the year ended December 31, 2013, we recorded a $9.2 million expense charge associated with the cessation of use of our former corporate headquarters in Folsom, California, and subsequently remitted a payment to terminate our remaining lease obligation. Additionally, during the year ended December 31, 2013, we recorded a $0.7 million expense charge associated with the cessation of use of our E&P segment's former regional offices in Houston, Texas.

Impairments and Other Operating Items. Impairments and other operating items was a loss of $4.1 million for the years ended December 31, 2014 and 2013.

During the year ended December 31, 2013, we recorded net losses totaling $2.5 million on the disposal of three operating locations, $1.3 million of expenses resulting from increases to the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2013 and a $0.8 million write-down in the carrying value of assets at an operating location that was closed in 2013, partially offset by $0.5 million of net gains on the disposal of certain operating assets.

During the year ended December 31, 2014, we recorded an $8.4 million impairment charge at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that we own and operate, which was partially offset by $4.1 million of decreases to the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2014 and $0.2 million of net gains on the disposal of certain operating assets.

Operating Income. Operating income increased $55.9 million, or 14.2%, to $449.3 million for the year ended December 31, 2014, from $393.4 million for the year ended December 31, 2013. The increase was attributable to the $150.4 million increase in revenues and a $9.9 million decrease in loss on prior office leases, partially offset by the $73.6 million increase in cost of operations, $16.9 million increase in SG&A expense, $12.4 million increase in depreciation expense and $1.6 million increase in amortization of intangibles expense.

Operating income as a percentage of revenues increased 1.2 percentage points to 21.6% for the year ended December 31, 2014, from 20.4% for the year ended December 31, 2013. The increase as a percentage of revenues was comprised of a 0.4 percentage point decrease in cost of operations, a 0.5 percentage point decrease in loss on prior office leases and a 0.3 percentage point decrease in depreciation expense.

Interest Expense. Interest expense decreased $8.9 million, or 12.1%, to $64.7 million for the year ended December 31, 2014, from $73.6 million for the year ended December 31, 2013, due to the following changes: a decrease of $3.7 million due to a reduction in the applicable margin above the base rate or LIBOR rate for outstanding borrowings under our prior credit agreement and term loan agreement as a result of a reduction in our leverage ratio of total debt to EBITDA and amendments to the prior credit agreement and term loan agreement, a decrease of $2.8 million due to a reduction in the average outstanding balances on our prior credit agreement and term loan agreement, a decrease of $2.0 million due to the expiration in February 2014 of a $175 million interest rate swap with a fixed rate of 2.85% and the commencement of a new $175 million interest rate swap with a fixed rate of 1.60%, a decrease of $0.6 million resulting from a decrease in interest accretion expense recorded on liability-classified contingent consideration arrangements that were settled, or became fully accrued, subsequent to December 31, 2013 and a $0.6 million decrease from other net changes, partially offset by a $0.8 million increase resulting from the commencement in July 2014 of a new $100 million interest rate swap with a fixed rate of 1.80%.

Income Tax Provision. Income taxes increased $27.4 million, or 21.9%, to $152.3 million for the year ended December 31, 2014, from $124.9 million for the year ended December 31, 2013, as a result of increased pre-tax income and an adjustment in deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act that increased our income tax expense and our effective tax expense rate during the year ended December 31, 2014 by $1.2 million and 0.3 percentage points, respectively.

The reconciliation of the income tax provision to the 2012 federal and state tax returns, which were filed during 2013, decreased our tax expense by $0.8 million and reduced our effective tax expense rates by 0.3 percentage points for the year ended December 31, 2013.

Our effective tax expense rates for the years ended December 31, 2014 and 2013, were 39.5% and 38.9%, respectively.

Segment Reporting

Our Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. We define segment EBITDA as earnings before interest, taxes, depreciation, amortization, loss on prior office leases, impairments and other operating items and other income (expense). Segment EBITDA is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. Our management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments.

We manage our operations through three geographic operating segments (Western, Central and Eastern), and our E&P segment, which includes the majority of our E&P waste treatment and disposal operations. Our three geographic operating segments and our E&P segment comprise our reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. Our Western segment is comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Central segment is comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; and our Eastern segment is comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee. The E&P segment is comprised of our E&P operations in Arkansas, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico.

Revenues, net of intercompany eliminations, for our reportable segments are shown in the following table in thousands and as a percentage of total revenues for the periods indicated:

	Years Ended December 31,					
	2015	% of Revenues	2014	% of Revenues	2013	% of Revenues
Western	$ 880,393	41.6%	$ 823,922	39.6%	$ 805,790	41.8%
Central	589,667	27.8	561,480	27.0	510,928	26.5
Eastern	433,457	20.5	393,821	19.0	371,772	19.3
E&P	213,770	10.1	299,943	14.4	240,305	12.4
	$ 2,117,287	100.0%	$ 2,079,166	100.0%	$ 1,928,795	100.0%

Segment EBITDA for our reportable segments is shown in the following table in thousands and as a percentage of segment revenues for the periods indicated:

	Years Ended December 31,					
	2015	% of Revenues	2014	% of Revenues	2013	% of Revenues
Western	$ 290,937	33.0%	$ 258,126	31.3%	$ 249,548	31.0%
Central	207,205	35.1	197,121	35.1	182,790	35.8
Eastern	132,774	30.6	116,230	29.5	108,173	29.1
E&P	69,545	32.5	147,261	49.1	111,056	46.2
Corporate[(a)]	1,933	-	(7,434)	-	(228)	-
	$ 702,394	33.2	$ 711,304	34.2	$ 651,339	33.8

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the four operating segments.

A reconciliation of segment EBITDA to Income before income tax provision is included in Note 14 of our consolidated financial statements included in Item 8 of this report.

Significant changes in revenue and segment EBITDA for our reportable segments for the year ended December 31, 2015, compared to the year ended December 31, 2014, and for the year ended December 31, 2014, compared to the year ended December 31, 2013, are discussed below.

Segment Revenue

Revenue in our Western segment increased $56.5 million, or 6.9%, to $880.4 million for the year ended December 31, 2015, from $823.9 million for the year ended December 31, 2014. The components of the increase consisted of solid waste volume increases of $30.2 million associated with our residential, commercial and roll off collection operations, transfer stations and landfill special waste revenues being partially offset by lower landfill municipal solid waste revenues, intermodal revenue increases of $21.8 million due to a new large intermodal customer and higher cargo volume with existing customers, net price increases of $12.9 million, revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $1.9 million and other revenue increases of $0.3 million, partially offset by recyclable commodity sales decreases of $2.0 million and $5.3 million resulting from the closure of a recycling operation in April 2014 and declines in the price of recyclable commodities, respectively, and decreases of $3.3 million from reduced E&P disposal volumes at our solid waste landfills.

Revenue in our Western segment increased $18.1 million, or 2.3%, to $823.9 million for the year ended December 31, 2014, from $805.8 million for the year ended December 31, 2013. The components of the increase consisted of volume increases of $21.4 million primarily in our collection operations, transfer stations and solid waste landfills, net price increases of $12.0 million, revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2013, of $0.3 million and other revenue increases of $0.4 million, partially offset by decreases of $5.3 million from divested operations, recyclable commodity sales decreases of $8.4 million due primarily to the closure of two of our recycling operations subsequent to December 31, 2013 and intermodal revenue decreases of $2.3 million due to decreases in cargo volume resulting primarily from the loss of a large intermodal customer.

Revenue in our Central segment increased $28.2 million, or 5.0%, to $589.7 million for the year ended December 31, 2015, from $561.5 million for the year ended December 31, 2014. The components of the increase consisted of net price increases of $23.1 million, solid waste volume increases of $1.2 million associated with increases in roll off collection volumes, transfer station volumes, landfill MSW volumes and landfill special waste volumes exceeding declines in residential collection volumes, net revenue growth from acquisitions and divestitures closed during, or subsequent to, the year ended December 31, 2014, of $3.7 million and other revenue increases of $0.2 million.

Revenue in our Central segment increased $50.6 million, or 9.9%, to $561.5 million for the year ended December 31, 2014, from $510.9 million for the year ended December 31, 2013. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2013, of $24.2 million, net price increases of $22.0 million, volume increases of $5.6 million primarily in our roll off collection business, transfer station and solid waste landfills and $0.1 million of other revenue increases, partially offset by recyclable commodity sales decreases of $0.7 million and decreases of $0.6 million from divested operations.

Revenue in our Eastern segment increased $39.7 million, or 10.1%, to $433.5 million for the year ended December 31, 2015, from $393.8 million for the year ended December 31, 2014. The components of the increase consisted of revenue growth from

acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $25.3 million, net price increases of $10.3 million and solid waste volume increases of $8.4 million primarily from volume increases in our roll off collection business, transfer station volumes and landfill special waste volumes exceeding decreases in residential collection volumes, partially offset by recyclable commodity sales decreases of $2.4 million due primarily to declines in the price of recyclable commodities and other revenue decreases of $1.9 million due primarily to landfill construction services, contracted in the prior year, that we performed at a landfill we operate.

Revenue in our Eastern segment increased $22.0 million, or 5.9%, to $393.8 million for the year ended December 31, 2014, from $371.8 million for the year ended December 31, 2013. The components of the increase consisted of net price increases of $13.3 million, volume increases of $8.1 million primarily in our roll off collection business, transfer station and solid waste landfills, other revenue increases of $2.0 million primarily associated with contracted landfill construction services we performed at a landfill we operate and revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2013, of $3.5 million, partially offset by decreases of $4.1 million from divested operations and recyclable commodity sales decreases of $0.8 million due to lower prices for recyclable commodities.

Revenue in our E&P segment decreased $86.1 million, or 28.7%, to $213.8 million for the year ended December 31, 2015, from $299.9 million for the year ended December 31, 2014. The components of the decrease consisted of $116.5 million of E&P revenue decreases at facilities owned and fully-operated in each of the comparable periods due to declines in both E&P waste volumes and prices charged for our services and $0.2 million of other revenue decreases, partially offset by revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2014, of $26.7 million and $3.9 million of revenue from two new E&P disposal facilities opened subsequent to December 31, 2014. During the year ended December 31, 2015, our E&P segment was adversely affected by the substantial reductions in crude oil prices that began in October 2014, and continued through 2015 and into early 2016, resulting in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate. The carryover impact from the aforementioned reduction in the price of crude oil, which has dropped again at the beginning of 2016, is expected to contribute to revenue at our E&P segment in 2016 declining between 20% and 30% from 2015.

Revenue in our E&P segment increased $59.6 million, or 24.8%, to $299.9 million for the year ended December 31, 2014, from $240.3 million for the year ended December 31, 2013. The components of the increase consisted of $23.9 million of revenue from new facilities opened subsequent to December 31, 2013, $31.9 million of volume increases at facilities owned and operated in each of the comparable periods and $3.8 million of revenue from acquisitions closed during the year ended December 31, 2014.

Segment EBITDA

Segment EBITDA in our Western segment increased $32.8 million, or 12.7%, to $290.9 million for the year ended December 31, 2015, from $258.1 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $56.5 million, a decrease in fuel expense of $9.5 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a decrease in current year expenses for uncollectible accounts receivable of $1.1 million due primarily to a prior year expense charge associated with receivables from a large customer that were deemed uncollectible and a decrease in auto, workers' compensation and property claims expenses under our high deductible insurance program of $1.0 million due primarily to adjustments to projected losses on prior period claims, partially offset by an increase in rail transportation expenses at our intermodal operations of $9.6 million due to increased rail cargo volume, an increase in direct and administrative labor expenses of $9.3 million due primarily to employee pay rate increases and increased headcount to support revenue volume increases, an increase in third-party disposal expense of $4.3 million due to increased collection volumes and disposal rate increases, an increase in taxes on revenues of $3.6 million due to increased revenues, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.5 million due to variability in the timing and severity of major repairs, an increase in third-party trucking and transportation expenses of $1.6 million due to increased disposal volumes that require transportation to our landfills, an increase in corporate overhead expense allocations of $1.4 million due primarily to revenue growth, a net $0.8 million increase in cost of operations and SG&A expenses attributable to acquired operations, a $0.5 million increase in legal fees associated with our dispute with the County of Madera, California, a $0.4 million increase in credit card fees resulting from an increase in the total number of customers remitting payments for our services using credit cards and $1.3 million of other net expense increases.

Segment EBITDA in our Western segment increased $8.6 million, or 3.4%, to $258.1 million for the year ended December 31, 2014, from $249.5 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $18.1 million, a net $4.9 million decrease in cost of operations and SG&A expenses attributable to divested operations, a decrease in the cost of recyclable commodities of $1.7 million due to a net decline in commodity volumes resulting from the closure of two of our recyclable processing centers subsequent to December 31, 2013, a decrease in fuel expense of $1.4 million resulting from the net of lower market prices for diesel fuel not purchased under diesel fuel hedge agreements offsetting an increase in total diesel fuel gallons

consumed and $0.3 million of other net decreases, partially offset by an increase in taxes on revenues of $4.7 million due to increased revenues, an increase in third-party disposal expense of $4.4 million due to disposal rate increases and higher disposal associated with increased collection volumes, an increase in direct and administrative labor expenses of $2.4 million due primarily to employee pay rate increases, an increase in auto, workers' compensation and property claims expense under our high deductible insurance program of $1.7 million due primarily to adjustments to projected losses on prior period claims, an increase in employee benefits expenses of $1.1 million due to increased employee participation in our benefits program and increased medical claim costs, an increase in truck, container, equipment and facility maintenance and repair expenses of $0.9 million due to variability in the timing and severity of major repairs, increases in expenses for uncollectible accounts receivable of $0.8 million associated with receivables from an individual customer that were deemed uncollectible, an increase in third party trucking and transportation expenses of $0.7 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in corporate overhead expense allocations of $0.7 million due primarily to revenue growth and an increase in professional fee expenses primarily associated with business development opportunities of $0.4 million.

Segment EBITDA in our Central segment increased $10.1 million, or 5.1%, to $207.2 million for the year ended December 31, 2015, from $197.1 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $28.2 million and a decrease in fuel expense of $4.8 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, partially offset by an increase in direct and administrative labor expenses of $6.7 million due primarily to employee pay rate increases, an increase in corporate overhead expense allocations of $4.8 million due primarily to revenue growth and an increase to the overhead allocation rate, an increase in third-party disposal expense of $3.7 million due to disposal rate increases, changes in internalization of collected waste volumes in certain markets and increased transfer station volumes, an increase in professional fees of $1.6 million due primarily to increased expenses for legal and sales consulting services, a net $1.6 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in truck, container, equipment and facility maintenance and repair expenses of $1.6 million due to variability in the timing and severity of major repairs, an increase in taxes on revenues of $1.3 million due primarily to increased landfill revenues and $1.6 million of other net expense increases.

Segment EBITDA in our Central segment increased $14.3 million, or 7.8%, to $197.1 million for the year ended December 31, 2014, from $182.8 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $50.6 million, partially offset by a net $15.4 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in labor expenses of $4.8 million due primarily to employee pay rate increases, an increase in third-party trucking and transportation expenses of $4.3 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in third-party disposal expense of $3.5 million due to disposal rate increases and higher disposal associated with increased collection volumes, an increase in truck, container, equipment and facility maintenance and repair expenses of $1.8 million due to variability in the timing and severity of major repairs, an increase in corporate overhead expense allocations of $1.8 million due primarily to revenue growth, an increase in landfill solidification materials of $1.2 million due to regulatory changes requiring use of higher cost materials at one of our landfills, an increase in auto, workers' compensation and property claims expense under our high deductible insurance program of $1.0 million due primarily to adjustments to projected losses on prior period claims, an increase in taxes on revenues of $0.9 million due to increased revenues, an increase in employee benefits expenses of $0.8 million due to increased employee participation in our benefits program and increased medical claim costs and $0.8 million of other net expense increases.

Segment EBITDA in our Eastern segment increased $16.6 million, or 14.2%, to $132.8 million for the year ended December 31, 2015, from $116.2 million for the year ended December 31, 2014. The increase was due primarily to an increase in revenues of $39.7 million, a decrease in fuel expense of $5.9 million due to lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, a decrease of $2.0 million associated with the cost of contracted landfill construction services we performed during the prior year period at a landfill we operate and a decrease in disposal expenses of $1.5 million due primarily to increased internalization of collected waste volumes in our Albany, New York market, partially offset by a net $18.0 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in corporate overhead expense allocations of $4.4 million due primarily to revenue growth, an increase in direct and administrative labor expenses of $4.2 million due primarily to employee pay rate increases and increased headcount to support internal growth, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.5 million due to variability in the timing and severity of major repairs, an increase in third-party trucking and transportation expenses of $1.4 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in taxes on revenues of $1.1 million at a new landfill site that commenced operations in 2015 and $0.9 million of other net expense increases.

Segment EBITDA in our Eastern segment increased $8.0 million, or 7.4%, to $116.2 million for the year ended December 31, 2014, from $108.2 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $22.0 million, a net $3.4 million decrease in cost of operations and SG&A expenses attributable to divested operations and a decrease in expenses for uncollectible accounts receivable of $1.2 million due to a charge recorded during the year ended December 31, 2013

associated with receivables from one large customer that were deemed uncollectible, partially offset by an increase in labor expenses of $3.8 million due primarily to employee pay rate increases, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.9 million due to variability in the timing and severity of major repairs, an increase in taxes on revenues of $2.1 million due to both an increase in revenues and a prior year adjustment that decreased taxes on revenues expense, a net increase in cost of operations and SG&A expenses of $2.0 million attributable to acquisitions closed during the year ended December 31, 2014, an increase of $2.0 million associated with the cost of contracted landfill construction services we performed at a landfill we operate, an increase in leachate disposal expenses of $1.9 million at certain landfills we own and operate, an increase in auto and workers' compensation expense under our high deductible insurance program of $0.8 million due to adjustments to projected losses on prior period claims, an increase in employee benefits expenses of $0.8 million due to increased employee participation in our benefits program and increased medical claim costs, an increase in corporate overhead expense allocations of $0.5 million due primarily to revenue growth, an increase in third-party trucking and transportation expenses of $0.4 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in third-party disposal expense of $0.3 million due to disposal rate increases and higher disposal associated with increased roll off collection volumes and $1.1 million of other net expense increases.

Segment EBITDA in our E&P segment decreased $77.8 million, or 52.8%, to $69.5 million for the year ended December 31, 2015, from $147.3 million for the year ended December 31, 2014. The decrease was due primarily to an $86.1 million decrease in revenues, a net $17.8 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase of $5.0 million in expenses due to site clean-up and remediation work during the first quarter of 2015 associated with flooding and other surface damage at two of our E&P disposal sites in New Mexico resulting from heavy precipitation affecting the sites and an increase of $1.5 million due to start-up related expenses at two new E&P disposal facilities during the first quarter of 2015, partially offset by decreased fuel expenses of $4.0 million due primarily to decreases in the price of diesel fuel, a decrease in corporate overhead expense allocations of $1.9 million due to lower revenues, a decrease in expenses for uncollectible accounts receivable of $1.5 million due to improved collection results in the current year and the following changes attributable to a reduction in our operations resulting from the decline in the level of drilling and production activity: decreased third-party trucking and transportation expenses of $6.7 million, decreased site remediation work of $6.2 million, decreased employee wage and benefits expenses of $3.5 million, decreased equipment repair expenses of $2.9 million, decreased equipment rental expenses of $1.9 million, decreased royalties on revenues of $1.1 million, decreased landfill operating supplies of $0.5 million and $2.4 million of other expense decreases. We estimate that the expected decrease in revenue at our E&P segment in 2016 will result in EBITDA at our E&P segment in 2016 declining between 10% and 15% from 2015.

Segment EBITDA in our E&P segment increased $36.2 million, or 32.6%, to $147.3 million for the year ended December 31, 2014, from $111.1 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $59.6 million, a decrease in equipment rental expense of $1.7 million resulting from capital purchases replacing certain equipment that was previously rented and $0.7 million of other net expense decreases, partially offset by an increase in third-party trucking and transportation expenses of $9.2 million due to increased volumes that require us to transport the waste to our disposal sites, an increase in labor expenses of $4.8 million due primarily to employee pay rate increases and increased headcount to support new operating facilities, an increase of $4.1 million for third-party subcontractor processing and remediation services resulting from higher E&P volumes, an increase in truck, container, equipment and facility maintenance and repair expenses of $3.2 million due to variability in the timing and severity of major repairs, a net increase in cost of operations and SG&A expenses of $1.9 million attributable to acquisitions closed during the year ended December 31, 2014, an increase in landfill solidification materials of $1.4 million due to increased E&P volumes and an increase in expenses for uncollectible accounts receivable of $1.2 million due to the impact of the decline in crude oil prices at the end of 2014 impacting the solvency of certain E&P customers.

Segment EBITDA at Corporate increased $9.3 million, to income of $1.9 million for the year ended December 31, 2015, from a loss of $7.4 million for the year ended December 31, 2014. The increase was due to an increase in revenue-based corporate overhead expense allocations to our segments of $8.9 million due primarily to our revenue growth in our solid waste segments and an increase in the allocation rate to our Central and Eastern segments, a decrease in accrued cash incentive compensation expense of $2.9 million as we did not achieve the same level of certain financial targets that were met in the prior year period, a decrease in deferred compensation expense of $0.5 million resulting from deferred compensation liabilities to employees decreasing as a result of decreases in the market value of investments to which employee deferred compensation balances are tracked and $0.5 million of other net expense decreases, partially offset by an increase in direct acquisition expenses of $2.1 million attributable to acquisitions closed during the current year period, an increase of $0.8 million in equity-based compensation expenses associated with our annual recurring grant of restricted stock units to our personnel and an increase in payroll expenses of $0.6 million due primarily to pay rate increases.

Segment EBITDA at Corporate decreased $7.2 million, to a loss of $7.4 million for the year ended December 31, 2014, from a loss of $0.2 million for the year ended December 31, 2013. The increased loss was due to an increase in accrued cash incentive compensation expense of $5.7 million resulting from the achievement of certain financial targets in the current period, an increase in

equity-based compensation expense of $3.1 million associated with a decrease in our estimated pre-vesting forfeiture rate and an increase in the total fair value of our annual recurring grant of restricted stock units to our personnel, an increase in professional fees of $2.2 million due primarily to increased expenses for external legal and information technology services and an increase in payroll expenses of $1.5 million due to headcount and pay rate increases, partially offset by an increase in revenue-based corporate overhead expense allocations to our segments of $3.2 million due primarily to our volume growth, a decrease in employee relocation expenses of $1.5 million primarily associated with our relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, which was completed in 2013 and a decrease in real estate lease expense of $0.6 million due primarily to the elimination of duplicate lease obligations for our former headquarters in Folsom, California and our E&P segment's former regional offices in Houston, Texas.

Liquidity and Capital Resources

The following table sets forth certain cash flow information for the years ended December 31, 2015, 2014 and 2013 (in thousands):

	2015	2014	2013
Net cash provided by operating activities	$ 576,999	$ 545,077	$ 484,061
Net cash used in investing activities	(470,534)	(363,408)	(251,015)
Net cash used in financing activities	(109,844)	(180,907)	(242,667)
Net increase (decrease) in cash and equivalents	(3,379)	762	(9,621)
Cash and equivalents at beginning of year	14,353	13,591	23,212
Cash and equivalents at end of year	$ 10,974	$ 14,353	$ 13,591

Operating Activities Cash Flows

For the year ended December 31, 2015, net cash provided by operating activities was $577.0 million. For the year ended December 31, 2014, net cash provided by operating activities was $545.1 million. The $31.9 million increase was due primarily to the following:

1) A decrease in net income of $328.0 million, adjusted for an increase in cash flows from operating assets and liabilities, net of effects from acquisitions, of $10.2 million. Cash provided by operating assets and liabilities, net of effects from acquisitions, was $10.6 million and $0.4 million for the year ended December 31, 2015 and 2014, respectively. The significant components of the $10.6 million in net cash inflows from changes in operating assets and liabilities, net of effects from acquisitions, for the year ended December 31, 2015, include the following:
   a) an increase in cash resulting from a $17.3 million decrease in accounts receivable due, in part, to improved collection results;
   b) an increase in cash resulting from an increase in accrued liabilities of $8.2 million due primarily to an increase in accrued interest due to the timing of semi-annual interest payments under our various long-term notes and an increase in accrued payroll-related expenses due to our pay cycle timing resulting in an additional day of accrual at December 31, 2015, partially offset by a decrease in accrued cash incentive compensation expense as we did not achieve the same level of certain financial targets that were met in the prior year period;
   c) an increase in cash resulting from a $4.4 million increase in deferred revenue due primarily to increased collection revenues and the timing of billing for services; less
   d) a decrease in cash resulting from a $16.7 million increase in accounts payable due primarily to an increase in the volume of vendor payments remitted using electronic payment processes that decrease the period of time from receipt until payment for vendor invoices; less
   e) a decrease in cash resulting from a $2.8 million increase in prepaid expenses and other current assets due primarily to an increase in prepaid income taxes;
2) An increase in the loss on disposal of assets and impairments of $510.4 million due primarily to the current year impairment of a portion of our goodwill, indefinite-lived intangible assets and property and equipment within our E&P segment;
3) An increase in depreciation expense of $9.4 million due primarily to increased depreciation expense resulting from increased capital expenditures;
4) An increase of $5.4 million attributable to a decrease in the excess tax benefits associated with equity-based compensation, due to a decrease in stock option exercises resulting in decreased taxable income recognized by employees that is tax deductible to us; and
5) An increase in interest accretion of $1.7 million from long-term liabilities recorded at fair value associated with acquisitions closed subsequent to December 31, 2014; less

6) A decrease in our provision for deferred taxes of $163.5 million due primarily to the aforementioned impairment charge in our E&P segment resulting in the reduction of corresponding deferred tax liabilities; less
7) A decrease of $18.7 million attributable to post-closing adjustments resulting in a net decrease in the fair value of amounts payable under liability-classified contingent consideration arrangements primarily associated with the 2014 acquisition of an E&P disposal company.

For the year ended December 31, 2014, net cash provided by operating activities was $545.1 million. For the year ended December 31, 2013, net cash provided by operating activities was $484.1 million. The $61.0 million increase was due primarily to the following:

1) An increase in net income of $37.3 million, adjusted for an increase in cash flows from operating assets and liabilities, net of effects from acquisitions, of $13.7 million. Cash provided by operating assets and liabilities, net of effects from acquisitions, was $0.4 million for the year ended December 31, 2014. Cash used for operating assets and liabilities, net of effects from acquisitions, was $13.3 million for the year ended December 31, 2013. The significant components of the $0.4 million in net cash inflows from changes in operating assets and liabilities, net of effects from acquisitions, for the year ended December 31, 2014, include the following:
   a) an increase in cash resulting from a $10.2 million increase in accounts payable due primarily to growth in our operations and the timing of vendor payments;
   b) an increase in cash resulting from a $8.6 million increase in deferred revenue due primarily to increased revenues and the timing of billing for services;
   c) an increase in cash resulting from an increase in accrued liabilities of $5.0 million due primarily to an increase in accrued cash incentive compensation and increased liabilities for auto and workers' compensation claims;
   d) an increase in cash resulting from an increase in other long-term liabilities of $2.7 million due primarily to increased deferred compensation plan liabilities resulting from employee contributions and plan earnings; less
   e) a decrease in cash resulting from a $22.2 million increase in accounts receivable due to an increase in revenues remaining uncollected at the end of the comparable periods; less
   f) a decrease in cash resulting from a $3.9 million increase in prepaid expenses and other current assets due primarily to an increase in prepaid income taxes;
2) An increase in depreciation expense of $12.5 million due primarily to increased depletion expense resulting from higher landfill volumes and increased depreciation expense resulting from increased capital expenditures;
3) A decrease in payment of contingent consideration recorded in earnings of $4.0 million due primarily to the final contingent consideration payout in 2013 resulting from the completion of an earnings target for the 2012 acquisition of SKB exceeding the fair value of the contingent consideration liability recorded at the acquisition close date;
4) An increase in equity-based compensation expense of $3.0 million attributable to a decrease in our estimated pre-vesting forfeiture rate and an increase in the total fair value of our annual recurring grant of restricted stock units to our personnel;
5) An increase in the loss on disposal of assets and impairments of $5.4 million due primarily to an impairment charge recorded in 2014 at one of our E&P facilities being partially offset by a loss on the disposal of a solid waste collection operation in 2013; less
6) A decrease in our provision for deferred taxes of $7.6 million due primarily to tax deductible timing differences associated with prepaid expenses and equity-based compensation; less
7) A decrease of $4.7 million attributable to post-closing adjustments resulting in a net decrease in the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2014; less
8) A decrease of $3.8 million attributable to an increase in the excess tax benefit associated with equity-based compensation, due to an increase in the vesting of equity-based compensation resulting in increased taxable income recognized by employees that is tax deductible to us.

As of December 31, 2015, we had a working capital deficit of $15.8 million, including cash and equivalents of $11.0 million. Our working capital deficit increased $21.6 million from a working capital surplus of $5.8 million at December 31, 2014, including cash and equivalents of $14.4 million. To date, we have experienced no loss or lack of access to our cash or cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets. Our strategy in managing our working capital is generally to apply the cash generated from our operations that remains after satisfying our working capital and capital expenditure requirements, along with stock repurchase and dividend programs, to reduce the unhedged portion of our indebtedness under our credit agreement and to minimize our cash balances.

Investing Activities Cash Flows

Net cash used in investing activities increased $107.1 million to $470.5 million for the year ended December 31, 2015, from $363.4 million for the year ended December 31, 2014. The significant components of the increase include the following:

1) An increase in payments for acquisitions of $104.3 million due primarily to the acquisition of ten solid waste collection businesses, two integrated solid waste collection and disposal businesses, an E&P waste stream treatment and recycling business and a permitted, development stage E&P landfill site during the year ended December 31, 2015; less
2) A decrease in capital expenditures for property and equipment of $2.4 million due primarily to decreases in expenditures for trucks purchased for purposes of converting fleets at certain hauling operations to compressed natural gas and decreases in expenditures for equipment in our E&P segment, partially offset by increased expenditures resulting from acquisitions closed subsequent to December 31, 2014 and expenditures in 2015 for two new E&P liquid waste injection wells.

Net cash used in investing activities increased $112.4 million to $363.4 million for the year ended December 31, 2014, from $251.0 million for the year ended December 31, 2013. The significant components of the increase include the following:

1) An increase in payments for acquisitions of $62.0 million primarily due to the acquisition of six solid waste businesses, an E&P disposal business, two permitted development stage E&P landfill sites and a permitted development stage construction and demolition landfill site during the year ended December 31, 2014;
2) A cash receipt of $18.0 million during the year ended December 31, 2013 resulting from the settlement of the final closing date net working capital with the former owners of R360; and
3) An increase in capital expenditures for property and equipment of $31.4 million due primarily to expenditures for acquisitions closed subsequent to December 31, 2013, new facilities in our E&P segment, expenditures for trucks in our Houston location that operate on compressed natural gas, and increases in landfill site cost construction, vehicles and containers, partially offset by decreases in expenditures for equipment for our E&P segment and leasehold improvements associated with our new corporate headquarters in The Woodlands, Texas.

Financing Activities Cash Flows

Net cash used in financing activities decreased $71.1 million to $109.8 million for the year ended December 31, 2015, from $180.9 million for the year ended December 31, 2014. The significant components of the decrease include the following:

1) A decrease in net repayments of long-term borrowings of $153.7 million due primarily to increased proceeds from borrowings to fund increases in payments for acquisitions and payments to repurchase our common stock during the year ended December 31, 2015;
2) A decrease in payment of contingent consideration recorded at acquisition date of $22.7 million due primarily to the payout in 2013 of the fair value of a contingent liability recorded at the close date of the 2012 acquisition of R360 associated with the achievement of a permitted expansion at one of the acquired landfills; less
3) An increase in payments to repurchase our common stock of $83.8 million due to an increase in share repurchase activity during the year ended December 31, 2015; less
4) An increase in cash dividends paid of $7.1 million due primarily to an increase in our quarterly dividend rate to an annual total of $0.535 per share for the year ended December 31, 2015, from an annual total of $0.475 per share for the year ended December 31, 2014; less
5) An increase in payments for debt issuance costs of $6.7 million incurred in connection with our new revolving credit and term loan agreement that we entered into in January 2015 and our new 2022 Notes and 2025 Notes that we issued in August 2015; less
6) A decrease of $5.4 million attributable to a decrease in the excess tax benefits associated with equity-based compensation, due to a decrease in stock option exercises resulting in decreased taxable income recognized by employees that is tax deductible to us.

Net cash used in financing activities decreased $61.8 million to $180.9 million for the year ended December 31, 2014, from $242.7 million for the year ended December 31, 2013. The significant components of the decrease include the following:

1) A decrease in net repayments of long-term borrowings of $72.6 million due primarily to decreased repayments of our prior credit agreement as a result of the aforementioned increase in payments for acquisitions during the year ended December 31, 2014 and the cash receipt during the year ended December 31, 2013 resulting from the settlement of the final closing date net working capital with the former owners of R360; less

2) An increase of $3.8 million attributable to an increase in the excess tax benefit associated with equity-based compensation, due to an increase in the vesting of equity-based compensation resulting in increased taxable income recognized by employees that is tax deductible to us; less
3) An increase in cash dividends paid of $7.7 million due to an increase in our quarterly dividend rate to an annual total of $0.475 per share for the year ended December 31, 2014, from an annual total of $0.415 per share for the year ended December 31, 2013, and an increase in our total common shares outstanding; and
4) An increase in payments to repurchase our common stock of $7.3 million due to no shares being repurchased during the year ended December 31, 2013.

Our business is capital intensive. Our capital requirements include acquisitions and capital expenditures for landfill cell construction, landfill development, landfill closure activities and intermodal facility construction in the future.

Our Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1.2 billion of our common stock through December 31, 2017. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including our capital structure, the market price of the common stock and overall market conditions. As of December 31, 2015 and 2014, we had repurchased in aggregate 42.0 million and 40.0 million shares, respectively, of our common stock at an aggregate cost of $882.5 million and $791.4 million, respectively. As of December 31, 2015, the remaining maximum dollar value of shares available for purchase under the program was approximately $317.5 million.

Our Board of Directors authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. Cash dividends of $66.0 million and $58.9 million were paid during the years ended December 31, 2015 and 2014, respectively. In October 2015, our Board of Directors authorized an increase to our regular quarterly cash dividend of $0.015, from $0.13 to $0.145 per share. We cannot assure you as to the amounts or timing of future dividends.

We made $238.8 million in capital expenditures during the year ended December 31, 2015. We expect to make capital expenditures of approximately $230 million in 2016 in connection with our existing business. We intend to fund our planned 2016 capital expenditures principally through cash on hand, internally generated funds and borrowings under our credit agreement. In addition, we may make substantial additional capital expenditures in acquiring MSW and E&P waste businesses. If we acquire additional landfill disposal facilities, we may also have to make significant expenditures to bring them into compliance with applicable regulatory requirements, obtain permits or expand our available disposal capacity. We cannot currently determine the amount of these expenditures because they will depend on the number, nature, condition and permitted status of any acquired landfill disposal facilities. We believe that our cash and equivalents, credit agreement and the funds we expect to generate from operations will provide adequate cash to fund our working capital and other cash needs for the foreseeable future. However, disruptions in the capital and credit markets could adversely affect our ability to draw on our credit agreement or raise other capital. Our access to funds under the credit agreement is dependent on the ability of the banks that are parties to the agreement to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

We are a well-known seasoned issuer with an effective shelf registration statement on Form S-3 filed in February 2015, which registers an unspecified amount of debt and equity securities, including preferred securities, warrants, stockholder rights and units. In the future, we may issue debt or equity securities under our shelf registration statement or in private placements from time to time on an opportunistic basis, based on market conditions and available pricing. We expect to use the proceeds from any such offerings for general corporate purposes, including repaying, redeeming or repurchasing debt, acquiring additional assets or businesses, capital expenditures and increasing our working capital.

We have a revolving credit and term loan agreement, or the credit agreement, with Bank of America, N.A., as Administrative Agent, and the other lenders from time to time party thereto, which consists of a $1.2 billion revolving credit facility and an $800 million term loan. Under the credit agreement, we may request increases in the aggregate commitments under the revolving credit facility and one or more additional term loans, provided that the aggregate principal amount of commitments and term loans never exceeds $2.3 billion. Under the credit agreement, swing line loans may be issued at our request in an aggregate amount not to exceed a $35 million sublimit and letters of credit may be issued at our request in an aggregate amount not to exceed a $250 million sublimit; however, the issuance of swing line loans and letters of credit both reduce the amount of total borrowings available. As of December 31, 2015, $800.0 million under the term loan and $390.0 million under the revolving credit facility were outstanding under our credit agreement, exclusive of outstanding standby letters of credit of $78.4 million. As of December 31, 2014, $660.0 million under the term loan and $680.0 million under the revolving credit facility were outstanding under our credit agreement, exclusive of outstanding standby letters of credit of $73.0 million

The credit agreement requires us to pay a commitment fee ranging from 0.090% per annum to 0.200% per annum of the unused portion of the facility. The borrowings under the credit agreement bear interest, at our option, at either the base rate plus the applicable base rate margin on base rate loans and swing line loans, or the LIBOR rate plus the applicable LIBOR margin on LIBOR loans. The base rate for any day is a fluctuating rate per annum equal to the highest of: (1) the federal funds rate plus one half of one percent (0.500%); (2) the LIBOR rate plus one percent (1.000%), and (3) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." The LIBOR rate is determined by the administrative agent pursuant to a formula in the credit agreement. The applicable margins under the credit agreement vary depending on our leverage ratio, as defined in the credit agreement, and range from 1.000% per annum to 1.500% per annum for LIBOR loans and 0.000% per annum to 0.500% per annum for base rate and swing line loans. The borrowings under the credit agreement are not collateralized.

The credit agreement contains representations, warranties, covenants and events of default, including a change of control event of default and limitations on incurrence of indebtedness and liens, new lines of business, mergers, transactions with affiliates and restrictive payments. During the continuance of an event of default, the lenders may take a number of actions, including declaring the entire amount then outstanding under the credit agreement due and payable. The credit agreement contains cross-defaults if we default on the master note purchase agreement or certain other debt. The credit agreement requires that we maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio cannot exceed 3.50x total debt to EBITDA (or 3.75x during material acquisition periods, subject to certain limitations). The required interest coverage ratio must be at least 2.75x total interest expense to EBIT. As of December 31, 2015 and 2014, our leverage ratio was 2.88x and 2.67x, respectively. As of December 31, 2015 and 2014, our interest coverage ratio was 7.88x and 7.94x, respectively. We expect to be in compliance with all applicable covenants under the credit agreement for the next 12 months. We use the credit agreement for acquisitions, capital expenditures, working capital, standby letters of credit and general corporate purposes

On January 18, 2016, in connection with the Merger Agreement executed on that same day with Progressive Waste, we entered into a Consent with Bank of America, N.A. and certain other financial institutions party to the credit agreement, whereby the lenders provided their consent to (a) the Merger and the change of control, as defined in the credit agreement, of Waste Connections resulting from the consummation of the Merger and (b) the joinder, upon consummation of the Merger, of Progressive Waste and certain of its subsidiaries as borrowers under the credit agreement.

On July 15, 2008, we entered into a master note purchase agreement with certain accredited institutional investors pursuant to which we issued and sold to the investors at a closing on October 1, 2008, $175 million of senior uncollateralized notes due October 1, 2015, or the 2015 Notes, in a private placement. We redeemed the 2015 Notes on October 1, 2015 using borrowings under our credit agreement.

On October 26, 2009, we entered into a first supplement to the master note purchase agreement with certain accredited institutional investors pursuant to which we issued and sold to the investors on that date $175 million of senior uncollateralized notes due November 1, 2019, or the 2019 Notes, in a private placement. The 2019 Notes bear interest at the fixed rate of 5.25% per annum with interest payable in arrears semi-annually on May 1 and November 1 beginning on May 1, 2010, and with principal payable at the maturity of the 2019 Notes on November 1, 2019.

On April 1, 2011, we entered into a second supplement to the master note purchase agreement with certain accredited institutional investors, pursuant to which we issued and sold to the investors on that date $250 million of senior uncollateralized notes at fixed interest rates with interest payable in arrears semi-annually on October 1 and April 1 beginning on October 1, 2011 in a private placement. Of these notes, $100 million will mature on April 1, 2016 with an annual interest rate of 3.30%, or the 2016 Notes, $50 million will mature on April 1, 2018 with an annual interest rate of 4.00%, or the 2018 Notes, and $100 million will mature on April 1, 2021 with an annual interest rate of 4.64%, or the 2021 Notes. The principal of each of the 2016 Notes, 2018 Notes and 2021 Notes is payable at the maturity of each respective note. We have the intent and ability to redeem the 2016 Notes on April 1, 2016 using borrowings under our credit agreement.

On June 11, 2015, we entered into a third supplement to the master note purchase agreement with certain accredited institutional investors, pursuant to which, on August 20, 2015, we issued and sold to the investors in a private placement $500 million of senior unsecured notes at fixed interest rates with interest payable in arrears semi-annually on February 20 and August 20 beginning on February 20, 2016. Of these notes, $125 million will mature on August 20, 2022 with an annual interest rate of 3.09%, or the 2022 Notes; and $375 million of the senior unsecured notes will mature on August 20, 2025 with an annual interest rate of 3.41%, or the 2025 Notes. The principal of each of the 2022 Notes and 2025 Notes is payable at the maturity of each respective note.

The 2016 Notes, 2018 Notes, 2019 Notes, 2021 Notes, 2022 Notes and 2025 Notes, or collectively, the Senior Notes, are uncollateralized obligations and rank equally in right of payment with each of the Senior Notes and the obligations under our credit agreement. The Senior Notes are subject to representations, warranties, covenants and events of default. The master note purchase

agreement contains cross-defaults if we default on the credit agreement or certain other debt. The master note purchase agreement requires that we maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio cannot exceed 3.75x total debt to EBITDA. The required interest coverage ratio must be at least 2.75x total interest expense to EBIT. As of December 31, 2015 and 2014, our leverage ratio was 2.88x and 2.67x, respectively. As of December 31, 2015 and 2014, our interest coverage ratio was 7.88x and 7.94x, respectively. We expect to be in compliance with all applicable covenants under the Senior Notes for the next 12 months.

Upon the occurrence of an event of default, payment of the Senior Notes may be accelerated by the holders of the respective notes. The Senior Notes may also be prepaid at any time in whole or from time to time in any part (not less than 5% of the then-outstanding principal amount) by us at par plus a make-whole amount determined in respect of the remaining scheduled interest payments on the Senior Notes, using a discount rate of the then current market standard for United States treasury bills plus 0.50%. In addition, we will be required to offer to prepay the Senior Notes upon certain changes in control as defined in the master note purchase agreement, including of Waste Connections as a result of the consummation of the Merger.

We may issue additional series of senior uncollateralized notes, including floating rate notes, pursuant to the terms and conditions of the master note purchase agreement, as amended, provided that the purchasers of the Senior Notes shall not have any obligation to purchase any additional notes issued pursuant to the master note purchase agreement and the aggregate principal amount of the outstanding notes and any additional notes issued pursuant to the master note purchase agreement shall not exceed $1.25 billion. We currently have $900 million of notes outstanding under the master note purchase agreement.

Contractual Obligations

As of December 31, 2015, we had the following contractual obligations:

	Payments Due by Period (amounts in thousands)				
Recorded Obligations	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Long-term debt	$ 2,157,285	$ 2,127	$ 67,511	$ 1,466,415	$ 621,232
Cash interest payments	346,687	64,769	121,659	81,979	78,280
Contingent consideration	70,275	22,260	4,631	7,369	36,015
Final capping, closure and post-closure	820,085	5,517	2,838	7,798	803,932

Long-term debt payments include:

1) $390.0 million in principal payments due January 2020 related to our revolving credit facility under our credit agreement. We may elect to draw amounts on our credit agreement in either base rate loans or LIBOR loans. At December 31, 2015, $385.0 million of the outstanding borrowings drawn under the revolving credit facility were in LIBOR loans, which bear interest at the LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.44% at December 31, 2015) and $5.0 million of the outstanding borrowings drawn under the revolving credit facility were in swing line loans, which bear interest at the base rate plus the applicable base rate margin (for a total rate of 3.70% at December 31, 2015).

2) $800.0 million in principal payments due January 2020 related to our term loan under our credit agreement. Outstanding amounts on the term loan can be either base rate loans or LIBOR loans. At December 31, 2015, all amounts outstanding under the term loan were in LIBOR loans which bear interest at the LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.44% at December 31, 2015).

3) $100.0 million in principal payments due 2016 related to our 2016 Notes. Holders of the 2016 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2016 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. We have recorded this obligation in the payments due in 3 to 5 years category in the table above as we have the intent and ability to redeem the 2016 Notes on April 1, 2016 using borrowings under our credit agreement. The 2016 Notes bear interest at a rate of 3.30%.

4) $50.0 million in principal payments due 2018 related to our 2018 Notes. Holders of the 2018 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2018 Notes plus accrued and

unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2018 Notes bear interest at a rate of 4.00%.

5) $175.0 million in principal payments due 2019 related to our 2019 Notes. Holders of the 2019 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2019 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2019 Notes bear interest at a rate of 5.25%.

6) $100.0 million in principal payments due 2021 related to our 2021 Notes. Holders of the 2021 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2021 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2021 Notes bear interest at a rate of 4.64%.

7) $125.0 million in principal payments due 2022 related to our 2022 Notes. Holders of the 2022 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2022 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2022 Notes bear interest at a rate of 3.09%.

8) $375.0 million in principal payments due 2025 related to our 2025 Notes. Holders of the 2025 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2025 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2025 Notes bear interest at a rate of 3.41%.

9) $31.4 million in principal payments related to our tax-exempt bonds, which bear interest at variable rates (0.05% at December 31, 2015). The tax-exempt bonds have maturity dates ranging from 2018 to 2033.

10) $10.9 million in principal payments related to our notes payable to sellers and other third parties. Our notes payable to sellers and other third parties bear interest at rates between 3.0% and 10.9% at December 31, 2015, and have maturity dates ranging from 2016 to 2036.

The following assumptions were made in calculating cash interest payments:

1) We calculated cash interest payments on the credit agreement using the LIBOR rate plus the applicable LIBOR margin at December 31, 2015. We assumed the credit agreement is paid off when it matures in January 2020.

2) We calculated cash interest payments on our interest rate swaps using the stated interest rate in the swap agreement less the LIBOR rate through the earlier expiration of the term of the swaps or the term of the credit facility.

Contingent consideration payments include $49.4 million recorded as liabilities in our consolidated financial statements at December 31, 2015, and $20.9 million of future interest accretion on the recorded obligations.

The estimated final capping, closure and post-closure expenditures presented above are in current dollars.

	Amount of Commitment Expiration Per Period (amounts in thousands)				
Unrecorded Obligations[1]	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Operating leases	$ 108,944	$ 16,416	$ 25,067	$ 16,983	$ 50,478
Unconditional purchase obligations	50,198	33,242	16,956	-	-

(1) We are party to operating lease agreements and unconditional purchase obligations as discussed in Note 10 to the consolidated financial statements. These lease agreements and purchase obligations are established in the ordinary course of our business and are designed to provide us with access to facilities and products at competitive, market-driven prices. At December 31, 2015, our unconditional purchase obligations consisted of multiple fixed-price fuel purchase contracts under which we have 19.1 million gallons remaining to be purchased for a total of $50.2 million. The current fuel purchase contracts expire on or before December 31, 2017. These arrangements have not materially affected our financial position, results of operations or liquidity during the year ended December 31, 2015, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

We have obtained standby letters of credit as discussed in Note 7 to the consolidated financial statements and financial surety bonds as discussed in Note 10 to the consolidated financial statements. These standby letters of credit and financial surety bonds are generally obtained to support our financial assurance needs and landfill and E&P operations. These arrangements have not materially

affected our financial position, results of operations or liquidity during the year ended December 31, 2015, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

From time to time, we evaluate our existing operations and their strategic importance to us. If we determine that a given operating unit does not have future strategic importance, we may sell or otherwise dispose of those operations. Although we believe our reporting units would not be impaired by such dispositions, we could incur losses on them.

New Accounting Pronouncements

See Note 1 to the consolidated financial statements for a description of the new accounting standards that are applicable to us.

Non-GAAP Financial Measures

Adjusted Free Cash Flow

We present adjusted free cash flow, a non-GAAP financial measure, supplementally because it is widely used by investors as a valuation and liquidity measure in the solid waste industry. Management uses adjusted free cash flow as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted free cash flow as net cash provided by operating activities, plus proceeds from disposal of assets, plus or minus change in book overdraft, plus excess tax benefit associated with equity-based compensation, less capital expenditures for property and equipment and distributions to noncontrolling interests. We further adjust this calculation to exclude the effects of items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP liquidity or financial measures. Other companies may calculate adjusted free cash flow differently. Our adjusted free cash flow for the years ended December 31, 2015, 2014 and 2013, are calculated as follows (amounts in thousands):

	Years Ended December 31,		
	2015	2014	2013
Net cash provided by operating activities	$ 576,999	$ 545,077	$ 484,061
Less: Change in book overdraft	(89)	(11)	(110)
Plus: Proceeds from disposal of assets	2,883	9,421	11,019
Plus: Excess tax benefit associated with equity-based compensation	2,069	7,518	3,765
Less: Capital expenditures for property and equipment	(238,833)	(241,277)	(209,874)
Less: Distributions to noncontrolling interests	(42)	(371)	(198)
Adjustments:			
Payment of contingent consideration recorded in earnings [(a)]	-	1,074	5,059
Payment for termination of corporate lease [(b)]	-	-	9,690
Corporate office relocation [(c)]	-	-	2,159
Tax effect [(d)]	-	-	(3,992)
Adjusted free cash flow	$ 342,987	$ 321,431	$ 301,579

(a) Reflects the addback of acquisition-related payments for contingent consideration that were recorded as expenses in earnings and a component of cash flow from operating activities as the amounts paid exceeded the fair value of the contingent consideration recorded at the acquisition date.
(b) Reflects the addback for the payment to terminate the remaining lease obligations of our former headquarters in Folsom, California.
(c) Reflects the addback of third-party expenses and reimbursable advances to employees associated with the relocation of our corporate headquarters from California to Texas.
(d) The aggregate tax effect of the adjustments in footnotes (b) and (c) is calculated based on the applied tax rates for the respective periods.

Adjusted EBITDA

We present adjusted EBITDA, a non-GAAP financial measure, supplementally because it is widely used by investors as a performance and valuation measure in the solid waste industry. Management uses adjusted EBITDA as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted EBITDA as net income (loss), plus or minus income tax provision (benefit), plus interest expense, plus depreciation and amortization expense, plus closure and post-closure accretion expense, plus or minus any loss or gain on impairments and other operating items, plus other expense, less other income. We further adjust this calculation to exclude the effects of other items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate adjusted EBITDA differently. Our adjusted EBITDA for the years ended December 31, 2015, 2014 and 2013, are calculated as follows (amounts in thousands):

	Years Ended December 31,		
	2015	2014	2013
Net income (loss)	$ (94,694)	$ 233,327	$ 196,005
Plus (Less): Income tax provision (benefit)	(31,592)	152,335	124,916
Plus: Interest expense	64,236	64,674	73,579
Plus: Depreciation and amortization	269,434	257,944	243,864
Plus: Closure and post-closure accretion	3,978	3,627	2,967
Plus: Impairments and other operating items [(a)]	494,492	4,091	4,129
Less: Other expense (income), net	518	(1,067)	(1,056)
Adjustments:			
Plus: Loss on prior office leases [(b)]	-	-	9,902
Plus: Acquisition-related costs [(c)]	4,235	2,147	1,946
Plus: Corporate relocation expenses [(d)]	-	-	750
Adjusted EBITDA	$ 710,607	$ 717,078	$ 657,002

(a) Reflects the addback of impairments and other operating items.
(b) Reflects the addback of the loss on prior office leases resulting primarily from the relocation of our corporate headquarters from California to Texas.
(c) Reflects the addback of acquisition-related transaction costs.
(d) Reflects the addback of costs associated with the relocation of our corporate headquarters from California to Texas.

Adjusted Net Income and Adjusted Net Income per Diluted Share

We present adjusted net income and adjusted net income per diluted share, both non-GAAP financial measures, supplementally because they are widely used by investors as a valuation measure in the solid waste industry. Management uses adjusted net income and adjusted net income per diluted share as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We provide adjusted net income to exclude the effects of items management believes impact the comparability of operating results between periods. Adjusted net income has limitations due to the fact that it excludes items that have an impact on our financial condition and results of operations. Adjusted net income and adjusted net income per diluted share are not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate adjusted net income and adjusted net income per diluted share differently. Our adjusted net income and adjusted net income per diluted share for the years ended December 31, 2015, 2014 and 2013, are calculated as follows (amounts in thousands, except per share amounts):

	Years Ended December 31,		
	2015	2014	2013
Reported net income (loss) attributable to Waste Connections	$ (95,764)	$ 232,525	$ 195,655
Adjustments:			
Amortization of intangibles [a]	29,077	27,000	25,410
Acquisition-related costs [b]	4,235	2,147	1,946
Impairments and other operating items [c]	494,492	4,091	4,129
Loss on prior office leases [d]	-	-	9,902
Corporate relocation expenses [e]	-	-	750
Tax effect [f]	(182,945)	(12,747)	(16,117)
Impact of deferred tax adjustments [g]	(4,198)	1,220	-
Adjusted net income attributable to Waste Connections	$ 244,897	$ 254,236	$ 221,675
Diluted earnings (loss) per common share attributable to Waste Connections common stockholders:			
Reported net income (loss)	$ (0.78)	$ 1.86	$ 1.58
Adjusted net income	$ 1.98	$ 2.04	$ 1.79
Shares used in the per share calculations:			
Reported diluted shares	123,491,931	124,787,421	124,165,052
Adjusted diluted shares [h]	123,871,636	124,787,421	124,165,052

(a) Reflects the elimination of the non-cash amortization of acquisition-related intangible assets.
(b) Reflects the elimination of acquisition-related transaction costs.
(c) Reflects the addback of impairments and other operating items.
(d) Reflects the addback of the loss on prior office leases resulting primarily from the relocation of our corporate headquarters from California to Texas.
(e) Reflects the addback of costs associated with the relocation of our corporate headquarters from California to Texas.
(f) The aggregate tax effect of the adjustments in footnotes (a) through (e) is calculated based on the applied tax rates for the respective periods.
(g) Reflects (1) the elimination in 2015 of an increase to the income tax benefit primarily associated with a decrease in our deferred tax liabilities resulting from the impairment of assets in our E&P segment that impacted the geographical apportionment of our state income taxes, and (2) the elimination in 2014 of an increase to the income tax provision associated with an increase in our deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act on March 31, 2014.
(h) Reflects reported diluted shares adjusted for shares that were excluded from the reported diluted shares calculation due to reporting a net loss during the year ended December 31, 2015.

Inflation

Other than volatility in fuel prices and labor costs in certain markets, inflation has not materially affected our operations in recent years. Consistent with industry practice, many of our contracts allow us to pass through certain costs to our customers, including increases in landfill tipping fees and, in some cases, fuel costs. Therefore, we believe that we should be able to increase prices to offset many cost increases that result from inflation in the ordinary course of business. However, competitive pressures or delays in the timing of rate increases under our contracts may require us to absorb at least part of these cost increases, especially if cost

increases exceed the average rate of inflation. Management's estimates associated with inflation have an impact on our accounting for landfill liabilities.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to market risk, including changes in interest rates and prices of certain commodities. We use hedge agreements to manage a portion of our risks related to interest rates and fuel prices. While we are exposed to credit risk in the event of non-performance by counterparties to our hedge agreements, in all cases such counterparties are highly rated financial institutions and we do not anticipate non-performance. We do not hold or issue derivative financial instruments for trading purposes. We monitor our hedge positions by regularly evaluating the positions at market and by performing sensitivity analyses over the unhedged fuel and variable rate debt positions.

At December 31, 2015, our derivative instruments included six interest rate swap agreements that effectively fix the interest rate on the applicable notional amounts of our variable rate debt as follows (dollars in thousands):

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
December 2011	$ 175,000	1.600%	1-month LIBOR	February 2014	February 2017
April 2014	$ 100,000	1.800%	1-month LIBOR	July 2014	July 2019
May 2014	$ 50,000	2.344%	1-month LIBOR	October 2015	October 2020
May 2014	$ 25,000	2.326%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020

* Plus applicable margin.

Under derivatives and hedging guidance, the interest rate swap agreements are considered cash flow hedges for a portion of our variable rate debt, and we apply hedge accounting to account for these instruments. The notional amounts and all other significant terms of the swap agreements are matched to the provisions and terms of the variable rate debt being hedged.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged floating rate debt. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. We are exposed to cash flow risk due to changes in interest rates with respect to the unhedged floating rate balances owed at December 31, 2015 and 2014, of $771.4 million and $946.4 million, respectively, including floating rate debt under our credit agreement and floating rate municipal bond obligations. A one percentage point increase in interest rates on our variable-rate debt as of December 31, 2015 and 2014, would decrease our annual pre-tax income by approximately $7.7 million and $9.5 million, respectively. All of our remaining debt instruments are at fixed rates, or effectively fixed under the interest rate swap agreements described above; therefore, changes in market interest rates under these instruments would not significantly impact our cash flows or results of operations, subject to counterparty default risk.

The market price of diesel fuel is unpredictable and can fluctuate significantly. We purchase approximately 34.2 million gallons of fuel per year; therefore, a significant increase in the price of fuel could adversely affect our business and reduce our operating margins. To manage a portion of this risk, we periodically enter into fuel hedge agreements related to forecasted diesel fuel purchases.

At December 31, 2015, our derivative instruments included two fuel hedge agreements as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed (per gallon)	Diesel Rate Received Variable	Effective Date	Expiration Date
May 2015	300,000	$ 3.280	DOE Diesel Fuel Index*	January 2016	December 2017
May 2015	200,000	$ 3.275	DOE Diesel Fuel Index*	January 2016	December 2017

*If the national U.S. on-highway average price for a gallon of diesel fuel, or average price, as published by the Department of Energy, exceeds the contract price per gallon, we receive the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, we pay the difference to the counterparty.

Under derivatives and hedging guidance, the fuel hedges are considered cash flow hedges for a portion of our forecasted diesel fuel purchases, and we apply hedge accounting to account for these instruments.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged diesel fuel purchases. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. For the year ending December 31, 2016, we expect to purchase approximately 34.2 million gallons of fuel, of which 15.2 million gallons will be purchased at market prices, 13.0 million gallons will be purchased under our fixed price fuel purchase contracts and 6.0 million gallons are hedged at a fixed price under our fuel hedge agreements. With respect to the approximately 15.2 million gallons of unhedged fuel we expect to purchase in 2016 at market prices, a $0.10 per gallon increase in the price of fuel over the year would decrease our pre-tax income during this period by approximately $1.5 million.

We market a variety of recyclable materials, including cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own and operate 37 recycling operations and sell other collected recyclable materials to third parties for processing before resale. To reduce our exposure to commodity price risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volume collected from third parties. In the event of a decline in recycled commodity prices, a 10% decrease in average recycled commodity prices from the average prices that were in effect during the year ended December 31, 2015 and 2014, would have had a $4.6 million and $5.6 million impact on revenues for the year ended December 31, 2015 and 2014, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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WASTE CONNECTIONS, INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Waste Connections, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Waste Connections, Inc. and its subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
February 9, 2016

WASTE CONNECTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	December 31,	
	2015	2014
ASSETS		
Current assets:		
Cash and equivalents	$ 10,974	$ 14,353
Accounts receivable, net of allowance for doubtful accounts of $7,738 and $9,175 at December 31, 2015 and 2014, respectively	255,192	259,969
Deferred income taxes	49,727	49,508
Prepaid expenses and other current assets	46,534	42,314
Total current assets	362,427	366,144
Property and equipment, net	2,738,288	2,594,205
Goodwill	1,422,825	1,693,789
Intangible assets, net	511,294	509,995
Restricted assets	46,232	40,841
Other assets, net	40,732	40,293
	$ 5,121,798	$ 5,245,267
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 115,206	$ 120,717
Book overdraft	12,357	12,446
Accrued liabilities	136,018	120,947
Deferred revenue	90,349	80,915
Current portion of contingent consideration	22,217	21,637
Current portion of long-term debt and notes payable	2,127	3,649
Total current liabilities	378,274	360,311
Long-term debt and notes payable	2,147,127	1,971,152
Long-term portion of contingent consideration	27,177	48,528
Other long-term liabilities	124,943	92,900
Deferred income taxes	452,493	538,635
Total liabilities	3,130,014	3,011,526
Commitments and contingencies (Note 10)		
Equity:		
Preferred stock: $0.01 par value per share; 7,500,000 shares authorized; none issued and outstanding	-	-
Common stock: $0.01 par value per share; 250,000,000 shares authorized; 122,375,955 and 123,984,527 shares issued and outstanding at December 31, 2015 and 2014, respectively	1,224	1,240
Additional paid-in capital	736,652	811,289
Accumulated other comprehensive loss	(12,171)	(5,593)
Retained earnings	1,259,495	1,421,249
Total Waste Connections' equity	1,985,200	2,228,185
Noncontrolling interest in subsidiaries	6,584	5,556
Total equity	1,991,784	2,233,741
	$ 5,121,798	$ 5,245,267

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2015	**2014**	**2013**
Revenues	$ 2,117,287	$ 2,079,166	$ 1,928,795
Operating expenses:			
Cost of operations	1,177,409	1,138,388	1,064,819
Selling, general and administrative	237,484	229,474	212,637
Depreciation	240,357	230,944	218,454
Amortization of intangibles	29,077	27,000	25,410
Loss on prior office leases	-	-	9,902
Impairments and other operating items	494,492	4,091	4,129
Operating income (loss)	(61,532)	449,269	393,444
Interest expense	(64,236)	(64,674)	(73,579)
Other income (expense), net	(518)	1,067	1,056
Income (loss) before income tax provision	(126,286)	385,662	320,921
Income tax (provision) benefit	31,592	(152,335)	(124,916)
Net income (loss)	(94,694)	233,327	196,005
Less: Net income attributable to noncontrolling interests	(1,070)	(802)	(350)
Net income (loss) attributable to Waste Connections	$ (95,764)	$ 232,525	$ 195,655
Earnings (loss) per common share attributable to Waste Connections' common stockholders:			
Basic	$ (0.78)	$ 1.87	$ 1.58
Diluted	$ (0.78)	$ 1.86	$ 1.58
Shares used in the per share calculations:			
Basic	123,491,931	124,215,346	123,597,540
Diluted	123,491,931	124,787,421	124,165,052
Cash dividends per common share	$ 0.535	$ 0.475	$ 0.415

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2015	**2014**	**2013**
Net income (loss)	$ (94,694)	$ 233,327	$ 196,005
Other comprehensive income (loss), before tax:			
Interest rate swap amounts reclassified into interest expense	5,093	4,581	5,641
Fuel hedge amounts reclassified into cost of operations	3,217	(823)	-
Changes in fair value of interest rate swaps	(7,746)	(6,448)	296
Changes in fair value of fuel hedges	(11,138)	(3,355)	1,012
Other comprehensive income (loss), before tax	(10,574)	(6,045)	6,949
Income tax (expense) benefit related to items of other comprehensive income (loss)	3,996	2,321	(2,653)
Other comprehensive income (loss), net of tax	(6,578)	(3,724)	4,296
Comprehensive income (loss)	(101,272)	229,603	200,301
Less: Comprehensive income attributable to noncontrolling interests	(1,070)	(802)	(350)
Comprehensive income (loss) attributable to Waste Connections	$ (102,342)	$ 228,801	$ 199,951

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
YEARS ENDED DECEMBER 31, 2013, 2014 AND 2015
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	WASTE CONNECTIONS' EQUITY						
	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	NONCONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT					
Balances at December 31, 2012	123,019,494	$ 1,230	$ 779,904	$ (6,165)	$ 1,103,188	$ 4,973	$ 1,883,130
Vesting of restricted stock units	482,403	5	(5)	-	-	-	-
Tax withholdings related to net share settlements of restricted stock units	(152,191)	(1)	(5,438)	-	-	-	(5,439)
Equity-based compensation	-	-	15,397	-	-	-	15,397
Exercise of stock options and warrants	216,781	2	2,462	-	-	-	2,464
Excess tax benefit associated with equity-based compensation	-	-	3,765	-	-	-	3,765
Cash dividends on common stock	-	-	-	-	(51,213)	-	(51,213)
Amounts reclassified into earnings, net of taxes	-	-	-	3,483	-	-	3,483
Changes in fair value of cash flow hedges, net of taxes	-	-	-	813	-	-	813
Distributions to noncontrolling interests	-	-	-	-	-	(198)	(198)
Net income	-	-	-	-	195,655	350	196,005
Balances at December 31, 2013	123,566,487	1,236	796,085	(1,869)	1,247,630	5,125	2,048,207
Vesting of restricted stock units	492,695	5	(5)	-	-	-	-
Restricted stock units released from deferred compensation plan	10,665	-	-	-	-	-	-
Tax withholdings related to net share settlements of restricted stock units	(159,936)	(1)	(6,813)	-	-	-	(6,814)
Equity-based compensation	-	-	18,446	-	-	-	18,446
Exercise of stock options and warrants	241,716	2	3,373	-	-	-	3,375
Excess tax benefit associated with equity-based compensation	-	-	7,518	-	-	-	7,518
Repurchase of common stock	(167,100)	(2)	(7,315)	-	-	-	(7,317)
Cash dividends on common stock	-	-	-	-	(58,906)	-	(58,906)
Amounts reclassified into earnings, net of taxes	-	-	-	2,317	-	-	2,317
Changes in fair value of cash flow hedges, net of taxes	-	-	-	(6,041)	-	-	(6,041)
Distributions to noncontrolling interests	-	-	-	-	-	(371)	(371)
Net income	-	-	-	-	232,525	802	233,327
Balances at December 31, 2014	123,984,527	1,240	811,289	(5,593)	1,421,249	5,556	2,233,741
Vesting of restricted stock units	432,165	4	(4)	-	-	-	-
Restricted stock units released from deferred compensation plan	14,082	-	-	-	-	-	-
Tax withholdings related to net share settlements of restricted stock units	(138,611)	(1)	(6,446)	-	-	-	(6,447)
Equity-based compensation	-	-	20,318	-	-	-	20,318
Exercise of stock options and warrants	46,781	1	571	-	-	-	572
Excess tax benefit associated with equity-based compensation	-	-	2,069	-	-	-	2,069
Repurchase of common stock	(1,962,989)	(20)	(91,145)	-	-	-	(91,165)
Cash dividends on common stock	-	-	-	-	(65,990)	-	(65,990)
Amounts reclassified into earnings, net of taxes	-	-	-	5,148	-	-	5,148
Changes in fair value of cash flow hedges, net of taxes	-	-	-	(11,726)	-	-	(11,726)
Distributions to noncontrolling interests	-	-	-	-	-	(42)	(42)
Net income (loss)	-	-	-	-	(95,764)	1,070	(94,694)
Balances at December 31, 2015	122,375,955	$ 1,224	$ 736,652	$ (12,171)	$ 1,259,495	$ 6,584	$ 1,991,784

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Years Ended December 31,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (94,694)	$ 233,327	$ 196,005
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Loss on disposal of assets and impairments	518,657	8,239	2,853
Depreciation	240,357	230,944	218,454
Amortization of intangibles	29,077	27,000	25,410
Deferred income taxes, net of acquisitions	(132,454)	31,031	38,680
Amortization of debt issuance costs	3,097	3,085	3,655
Equity-based compensation	20,318	18,446	15,397
Interest income on restricted assets	(428)	(446)	(386)
Interest accretion	6,761	5,076	4,812
Excess tax benefit associated with equity-based compensation	(2,069)	(7,518)	(3,765)
Payment of contingent consideration recorded in earnings	-	(1,074)	(5,059)
Adjustments to contingent consideration	(22,180)	(3,450)	1,276
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, net	17,348	(22,168)	1,612
Prepaid expenses and other current assets	(2,780)	(3,868)	1,696
Accounts payable	(16,674)	10,173	(26,993)
Deferred revenue	4,377	8,571	1,403
Accrued liabilities	8,217	4,985	6,117
Other long-term liabilities	69	2,724	2,894
Net cash provided by operating activities	576,999	545,077	484,061
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired	(230,517)	(126,181)	(64,156)
Proceeds from adjustments to acquisition consideration	-	-	18,000
Capital expenditures for property and equipment	(238,833)	(241,277)	(209,874)
Proceeds from disposal of assets	2,883	9,421	11,019
Change in restricted assets, net of interest income	(2,225)	(4,475)	(646)
Other	(1,842)	(896)	(5,358)
Net cash used in investing activities	(470,534)	(363,408)	(251,015)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	1,489,500	432,500	327,600
Principal payments on notes payable and long-term debt	(1,429,195)	(525,909)	(493,560)
Payment of contingent consideration recorded at acquisition date	(2,190)	(24,847)	(23,941)
Change in book overdraft	(89)	(11)	(110)
Proceeds from option and warrant exercises	572	3,375	2,464
Excess tax benefit associated with equity-based compensation	2,069	7,518	3,765
Payments for repurchase of common stock	(91,165)	(7,317)	-
Payments for cash dividends	(65,990)	(58,906)	(51,213)
Tax withholdings related to net share settlements of restricted stock units	(6,447)	(6,814)	(5,439)
Distributions to noncontrolling interests	(42)	(371)	(198)
Debt issuance costs	(6,867)	(125)	(2,035)
Net cash used in financing activities	(109,844)	(180,907)	(242,667)
Net increase (decrease) in cash and equivalents	(3,379)	762	(9,621)
Cash and equivalents at beginning of year	14,353	13,591	23,212
Cash and equivalents at end of year	$ 10,974	$ 14,353	$ 13,591

The accompanying notes are an integral part of these consolidated financial statements.

SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION AND NON-CASH TRANSACTIONS:

	Years Ended December 31,		
	2015	**2014**	**2013**
Cash paid for income taxes	$ 102,279	$ 116,239	$ 81,710
Cash paid for interest	$ 55,674	$ 60,224	$ 66,985
In connection with its acquisitions, the Company assumed liabilities as follows:			
Fair value of assets acquired	$ 433,227	$ 172,875	$ 67,271
Cash paid for current year acquisitions	(230,517)	(126,181)	(64,156)
Liabilities assumed and notes payable issued to sellers of businesses acquired	$ 202,710	$ 46,694	$ 3,115

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION, BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Waste Connections, Inc. ("WCI" or the "Company") was incorporated in Delaware on September 9, 1997, and commenced its operations on October 1, 1997, through the purchase of certain solid waste operations in the state of Washington. The Company is an integrated municipal solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. and a leading provider of non-hazardous exploration and production ("E&P") waste treatment, recovery and disposal services in several of the most active natural resource producing areas of the U.S. The Company also provides intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest.

Basis of Presentation

These consolidated financial statements include the accounts of WCI and its wholly-owned and majority-owned subsidiaries. The consolidated entity is referred to herein as the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

As further discussed in Note 18 – "Subsequent Events," the Company entered into the Merger Agreement on January 18, 2016, that, if consummated, would result in the Company becoming a wholly-owned subsidiary of Progressive Waste. The accompanying consolidated financial statements, of which these notes are an integral part, do not reflect any effects that would result if the transaction contemplated by the Merger Agreement is consummated.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at purchase to be cash equivalents. As of December 31, 2015 and 2014, cash equivalents consisted of demand money market accounts.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and equivalents, restricted assets and accounts receivable. The Company maintains cash and equivalents with banks that at times exceed applicable insurance limits. The Company reduces its exposure to credit risk by maintaining such deposits with high quality financial institutions. The Company's restricted assets are invested primarily in U.S. government and agency securities. The Company has not experienced any losses related to its cash and equivalents or restricted asset accounts. The Company generally does not require collateral on its trade receivables. Credit risk on accounts receivable is minimized as a result of the large and diverse nature of the Company's customer base. The Company maintains allowances for losses based on the expected collectability of accounts receivable.

Revenue Recognition and Accounts Receivable

Revenues are recognized when persuasive evidence of an arrangement exists, the service has been provided, the price is fixed or determinable and collection is reasonably assured. Certain customers are billed in advance and, accordingly, recognition of the related revenues is deferred until the services are provided. In accordance with revenue recognition guidance, any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer is presented in the Statements of Net Income (Loss) on a net basis (excluded from revenues).

The Company's receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company estimates its allowance for doubtful accounts based on historical collection trends, type of customer such as municipal or non-municipal, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due.

Property and Equipment

Property and equipment are stated at cost. Improvements or betterments, not considered to be maintenance and repair, which add new functionality or significantly extend the life of an asset are capitalized. Third-party expenditures related to pending development projects, such as legal and engineering expenses, are capitalized. Expenditures for maintenance and repair costs, including planned major maintenance activities, are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains and losses resulting from disposals of property and equipment are recognized in the period in which the property and equipment is disposed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or the lease term, whichever is shorter.

The estimated useful lives are as follows:

Buildings	10 – 20 years
Leasehold and land improvements	3 – 10 years
Machinery and equipment	3 – 12 years
Rolling stock	2 – 10 years
Containers	5 – 12 years

Landfill Accounting

The Company utilizes the life cycle method of accounting for landfill costs. This method applies the costs to be capitalized associated with acquiring, developing, closing and monitoring the landfills over the associated consumption of landfill capacity. The Company utilizes the units of consumption method to amortize landfill development costs over the estimated remaining capacity of a landfill. Under this method, the Company includes future estimated construction costs using current dollars, as well as costs incurred to date, in the amortization base. When certain criteria are met, the Company includes expansion airspace, which has not been permitted, in the calculation of the total remaining capacity of the landfill.

– Landfill development costs. Landfill development costs include the costs of acquisition, construction associated with excavation, liners, site berms, groundwater monitoring wells, gas recovery systems and leachate collection systems. The Company estimates the total costs associated with developing each landfill site to its final capacity. This includes certain projected landfill site costs that are uncertain because they are dependent on future events and thus actual costs could vary significantly from estimates. The total cost to develop a site to its final capacity includes amounts previously expended and capitalized, net of accumulated depletion, and projections of future purchase and development costs, liner construction costs, and operating construction costs. Total landfill costs include the development costs associated with expansion airspace. Expansion airspace is addressed below.

– Final capping, closure and post-closure obligations. The Company accrues for estimated final capping, closure and post-closure maintenance obligations at the landfills it owns and the landfills that it operates, but does not own, under life-of-site agreements. Accrued final capping, closure and post-closure costs represent an estimate of the current value of the future obligation associated with final capping, closure and post-closure monitoring of non-hazardous solid waste landfills currently owned or operated under life-of-site agreements by the Company. Final capping costs represent the costs related to installation of clay liners, drainage and compacted soil layers and topsoil constructed over areas of the landfill where total airspace capacity has been consumed. Closure and post-closure monitoring and maintenance costs represent the costs related to cash expenditures yet to be incurred when a landfill facility ceases to accept waste and closes. Accruals for final capping, closure and post-closure monitoring and maintenance requirements in the U.S. consider site inspection, groundwater monitoring, leachate management, methane gas control and recovery, and operating and maintenance costs to be incurred during the period after the facility closes. Certain of these environmental costs, principally capping and methane gas control costs, are also incurred during the operating life of the site in accordance with the landfill operation requirements of Subtitle D and the air emissions standards. Daily maintenance activities, which include many of these costs, are expensed as incurred during the operating life of the landfill. Daily maintenance activities include leachate disposal; surface water, groundwater, and methane gas monitoring and maintenance; other pollution control activities; mowing and fertilizing the landfill final cap; fence and road maintenance; and third-party inspection and reporting costs. Site specific final capping, closure and post-closure engineering cost estimates are prepared annually for landfills owned or landfills operated under life-of-site agreements by the Company.

The net present value of landfill final capping, closure and post-closure liabilities are calculated by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in the Company's final capping, closure and post-closure liabilities being recorded in "layers." The Company's discount rate assumption for purposes of computing 2015 and 2014 "layers" for final capping, closure and post-closure obligations was 4.75% and 5.75%, respectively, which reflects the Company's long-term credit adjusted risk free rate as of the end of 2014 and 2013. The Company's inflation rate assumption was 2.5% for the years ended December 31, 2015 and 2014.

In accordance with the accounting guidance on asset retirement obligations, the final capping, closure and post-closure liability is recorded on the balance sheet along with an offsetting addition to site costs which is amortized to depletion expense on a units-of-consumption basis as remaining landfill airspace is consumed. The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. Depletion expense resulting from final capping, closure and post-closure obligations recorded as a component of landfill site costs will generally be less during the early portion of a landfill's operating life and increase thereafter. Owned landfills and landfills operated under life-of-site agreements have estimated remaining lives, based on remaining permitted capacity, probable expansion capacity and projected annual disposal volumes, that range from approximately 1 to 183 years, with an average remaining life of approximately 38 years. The costs for final capping, closure and post-closure obligations at landfills the Company owns or operates under life-of-site agreements are generally estimated based on interpretations of current requirements and proposed or anticipated regulatory changes.

The estimates for landfill final capping, closure and post-closure costs consider when the costs would actually be paid and factor in inflation and discount rates. Interest is accreted on the recorded liability using the corresponding discount rate. When using discounted cash flow techniques, reliable estimates of market premiums may not be obtainable. In the waste industry, there is no market for selling the responsibility for final capping, closure and post-closure obligations independent of selling the landfill in its entirety. Accordingly, the Company does not believe that it is possible to develop a methodology to reliably estimate a market risk premium and has therefore excluded any such market risk premium from its determination of expected cash flows for landfill asset retirement obligations. The possibility of changing legal and regulatory requirements and the forward-looking nature of these types of costs make any estimation or assumption less certain.

The following is a reconciliation of the Company's final capping, closure and post-closure liability balance from December 31, 2013 to December 31, 2015:

Final capping, closure and post-closure liability at December 31, 2013	$ 50,128
Adjustments to final capping, closure and post-closure liabilities	4,176
Liabilities incurred	3,846
Accretion expense associated with landfill obligations	3,408
Closure payments	(178)
Assumption of closure liabilities from acquisitions	120
Final capping, closure and post-closure liability at December 31, 2014	61,500
Adjustments to final capping, closure and post-closure liabilities	89
Liabilities incurred	4,690
Accretion expense associated with landfill obligations	3,759
Closure payments	(72)
Assumption of closure liabilities from acquisitions	8,647
Final capping, closure and post-closure liability at December 31, 2015	$ 78,613

The Adjustments to final capping, closure and post-closure liabilities for the year ended December 31, 2014, primarily consisted of the following changes at some of the Company's landfills: increases in estimated future closure expenditures, changes in engineering estimates of total site capacities and increases in estimated annual tonnage consumption. The final capping, closure and post-closure liability is included in Other long-term liabilities in the Consolidated Balance Sheets. The Company performs its annual review of its cost and capacity estimates in the first quarter of each year.

At December 31, 2015, $43,636 of the Company's restricted assets balance was for purposes of securing its performance of future final capping, closure and post-closure obligations.

- Disposal capacity. The Company's internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at its landfills. This is done by using surveys and other methods to calculate, based on the terms of the permit, height restrictions and other factors, how much airspace is left to fill and how much waste can be disposed of at a landfill before it has reached its final capacity. The Company's landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills it owns, and landfills it operates, but does not own, under life-of-site agreements. The Company's landfill depletion rate is based on the term of the operating agreement at its operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets the following criteria is included in the estimate of total landfill airspace:

  1) whether the land where the expansion is being sought is contiguous to the current disposal site, and the Company either owns the expansion property or has rights to it under an option, purchase, operating or other similar agreement;
  2) whether total development costs, final capping costs, and closure/post-closure costs have been determined;
  3) whether internal personnel have performed a financial analysis of the proposed expansion site and have determined that it has a positive financial and operational impact;
  4) whether internal personnel or external consultants are actively working to obtain the necessary approvals to obtain the landfill expansion permit; and
  5) whether the Company considers it probable that the Company will achieve the expansion (for a pursued expansion to be considered probable, there must be no significant known technical, legal, community, business, or political restrictions or similar issues existing that the Company believes are more likely than not to impair the success of the expansion).

It is possible that the Company's estimates or assumptions could ultimately be significantly different from actual results. In some cases, the Company may be unsuccessful in obtaining an expansion permit or the Company may determine that an expansion permit that the Company previously thought was probable has become unlikely. To the extent that such estimates, or the assumptions used to make those estimates, prove to be significantly different than actual results, or the belief that the Company will receive an expansion permit changes adversely in a significant manner, the costs of the landfill, including the costs incurred in the pursuit of the expansion, may be subject to impairment testing, as described below, and lower profitability may be experienced due to higher amortization rates, higher capping, closure and post-closure rates, and higher expenses or asset impairments related to the removal of previously included expansion airspace.

The Company periodically evaluates its landfill sites for potential impairment indicators. The Company's judgments regarding the existence of impairment indicators are based on regulatory factors, market conditions and operational performance of its landfills. Future events could cause the Company to conclude that impairment indicators exist and that its landfill carrying costs are impaired.

Cell Processing Reserves

The Company records a cell processing reserve related to its E&P segment for certain locations in Louisiana and Texas for the estimated amount of expenses to be incurred upon the treatment and excavation of oilfield waste received. The cell processing reserve is the future cost to properly treat and dispose of existing waste within the cells at the various facilities. The reserve generally covers estimated costs to be incurred over a period of time up to 24 months, with the current portion representing costs estimated to be incurred in the next 12 months. The estimate is calculated based on current estimated volume in the cells, estimated percentage of waste treated, and historical average costs to treat and excavate the waste. The processing reserve represents the estimated costs to process the volumes of oilfield waste on-hand for which revenue has been recognized. At December 31, 2015 and 2014, the current portion of cell processing reserves was $5,566 and $6,136, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. At December 31, 2015 and 2014, the long-term portion of cell processing reserves was $2,157 and $2,409, respectively, which is included in Other long-term liabilities in the Consolidated Balance Sheets.

Business Combination Accounting

The Company accounts for business combinations as follows:

- The Company recognizes, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. The Company measures and recognizes goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of net assets acquired and liabilities assumed.

- At the acquisition date, the Company measures the fair values of all assets acquired and liabilities assumed that arise from contractual contingencies. The Company measures the fair values of all noncontractual contingencies if, as of the acquisition date, it is more likely than not that the contingency will give rise to an asset or liability.

Finite-Lived Intangible Assets

The amounts assigned to franchise agreements, contracts, customer lists, permits and non-competition agreements are being amortized on a straight-line basis over the expected term of the related agreements (ranging from 1 to 56 years).

Goodwill and Indefinite-Lived Intangible Assets

The Company acquired indefinite-lived intangible assets in connection with certain of its acquisitions. The amounts assigned to indefinite-lived intangible assets consist of the value of certain perpetual rights to provide solid waste collection and transportation services in specified territories and to operate exploration and production waste treatment and disposal facilities. The Company measures and recognizes acquired indefinite-lived intangible assets at their estimated acquisition date fair values. Indefinite-lived intangible assets are not amortized. Goodwill represents the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of assets acquired and liabilities assumed. Goodwill and intangible assets, deemed to have indefinite lives, are subject to annual impairment tests as described below.

Goodwill and indefinite-lived intangible assets are tested for impairment on at least an annual basis in the fourth quarter of the year. In addition, the Company evaluates its reporting units for impairment if events or circumstances change between annual tests indicating a possible impairment. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold;
- the testing for recoverability of a significant asset group within the segment; or
- current period or expected future operating cash flow losses.

In the first step ("Step 1") of testing for goodwill impairment, the Company estimates the fair value of each reporting unit, which the Company has determined to be its three geographic operating segments and its E&P segment, and compares the fair value with the carrying value of the net assets assigned to each reporting unit. If the fair value of a reporting unit is greater than the carrying value of the net assets, including goodwill, assigned to the reporting unit, then no impairment results. If the fair value is less than the carrying value, then the Company would perform a second step and determine the fair value of the goodwill. In this second step ("Step 2"), the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. If the fair value of the goodwill is less than its carrying value for a reporting unit, an impairment charge would be recorded to Impairments and other operating items in the Company's Consolidated Statements of Net Income (Loss).

During the third quarter of 2015, the Company determined that sufficient indicators of potential impairment existed to require an interim goodwill and indefinite-lived intangible assets impairment analysis for its E&P segment as a result of the sustained decline in oil prices in the recent months, together with market expectations of a likely slow recovery in such prices. The Company, therefore, performed a Step 1 assessment of its E&P segment during the third quarter of 2015. The Step 1 assessment involved measuring the recoverability of goodwill by comparing the E&P segment's carrying amount, including goodwill, to the fair value of the reporting

unit. The fair value was estimated using an income approach employing a discounted cash flow ("DCF") model. The DCF model incorporated projected cash flows over a forecast period based on the remaining estimated lives of the operating locations comprising the E&P segment. This was based on a number of key assumptions, including, but not limited to, a discount rate of 11.6%, annual revenue projections based on E&P waste resulting from projected levels of oil and natural gas exploration and production activity during the forecast period, gross margins based on estimated operating expense requirements during the forecast period and estimated capital expenditures over the forecast period, all of which were classified as Level 3 in the fair value hierarchy. As a result of the Step 1 assessment, the Company determined that the E&P segment did not pass the Step 1 test because the carrying value exceeded the estimated fair value of the reporting unit. The Company then performed the Step 2 test to determine the fair value of goodwill for its E&P segment. Based on the Step 1 and Step 2 analyses, the Company recorded a goodwill impairment charge within its E&P segment of $411,786 during the third quarter of 2015. Following the impairment charge, the Company's E&P segment has a remaining balance in goodwill of $77,343 at December 31, 2015. Additionally, the Company evaluated the recoverability of the E&P segment's indefinite-lived intangible assets (other than goodwill) by comparing the estimated fair value of each indefinite-lived intangible asset to its carrying value. The Company estimated the fair value of the indefinite-lived intangible assets using an excess earnings approach. Based on the result of the recoverability test, the Company determined that the carrying value of certain indefinite-lived intangible assets within the E&P segment exceeded their fair value and were therefore not recoverable. The Company recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain indefinite-lived intangible assets within its E&P segment of $38,351 during the third quarter and fourth quarter of 2015. Following the impairment charge, the Company's E&P segment has a remaining balance in indefinite-lived intangible assets of $21,504 at December 31, 2015. The Company did not record an impairment charge to its E&P segment as a result of its goodwill and indefinite-lived intangible assets impairment tests in 2014.

During the Company's annual impairment analysis, the Company determined the fair value of each of its three geographic operating segments as a whole and each indefinite-lived intangible asset within those segments using discounted cash flow analyses, which require significant assumptions and estimates about the future operations of each reporting unit and the future discrete cash flows related to each indefinite-lived intangible asset. Significant judgments inherent in these analyses include the determination of appropriate discount rates, the amount and timing of expected future cash flows and growth rates. The cash flows employed in the Company's 2015 discounted cash flow analyses were based on ten-year financial forecasts, which in turn were based on the 2016 annual budget developed internally by management. These forecasts reflect operating profit margins that were consistent with 2015 results and perpetual revenue growth rates of 3.3%. The Company's discount rate assumptions are based on an assessment of the Company's weighted average cost of capital which approximated 5.0%. In assessing the reasonableness of the Company's determined fair values of its reporting units, the Company evaluates its results against its current market capitalization. The Company did not record an impairment charge to its three geographic operating segments as a result of its goodwill and indefinite-lived intangible assets impairment tests in 2015 and 2014.

Impairments of Property and Equipment and Finite-Lived Intangible Assets

Property, equipment and finite-lived intangible assets are carried on the Company's consolidated financial statements based on their cost less accumulated depreciation or amortization. Finite-lived intangible assets consist of long-term franchise agreements, contracts, customer lists, permits and non-competition agreements. The recoverability of these assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Typical indicators that an asset may be impaired include, but are not limited to, the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold;
- the testing for recoverability of a significant asset group within a segment; or
- current period or expected future operating cash flow losses.

If any of these or other indicators occur, a test of recoverability is performed by comparing the carrying value of the asset or asset group to its undiscounted expected future cash flows. If the carrying value is in excess of the undiscounted expected future cash flows, impairment is measured by comparing the fair value of the asset to its carrying value. Fair value is determined by an internally developed discounted projected cash flow analysis of the asset. Cash flow projections are sometimes based on a group of assets, rather than a single asset. If cash flows cannot be separately and independently identified for a single asset, the Company will determine whether an impairment has occurred for the group of assets for which the projected cash flows can be identified. If the fair

value of an asset is determined to be less than the carrying amount of the asset or asset group, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. Several impairment indicators are beyond the Company's control, and whether or not they will occur cannot be predicted with any certainty. Estimating future cash flows requires significant judgment and projections may vary from cash flows eventually realized. There are other considerations for impairments of landfills, as described below.

Prior to conducting Step 1 of the goodwill impairment test for the E&P segment, as described above, the Company first evaluated the recoverability of its long-lived assets, including finite-lived intangible assets. When indicators of impairment are present, as described above, the Company tests long-lived assets for recoverability by comparing the carrying value of an asset group to its undiscounted cash flows. The Company considered the sustained decline in oil prices in the recent months, together with market expectations of a likely slow recovery in such prices, to be indicators of impairment for the E&P segment's long-lived assets. Based on the result of the recoverability test, the Company determined that the carrying value of certain asset groups within the E&P segment exceeded their undiscounted cash flows and were therefore not recoverable. The Company then compared the fair value of these asset groups to their carrying values. The Company estimated the fair value of the asset groups under an income approach, as described above. Based on the analysis, the Company recorded an impairment charge to Impairments and other operating items in the Consolidated Statements of Net Income (Loss) on certain long-lived assets within its E&P segment of $67,647 during the year ended December 31, 2015. Following the impairment charge, the Company's E&P segment has a remaining balance in property and equipment of $929,839 at December 31, 2015.

In 2014, the Company recorded an $8,445 impairment charge, which is included in Impairments and other operating items in the Consolidated Statements of Net Income (Loss), for property and equipment at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that the Company owns and operates. The fair value of the property and equipment was determined using a discounted cash flow model.

Landfills – There are certain indicators listed above that require significant judgment and understanding of the waste industry when applied to landfill development or expansion projects. A regulator or court may deny or overturn a landfill development or landfill expansion permit application before the development or expansion permit is ultimately granted. Management may periodically divert waste from one landfill to another to conserve remaining permitted landfill airspace. Therefore, certain events could occur in the ordinary course of business and not necessarily be considered indicators of impairment due to the unique nature of the waste industry.

Restricted Assets

Restricted assets held by trustees consist principally of funds deposited in connection with landfill final capping, closure and post-closure obligations and other financial assurance requirements. Proceeds from these financing arrangements are directly deposited into trust funds, and the Company does not have the ability to utilize the funds in regular operating activities. See Note 8 for further information on restricted assets.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and equivalents, trade receivables, restricted assets, trade payables, debt instruments, contingent consideration obligations, interest rate swaps and fuel hedges. As of December 31, 2015 and 2014, the carrying values of cash and equivalents, trade receivables, restricted assets, trade payables and contingent consideration are considered to be representative of their respective fair values. The carrying values of the Company's debt instruments, excluding certain notes as listed in the table below, approximate their fair values as of December 31, 2015 and 2014, based on current borrowing rates, current remaining average life to maturity and borrower credit quality for similar types of borrowing arrangements, and are classified as Level 2 within the fair value hierarchy. The carrying values and fair values of the Company's debt instruments where the carrying values do not approximate their fair values as of December 31, 2015 and 2014, are as follows:

	Carrying Value at December 31,		Fair Value* at December 31,	
	2015	2014	2015	2014
6.22% Senior Notes due 2015	$ -	$ 175,000	$ -	$ 181,476
3.30% Senior Notes due 2016	$ 100,000	$ 100,000	$ 100,536	$ 102,253
4.00% Senior Notes due 2018	$ 50,000	$ 50,000	$ 51,860	$ 52,500
5.25% Senior Notes due 2019	$ 175,000	$ 175,000	$ 190,985	$ 192,974
4.64% Senior Notes due 2021	$ 100,000	$ 100,000	$ 107,613	$ 108,088
3.09% Senior Notes due 2022	$ 125,000	$ -	$ 123,516	$ -
3.41% Senior Notes due 2025	$ 375,000	$ -	$ 370,245	$ -

*Senior Notes are classified as Level 2 within the fair value hierarchy. Fair value is based on quotes of bonds with similar ratings in similar industries.

For details on the fair value of the Company's interest rate swaps, fuel hedges, restricted assets and contingent consideration, refer to Note 8.

Derivative Financial Instruments

The Company recognizes all derivatives on the balance sheet at fair value. All of the Company's derivatives have been designated as cash flow hedges; therefore, the effective portion of the changes in the fair value of derivatives will be recognized in accumulated other comprehensive loss ("AOCL") until the hedged item is recognized in earnings. The ineffective portion of the changes in the fair value of derivatives will be immediately recognized in earnings. The Company classifies cash inflows and outflows from derivatives within operating activities on the statement of cash flows.

One of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the variable interest rates of certain borrowings issued under its credit agreement. The Company's strategy to achieve that objective involves entering into interest rate swaps. The interest rate swaps outstanding at December 31, 2015 were specifically designated to the Company's credit agreement and accounted for as cash flow hedges.

At December 31, 2015, the Company's derivative instruments included six interest rate swap agreements as follows:

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
December 2011	$ 175,000	1.600%	1-month LIBOR	February 2014	February 2017
April 2014	$ 100,000	1.800%	1-month LIBOR	July 2014	July 2019
May 2014	$ 50,000	2.344%	1-month LIBOR	October 2015	October 2020
May 2014	$ 25,000	2.326%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020

* Plus applicable margin.

Another of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the price of diesel fuel. The Company's strategy to achieve that objective involves periodically entering into fuel hedges that are specifically designated to certain forecasted diesel fuel purchases and accounted for as cash flow hedges.

At December 31, 2015, the Company's derivative instruments included two fuel hedge agreements as follows:

Date Entered	**Notional Amount (in gallons per month)**	**Diesel Rate Paid Fixed (per gallon)**	**Diesel Rate Received Variable**	**Effective Date**	**Expiration Date**
May 2015	300,000	$ 3.280	DOE Diesel Fuel Index*	January 2016	December 2017
May 2015	200,000	$ 3.275	DOE Diesel Fuel Index*	January 2016	December 2017

* If the national U.S. on-highway average price for a gallon of diesel fuel ("average price"), as published by the Department of Energy ("DOE"), exceeds the contract price per gallon, the Company receives the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, the Company pays the difference to the counterparty.

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2015, were as follows:

Derivatives Designated as Cash Flow Hedges	**Asset Derivatives**		**Liability Derivatives**	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Interest rate swaps		$ -	Accrued liabilities[a]	$ (5,425)
			Other long-term liabilities	(4,320)
Fuel hedges		-	Accrued liabilities[b]	(5,699)
			Other long-term liabilities	(4,201)
Total derivatives designated as cash flow hedges		$ -		$ (19,645)

(a) Represents the estimated amount of the existing unrealized losses on interest rate swaps as of December 31, 2015 (based on the interest rate yield curve at that date), included in AOCL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in interest rates.

(b) Represents the estimated amount of the existing unrealized losses on fuel hedges as of December 31, 2015 (based on the forward DOE diesel fuel index curve at that date), included in AOCL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in diesel fuel prices.

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2014, were as follows:

Derivatives Designated as Cash Flow Hedges	**Asset Derivatives**		**Liability Derivatives**	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Interest rate swaps	Other assets, net	$ 250	Accrued liabilities	$ (4,044)
			Other long-term liabilities	(3,300)
Fuel hedges			Accrued liabilities	(1,979)
Total derivatives designated as cash flow hedges		$ 250		$ (9,323)

The following table summarizes the impact of the Company's cash flow hedges on the results of operations, comprehensive income (loss) and AOCL for the years ended December 31, 2015, 2014 and 2013:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCL on Derivatives, Net of Tax (Effective Portion)[a]			Statement of Net Income (Loss) Classification	Amount of (Gain) or Loss Reclassified from AOCL into Earnings, Net of Tax (Effective Portion)[b], [c]		
	Years Ended December 31,				Years Ended December 31,		
	2015	2014	2013		2015	2014	2013
Interest rate swaps	$ (4,820)	$ (3,970)	$ 188	Interest expense	$ 3,155	$ 2,824	$ 3,483
Fuel hedges	(6,906)	(2,071)	625	Cost of operations	1,993	(507)	-
Total	$ (11,726)	$ (6,041)	$ 813		$ 5,148	$ 2,317	$ 3,483

(a) In accordance with the derivatives and hedging guidance, the effective portions of the changes in fair values of interest rate swaps and fuel hedges have been recorded in equity as a component of AOCL. As the critical terms of the interest rate swaps match the underlying debt being hedged, no ineffectiveness is recognized on these swaps and, therefore, all unrealized changes in fair value are recorded in AOCL. Because changes in the actual price of diesel fuel and changes in the DOE index price do not offset exactly each reporting period, the Company assesses whether the fuel hedges are highly effective using the cumulative dollar offset approach.

(b) Amounts reclassified from AOCL into earnings related to realized gains and losses on interest rate swaps are recognized when interest payments or receipts occur related to the swap contracts, which correspond to when interest payments are made on the Company's hedged debt.

(c) Amounts reclassified from AOCL into earnings related to realized gains and losses on the fuel hedges are recognized when settlement payments or receipts occur related to the hedge contracts, which correspond to when the underlying fuel is consumed.

The Company measures and records ineffectiveness on the fuel hedges in Cost of operations in the Consolidated Statements of Net Income (Loss) on a monthly basis based on the difference between the DOE index price and the actual price of diesel fuel purchased, multiplied by the notional number of gallons on the contracts. There was no significant ineffectiveness recognized on the fuel hedges during the years ended December 31, 2015, 2014 and 2013.

See Note 12 for further discussion on the impact of the Company's hedge accounting to its consolidated Comprehensive income (loss) and AOCL.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company records valuation allowances to reduce net deferred tax assets to the amount considered more likely than not to be realized.

The Company is required to evaluate whether the tax positions taken on its federal and state income tax returns will more likely than not be sustained upon examination by the appropriate taxing authority. If the Company determines that such tax positions will not be sustained, it records a liability for the related unrecognized tax benefits. The Company classifies its liability for unrecognized tax benefits as a current liability to the extent it anticipates making a payment within one year.

Equity-Based Compensation

The fair value of restricted stock units is determined based on the number of shares granted, the closing price of the Company's common stock and an assumed forfeiture rate of 8%.

Compensation expense associated with outstanding performance-based restricted stock unit ("PSU") awards is measured using the fair value of the Company's common stock and is based on the estimated achievement of the established performance criteria at the end of each reporting period until the performance period ends, recognized ratably over the performance period. Compensation expense is only recognized for those awards that the Company expects to vest, which it estimates based upon an assessment of the probability that the performance criteria will be achieved. The Company assumed a forfeiture rate of 0% for PSU awards with three-year performance-based metrics granted to the Company's executive officers during the years ended December 31, 2015 and 2014. The Company assumed a forfeiture rate of 8% for PSU awards, with a one-year performance-based metric and time-based vesting for the remaining three years of the four-year vesting period, granted to the Company's executive officers and non-executive officers during the year ended December 31, 2015.

All share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized on a straight-line basis as expense over the employee's requisite service period. Under the stock-based compensation guidance, the Company elected to use the short-cut method to calculate the historical pool of windfall tax benefits. The Company elected to use the tax law ordering approach for purposes of determining whether an excess of tax benefit has been realized.

Warrants are valued using the Black-Scholes pricing model with a contractual life of five years, a risk free interest rate based on the 5-year U.S. treasury yield curve and expected volatility. The Company uses the historical volatility of its common stock over a period equivalent to the contractual life of the warrants to estimate the expected volatility. Warrants issued to consultants are recorded as an element of the related cost of landfill development projects or to expense for warrants issued in connection with acquisitions.

Equity-based compensation expense recognized during the years ended December 31, 2015, 2014 and 2013, was $20,318 ($12,587 net of taxes), $18,446 ($11,372 net of taxes) and $15,397 ($9,508 net of taxes), respectively, and consisted of restricted stock unit, PSU and warrant expense. The Company records equity-based compensation expense in Selling, general and administrative expenses in the Consolidated Statements of Net Income (Loss). The total unrecognized compensation cost at December 31, 2015, related to unvested restricted stock unit awards was $25,984 and this future expense will be recognized over the remaining vesting period of the restricted stock unit awards, which extends to 2019. The weighted average remaining vesting period of the restricted stock unit awards is 1.1 years. The total unrecognized compensation cost at December 31, 2015, related to unvested PSU awards was $6,965 and this future expense will be recognized over the remaining vesting period of the PSU awards, which extends to 2019. The weighted average remaining vesting period of PSU awards is 1.6 years.

Per Share Information

Basic net income (loss) per share attributable to Waste Connections' common stockholders is computed using the weighted average number of common shares outstanding and vested and unissued restricted stock units deferred for issuance into the deferred compensation plan. Diluted net income (loss) per share attributable to Waste Connections' common stockholders is computed using the weighted average number of common and potential common shares outstanding. Potential common shares are excluded from the computation if their effect is anti-dilutive.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2015, 2014 and 2013, was $3,197, $3,479 and $3,704, respectively, which is included in Selling, general and administrative expense in the Consolidated Statements of Net Income (Loss).

Insurance Liabilities

As a result of its high deductible or self-insured retention insurance policies, the Company is effectively self-insured for automobile liability, general liability, employer's liability, environmental liability, cyber liability, employment practices liability, and directors' and officers' liability as well as for employee group health insurance, property and workers' compensation. The Company's insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by the Company's management with assistance from its third-party actuary and its third-party claims administrator. The insurance accruals are influenced by the Company's past claims experience factors, which have a limited history, and by published industry development factors. At December 31, 2015 and 2014, the Company's total accrual for self-insured liabilities was $44,934 and $44,849, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. For the years ended December 31, 2015, 2014 and 2013, the Company recognized $49,391, $51,702 and $48,032, respectively, of self-insurance expense which is included in Cost of operations and Selling, general and administrative expense in the Consolidated Statements of Net Income (Loss).

New Accounting Pronouncements

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. In April 2014, the Financial Accounting Standards Board (the "FASB") issued guidance that changes the threshold for reporting discontinued operations and adds new disclosures. The new guidance defines a discontinued operation as a disposal of a component or group of components that is disposed of or is classified as held for sale and "represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results." For disposals of individually significant components that do not qualify as discontinued operations, an entity must disclose pre-tax earnings of the disposed component. For public business entities, this guidance is effective

prospectively for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. The Company adopted this guidance as of January 1, 2015. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

Revenue From Contracts With Customers. In May 2014, the FASB issued guidance to provide a single, comprehensive revenue recognition model for all contracts with customers. The revenue guidance contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017 for public entities, with early adoption permitted (but not earlier than the original effective date of the pronouncement). The Company does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

Accounting for Share-Based Payment When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period. In June 2014, the FASB issued guidance that applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. It requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition and follows existing accounting guidance for the treatment of performance conditions. The standard will be effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

Presentation of Debt Issuance Costs. In April 2015, the FASB issued guidance which requires debt issuance costs (other than those paid to a lender) to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. The standard does not affect the recognition and measurement of debt issuance costs. Therefore, the amortization of such costs should continue to be calculated using the interest method and be reported as interest expense. The FASB updated this guidance in August 2015 to clarify that fees paid to lenders to secure revolving lines of credit are not in the scope of the new guidance and will continue to be recorded as an asset on the balance sheet. The standard is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted for financial statements that have not been previously issued. The new guidance has been applied on a retrospective basis. The Company early adopted this guidance effective January 1, 2015. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

Accounting for Measurement-Period Adjustments. In September 2015, the FASB issued guidance that eliminates the requirement to restate prior period financial statements for measurement period adjustments. The new guidance requires that the cumulative impact of a measurement period adjustment (including the impact on prior periods) be recognized in the reporting period in which the adjustment is identified. This cumulative adjustment would be reflected within the respective financial statement line items affected. The new guidance does not change what constitutes a measurement period adjustment. The new standard should be applied prospectively to measurement period adjustments that occur after the effective date. The new standard is effective for interim and annual periods beginning after December 15, 2015, with early adoption permitted. The Company early adopted this guidance effective October 1, 2015. The adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

Balance Sheet Classification of Deferred Taxes. In November 2015, the FASB issued guidance that requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. As a result, each jurisdiction will now only have one net noncurrent deferred tax asset or liability. The guidance does not change the existing requirement that only permits offsetting within a jurisdiction. The new standard is effective in fiscal years beginning after December 15, 2016, including interim periods within those years, with early adoption permitted. The adoption of this guidance will result in the Company's current deferred tax assets being recorded as noncurrent.

Reclassification

Certain amounts reported in the Company's prior year's financial statements have been reclassified to conform with the 2015 presentation.

2. USE OF ESTIMATES AND ASSUMPTIONS

In preparing the Company's consolidated financial statements, several estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain of the information that is used in the preparation of the Company's consolidated financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is simply not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and the Company must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to the Company's accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, contingent consideration accruals and asset impairments, which are discussed in Note 1. An additional area that involves estimation is when the Company estimates the amount of potential exposure it may have with respect to litigation, claims and assessments in accordance with the accounting guidance on contingencies. Actual results for all estimates could differ materially from the estimates and assumptions that the Company uses in the preparation of its consolidated financial statements.

3. ACQUISITIONS

The Company recognizes, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. The Company measures and recognizes goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of assets acquired and liabilities assumed. If information about facts and circumstances existing as of the acquisition date is incomplete by the end of the reporting period in which a business combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. The measurement period ends once the Company receives the information it was seeking; however, this period will not exceed one year from the acquisition date. Any material adjustments recognized during the measurement period will be reflected prospectively in the period the adjustment is identified in the consolidated financial statements. The Company recognizes acquisition-related costs as expense.

In January 2015, the Company acquired Shale Gas Services, LLC ("Shale Gas"), which owns two E&P waste stream treatment and recycling operations in Arkansas and Texas, for cash consideration of $41,000 and potential future contingent consideration. The contingent consideration would be paid to the former owners of Shale Gas based on the achievement of certain operating targets for the acquired operations, as specified in the membership purchase agreement, over a two-year period following the close of the acquisition. The Company used probability assessments of the expected future cash flows and determined that no liability for payment of future contingent consideration existed as of the acquisition close date. As of December 31, 2015, the assessment that no liability existed for payment of future contingent consideration has not changed.

In March 2015, the Company acquired DNCS Properties, LLC ("DNCS"), which owns land and permits to construct and operate an E&P waste facility in the Permian Basin, for cash consideration of $30,000 and a long-term note issued to the former owners of DNCS with a fair value of $5,088. The long-term note requires ten annual principal payments of $500, followed by an additional ten annual principal payments of $250, for total future cash payments of $7,500. The fair value of the long-term note was determined by applying a discount rate of 4.75% to the payments over the 20-year payment period.

In November 2015, the Company acquired Rock River Environmental Services, Inc. ("Rock River"), an integrated provider of solid waste collection, recycling, transfer and disposal services. The acquired operations service 19 counties in central and northern Illinois and include five collection operations, two landfills, one compost facility, one transfer station and one recycling facility. The Company paid cash consideration of $225,000 for this acquisition, using proceeds from borrowings under its credit agreement. The Company also paid an additional amount for the purchase of estimated working capital, which is subject to post-closing adjustments.

In addition to the acquisitions of Shale Gas, DNCS and Rock River, the Company also acquired 11 individually immaterial non-hazardous solid waste collection and disposal businesses during the year ended December 31, 2015.

In March 2014, the Company acquired Screwbean Landfill, LLC ("Screwbean"), which owns land and permits to construct and operate an E&P waste facility, and S.A. Dunn & Company, LLC ("Dunn"), which owns land and permits to construct and operate a construction and demolition landfill, for aggregate total cash consideration of $27,020 and contingent consideration of $2,923. Contingent consideration represents the fair value of up to $3,000 of amounts payable to the former Dunn owners based on the successful modification of site construction permits that would enable increased capacity at the landfill. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the two-year period in which the obligations are expected to be settled, and applying discount rates ranging from 2.4% to 2.7%. As of December 31, 2015, the obligation recognized at the purchase date has not materially changed. Any changes in the fair value of the contingent consideration subsequent to the acquisition date will be charged or credited to expense until the contingency is settled.

In September 2014, the Company acquired Rumsey Environmental, LLC ("Rumsey"), which provides solid waste collection services in western Alabama, for aggregate total cash consideration of $16,000 and contingent consideration of $1,891. Contingent consideration represents the fair value of up to $2,000 of amounts payable to the former owners based on the achievement of certain operating targets specified in the asset purchase agreement. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the two-year period in which the obligation is expected to be settled, and applying a discount rate of 2.8%. As of December 31, 2015, the obligation recognized at the purchase date has not materially changed. Any changes in the fair value of the contingent consideration subsequent to the acquisition date will be charged or credited to expense until the contingency is settled.

In October 2014, the Company acquired Section 18, LLC ("Section 18"), which provides E&P disposal services in North Dakota, for aggregate total cash consideration of $64,425 and contingent consideration of $37,724. The contingent consideration recorded represented the estimated fair value at the acquisition close date of amounts payable to the former owners based on approval of up to four site construction permits for future facilities in North Dakota, Wyoming and Montana and the achievement of certain operating targets at one current facility and up to four future facilities as specified in the asset purchase agreement. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the one to four-year period in which the obligations are expected to be settled, and applying a discount rate of 5.2%. During the third quarter of 2015, the Company remeasured the fair value of the contingent consideration and determined that the fair value of amounts payable associated with the achievement of certain operating targets decreased by $20,642, which was credited to Impairments and other operating items in the Consolidated Statements of Net Income (Loss). The change in the fair value of the contingent consideration was due to an expected decrease in earnings of the future facilities as a result of the sustained decline in oil prices subsequent to the closing date of the acquisition, together with market expectations of a likely slow recovery in such prices. During the year ended December 31, 2015, $2,000 of the contingent consideration associated with the approval of one of the site permits was earned and paid to the former owners.

In addition to the acquisitions of Screwbean, Dunn, Rumsey and Section 18, the Company acquired five individually immaterial non-hazardous solid waste collection, transfer and disposal businesses during the year ended December 31, 2014.

The Company acquired eight individually immaterial non-hazardous solid waste collection businesses during the year ended December 31, 2013.

The total acquisition-related costs incurred for the acquisitions closed during the years ended December 31, 2015, 2014 and 2013 were $4,235, $2,147 and $1,946. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income (Loss).

The results of operations of the acquired businesses have been included in the Company's consolidated financial statements from their respective acquisition dates. The Company expects these acquired businesses to contribute towards the achievement of the Company's strategy to expand through acquisitions. Goodwill acquired is attributable to the synergies and ancillary growth opportunities expected to arise after the Company's acquisition of these businesses.

The following table summarizes the consideration transferred to acquire these businesses and the amounts of identifiable assets acquired and liabilities assumed at the acquisition date for acquisitions consummated in the years ended December 31, 2015, 2014 and 2013:

	2015 Acquisitions	2014 Acquisitions	2013 Acquisitions
Fair value of consideration transferred:			
Cash	$ 230,517	$ 126,181	$ 64,156
Debt assumed	111,324	-	-
Notes issued to sellers	6,091	-	-
Contingent consideration	815	42,538	40
	348,747	168,719	64,196
Recognized amounts of identifiable assets acquired and liabilities assumed associated with businesses acquired:			
Accounts receivable	12,571	3,785	211
Other current assets	1,440	111	317
Property and equipment	208,363	140,412	12,775
Long-term franchise agreements and contracts	16,462	369	1,043
Indefinite-lived intangibles	1,256	-	-
Customer lists	12,504	9,420	13,024
Permits	37,071	-	-
Other long-term assets	2,738	-	-
Deferred revenue	(5,056)	(427)	(539)
Accounts payable	(7,515)	-	(735)
Accrued liabilities	(1,822)	(1,749)	(1,034)
Other long-term liabilities	(19,998)	(1,980)	(767)
Deferred income taxes	(50,089)	-	-
Total identifiable net assets	207,925	149,941	24,295
Goodwill	$ 140,822	$ 18,778	$ 39,901

Goodwill acquired in 2015 totaling $40,863 is expected to be deductible for tax purposes. Goodwill acquired in 2014 totaling $18,778 is expected to be deductible for tax purposes. Goodwill acquired in 2013 totaling $39,731 is expected to be deductible for tax purposes.

The fair value of acquired working capital related to four individually immaterial acquisitions completed during the year ended December 31, 2015, is provisional pending receipt of information to support the fair value of the assets acquired and liabilities assumed. Any adjustments recorded relating to finalizing the working capital for these four acquisitions are not expected to be material to the Company's financial position.

The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2015, was $13,037, of which $466 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2014, was $3,981, of which $196 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2013, was $414, of which $203 was expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the acquisition of these businesses.

4. INTANGIBLE ASSETS, NET

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2015:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:				
Long-term franchise agreements and contracts	$ 210,384	$ (60,205)	$ -	$ 150,179
Customer lists	173,855	(96,941)	-	76,914
Permits and non-competition agreements	81,240	(13,587)	-	67,653
	465,479	(170,733)	-	294,746
Indefinite-lived intangible assets:				
Solid waste collection and transportation permits	152,761	-	-	152,761
Material recycling facility permits	42,283	-	-	42,283
E&P facility permits	59,855	-	(38,351)	21,504
	254,899	-	(38,351)	216,548
Intangible assets, exclusive of goodwill	$ 720,378	$ (170,733)	$ (38,351)	$ 511,294

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the year ended December 31, 2015 was 10.0 years. The weighted-average amortization period of customer lists acquired during the year ended December 31, 2015 was 8.2 years. The weighted-average amortization period of finite-lived permits acquired during the year ended December 31, 2015 was 38.1 years.

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2014:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Long-term franchise agreements and contracts	$ 195,676	$ (52,448)	$ 143,228
Customer lists	161,463	(77,931)	83,532
Permits and non-competition agreements	41,369	(11,777)	29,592
	398,508	(142,156)	256,352
Indefinite-lived intangible assets:			
Solid waste collection and transportation permits	151,505	-	151,505
Material recycling facility permits	42,283	-	42,283
E&P facility permits	59,855	-	59,855
	253,643	-	253,643
Intangible assets, exclusive of goodwill	$ 652,151	$ (142,156)	$ 509,995

Estimated future amortization expense for the next five years relating to finite-lived intangible assets is as follows:

For the year ending December 31, 2016	$ 27,434
For the year ending December 31, 2017	$ 25,347
For the year ending December 31, 2018	$ 24,440
For the year ending December 31, 2019	$ 19,853
For the year ending December 31, 2020	$ 17,947

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	December 31,	
	2015	2014
Landfill site costs	$ 2,379,535	$ 2,209,749
Rolling stock	754,662	669,133
Land, buildings and improvements	433,230	403,472
Containers	323,953	289,626
Machinery and equipment	377,488	335,376
Construction in progress	9,861	19,815
	4,278,729	3,927,171
Less accumulated depreciation and depletion	(1,540,441)	(1,332,966)
	$ 2,738,288	$ 2,594,205

The Company's landfill depletion expense, recorded in Depreciation in the Consolidated Statements of Net Income (Loss), for the years ended December 31, 2015, 2014 and 2013, was $82,369, $84,308 and $80,227, respectively.

6. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	2015	2014
Insurance claims	$ 44,934	$ 44,849
Payroll and payroll-related	41,332	40,376
Interest payable	12,974	9,319
Unrealized cash flow hedge losses	11,124	6,023
Cell processing reserve - current portion	5,566	6,136
Environmental remediation reserve - current portion	2,328	3,023
Other	17,760	11,221
	$ 136,018	$ 120,947

7. LONG-TERM DEBT

Long-term debt consists of the following:

	December 31, 2015	December 31, 2014
Revolver under credit agreement	$ 390,000	$ 680,000
Term loan under credit agreement	800,000	660,000
2015 Notes	-	175,000
2016 Notes	100,000	100,000
2018 Notes	50,000	50,000
2019 Notes	175,000	175,000
2021 Notes	100,000	100,000
2022 Notes	125,000	-
2025 Notes	375,000	-
Tax-exempt bonds	31,430	31,430
Notes payable to sellers and other third parties, bearing interest at 3.0% to 10.9%, principal and interest payments due periodically with due dates ranging from 2016 to 2036	10,855	8,135
	2,157,285	1,979,565
Less – current portion	(2,127)	(3,649)
Less – debt issuance costs	(8,031)	(4,764)
	$ 2,147,127	$ 1,971,152

Revolving Credit and Term Loan Agreement

The Company has a revolving credit and term loan agreement (the “credit agreement”) with Bank of America, N.A., as Administrative Agent, and the other lenders from time to time party thereto (the “Lenders”). Pursuant to the credit agreement, the Lenders have committed to provide revolving advances up to an aggregate principal amount of $1,200,000 at any one time outstanding (the “revolver”). The Lenders have also provided a term loan in an aggregate principal amount of $800,000 (the “term loan”). The Company has the option to request increases in the aggregate commitments for revolving advances and one or more additional term loans, provided that the aggregate principal amount of commitments and term loans never exceeds $2,300,000. For any such increase, the Company may ask one or more Lenders to increase their existing commitments or provide additional term loans and/or invite additional eligible lenders to become Lenders under the credit agreement. As part of the aggregate commitments under the facility, the credit agreement provides for letters of credit to be issued at the request of the Company in an aggregate amount not to exceed $250,000 and for swing line loans to be issued at the request of the Company in an aggregate amount not to exceed the lesser of $35,000 and the aggregate commitments. As of December 31, 2015, $800,000 under the term loan and $390,000 under the revolver were outstanding under the credit agreement, exclusive of outstanding standby letters of credit of $78,373. As of December 31, 2014, $660,000 under the term loan and $680,000 under the revolver were outstanding under the credit agreement, exclusive of outstanding standby letters of credit of $73,031. The Company has $4,136 of debt issuance costs related to the credit agreement recorded in Other assets, net in the Consolidated Balance Sheets at December 31, 2015, which are being amortized through the maturity date, or January 2020.

Interest accrues on advances on the revolver, at the Company’s option, at a LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.44% and 1.54% at December 31, 2015 and 2014, respectively) on LIBOR loans or a base rate plus an applicable margin (for a total rate of 3.70% and 3.63% at December 31, 2015 and 2014, respectively) on base rate and swing line loans for each interest period. The issuing fees for all letters of credit are also based on an applicable margin. The applicable margin used in connection with interest rates and fees is based on the Company’s consolidated leverage ratio. The applicable margin for LIBOR rate loans and letter of credit fees was 1.20% and 1.375% at December 31, 2015 and 2014, respectively, and the applicable margin for base rate loans and swing line loans was 0.50% and 0.50% at December 31, 2015 and 2014, respectively. As of December 31, 2015, $385,000 of the borrowings outstanding under the revolver were in LIBOR loans and $5,000 of the borrowings outstanding under the revolver were in swing line loans. As of December 31, 2014, $677,000 of the borrowings outstanding under the revolver were in LIBOR loans and $3,000 of the borrowings outstanding under the revolver were in swing line loans.

Outstanding amounts on the term loan could be either base rate loans or LIBOR loans. At December 31, 2015 and 2014, all amounts outstanding under the term loan were in LIBOR loans which bear interest at the LIBOR rate plus the applicable LIBOR margin (for a total rate of 1.44% and 1.66% at December 31, 2015 and 2014, respectively). The applicable margin is based on the Company's consolidated leverage ratio. The applicable margin for LIBOR rate loans was 1.20% and 1.375% at December 31, 2015 and 2014, respectively.

The Company will also pay a fee based on its consolidated leverage ratio on the actual daily unused amount of the aggregate revolving commitments (0.15% and 0.20% as of December 31, 2015 and 2014, respectively).

The borrowings under the credit agreement are not collateralized. The credit agreement contains representations, warranties, covenants and events of default, including a change of control event of default and limitations on incurrence of indebtedness and liens, limitations on new lines of business, mergers, transactions with affiliates and restrictive agreements. During the continuance of an event of default, the Lenders may take a number of actions, including declaring the entire amount then outstanding under the credit agreement due and payable. The credit agreement contains cross-defaults if the Company defaults on the master note purchase agreement or certain other debt. The credit agreement also includes covenants limiting, as of the last day of each fiscal quarter, (a) the ratio of the consolidated funded debt as of such date to the Consolidated EBITDA (as defined in the credit agreement), measured for the preceding 12 months, to not more than 3.50x (or 3.75x during material acquisition periods, subject to certain limitations) ("leverage ratio") and (b) the ratio of Consolidated EBIT (as defined in the credit agreement) to consolidated interest expense, in each case, measured for the preceding 12 months, to not less than 2.75x ("interest coverage ratio"). As of December 31, 2015 and 2014, the Company's leverage ratio was 2.88x and 2.67x, respectively. As of December 31, 2015 and 2014, the Company's interest coverage ratio was 7.88x and 7.94x, respectively.

Master Note Purchase Agreement

Senior Notes due 2015

On July 15, 2008, the Company entered into a master note purchase agreement with certain accredited institutional investors pursuant to which the Company issued and sold to the investors at a closing on October 1, 2008, $175,000 of senior uncollateralized notes due October 1, 2015 in a private placement. The Company redeemed the 2015 Notes on October 1, 2015 using borrowings under its credit agreement.

Senior Notes due 2019

On October 26, 2009, the Company entered into a first supplement to the master note purchase agreement with certain accredited institutional investors pursuant to which the Company issued and sold to the investors on that date $175,000 of senior uncollateralized notes due November 1, 2019 in a private placement. The 2019 Notes bear interest at the fixed rate of 5.25% per annum with interest payable in arrears semi-annually on May 1 and November 1 beginning on May 1, 2010, and with principal payable at the maturity of the 2019 Notes on November 1, 2019. The Company is amortizing the $152 debt issuance costs over a 10-year term through the maturity date, or November 1, 2019.

Senior Notes due 2016, 2018 and 2021

On April 1, 2011, the Company entered into a second supplement to the master note purchase agreement with certain accredited institutional investors, pursuant to which the Company issued and sold to the investors on that date $250,000 of senior uncollateralized notes at fixed interest rates with interest payable in arrears semi-annually on October 1 and April 1 beginning on October 1, 2011 in a private placement. Of these notes, $100,000 will mature on April 1, 2016 with an annual interest rate of 3.30% (the "2016 Notes"), $50,000 will mature on April 1, 2018 with an annual interest rate of 4.00% (the "2018 Notes"), and $100,000 will mature on April 1, 2021 with an annual interest rate of 4.64% (the "2021 Notes"). The Company has the intent and ability to redeem the 2016 Notes on April 1, 2016 using borrowings under its credit agreement. The principal of each of the 2016 Notes, 2018 Notes and 2021 Notes is payable at the maturity of each respective note. The Company is amortizing the $1,489 debt issuance costs through the maturity dates of the respective notes.

Senior Notes due 2022 and 2025

On June 11, 2015, the Company entered into a third supplement to the master note purchase agreement with certain accredited institutional investors, pursuant to which, on August 20, 2015, the Company issued and sold to the investors in a private placement $500,000 of senior uncollateralized notes at fixed interest rates with interest payable in arrears semi-annually on February 20 and August 20 beginning on February 20, 2016. Of these notes, $125,000 will mature on August 20, 2022 with an annual interest rate of 3.09% (the "2022 Notes") and $375,000 will mature on August 20, 2025 with an annual interest rate of 3.41% (the "2025 Notes"). The principal of each of the 2022 Notes and 2025 Notes is payable at the maturity of each respective note. The Company is amortizing the $3,746 debt issuance costs through the maturity dates of the respective notes.

The 2016 Notes, 2018 Notes, 2019 Notes, 2021 Notes, 2022 Notes and 2025 Notes (collectively, the "Senior Notes") are uncollateralized obligations and rank equally in right of payment with each of the Senior Notes and the obligations under the Company's credit agreement. The Senior Notes are subject to representations, warranties, covenants and events of default. The master note purchase agreement contains cross-defaults if the Company defaults on the credit agreement or certain other debt. The master note purchase agreement requires that the Company maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio cannot exceed 3.75x total debt to EBITDA. The required interest coverage ratio must be at least 2.75x total interest expense to EBIT. As of December 31, 2015 and 2014, the Company's leverage ratio was 2.88x and 2.67x, respectively. As of December 31, 2015 and 2014, the Company's interest coverage ratio was 7.88x and 7.94x, respectively.

Upon the occurrence of an event of default, payment of the Senior Notes may be accelerated by the holders of the respective notes. The Senior Notes may also be prepaid at any time in whole or from time to time in any part (not less than 5% of the then-outstanding principal amount) by the Company at par plus a make-whole amount determined in respect of the remaining scheduled interest payments on the Senior Notes, using a discount rate of the then current market standard for United States treasury bills plus 0.50%. In addition, the Company will be required to offer to prepay the Senior Notes upon certain changes in control.

The Company may issue additional series of senior uncollateralized notes, including floating rate notes, pursuant to the terms and conditions of the master note purchase agreement, as amended, provided that the purchasers of the Senior Notes shall not have any obligation to purchase any additional notes issued pursuant to the master note purchase agreement and the aggregate principal amount of the outstanding notes and any additional notes issued pursuant to the master note purchase agreement shall not exceed $1,250,000.

Tax-Exempt Bonds

The Company's tax-exempt bond financings are as follows:

Name of Bond	Type of Interest Rate	Interest Rate on Bond at December 31, 2015	Maturity Date of Bond	Outstanding Balance at December 31, 2015	Outstanding Balance at December 31, 2014	Backed by Letter of Credit (Amount)
West Valley Bond	Variable	0.05%	August 1, 2018	$ 15,500	$ 15,500	$ 15,678
LeMay Washington Bond	Variable	0.05	April 1, 2033	15,930	15,930	16,126
				$ 31,430	$ 31,430	$ 31,804

The variable-rate bonds are all remarketed weekly by a remarketing agent to effectively maintain a variable yield. If the remarketing agent is unable to remarket the bonds, then the remarketing agent can put the bonds to the Company. The Company obtained standby letters of credit, issued under its credit agreement, to guarantee repayment of the bonds in this event. The Company classified these borrowings as long-term at December 31, 2015, because the borrowings were supported by standby letters of credit issued under the Company's credit agreement.

As of December 31, 2015, aggregate contractual future principal payments by calendar year on long-term debt are due as follows:

2016 *	$	2,127
2017		1,069
2018		66,442
2019		175,955
2020		1,290,460
Thereafter		621,232
	$	2,157,285

* The Company has recorded the 2016 Notes in the 2020 category in the table above as the Company has the intent and ability to redeem the 2016 Notes on April 1, 2016 using borrowings under its credit agreement.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

The Company’s financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments and restricted assets. The Company’s derivative instruments are pay-fixed, receive-variable interest rate swaps and pay-fixed, receive-variable diesel fuel hedges. The Company’s interest rate swaps are recorded at their estimated fair values based on quotes received from financial institutions that trade these contracts. The Company verifies the reasonableness of these quotes using similar quotes from another financial institution as of each date for which financial statements are prepared. The Company uses a discounted cash flow (“DCF”) model to determine the estimated fair value of the diesel fuel hedges. The assumptions used in preparing the DCF model include: (i) estimates for the forward DOE index curve; and (ii) the discount rate based on risk-free interest rates over the term of the hedge contracts. The DOE index curve used in the DCF model was obtained from financial institutions that trade these contracts and ranged from $2.21 to $2.64 at December 31, 2015 and from $2.96 to $3.41 at December 31, 2014. The weighted average DOE index curve used in the DCF model was $2.43 and $3.04 at December 31, 2015 and 2014, respectively. Significant increases (decreases) in the forward DOE index curve would result in a significantly higher (lower) fair value measurement. For the Company’s interest rate swaps and fuel hedges, the Company also considers the Company’s creditworthiness in its determination of the fair value measurement of these instruments in a net liability position and the banks’ creditworthiness in its determination of the fair value measurement of these instruments in a net asset position. The Company’s restricted assets are valued at quoted market prices in active markets for similar assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company’s restricted assets measured at fair value are invested primarily in U.S. government and agency securities.

The Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2015 and 2014, were as follows:

	Fair Value Measurement at December 31, 2015 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap derivative instruments – net liability position	$ (9,745)	$ -	$ (9,745)	$ -
Fuel hedge derivative instruments – net liability position	$ (9,900)	$ -	$ -	$ (9,900)
Restricted assets	$ 46,148	$ -	$ 46,148	$ -
Contingent consideration	$ (49,394)	$ -	$ -	$ (49,394)

	Fair Value Measurement at December 31, 2014 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap derivative instruments – net liability position	$ (7,094)	$ -	$ (7,094)	$ -
Fuel hedge derivative instruments – net asset position	$ (1,979)	$ -	$ -	$ (1,979)
Restricted assets	$ 40,870	$ -	$ 40,870	$ -
Contingent consideration	$ (70,165)	$ -	$ -	$ (70,165)

The following table summarizes the changes in the fair value for Level 3 derivatives for the years ended December 31, 2015 and 2014:

	Years Ended December 31,	
	2015	2014
Beginning balance	$ (1,979)	$ 2,199
Realized losses (gains) included in earnings	3,217	(823)
Unrealized losses included in AOCL	(11,138)	(3,355)
Ending balance	$ (9,900)	$ (1,979)

The following table summarizes the changes in the fair value for Level 3 liabilities related to contingent consideration for the years ended December 31, 2015 and 2014:

	Years Ended December 31,	
	2015	**2014**
Beginning balance	$ 70,165	$ 55,550
Contingent consideration recorded at acquisition date	815	42,538
Payment of contingent consideration recorded at acquisition date	(2,190)	(24,847)
Payment of contingent consideration recorded in earnings	-	(1,074)
Adjustments to contingent consideration	(22,180)	(3,450)
Interest accretion expense	2,784	1,448
Ending balance	$ 49,394	$ 70,165

See Note 1 – "Goodwill and Indefinite-Lived Intangible Assets" regarding non-recurring fair value measurements.

9. OFFICE RELOCATIONS

In December 2011, the Company commenced a relocation of its corporate headquarters from Folsom, California to The Woodlands, Texas, which was substantially completed in 2012. Costs related to personnel and office relocation expenses are recorded in Selling, general and administrative expenses in the Consolidated Statements of Net Income (Loss). During the year ended December 31, 2013, the Company incurred losses on the cessation of use of prior office leases of $9,160 for its former corporate headquarters in Folsom, California, and $742 for its E&P segment's former regional offices in Houston, Texas. In October 2013, the Company remitted a payment to terminate the remaining lease obligation of its former headquarters in Folsom, California. These costs are recorded in Loss on prior office leases in the Consolidated Statements of Net Income (Loss).

10. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

Leases

The Company leases certain facilities and certain equipment under non-cancelable operating leases for periods ranging from one to 45 years, with renewal options for certain leases. The Company's total rent expense under operating leases during the years ended December 31, 2015, 2014 and 2013, was $26,858, $27,466 and $30,893, respectively.

As of December 31, 2015, future minimum lease payments, by calendar year, are as follows:

2016	$ 16,416
2017	14,100
2018	10,967
2019	9,080
2020	7,903
Thereafter	50,478
	$ 108,944

Financial Surety Bonds

The Company uses financial surety bonds for a variety of corporate guarantees. The two largest uses of financial surety bonds are for municipal contract performance guarantees and asset closure and retirement requirements under certain environmental regulations. Environmental regulations require demonstrated financial assurance to meet final capping, closure and post-closure requirements for

landfills. In addition to surety bonds, these requirements may also be met through alternative financial assurance instruments, including insurance, letters of credit and restricted asset deposits.

At December 31, 2015 and 2014, the Company had provided customers and various regulatory authorities with surety bonds in the aggregate amount of approximately $353,828 and $342,591, respectively, to secure its asset closure and retirement requirements and $121,687 and $94,385, respectively, to secure performance under collection contracts and landfill operating agreements.

The Company owns a 9.9% interest in a company that, among other activities, issues financial surety bonds to secure landfill final capping, closure and post-closure obligations for companies operating in the solid waste industry. The Company accounts for this investment under the cost method of accounting. There have been no identified events or changes in circumstances that may have a significant adverse effect on the carrying value of the investment. This investee company and the parent company of the investee have written financial surety bonds for the Company, of which $185,753 and $179,204 were outstanding as of December 31, 2015 and 2014, respectively. The Company's reimbursement obligations under these bonds are secured by a pledge of its stock in the investee company.

Unconditional Purchase Obligations

At December 31, 2015, the Company's unconditional purchase obligations consist of multiple fixed-price fuel purchase contracts under which it has 19.1 million gallons remaining to be purchased for a total of $50,198. These fuel purchase contracts expire on or before December 31, 2017.

As of December 31, 2015, future minimum purchase commitments, by calendar year, are as follows:

2016	$	33,242
2017		16,956
	$	50,198

CONTINGENCIES

Environmental Risks

The Company expenses costs incurred to investigate and remediate environmental issues unless they extend the economic useful lives of the related assets. The Company records liabilities when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. The remediation reserves cover anticipated costs, including remediation of environmental damage that waste facilities may have caused to neighboring landowners or residents as a result of contamination of soil, groundwater or surface water, including damage resulting from conditions existing prior to the Company's acquisition of such facilities. The Company's estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. The Company does not discount remediation obligations. At December 31, 2015 and 2014, the current portion of remediation reserves was $2,328 and $3,023, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. At December 31, 2015 and 2014, the long-term portion of remediation reserves was $12,049 and $725, respectively, which is included in Other long-term liabilities in the Consolidated Balance Sheets. The 2015 long-term remediation reserve amount includes $11,301 of remediation reserves which the Company established after assuming certain remedial liabilities in the Rock River acquisition during the year ending December 31, 2015. Any substantial increase in the liabilities for remediation of environmental damage incurred by the Company could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Legal Proceedings

In the normal course of its business and as a result of the extensive governmental regulation of the solid waste and E&P waste industries, the Company is subject to various judicial and administrative proceedings involving federal, state or local agencies. In these proceedings, an agency may seek to impose fines on the Company or to revoke or deny renewal of an authorization held by the Company, including an operating permit. From time to time, the Company may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and licensing of landfills, transfer stations, and

E&P waste treatment, recovery and disposal operations, or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates.

In addition, the Company is a party to various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the normal operation of the waste management business. Except as noted in the matters described below, as of December 31, 2015, there is no current proceeding or litigation involving the Company or its property that the Company believes could have a material adverse impact on its business, financial condition, results of operations or cash flows.

Madera County, California Materials Recovery Facility Contract Litigation

The Company's subsidiary, Madera Disposal Systems, Inc. ("MDSI") was named in a complaint captioned County of Madera vs. Madera Disposal Systems, Inc., et al, filed in Madera County Superior Court (Case No. MCV 059402) on March 5, 2012, and subsequently transferred to Fresno County Superior Court. Madera County (the "County") alleged in the complaint that from 2007 through 2010, MDSI breached a contract with the County for the operation of a materials recovery facility by withholding profits from facility operations in excess of those authorized by the contract. The County further alleged that the breach gave the County the unilateral right to terminate all of its contracts with MDSI, including contracts for (1) the collection of residential and commercial waste in the unincorporated parts of the County, (2) operation of the materials recovery facility, (3) operation of the North Fork Transfer Station and (4) operation of the Fairmead Landfill. MDSI answered the complaint and asserted a claim against the County for wrongful termination of the contracts. On October 31, 2012, MDSI ceased providing services and vacated the County premises. In 2015 the County amended its complaint to add a claim for breach of the covenant of good faith and fair dealing and to amend its damage claim to cover the period from January 1, 2008 through November 1, 2012. The County sought monetary damages of $2,962 from MDSI, plus pre-judgment interest at 10% per annum.

The case was settled through mediation in January 2016. The settlement resolves all claims between the parties amicably without any admission of liability, includes full mutual releases of claims between the parties and deems the contracts between the MDSI and the County to have terminated by mutual agreement effective November 1, 2012. The Company also agreed to make an immaterial payment to the County that the Company estimates to be less than the cost of trial.

Lower Duwamish Waterway Superfund Site Allocation Process

The Company's subsidiary, Northwest Container Services, Inc. ("NWCS"), has been named by the U.S. Environmental Protection Agency, Region 10 (the "EPA"), along with more than 100 others, as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act (also known as CERCLA or the "Superfund" law) with respect to the Lower Duwamish Waterway Superfund Site (the "LDW Site"). Listed on the National Priorities List in 2001, the LDW Site is a five-mile stretch of the Duwamish River flowing into Elliott Bay in Seattle, Washington. A group of PRPs known as the Lower Duwamish Working Group or the "LDWG" and consisting of the City of Seattle, King County, the Port of Seattle, and Boeing Company conducted a Remedial Investigation/Feasibility Study for the LDW Site. On December 2, 2014, the EPA issued its Record of Decision ("ROD") describing the selected clean-up remedy, and therein estimated that clean-up costs (in present value dollars as of November 2014) would total about $342,000. However, it is possible that additional costs could be incurred based upon various factors. The EPA estimates that it will take seven years to implement the clean-up. The ROD also requires ten years of monitoring following the clean-up, and provides that if clean-up goals have not been met by the end of this period, then additional clean-up activities, at additional cost, may be required at that time. Implementation of the clean-up will not begin until after the ongoing Early Action Area ("EAA") clean-ups have been completed. While three of the EAA clean-ups have been completed to date, some work remains to be done on three other EAAs. The EPA estimates that one of these three will be completed in mid-2016; for the other two, work remains to be done and the EPA has not estimated the dates of completion. Implementation of the clean-up also must await additional baseline sampling throughout the LDW Site and the preparation of a remedial design for performing the clean-up.

On September 30, 2015, the EPA formally initiated negotiations with the LDWG to amend the LDWG's existing Administrative Order on Consent with the EPA (the "LDWG AOC") a third time to require the LDWG to perform the additional baseline sediment sampling and certain technical studies needed to prepare the actual remedial design. The EPA calls this work "Phase 1 of the Remedial Design," and the EPA's proposed statement of work for it indicates that it will take at least two years to complete, or into early 2018. The EPA and the LDWG are reportedly negotiating this third amendment to the LDWG AOC. The EPA also has indicated that once the work under the third amendment to the LDWG AOC is complete, it plans to negotiate with all of the PRPs a

"global settlement" to cover performance of the remainder of the remedial design not covered by the proposed amendment to the LDWG AOC and the clean-up itself. There is no assurance, however, that a global settlement will be reached.

In August 2014, NWCS entered into an Alternative Dispute Resolution Memorandum of Agreement with several dozen other PRPs and a neutral allocator to conduct a confidential and non-binding allocation of certain past response costs allegedly incurred at the LDW Site as well as the anticipated future response costs associated with the clean-up. The allocation process is designed to develop evidence relating to each PRP's nexus, if any, to the LDW Site (whether or not that PRP is participating in the allocation process), for the allocator to hear arguments as to how each PRP's nexus affects the allocation of response costs, and to determine each PRP's share of the past and future response costs. The goal of the allocation process is to reach agreement on a division of responsibility between and amongst the PRPs so that the PRPs then will be in a position to negotiate a global settlement with the EPA. NWCS is defending itself vigorously in this confidential allocation process. At this point the Company is not able to determine the likelihood of the allocation process being completed as intended by the participating PRPs nor the likelihood of the parties then negotiating a global settlement with the EPA, and thus cannot determine the likelihood of any outcome in this matter.

Chiquita Canyon Landfill Expansion Complaint

The Company's subsidiary, Chiquita Canyon, LLC ("CCL"), is in the process of seeking approval to expand the lateral footprint and vertical height of its Chiquita Canyon Landfill in California. In response to its published draft environmental impact report ("EIR") regarding the proposed expansion, on June 8, 2015 two individuals and two organizations filed an administrative complaint with the California Environmental Protection Agency, the California Department of Resources Recycling and Recovery and the California Air Resources Board against the County of Los Angeles, alleging that the county has committed racial discrimination under California law through its permitting policies and practices. Among other things, the complaint alleges that the County of Los Angeles failed to provide equal opportunities for residents of all races to participate in the draft EIR process. The complaint seeks, among other things, a suspension of the draft EIR process, the institution of hearings regarding the draft EIR that follow specified procedures and the implementation of certain surveys, notices and other hearings. CCL is not a party to this complaint, although CCL may participate in any hearing on the complaint if the agencies elect to schedule such a hearing. At this point the Company is not able to determine the likelihood of any outcome in this matter, including whether it may result in a delay of the permitting process for the proposed expansion of CCL's facility.

Collective Bargaining Agreements

Eleven of the Company's collective bargaining agreements have expired or are set to expire in 2016. The Company does not expect any significant disruption in its overall business in 2016 as a result of labor negotiations, employee strikes or organizational efforts.

11. STOCKHOLDERS' EQUITY

Cash Dividend

The Company's Board of Directors authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. In October 2015, the Company announced that its Board of Directors increased its regular quarterly cash dividend by $0.015, from $0.13 to $0.145 per share. Cash dividends of $65,990, $58,906 and $51,213 were paid during the years ended December 31, 2015, 2014 and 2013, respectively.

Share Repurchase Program

The Company's Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1,200,000 of common stock through December 31, 2017. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including the Company's capital structure, the market price of the common stock and overall market conditions. As of December 31, 2015 and 2014, the Company had repurchased in aggregate 41,995,355 and 40,032,366 shares, respectively, of its common stock at an aggregate cost of $882,521 and $791,357, respectively. As of December 31, 2015, the remaining maximum dollar value of shares available for repurchase under the program was approximately $317,479. The Company's policy related to repurchases of its common stock is to charge any excess of cost over par value entirely to additional paid-in capital.

Common Stock

Of the 127,624,045 shares of common stock authorized but unissued as of December 31, 2015, the following shares were reserved for issuance:

For outstanding restricted stock units and warrants	1,761,177
For future grants under the 2014 Incentive Award Plan	2,488,023
	4,249,200

Restricted Stock Units, Performance-Based Restricted Stock Units, Stock Options and Stock Purchase Warrants

In 2004, the Company's Board of Directors adopted the 2004 Equity Incentive Plan, currently referred to as the Third Amended and Restated 2004 Equity Incentive Plan (the "2004 Plan"), which was last approved by the Company's stockholders on May 7, 2010. A total of 7,162,500 shares of the Company's common stock were reserved for future issuance under the 2004 Plan, all of which may have been used for grants of stock options, restricted stock, and/or restricted stock units ("RSUs"). Participation in the 2004 Plan was limited to employees, officers, directors and consultants. Options granted under the 2004 Plan were nonqualified stock options and had a term of no longer than five years from the date they were granted. Restricted stock, RSUs, and options granted under the 2004 Plan generally vest in installments pursuant to a vesting schedule set forth in each agreement. The Board of Directors authorized the granting of awards under the 2004 Plan, and determined the employees and consultants to whom such awards were to be granted, the number of shares subject to each award, and the exercise price, term, vesting schedule and other terms and conditions of each award. The exercise prices of the options granted under the 2004 Plan were not less than the fair market value of the Company's common stock on the date of grant. Restricted stock awards granted under the 2004 Plan may or may not have required a cash payment from a participant to whom an award was made; RSU awards granted under the plan did not require any cash payment from the participant to whom an award was made. No further grants may be made under the 2004 Plan as of May 16, 2014 pursuant to the Company's stockholder approval of the 2014 Incentive Award Plan on such date.

In 2014, the Company's Board of Directors adopted the 2014 Incentive Award Plan (the "2014 Plan"), which was approved by the Company's stockholders on May 16, 2014. A total of 3,250,000 shares of the Company's common stock were reserved for future issuance under the 2014 Plan, all of which may be used for grants of nonqualified stock options ("options"), warrants, restricted stock, RSUs, dividend equivalents and stock payment awards. The 2014 Plan also authorizes the granting of performance awards payable in the form of the Company's common stock or cash, including equity awards and incentive cash bonuses that may be intended to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)"). Participation in the 2014 Plan is limited to employees and consultants of the Company and its subsidiaries and non-employee directors. The 2014 Plan is administered by the Company's Board of Directors with respect to awards to non-employee directors and by its Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of the Company's directors and/or officers, subject to certain limitations (collectively, the "administrator"). The administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares subject to awards and to determine the terms and conditions of awards, including the number of shares subject to each award, the exercise price, term, vesting schedule and other terms and conditions of the award.

Options and warrants granted under the 2014 Plan have a term of no longer than ten years from the date they are granted. Options, warrants, restricted stock and RSUs granted under the 2014 Plan generally vest in installments pursuant to a vesting schedule set forth in each award agreement. The exercise prices of the options and warrants shall not be less than the fair market value of the Company's common stock on the date of grant. Restricted stock awards under the 2014 Plan may or may not require a cash payment from a participant to whom an award is made; RSU awards under the plan do not require any cash payment from the participant to whom an award is made. The vesting of performance awards, including performance-based restricted stock units ("PSUs"), is dependent on one or more performance criteria determined by the administrator on a specific date or dates or over any period or periods determined by the administrator.

Restricted Stock Units

A summary of the Company's RSU activity is presented below:

	Years Ended December 31,		
	2015	2014	2013
Restricted stock units granted	332,782	504,255	574,017
Weighted average grant-date fair value of restricted stock units granted	$ 45.13	$ 42.54	$ 34.06
Total fair value of restricted stock units granted	$ 15,019	$ 21,449	$ 19,550
Restricted stock units becoming free of restrictions	478,686	563,117	543,921
Weighted average restriction period (in years)	3.9	3.9	3.9

A summary of activity related to RSUs during the year ended December 31, 2015, is presented below:

	Unvested Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding at December 31, 2014	1,200,884	$ 36.06
Granted	332,782	45.13
Forfeited	(47,679)	40.24
Vested and Issued	(432,165)	34.44
Vested and Unissued	(46,521)	30.93
Outstanding at December 31, 2015	1,007,301	39.74

Recipients of the Company's RSUs who participate in the Company's Nonqualified Deferred Compensation Plan may have elected in years prior to 2015 to defer some or all of their RSUs as they vest until a specified date or dates they choose. At the end of the deferral periods, the Company issues to recipients who deferred their RSUs shares of the Company's common stock underlying the deferred RSUs. At December 31, 2015, 2014 and 2013, the Company had 256,191, 223,752 and 163,995 vested deferred RSUs outstanding, respectively.

Performance-Based Restricted Stock Units

A summary of activity related to PSUs during the year ended December 31, 2015, is presented below:

	Unvested Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding at December 31, 2014	54,723	$ 42.33
Granted	238,690	44.96
Outstanding at December 31, 2015	293,413	44.47

During the year ended December 31, 2015, the Compensation Committee granted PSUs to the Company's executive officers with three-year performance-based metrics that the Company must meet before those awards may be earned, and the performance period for those grants ends on December 31, 2017. During the same period, the Compensation Committee also granted PSUs to the Company's executive officers and non-executive officers with a new one-year performance-based metric that the Company must meet before those awards may be earned, with the awards then subject to time-based vesting for the remaining three years of their four-year vesting period. During the year ended December 31, 2014, the Compensation Committee granted PSUs to the Company's executive officers with three-year performance-based metrics that the Company must meet before those awards may be earned, and the performance period for those grants ends December 31, 2016. The Compensation Committee will determine the achievement of

performance results and corresponding vesting of PSUs for each performance period. At the end of the performance period, the number of shares awarded can range from 0% to 150% of the original granted amount, depending on the performance against the pre-established targets. The Company has assumed that 50% of the original granted amount will be awarded at the end of the performance periods, based on the current performance against the pre-established targets.

Stock Options

The Company's remaining stock options outstanding under equity-based compensation plans that expired in 2012 were exercised during 2015. A summary of the Company's stock option activity and related information under these plans during the year ended December 31, 2015, is presented below:

	Number of Shares (Options)	Weighted Average Exercise Price
Outstanding as of December 31, 2014	37,000	$ 15.45
Exercised	(37,000)	15.45
Outstanding as of December 31, 2015	-	-

The total intrinsic value of stock options exercised during the years ended December 31, 2015, 2014 and 2013, was $1,241, $7,458 and $5,729, respectively. As of December 31, 2014 and 2013, a total of 37,000 and 274,902 options to purchase common stock, respectively, were exercisable under all stock option plans.

Stock Purchase Warrants

The Company has outstanding stock purchase warrants issued under an incentive plan which expired in 2012 as well as outstanding stock purchase warrants issued under the 2014 Plan. Warrants to purchase the Company's common stock were issued to certain consultants to the Company. Warrants issued were fully vested and exercisable at the date of grant. Warrants outstanding at December 31, 2015, expire between 2016 and 2020.

A summary of warrant activity during the year ended December 31, 2015, is presented below:

	Warrants	Weighted-Average Exercise Price
Outstanding at December 31, 2014	133,591	$ 37.92
Granted	91,179	53.07
Forfeited	(17,206)	31.20
Exercised	(9,781)	30.62
Outstanding at December 31, 2015	197,783	45.85

The following table summarizes information about warrants outstanding as of December 31, 2015 and 2014:

Grant Date	Warrants Issued	Exercise Price	Fair Value of Warrants Issued	Outstanding at December 31, 2015	Outstanding at December 31, 2014
Throughout 2010	51,627	$20.64 to $27.41	$ 351	-	1,886
Throughout 2011	9,324	$27.53 to $33.14	79	6,226	9,324
Throughout 2012	71,978	$30.52 to $33.03	628	49,975	71,978
Throughout 2014	50,403	$45.62 to $49.06	276	50,403	50,403
Throughout 2015	91,179	$42.45 to $54.48	1,333	91,179	-
				197,783	133,591

12. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes changes in the fair value of interest rate swaps and fuel hedges that qualify for hedge accounting. The components of other comprehensive income (loss) and related tax effects for the years ended December 31, 2015, 2014 and 2013, are as follows:

	Year Ended December 31, 2015		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 5,093	$ (1,938)	$ 3,155
Fuel hedge amounts reclassified into cost of operations	3,217	(1,224)	1,993
Changes in fair value of interest rate swaps	(7,746)	2,926	(4,820)
Changes in fair value of fuel hedges	(11,138)	4,232	(6,906)
	$ (10,574)	$ 3,996	$ (6,578)

	Year Ended December 31, 2014		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 4,581	$ (1,757)	$ 2,824
Fuel hedge amounts reclassified into cost of operations	(823)	316	(507)
Changes in fair value of interest rate swaps	(6,448)	2,478	(3,970)
Changes in fair value of fuel hedges	(3,355)	1,284	(2,071)
	$ (6,045)	$ 2,321	$ (3,724)

	Year Ended December 31, 2013		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 5,641	$ (2,158)	$ 3,483
Changes in fair value of interest rate swaps	296	(108)	188
Changes in fair value of fuel hedges	1,012	(387)	625
	$ 6,949	$ (2,653)	$ 4,296

A rollforward of the amounts included in AOCL, net of taxes, is as follows:

	Fuel Hedges	**Interest Rate Swaps**	**Accumulated Other Comprehensive Loss**
Balance at December 31, 2013	$ 1,357	$ (3,226)	$ (1,869)
Amounts reclassified into earnings	(507)	2,824	2,317
Changes in fair value	(2,071)	(3,970)	(6,041)
Balance at December 31, 2014	(1,221)	(4,372)	(5,593)
Amounts reclassified into earnings	1,993	3,155	5,148
Changes in fair value	(6,906)	(4,820)	(11,726)
Balance at December 31, 2015	$ (6,134)	$ (6,037)	$ (12,171)

13. INCOME TAXES

The provision (benefit) for income taxes for the years ended December 31, 2015, 2014 and 2013, consists of the following:

	Years Ended December 31,		
	2015	2014	2013
Current:			
Federal	$ 86,053	$ 103,332	$ 73,243
State	14,809	17,972	12,993
	100,862	121,304	86,236
Deferred:			
Federal	(117,549)	27,646	35,797
State	(14,905)	3,385	2,883
	(132,454)	31,031	38,680
Provision (benefit) for income taxes	$ (31,592)	$ 152,335	$ 124,916

The significant components of deferred income tax assets and liabilities as of December 31, 2015 and 2014 are as follows:

	2015	2014
Deferred income tax assets:		
Accounts receivable reserves	$ 2,968	$ 3,519
Accrued expenses	37,465	34,377
Compensation	16,924	15,549
Interest rate and fuel hedges	7,475	3,479
Leases	990	1,178
State taxes	4,218	5,480
Contingent liabilities	17,636	25,071
Other	1,472	527
Gross deferred income tax assets	89,148	89,180
Less: Valuation allowance	-	-
Net deferred income tax assets	89,148	89,180
Deferred income tax liabilities:		
Goodwill and other intangibles	(158,093)	(280,828)
Property and equipment	(288,953)	(255,512)
Landfill closure/post-closure	(37,185)	(34,277)
Prepaid expenses	(7,683)	(7,690)
Total deferred income tax liabilities	(491,914)	(578,307)
Net deferred income tax liability	$ (402,766)	$ (489,127)

During the years ended December 31, 2015, 2014 and 2013, the Company reduced its taxes payable by $8,369, $11,090 and $8,781 respectively, as a result of the exercise of non-qualified stock options, the vesting of restricted stock units, and the disqualifying disposition of incentive stock options. The excess tax benefit associated with equity-based compensation of $2,069, $7,518 and $3,765 for the years ended December 31, 2015, 2014 and 2013, respectively, was recorded in additional paid-in capital.

The differences between the Company's income tax provision (benefit) as presented in the accompanying Consolidated Statements of Net Income (Loss) and income tax provision (benefit) computed at the federal statutory rate consist of the items shown in the following table as a percentage of pre-tax income:

	Years Ended December 31,		
	2015	**2014**	**2013**
Income tax provision (benefit) at the statutory rate	(35.0%)	35.0%	35.0%
State taxes, net of federal benefit	(0.3)	3.8	3.7
Deferred income tax liability adjustments	(3.1)	0.3	-
Noncontrolling interests	(0.3)	(0.1)	-
Goodwill impairment	12.3	-	-
Other	1.4	0.5	0.2
	(25.0%)	39.5%	38.9%

The comparability of the Company's income tax provision (benefit) for the reported periods has been affected by variations in its income (loss) before income taxes.

During the year ended December 31, 2015, the Deferred income tax liability adjustments, due primarily to changes in the geographical apportionment of the Company's state income taxes associated with the impairment of a portion of the goodwill, indefinite-lived intangible assets and property and equipment within its E&P segment, resulted in an increase to tax benefit of $3,869. Additionally, a portion of the aforementioned goodwill impairment within the Company's E&P segment that was not deductible for tax purposes, resulted in a decrease to federal tax benefit of $15,546. During the year ended December 31, 2014, the Deferred income tax liability adjustments, due primarily to the enactment of New York State's 2014-2015 Budget Act, resulted in an increase to tax expense of $1,220.

At December 31, 2015 and 2014, the Company did not have any significant federal or state net operating loss carryforwards.

The Company and its subsidiaries are subject to U.S. federal income tax as well as to income tax of multiple state jurisdictions. The Company has concluded all U.S. federal income tax matters for years through 2011. All material state and local income tax matters have been concluded for years through 2010. The Company is currently under U.S. federal examination for tax year 2013. The Company does not anticipate a significant assessment; however, such an assessment could have a material adverse effect on the Company's financial position, results of operation or cash flows.

The Company did not have any unrecognized tax benefits recorded at December 31, 2015, 2014 or 2013. The Company does not anticipate the total amount of unrecognized tax benefits will significantly change by December 31, 2016. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

14. SEGMENT REPORTING

The Company's revenues are generated from the collection, transfer, recycling and disposal of non-hazardous solid waste and the treatment, recovery and disposal of non-hazardous E&P waste. No single contract or customer accounted for more than 10% of the Company's total revenues at the consolidated or reportable segment level during the periods presented.

The Company manages its operations through three geographic operating segments (Western, Central and Eastern), and its E&P segment, which includes the majority of the Company's E&P waste treatment and disposal operations. The Company's three geographic operating segments and its E&P segment comprise the Company's reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. The Company's Western segment is comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; the Company's Central segment is comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; and the Company's Eastern segment is comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee. The E&P segment is comprised of the Company's E&P operations in Arkansas, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico.

The Company's Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. The Company defines segment EBITDA as earnings before interest, taxes, depreciation, amortization, loss on prior office leases, impairments and other operating items and other income (expense). Segment EBITDA is not a measure of operating income, operating performance or liquidity under generally accepted accounting principles and may not be comparable to similarly titled measures reported by other companies. The Company's management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments. A reconciliation of segment EBITDA to Income before income tax provision is included at the end of this Note 14.

Summarized financial information concerning the Company's reportable segments for the years ended December 31, 2015, 2014 and 2013, is shown in the following tables:

Year Ended December 31, 2015	Revenue	Intercompany Revenue[b]	Reported Revenue	Segment EBITDA[c]	Depreciation and Amortization	Capital Expenditures	Total Assets[e]
Western	$ 984,283	$ (103,890)	$ 880,393	$ 290,937	$ 83,073	$ 82,118	$ 1,498,296
Central	660,902	(71,235)	589,667	207,205	76,719	70,872	1,216,985
Eastern	520,691	(87,234)	433,457	132,774	59,654	52,187	1,176,671
E&P	225,314	(11,544)	213,770	69,545	47,129	30,814	1,113,890
Corporate[a], [d]	-	-	-	1,933	2,859	2,842	115,956
	$ 2,391,190	$ (273,903)	$ 2,117,287	$ 702,394	$ 269,434	$ 238,833	$ 5,121,798

Year Ended December 31, 2014	Revenue	Intercompany Revenue[b]	Reported Revenue	Segment EBITDA[c]	Depreciation and Amortization	Capital Expenditures	Total Assets[e]
Western	$ 920,116	$ (96,194)	$ 823,922	$ 258,126	$ 79,907	$ 65,227	$ 1,482,474
Central	629,574	(68,094)	561,480	197,121	69,037	77,500	1,187,505
Eastern	473,983	(80,162)	393,821	116,230	53,717	60,384	852,963
E&P	314,845	(14,902)	299,943	147,261	52,709	36,608	1,609,553
Corporate[a], [d]	-	-	-	(7,434)	2,574	1,558	112,772
	$ 2,338,518	$ (259,352)	$ 2,079,166	$ 711,304	$ 257,944	$ 241,277	$ 5,245,267

Year Ended December 31, 2013	Revenue	Intercompany Revenue[b]	Reported Revenue	Segment EBITDA[c]	Depreciation and Amortization	Capital Expenditures	Total Assets[e]
Western	$ 905,764	$ (99,974)	$ 805,790	$ 249,548	$ 81,164	$ 70,960	$ 1,487,409
Central	573,366	(62,438)	510,928	182,790	64,165	57,952	1,173,089
Eastern	447,844	(76,072)	371,772	108,173	51,546	39,703	807,124
E&P	251,651	(11,346)	240,305	111,056	44,099	34,916	1,484,501
Corporate[a], [d]	-	-	-	(228)	2,890	6,343	105,494
	$ 2,178,625	$ (249,830)	$ 1,928,795	$ 651,339	$ 243,864	$ 209,874	$ 5,057,617

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the four operating segments.

(b) Intercompany revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

(c) For those items included in the determination of segment EBITDA, the accounting policies of the segments are the same as those described in Note 1.

(d) Corporate assets include cash, net deferred tax assets, debt issuance costs, equity investments, and corporate facility leasehold improvements and equipment.

(e) Goodwill is included within total assets for each of the Company's four operating segments.

The following table shows changes in goodwill during the years ended December 31, 2014 and 2015, by reportable segment:

	Western	Central	Eastern	E&P	Total
Balance as of December 31, 2013	$ 372,915	$ 459,054	$ 380,570	$ 462,615	$ 1,675,154
Goodwill acquired	-	1,470	11,853	5,455	18,778
Goodwill divested	-	(143)	-	-	(143)
Balance as of December 31, 2014	372,915	460,381	392,423	468,070	1,693,789
Goodwill acquired	905	12,044	106,814	21,059	140,822
Impairment loss	-	-	-	(411,786)	(411,786)
Balance as of December 31, 2015	$ 373,820	$ 472,425	$ 499,237	$ 77,343	$ 1,422,825

A reconciliation of the Company's primary measure of segment profitability (segment EBITDA) to Income (loss) before income tax provision in the Consolidated Statements of Net Income (Loss) is as follows:

	Years ended December 31,		
	2015	2014	2013
Western segment EBITDA	$ 290,937	$ 258,126	$ 249,548
Central segment EBITDA	207,205	197,121	182,790
Eastern segment EBITDA	132,774	116,230	108,173
E&P segment EBITDA	69,545	147,261	111,056
Subtotal reportable segments	700,461	718,738	651,567
Unallocated corporate overhead	1,933	(7,434)	(228)
Depreciation	(240,357)	(230,944)	(218,454)
Amortization of intangibles	(29,077)	(27,000)	(25,410)
Loss on prior office leases	-	-	(9,902)
Impairments and other operating items	(494,492)	(4,091)	(4,129)
Interest expense	(64,236)	(64,674)	(73,579)
Other income (expense), net	(518)	1,067	1,056
Income (loss) before income tax provision	$ (126,286)	$ 385,662	$ 320,921

The following tables reflect a breakdown of the Company's revenue and inter-company eliminations for the periods indicated:

	Year Ended December 31, 2015			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,378,679	$ (4,623)	$ 1,374,056	64.9%
Solid waste disposal and transfer	670,369	(255,200)	415,169	19.6
Solid waste recycling	47,292	(924)	46,368	2.2
E&P waste treatment, recovery and disposal	228,529	(13,156)	215,373	10.2
Intermodal and other	66,321	-	66,321	3.1
Total	$ 2,391,190	$ (273,903)	$ 2,117,287	100.0%

	Year Ended December 31, 2014			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,289,906	$ (3,593)	$ 1,286,313	61.9%
Solid waste disposal and transfer	617,161	(235,851)	381,310	18.3
Solid waste recycling	58,226	(2,118)	56,108	2.7
E&P waste treatment, recovery and disposal	326,934	(16,862)	310,072	14.9
Intermodal and other	46,291	(928)	45,363	2.2
Total	$ 2,338,518	$ (259,352)	$ 2,079,166	100.0%

	Year Ended December 31, 2013			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,219,091	$ (4,304)	$ 1,214,787	63.0%
Solid waste disposal and transfer	579,379	(226,897)	352,482	18.3
Solid waste recycling	71,831	(6,101)	65,730	3.4
E&P waste treatment, recovery and disposal	262,286	(11,462)	250,824	13.0
Intermodal and other	46,038	(1,066)	44,972	2.3
Total	$ 2,178,625	$ (249,830)	$ 1,928,795	100.0%

15. NET INCOME (LOSS) PER SHARE INFORMATION

The following table sets forth the calculation of the numerator and denominator used in the computation of basic and diluted net income (loss) per common share attributable to the Company's common stockholders for the years ended December 31, 2015, 2014 and 2013:

	Years Ended December 31,		
	2015	2014	2013
Numerator:			
Net income (loss) attributable to Waste Connections for basic and diluted earnings per share	$ (95,764)	$ 232,525	$ 195,655
Denominator:			
Basic shares outstanding	123,491,931	124,215,346	123,597,540
Dilutive effect of stock options and warrants	-	90,334	186,006
Dilutive effect of restricted stock units	-	481,741	381,506
Diluted shares outstanding	123,491,931	124,787,421	124,165,052

16. EMPLOYEE BENEFIT PLANS

401K Plans: WCI has a voluntary savings and investment plan (the "WCI 401(k) Plan"), as do certain of its subsidiaries (together with the WCI 401(k) Plan, the "401(k) Plans"). The 401(k) Plans are available to all eligible employees of WCI and its subsidiaries. WCI and its subsidiaries make matching contributions under the 401(k) Plans of 50% to 100% of every dollar of a participating employee's pre-tax contributions until the employee's contributions equal from 3% to 6% of the employee's eligible compensation, subject to certain limitations imposed by the U.S. Internal Revenue Code.

Total employer expenses, including employer matching contributions, for the 401(k) Plans were $4,702, $4,765 and $4,024, respectively, during the years ended December 31, 2015, 2014 and 2013. These amounts include matching contributions WCI made under the Deferred Compensation Plan, described below.

Multiemployer Pension Plans: The Company also participates in two "multiemployer" pension plans. The Company does not administer these multiemployer plans. In general, these plans are managed by the trustees, with the unions appointing certain trustees, and other contributing employers of the plan appointing certain others. The Company is generally not represented on the board of trustees. The Company makes periodic contributions to these plans pursuant to its collective bargaining agreements. The Company's participation in multiemployer pension plans is summarized as follows:

Plan Name	EIN/Pension Plan Number	Pension Protection Act Zone Status[a] 2015	Pension Protection Act Zone Status[a] 2014	Company Contributions 2015	Company Contributions 2014	Company Contributions 2013	Expiration Date of Collective Bargaining Agreement
Western Conference of Teamsters Pension Trust	91-6145047 - 001	Green	Green	$ 4,314	$ 3,852	$ 3,662	4/30/16 to 12/31/19
Locals 302 & 612 of the IOUE - Employers Construction Industry Retirement Plan	91-6028571 - 001	Green	Green	242	226	223	9/30/16
				$ 4,556	$ 4,078	$ 3,885	

(a) The most recent Pension Protection Act zone status available in 2015 and 2014 is for the plans' years ended December 31, 2014 and 2013, respectively.

The status is based on information that the Company received from the pension plans and is certified by the pension plans' actuary. Plans with "green" status are at least 80% funded. The Company's contributions to each individual multiemployer pension plan represent less than 5% of total contributions to such plan. Under current law regarding multiemployer benefit plans, a plan's termination, the Company's voluntary withdrawal, or the withdrawal of all contributing employers from any under-funded multiemployer pension plan would require the Company to make payments to the plan for its proportionate share of the multiemployer plan's unfunded vested liabilities. The Company could have adjustments to its estimates for these matters in the near term that could have a material effect on its consolidated financial condition, results of operations or cash flows.

Deferred Compensation Plan: Effective for compensation paid on and after July 1, 2004, the Company established a Deferred Compensation Plan for eligible employees, which was amended and restated effective January 1, 2008, January 1, 2010, September 22, 2011 and December 1, 2014 (the "Deferred Compensation Plan"). The Deferred Compensation Plan is a non-qualified deferred compensation program under which the eligible participants, including officers and certain employees who meet a minimum salary threshold, may voluntarily elect to defer up to 80% of their base salaries and up to 100% of their bonuses, commissions and restricted stock unit grants. Effective as of December 1, 2014, the Board of Directors determined to discontinue the option to allow eligible participants to defer restricted stock unit grants pursuant to the Deferred Compensation Plan. Members of the Company's Board of Directors are eligible to participate in the Deferred Compensation Plan with respect to their Director fees. Although the Company periodically contributes the amount of its obligation under the plan to a trust for the benefit of the participants, the amounts of any compensation deferred under the Deferred Compensation Plan constitute an unsecured obligation of the Company to pay the participants in the future and, as such, are subject to the claims of other creditors in the event of insolvency proceedings. Participants may elect certain future distribution dates on which all or a portion of their accounts will be paid to them, including in the case of a change in control of the Company. Their accounts will be distributed to them in cash, except for amounts credited with respect to deferred restricted stock unit grants, which will be distributed in shares of the Company's common stock pursuant to the 2014 Incentive Award Plan, the Third Amended and Restated 2004 Equity Incentive Plan or any successor plan or plans. In addition to the amount of participants' contributions, the Company will pay participants an amount reflecting a deemed return based on the returns of various mutual funds or measurement funds selected by the participants, except in the case of restricted stock units that are deferred, which are credited to their accounts as shares of Company common stock. The measurement funds are used only to determine the amount of return the Company pays to participants and participant funds are not actually invested in the measurement fund, nor are any shares of Company common stock acquired under the Deferred Compensation Plan. During each of the two years ended December 31, 2015 and 2014, the Company also made matching contributions to the Deferred Compensation Plan of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equaled 6% of the employee's eligible compensation, less the amount of any match the Company made on behalf of the employee under the WCI 401(k) Plan, and subject to certain deferral limitations imposed by the U.S. Internal Revenue Code on 401(k) plans, except that the Company's

matching contributions under the Deferred Compensation Plan were 100% vested when made. During the year ended December 31, 2013, the Company also made matching contributions to the Deferred Compensation Plan of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equaled 5% of the employee's eligible compensation, less the amount of any match the Company made on behalf of the employee under the WCI 401(k) Plan, and subject to certain deferral limitations imposed by the U.S. Internal Revenue Code on 401(k) plans, except that the Company's matching contributions under the Deferred Compensation Plan were 100% vested when made. The Company's total liability for deferred compensation at December 31, 2015 and 2014 was $19,387 and $18,614, respectively, which was recorded in Other long-term liabilities in the Consolidated Balance Sheets.

17. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes the unaudited consolidated quarterly results of operations for 2015:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 506,100	$ 531,312	$ 547,938	$ 531,937
Operating income (loss)	101,865	110,024	(375,152)	101,730
Net income (loss)	52,081	57,641	(256,805)	52,388
Net income (loss) attributable to Waste Connections	51,824	57,360	(257,009)	52,061
Basic income (loss) per common share attributable to Waste Connections' common stockholders	0.42	0.46	(2.08)	0.42
Diluted income (loss) per common share attributable to Waste Connections' common stockholders	0.42	0.46	(2.08)	0.42

During the third quarter of 2015, the Company recorded impairment charges of $411,786 associated with goodwill and $38,300 associated with indefinite-lived intangible assets in its E&P segment. The Company also recorded impairment charges of $63,928 related to property and equipment at certain E&P operating locations during the third quarter of 2015. The aforementioned impairment charges were partially offset by $20,642 of adjustments recorded during the third quarter of 2015 to reduce the fair value of amounts payable under liability-classified contingent consideration arrangements associated with the acquisition of an E&P business in 2014.

The following table summarizes the unaudited consolidated quarterly results of operations for 2014:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 481,710	$ 524,693	$ 546,551	$ 526,213
Operating income	100,589	118,716	116,011	113,952
Net income	49,223	62,900	60,284	60,921
Net income attributable to Waste Connections	49,015	62,664	60,084	60,762
Basic income per common share attributable to Waste Connections' common stockholders	0.40	0.50	0.48	0.49
Diluted income per common share attributable to Waste Connections' common stockholders	0.39	0.50	0.48	0.49

During the third quarter of 2014, the Company recorded an $8,445 impairment charge for property and equipment at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that the Company owns and operates.

18. SUBSEQUENT EVENTS

Progressive Waste Merger

On January 18, 2016, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Progressive Waste Solutions Ltd., a corporation organized under the laws of Ontario ("Progressive Waste") and Water Merger Sub LLC, a Delaware limited liability company and wholly-owned subsidiary of Progressive Waste ("Merger Sub"). Subject to the terms and conditions of the Merger Agreement, Merger Sub will merge with and into Waste Connections (the "Merger"), with Waste Connections surviving the Merger as a wholly-owned subsidiary of Progressive Waste.

The transaction is expected to close in the second quarter of 2016. Upon closing, the combined company will use the Waste Connections name and it is anticipated that its shares will trade on the New York Stock Exchange and the Toronto Stock Exchange. Upon completion of the transaction, the combined company will be led by the Company's current management team. The Board of Directors for the combined company will include the five current members of the Company's Board and two members from Progressive Waste's current Board.

Under the terms of the Merger Agreement, the Company's stockholders will receive 2.076843 Progressive Waste shares for each Company share they own. Subject to the approval of Progressive Waste's shareholders, Progressive Waste expects to implement immediately following the Merger, a share consolidation whereby every 2.076843 shares will be consolidated into one Progressive Waste share on the basis of 0.4815 (1 divided by the 2.076843 ratio above) of a share on a post-consolidation basis for each one share outstanding on a pre-consolidation basis. If the share consolidation is approved by Progressive Waste's shareholders and effected, the Company's stockholders will receive one share of the combined company for each existing Company share. Upon the completion of the transaction and regardless of whether or not the share consolidation occurs, the Company's stockholders will own approximately 70% of the combined company, and Progressive Waste shareholders will own approximately 30%.

The transaction is subject to customary closing conditions, including the approval of both companies' shareholders, U.S. antitrust approval and the approval of the Toronto Stock Exchange.

Quarterly Dividend

On February 8, 2016, the Company announced that its Board of Directors approved a regular quarterly cash dividend of $0.145 per share on the Company's common stock. The dividend will be paid on March 15, 2016, to stockholders of record on the close of business on March 1, 2016.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2015, at the reasonable assurance level such that information required to be disclosed in our Exchange Act reports: (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (2) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. This process includes policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and any dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles; (3) provide reasonable assurance that receipts and expenditures of ours are being made only in accordance with authorizations of our management; and (4) provide reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material affect on our financial statements would be prevented or timely detected.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our internal control over financial reporting as of December 31, 2015. In conducting our evaluation, we used the framework set forth in the report titled "Internal Control – Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of our evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of our internal control over financial reporting as of December 31, 2015, has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in its report which appears in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

Based on an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, there has been no change to our internal control over financial reporting that occurred during the three month period ended December 31, 2015, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth above in Part I under "Executive Officers of the Registrant" and in the paragraph below, the information required by Item 10 has been omitted from this report, and is incorporated by reference to the sections "Election of Directors," "Corporate Governance and Board Matters" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive Proxy Statement for the 2016 Annual Meeting of Stockholders, which we will file with the SEC pursuant to Regulation 14A within 120 days after the end of our 2015 fiscal year.

We have adopted a Code of Conduct and Ethics that applies to our officers, including our principal executive officer, principal financial officer, principal accounting officer and all other officers, directors and employees. We have also adopted Corporate Governance Guidelines to promote the effective functioning of our Board of Directors and its committees, to promote the interests of stockholders and to ensure a common set of expectations concerning how the Board, its committees and management should perform their respective functions. Our Code of Conduct and Ethics and our Corporate Governance Guidelines are available on our website at http://www.wasteconnections.com as are the charters of our Board's Audit, Nominating and Corporate Governance and Compensation Committees. Information on or that can be accessed through our website is not incorporated by reference to this report. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendments to, or waiver from, a provision of our Code of Conduct by posting such information on our website.

Stockholders may also obtain copies of the Corporate Governance documents discussed above by contacting our Secretary at the address or phone number listed on the cover page of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by Item 11 has been omitted from this report and is incorporated by reference to the sections "Executive Compensation" and "Corporate Governance and Board Matters" in our definitive Proxy Statement for the 2016 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by Item 12 has been omitted from this report and is incorporated by reference to the sections "Principal Stockholders" and "Equity Compensation Plan Information" in our definitive Proxy Statement for the 2016 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by Item 13 has been omitted from this report and is incorporated by reference to the sections "Certain Relationships and Related Transactions" and "Corporate Governance and Board Matters" in our definitive Proxy Statement for the 2016 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by Item 14 has been omitted from this report and is incorporated by reference to the section "Appointment of Independent Registered Public Accounting Firm" in our definitive Proxy Statement for the 2016 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) See Index to Consolidated Financial Statements on page 66. The following Financial Statement Schedule is filed herewith on page 116 and made a part of this Report:

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) See Exhibit Index immediately following signature pages.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Waste Connections, Inc.

By: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

Date: February 9, 2016

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ronald J. Mittelstaedt and Worthing F. Jackman, jointly and severally, his true and lawful attorneys-in-fact, each with the power of substitution, for him in any and all capacities to sign any amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ronald J. Mittelstaedt Ronald J. Mittelstaedt	Chief Executive Officer and Chairman (principal executive officer)	February 9, 2016
/s/ Worthing F. Jackman Worthing F. Jackman	Executive Vice President and Chief Financial Officer (principal financial officer)	February 9, 2016
/s/ David G. Eddie David G. Eddie	Senior Vice President and Chief Accounting Officer (principal accounting officer)	February 9, 2016
/s/ Michael W. Harlan Michael W. Harlan	Director	February 9, 2016
/s/ William J. Razzouk William J. Razzouk	Director	February 9, 2016
/s/ Robert H. Davis Robert H. Davis	Director	February 9, 2016
/s/ Edward E. Guillet Edward E. Guillet	Director	February 9, 2016

WASTE CONNECTIONS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2015, 2014 and 2013
(in thousands)

Description	Balance at Beginning of Year	Additions		Deductions (Write-offs, Net of Collections)	Balance at End of Year
		Charged to Costs and Expenses	Charged to Other Accounts		
Allowance for Doubtful Accounts:					
Year Ended December 31, 2015	$ 9,175	$ 5,423	$ -	$ (6,860)	$ 7,738
Year Ended December 31, 2014	7,348	8,043	-	(6,216)	9,175
Year Ended December 31, 2013	6,548	6,617	-	(5,817)	7,348

EXHIBIT INDEX

Exhibit Number	**Description of Exhibits**
2.1	Agreement and Plan of Merger, dated as of January 18, 2016, by and among Progressive Waste Ltd., Water Merger Sub LLC, and the Registrant (incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K filed on January 20, 2016)
3.1	Amended and Restated Certificate of Incorporation of the Registrant, dated as of June 14, 2013 (incorporated by reference to Exhibit 3.1 of the Registrant's Form 10-Q filed on July 24, 2013)
3.2	Fourth Amended and Restated Bylaws of the Registrant, effective July 17, 2014 (incorporated by reference to Exhibit 3.2 of the Registrant's Form 10-Q filed on July 21, 2014)
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Registrant's Form S-1/A filed on May 6, 1998)
4.2	Master Note Purchase Agreement, dated July 15, 2008 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on July 18, 2008)
4.3	Amendment No. 1 to Master Note Purchase Agreement, dated as of July 20, 2009 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q filed on August 5, 2009)
4.4	First Supplement to Master Note Purchase Agreement, dated as of October 26, 2009 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q filed on October 27, 2009)
4.5	Amendment No. 2 to Master Note Purchase Agreement, dated as of November 24, 2010 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on November 26, 2010)
4.6	Second Supplement to Master Note Purchase Agreement, dated as of April 1, 2011 (incorporated by reference to Exhibit 4.5 of the Registrant's Form 8-K filed on April 5, 2011)
4.7	Amendment No. 3 to Master Note Purchase Agreement, dated as of October 12, 2011 (incorporated by reference to Exhibit 4.7 of the Registrant's Form 10-K filed on February 8, 2012)
4.8	Amendment No. 4 to Master Note Purchase Agreement, dated August 9, 2013 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on August 14, 2013)
4.9	Amendment No. 5 to Master Note Purchase Agreement, dated February 20, 2015 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on February 26, 2015)
4.10	Third Supplement to Master Note Purchase Agreement, dated as of June 11, 2015 (incorporated by reference to Exhibit 4.9 of the Registrant's Form 8-K filed on June 12, 2015)
10.1 +	Employment Agreement between the Registrant and James M. Little, dated as of September 13, 1999 (incorporated by reference to Exhibit 10.42 of the Registrant's Form 10-K filed on March 13, 2000)

Exhibit Number	Description of Exhibits
10.2 +	Employment Agreement between the Registrant and Eric O. Hansen, dated as of January 1, 2001 (incorporated by reference to Exhibit 10.12 of the Registrant's Form 10-Q filed on May 3, 2005)
10.3 +	First Amended and Restated Employment Agreement between the Registrant and David M. Hall, dated as of October 1, 2005 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on October 4, 2005)
10.4 +	First Amended and Restated Employment Agreement between the Registrant and David G. Eddie, dated as of October 1, 2005 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on October 4, 2005)
10.5 +	Form of Indemnification Agreement between the Registrant and each of its directors and officers (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on July 31, 2006)
10.6 +	Employment Agreement between the Registrant and Patrick J. Shea, dated as of February 1, 2008 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on April 23, 2008)
10.7 +	Consultant Incentive Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on April 23, 2008)
10.8 +	Form of Amendment to Employment Agreement between the Registrant and each of David G. Eddie, David M. Hall and Patrick J. Shea (incorporated by reference to Exhibit 10.24 of the Registrant's Form 10-K filed on February 10, 2009)
10.9 +	Form of Amendment to Employment Agreement between the Registrant and James M. Little (incorporated by reference to Exhibit 10.25 of the Registrant's Form 10-K filed on February 10, 2009)
10.10 +	Form of Amendment to Employment Agreement between the Registrant and Eric O. Hansen (incorporated by reference to Exhibit 10.26 of the Registrant's Form 10-K filed on February 10, 2009)
10.11 +	Employment Agreement between the Registrant and Rick Wojahn, dated as of February 9, 2009 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on May 8, 2009)
10.12 +	Employment Agreement between the Registrant and Scott Schreiber, dated as of February 9, 2009 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on May 8, 2009)
10.13 +	Employment Agreement between the Registrant and Greg Thibodeaux, dated as of July 1, 2000 (incorporated by reference to Exhibit 10.29 of the Registrant's Form 10-K filed on February 9, 2011)
10.14 +	Form of Amendment to Employment Agreement between the Registrant and Greg Thibodeaux (incorporated by reference to Exhibit 10.30 of the Registrant's Form 10-K filed on February 9, 2011)
10.15 +	Waste Connections, Inc. Nonqualified Deferred Compensation Plan, amended and restated as of December 1, 2014 (incorporated by reference to Exhibit 10.17 of the Registrant's Form 10-K filed on February 10, 2015)

Exhibit Number	Description of Exhibits
10.16 +	Waste Connections, Inc. Third Amended and Restated 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.30 of the Registrant’s Form 10-K filed on February 8, 2012)
10.17 +	Separation Benefits Plan and Employment Agreement by and between the Registrant and Ronald J. Mittelstaedt, effective February 13, 2012 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.18 +	Separation Benefits Plan, effective February 13, 2012 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.19 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Steven F. Bouck, effective February 13, 2012 (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.20 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Worthing F. Jackman, effective February 13, 2012 (incorporated by reference to Exhibit 10.4 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.21 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Darrell W. Chambliss, effective February 13, 2012 (incorporated by reference to Exhibit 10.5 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.22 +	Employment Agreement between the Registrant and Matthew Black, dated as of March 1, 2012 (incorporated by reference to Exhibit 10.7 of the Registrant's Form 10-Q filed on April 26, 2012)
10.23 +	Employment Agreement between the Registrant and Mary Anne Whitney, dated as of March 1, 2012 (incorporated by reference to Exhibit 10.8 of the Registrant's Form 10-Q filed on April 26, 2012)
10.24 +	Employment Agreement between the Registrant and Susan Netherton, dated as of July 23, 2013 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on October 23, 2013)
10.25 +	Waste Connections, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on May 19, 2014)
10.26 +	Form Grant Agreement for Performance-Based Restricted Stock Units (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on May 19, 2014)
10.27 +	Form Warrant to Purchase Common Stock pursuant to 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.3 of the Registrant's Form 10-Q filed on July 21, 2014)
10.28 +	Form Grant Agreement for Restricted Stock Units pursuant to 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on October 22, 2014)
10.29 +	Employment Agreement between the Registrant and Robert Cloninger, dated as of August 1, 2014 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on October 22, 2014)
10.30	Term Loan Agreement, dated as of October 25, 2012 (incorporated by reference to Exhibit 4.9 of the Registrant’s Form 10-K filed on March 1, 2013)

Exhibit Number	Description of Exhibits
10.31	First Amendment to Term Loan Agreement, dated as of May 6, 2013 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 10-Q filed on July 24, 2013)
10.32	Second Amended and Restated Credit Agreement, dated as of May 6, 2013 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q filed on July 24, 2013)
10.33	Second Amendment to Term Loan Agreement, dated as of May 15, 2014 (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K filed on May 19, 2014)
10.34	Revolving Credit and Term Loan Agreement, dated as of January 26, 2015 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on January 30, 2015)
10.35 +	Amendment to Separation Benefits Plan and Employment Agreement between Registrant and Ronald J. Mittelstaedt (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on December 18, 2015)
10.36 + *	Amended and Restated Compensation Plan for Independent Directors, dated January 1, 2016
10.37 + *	Form Grant Agreement for Restricted Stock Units for Non-employee Directors pursuant to 2014 Incentive Award Plan
10.38 + *	Form Grant Agreement for Restricted Stock Units (with One-Year Performance Period) pursuant to 2014 Incentive Award Plan
10.39	Consent to Revolving Credit and Term Loan Agreement, dated as of January 18, 2016 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on January 22, 2016)
12.1 *	Statement regarding Computation of Ratios
21.1 *	Subsidiaries of the Registrant
23.1 *	Consent of Independent Registered Public Accounting Firm
24.1 *	Power of Attorney (see signature page of this Annual Report on Form 10-K)
31.1 *	Certification of Chief Executive Officer
31.2 *	Certification of Chief Financial Officer
32.1 *	Certificate of Chief Executive Officer
32.2 *	Certificate of Chief Financial Officer
101.INS *	XBRL Instance Document
101.SCH *	XBRL Taxonomy Extension Schema Document
101.CAL *	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB *	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE *	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF *	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith.
+ Management contract or compensatory plan, contract or arrangement.

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Submission Data File

General Information	
Form Type*	10-K/A
Contact Name	Omar Pinilla
Contact Phone	866-683-5252
Filer Accelerated Status*	Large Accelerated Filer
Filer File Number	
Filer CIK*	0001057058 **[Waste Connections, Inc.]** (Waste Connections, Inc.)
Filer CCC*	**********
Filer is Shell Company*	N
Filer is Smaller Reporting Company	No
Filer is Voluntary Filer*	N
Filer is Well Known Seasoned Issuer*	Y
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	NYSE
Depositor CIK	
Period*	12-31-2015
ABS Asset Class Type	
ABS Sub Asset Class Type	
Sponsor CIK	
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Document Information	
File Count*	8
Document Name 1*	v438135_10ka.htm
Document Type 1*	10-K/A
Document Description 1	Amendment to Form 10-K
Document Name 2*	v438135_ex31-3.htm
Document Type 2*	EX-31.3
Document Description 2	Exhibit 31.3
Document Name 3*	v438135_ex31-4.htm
Document Type 3*	EX-31.4
Document Description 3	Exhibit 31.4
(End Document Information)	

Notifications	
Notify via Website only	No
E-mail 1	omar.pinilla@thevintagegroup.com
(End Notifications)	

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

(Mark One)

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File No. 1-31507

WASTE CONNECTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	94-3283464 (I.R.S. Employer Identification No.)
3 Waterway Square Place, Suite 110 The Woodlands, Texas (Address of principal executive offices)	77380 (Zip Code)

(832) 442-2200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.01 per share (Title of each class)	New York Stock Exchange (Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

☑ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

As of June 30, 2015, the aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant, based on the closing sales price for the registrant's common stock, as reported on the New York Stock Exchange, was $5,778,923,129.

Number of shares of common stock outstanding as of April 14, 2016: 122,717,727

DOCUMENTS INCORPORATED BY REFERENCE

None.

WASTE CONNECTIONS, INC.
ANNUAL REPORT ON FORM 10-K/A
For the Fiscal Year Ended December 31, 2015
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EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, originally filed with the Securities and Exchange Commission ("SEC") on February 9, 2016 (the "Original 10-K"). We are filing this Amendment to amend Part III of the Original 10-K to include the information required by and not included in Part III of the Original 10-K because we no longer intend to file a definitive proxy statement for our annual meeting of stockholders within 120 days of the end of our fiscal year ended December 31, 2015. Part IV is being amended solely to add as exhibits certain new certifications in accordance with Rule 13a-14(a) promulgated by the SEC under the Securities Exchange Act of 1934. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted.

Except as described above, no other changes have been made to the Original 10-K. The Original 10-K continues to speak as of the date of the Original 10-K, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original 10-K other than as expressly indicated in this Amendment. Accordingly, this Amendment should be read in conjunction with the Original 10-K and our other filings made with the SEC on or subsequent to February 9, 2016.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Executive Officers

For information relating to our executive officers, please see "Executive Officers of the Registrant" in Part I of the Original 10-K.

Directors

The information provided below is biographical information about each of our directors, including other public company board memberships. Age and other information in each director's biography are as of April 28, 2016.

Name, Background and Qualifications		Age	Director Since
Ronald J. Mittelstaedt has served as Chief Executive Officer and a Director of Waste Connections since the company was formed in September 1997, and was elected Chairman in January 1998. Mr. Mittelstaedt was also President of the company from Waste Connections' formation through August 2004. Mr. Mittelstaedt has been a Director of SkyWest, Inc., the holding company for two scheduled passenger airline operations and an aircraft leasing company, since October 2013, where he also is a member of its Compensation Committee. From October 2014 to December 2015, Mr. Mittelstaedt was a Director of Mattress Firm Holding Corp., the holding company for subsidiaries engaged in specialty retailing of mattresses and related products and accessories in the United States. He has more than 27 years of experience in the solid waste industry. He holds a B.A. degree in Business Economics with a finance emphasis from the University of California at Santa Barbara. We believe that Mr. Mittelstaedt's qualifications to serve on our Board of Directors include his extensive experience in the solid waste industry, including as our founder, our Chief Executive Officer and a director since the company was formed in 1997 and our Chairman since 1998.	. . .	52	1997

Name, Background and Qualifications		Age	Director Since
Robert H. Davis has served as the Managing Partner/President of Rubber Recovery Inc., a private, California-based scrap tire processing and recycling company, since July 2006. Mr. Davis is the conceptual founder and a member of the external advisory board of the Global Waste Research Institute at California Polytechnic State University ("Cal Poly"). He served as President of Waste Systems International, Inc., a turnkey solid waste management systems provider of environmentally acceptable solutions to developing countries outside the U.S., from November 2007 to 2009. From 2007 to 2010, he was a member of the board of effENERGY LLC, an alternative energy company. Prior to acquiring his ownership interest in Rubber Recovery Inc., Mr. Davis was President, Chief Executive Officer and a Director of GreenMan Technologies, Inc., a publicly traded tire shredding and recycling company, from 1997 to 2006. Prior to joining GreenMan, Mr. Davis served as Vice President of Recycling for Browning-Ferris Industries, Inc., from 1990 to 1997. With more than 40 years of experience in the solid waste and recycling industry, Mr. Davis has also held executive positions with Fibres International, Garden State Paper Company and SCS Engineers, Inc. Mr. Davis holds a B.S. degree in Mathematics from Cal Poly, has done graduate work at George Washington University in Solid Waste Management, and has engaged in continuing education at Stanford University Law School in Corporate Governance. In 2009, Mr. Davis was honored as Alumni of the Year for the College of Science/Mathematics at Cal Poly. Since 2008, Mr. Davis has served on the Dean's Executive Advisory Committee for the College of Engineering, and since 2010, he has served on the Dean's Executive Advisory Committee for the College of Science and Mathematics. We believe that Mr. Davis' qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his substantial experience in the solid waste and recycling industries, his considerable involvement in sustainability initiatives, his general experience with environmental matters, his government relations experience and his prior experience as a director of another publicly traded company.	. . .	73	2001
Edward E. "Ned" Guillet has been an independent human resources consultant since January 2007. From October 2005 until December 2006, he was Senior Vice President, Human Resources for the Gillette Global Business Unit of The Procter & Gamble Company, a position he held subsequent to the merger of Gillette with Procter & Gamble. From July 2001 until September 2005, Mr. Guillet was Senior Vice President and Chief Human Resources Officer and an executive officer of The Gillette Company, a global consumer products company. He joined Gillette in 1974 and held a broad range of leadership positions in its human resources department. Mr. Guillet has been a Director of CCL Industries Inc., a manufacturer of specialty packaging and labeling solutions for the consumer products and healthcare industries, since 2008, where he also serves as the Chairman of the Board of Directors' Human Resources Committee and a member of its Nominating and Governance Committee. Mr. Guillet is a former member of Boston University's Human Resources Policy Institute. He holds a B.A. degree in English Literature and Secondary Education from Boston College. We believe that Mr. Guillet's qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his substantial experience with human resources and personnel development matters, the positions he has held with other publicly traded companies and his experience as a director of another publicly traded company.	. . .	64	2007

Name, Background and Qualifications		Age	Director Since
Michael W. Harlan is currently Chairman of the Board of Directors and Chief Executive Officer of Principle Energy Services, a private-equity backed oilfield service company operating throughout several major oil and gas shale basins across the United States. Principle Energy Service provides engineered noise mitigation solutions for oil and gas drilling, completions and production and currently operates in five states while serving a wide range of customers from small, independent exploration companies to the major oil and gas companies. Mr. Harlan also serves as President of Harlan Capital Advisors, LLC, a private consulting firm focused on advising companies on operational matters, strategic planning, mergers and acquisitions, debt and equity investments, and capital raising initiatives. Prior to forming Harlan Capital Advisors, Mr. Harlan served as President and Chief Executive Officer of U.S. Concrete, Inc. (NASDAQ: USCR), a publicly traded producer of concrete, aggregates and related concrete products to all segments of the construction industry, from May 2007 until August 2011. From April 2003 until May 2007, Mr. Harlan served as Executive Vice President and Chief Operating Officer of U.S. Concrete, Inc. He also served as Chief Financial Officer of U.S. Concrete from May 1999 until November 2004 after founding U.S. Concrete in August 1998. Mr. Harlan also served as a Director of U.S. Concrete from June 2006 until August 2011. U.S. Concrete, Inc. operated under the provisions of Chapter 11 of the United States Bankruptcy Code from April 29, 2010 until confirmation of its plan of reorganization on August 31, 2010. In August 2013, Mr. Harlan joined the Board of Directors of Travis Acquisition, LLC, the parent of Travis Body & Trailer, Inc., a manufacturer of specialized trailers used in the construction, environmental services, agriculture and energy industries in the United States. In June 2015, Mr. Harlan joined the Board of Directors of Yulong Eco-Materials Limited (NASDAQ: YECO), a publicly-held manufacturer of eco-friendly building products in China, where he serves as the Chairman of the Compensation Committee and a member of the Audit Committee. Prior to founding U.S. Concrete, Mr. Harlan held several senior financial positions with public companies, including chief financial officer, treasurer and controller. Mr. Harlan began his career with an international public accounting firm. Mr. Harlan previously served on the Board of Trustees for the RMC Research and Education Foundation, where he is a past Chairman of the Board, the Board of Directors of the National Steering Committee for the Concrete Industry Management Education Program, and the Board of Directors and Executive Committee of the National Ready Mixed Concrete Association. Mr. Harlan also serves on the University of Houston Honors College Advisory Board. Mr. Harlan is a Certified Public Accountant and graduated magna cum laude from the University of Mississippi with a Bachelor of Accounting degree. We believe that Mr. Harlan’s qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his substantial experience in the solid waste industry, his significant experience in accounting and financial matters, including his extensive experience as a certified public accountant, his substantial experience with growth-oriented companies, and his prior experience as a director other publicly traded companies.	. . .	55	1998

Name, Background and Qualifications		Age	Director Since
William J. Razzouk has served as Chairman and a Director of Newgistics, Inc., a provider of intelligent order delivery and returns management solutions for direct retailers and technology companies, since March 2005. From March 2005 to December 2015, Mr. Razzouk also served as the President and Chief Executive Officer of Newgistics, Inc. From August 2000 to December 2002, he was a Managing Director of Paradigm Capital Partners, LLC, a venture capital firm in Memphis, Tennessee focused on meeting the capital and advisory needs of emerging growth companies. From September 1998 to August 2000, he was Chairman of PlanetRx.com, an e-commerce company focused on healthcare and sales of prescription and over-the-counter medicines, health and beauty products and medical supplies. He was also Chief Executive Officer of PlanetRx.com from September 1998 until April 2000. From April 1998 until September 1998, Mr. Razzouk owned a management consulting business and an investment company that focused on identifying strategic acquisitions. From September 1997 until April 1998, he was the President, Chief Operating Officer and a Director of Storage USA, Inc., a then publicly traded (now private) real estate investment trust that owned and operated more than 350 mini storage warehouses. He served as the President and Chief Operating Officer of America Online from February 1996 to June 1996. From 1983 to 1996, Mr. Razzouk held various management positions at Federal Express Corporation, most recently as Executive Vice President, Worldwide Customer Operations, with full worldwide P&L responsibility. Mr. Razzouk previously held management positions at ROLM Corporation, Philips Electronics and Xerox Corporation. He previously was a Director of Fritz Companies, Inc., Sanifill, Inc., Cordis Corp., Storage USA, PlanetRx.com, America Online and La Quinta Motor Inns. Mr. Razzouk holds a Bachelor of Journalism degree from the University of Georgia. We believe that Mr. Razzouk's qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his significant experience in corporate financial matters, his experience in the solid waste industry, his substantial experience with growth-oriented companies, and his prior experience as a director of other publicly traded companies.	. . .	68	1998

Our Director Nomination Process

Our Board of Directors believes that directors must have the highest personal and professional ethics, integrity and values. They must be committed to representing the long-term interests of our stockholders. They must have an objective perspective, practical wisdom, mature judgment and expertise, skills and knowledge useful to the oversight of our business. Our goal is a Board that represents diverse experiences at policy-making levels in business and other areas relevant to our activities, while encouraging a diversity of backgrounds, including with respect to gender, among our Board members. Directors should be committed to serving on the Board for an extended period of time.

In addition to the foregoing qualities, the Nominating and Corporate Governance Committee will take a number of other factors into account in considering candidates as nominees for the Board of Directors, including the following: (i) whether the candidate is independent within the meaning of our Corporate Governance Guidelines; (ii) relevant business, academic or other experience; (iii) willingness and ability to attend and participate actively in Board and Committee meetings and otherwise to devote the time necessary to serve, taking into consideration the number of other boards on which the candidate serves and the candidate's other business and professional commitments; (iv) potential conflicts of interest; (v) whether the candidate is a party to any adverse legal proceeding; (vi) the candidate's reputation; (vii) specific expertise and qualifications relevant to any Committee that the candidate is being considered for, such as whether a candidate for the Audit Committee meets the applicable financial literacy or audit committee financial expert criteria; (viii) willingness and ability to meet our director's equity ownership guidelines; (ix) willingness to adhere to our Code of Conduct and Ethics; (x) ability to interact positively and constructively with other directors and management; (xi) willingness to participate in a one-day new director orientation session; (xii) willingness to attend educational forums or workshops to enhance understanding of new and evolving governance requirements; and (xiii) the size and composition of the current Board.

When seeking director candidates, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management, third party advisors, business and personal contacts, and stockholders. The Nominating and Corporate Governance Committee may also engage the services of a search firm. After conducting an initial evaluation, the Nominating and Corporate Governance Committee will make arrangements for candidates it considers suitable to be interviewed by one or more members of the committee. Each candidate will be required to complete a standard directors' and officers' questionnaire, completed by all of the directors annually. The Nominating and Corporate Governance Committee may also ask the candidate to meet with members of our management. If the Nominating and Corporate Governance Committee believes that the candidate would be a valuable addition to the Board of Directors, it will recommend the candidate for nomination to the Board.

The Nominating and Corporate Governance Committee will apply the criteria described above when considering candidates recommended by stockholders as nominees for the Board of Directors. In addition, any of our stockholders may nominate one or more persons for election as a director of the company at an Annual Meeting of Stockholders if the stockholder complies with the notice, information and consent provisions contained in our Fourth Amended and Restated Bylaws. Pursuant to our Bylaws, to be considered for inclusion in our proxy materials, notice of a stockholder's nomination of a person for election to the Board of Directors must be received by the Secretary of Waste Connections in writing at the address listed on the first page of the proxy statement for our Annual Meeting of Stockholders not less than 90 days nor more than 120 days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be received not later than the 90th day prior to such annual meeting or, if later, the 10th day following the day on which public disclosure of the date of such annual meeting was first made. The notice must contain and be accompanied by certain information as specified in our Bylaws, including information about the stockholder providing the notice, the proposed nominees and other information as we may reasonably require. Stockholders making nominations must provide, among other things, information regarding each such stockholder's and their affiliates' holdings of "synthetic equity", derivatives or short positions and other material interests and relationships that could influence nominations and other information that would be required in a proxy statement. Additionally, stockholders nominating director candidates are required to disclose the same information about the director candidate that would be required if the director candidate were submitting a proposal, and the director candidates are required to complete a questionnaire and representation and agreement with respect to their background, any voting commitments or compensation arrangements and their commitment to abide by the company's governance guidelines. Such information must be updated and supplemented so as to be accurate as of the record date of the annual meeting and as of ten business days prior to the annual meeting. We recommend that any stockholder wishing to nominate a director at an annual meeting review a copy of our Bylaws.

Before nominating a sitting director for reelection at an Annual Meeting of Stockholders, the Nominating and Corporate Governance Committee will consider the director's past performance and contribution to the Board of Directors.

Corporate Governance Guidelines, Committee Charters and Code of Conduct and Ethics

As part of our ongoing commitment to good corporate governance, we have adopted Corporate Governance Guidelines and charters for the Committees of the Board of Directors to promote the effective functioning of our Board of Directors and its Committees, to promote the interests of stockholders and to ensure a common set of expectations concerning how the Board of Directors, its Committees and management should perform their respective functions. We have also adopted a Code of Conduct and Ethics that applies to all of our directors, officers and employees. Copies of our Corporate Governance Guidelines and our Code of Conduct and Ethics are available on our website at www.wasteconnections.com. A copy of either may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.

Information About our Audit Committee.

The Board of Directors has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The Audit Committee chairman is Mr. Harlan and the other current members are Messrs. Razzouk and Davis. The Audit Committee advises our Board of Directors and management with respect to internal controls, financial systems and procedures, accounting policies and other significant aspects of the company's financial management. Pursuant to its charter, the Audit Committee selects the company's independent registered public accounting firm and oversees the arrangements for, and approves the scope of, the audits to be performed by the independent registered public accounting firm. The Board of Directors has determined that all of the members of the Audit Committee are "financially literate" within the meaning of New York Stock Exchange listing standards. The Board of Directors has also determined that Mr. Harlan is an "audit committee financial expert" as defined under the Securities and Exchange Commission rules.

A current copy of the Audit Committee Charter, which our Board of Directors has adopted, is available on our website at www.wasteconnections.com. A copy of the Audit Committee Charter may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of reports on Forms 3, 4 and 5, and amendments to those reports, furnished to us during and with respect to fiscal year 2015 pursuant to Section 16 of the Exchange Act, and written representations from the executive officers and directors that no other reports were required, we believe that no executive officers, directors or beneficial owners of more than ten percent of a registered class of our equity securities were late in filing such reports during 2015.

ITEM 11. EXECUTIVE COMPENSATION.

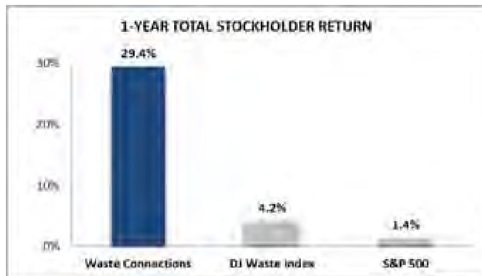
Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides a detailed description of our executive compensation philosophy and objectives, the elements of our executive compensation programs, the compensation decisions the Compensation Committee has made under those programs and the factors considered in making those decisions. This section of this Amendment to our Original 10-K focuses on the compensation earned by our named executive officers, or NEOs. For 2015, our NEOs included the following individuals:

- Ronald J. Mittelstaedt, Chief Executive Officer and Chairman of the Board;
- Worthing F. Jackman, Executive Vice President and Chief Financial Officer;
- Steven F. Bouck, President;
- Darrell W. Chambliss, Executive Vice President and Chief Operating Officer; and
- Patrick J. Shea, Senior Vice President, General Counsel and Secretary.

Executive Summary

Waste Connections' executive compensation program is designed to align the interests of senior management with stockholders by tying a significant portion of their compensation to the company's annual operating and financial performance, as well as longer term stockholder returns. We believe that our pay-for-performance philosophy and the design of our executive compensation program strongly support an environment of continuous improvement and stockholder value creation. As illustrated below, our one-year and five-year total stockholder returns ("TSR") significantly outperformed the S&P 500 Index ("S&P 500") and the Dow Jones U.S. Waste & Disposal Services Index ("DJ Waste Index") for the one- and five-year periods ended December 31, 2015.



Fiscal 2015 Performance

FY 2015 was an exceptional year for our solid waste operations. Strong organic growth and an approximate 180 basis points year-over-year margin expansion in solid waste offset a significant portion of the revenue and EBITDA headwinds resulting from the decline in higher margin exploration and production, or E&P, waste activity due to the precipitous drop in crude oil prices. This operating performance, combined with acquisitions completed during the year and our pending combination with Progressive Waste Solutions Ltd. ("Progressive Waste") announced in early 2016, provides continuing momentum for future growth and stockholder value creation. In addition, we further improved the company's safety-related incident rate from the previous year, and 2015 was our ninth consecutive year of improvement in incident rates.

We spent approximately $238.8 million for capital expenditures to reinvest in and expand our business and deployed approximately $347.9 million for acquisitions, including an integrated solid waste new market entry in central and northern Illinois. The company's 29.4% TSR in 2015 significantly exceeded the S&P 500 and the DJ Waste Index, and 2015 was our 12th consecutive year of positive TSR. Compared to the prior year, in 2015 we more than doubled our return of capital to stockholders to $157.2 million through cash dividends and common stock repurchases, and we increased our regular quarterly cash dividend by 11.5% to $0.145 per share.

A more detailed description of the company's fiscal year 2015 performance, including a reconciliation of non-GAAP financial measures and a graphical representation of the TSRs for the S&P 500 and the DJ Waste Index, can be found on pages 37 and 61-63 and page 33, respectively, of our Original 10-K.

Executive Compensation Program Best Practices

Our current executive compensation program includes features which we believe drive performance and excludes features we do not believe serve our stockholders' long-term interests. The table below highlights some of the "Best Practices" featured in our compensation program as well as the "Problematic Pay Practices" which are excluded.

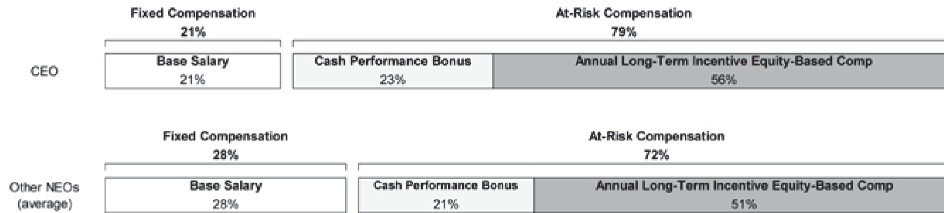
	Included Features (What We Do)		Excluded Features (What We Don't Do)
✓	**Pay for Performance –** Our NEOs receive the majority (about 79% for the CEO and about 72% for other NEOs) of their compensation in performance-based compensation—annual cash incentives, performance-based restricted stock units and restricted stock units awarded based on company and individual performance.	x	**No guaranteed base salary increases, minimum bonuses or equity awards** – Our NEO employment agreements do not provide for guaranteed base salary increases, minimum bonuses or equity awards.
✓	**Recoupment Policy** – In November 2015, we adopted a Compensation Recoupment Policy (the "Clawback Policy") to provide that if an accounting restatement occurs, our Board shall seek to require the forfeiture or repayment of certain incentive compensation paid to an executive officer if (i) the executive officer engaged in fraud or intentional misconduct that materially contributed to the need for the restatement or (ii) a clawback is otherwise required by the applicable rules and regulations of the Securities and Exchange Commission or the Company's stock exchange.	x	**No "single trigger" severance payments in employment agreements** – In February 2012, we eliminated provisions in the employment agreements of our CEO and other executive officers who were NEOs at that time that provided severance payments to be made solely upon the occurrence of a change in control event. In December 2015, we amended our CEO's employment agreement so that unvested equity awards held by him are treated with double-trigger change in control provisions similar to the rest of his compensation in the event of a change in control followed by the termination of his employment.
✓	**Use of Peer Group Data and Tally Sheets** – We utilize tally sheets annually when making executive compensation decisions, and periodically review comparative compensation data relative to our comparator group of companies.	x	**No dividends or dividend equivalents on unvested equity awards** – We do not pay ordinary dividends on unvested time-based equity awards. For our performance-based restricted stock units ("PSUs"), dividend equivalents are paid in cash, without interest, only when and to the extent the PSUs are earned.
✓	**Stock Ownership Guidelines** – Our executive officers are expected to hold a multiple of their base salaries in the company's common stock (as described below under "Stock Ownership Guidelines") and non-employee directors are expected to hold a number of shares of the company's common stock having a value of at least $200,000 (which amount increased to $300,000 on January 1, 2016).	x	**No discounting of stock options or re-pricing or buyout of underwater options –** We expressly prohibit the discounting of stock options and the re-pricing or cash buyouts of underwater options.
✓	**Conservatively Manage Use of Equity Grants –** Our annual equity grants have averaged less than 0.50% of outstanding shares over the last five fiscal years.	x	**No Hedging or Pledging of Securities** – Executive officers and directors are prohibited from engaging in transactions designed to hedge against the economic risks associated with an investment in our common stock or pledging our common stock in a margin account.

	Included Features (What We Do)		Excluded Features (What We Don't Do)
✓	**Risk Management –** Our executive officers' compensation program has been designed, and is periodically reviewed, to ensure that it does not encourage inappropriate risk-taking. See "Compensation Risk Assessment" section below for further discussion.	x	**No Excise Tax Gross-Ups –** In February 2012, we eliminated provisions in the employment agreements of our CEO and other executive officers who were NEOs at that time that provided for excise tax gross-up rights imposed under IRC Section 4999 as a result of a change in control of the company.

Pay for Performance Compensation Mix

The company's compensation programs are designed to reward executives for achieving strong operational performance and delivering on the company's strategic initiatives, each of which are important to the long-term success of the company. The Compensation Committee believes that a significant portion of the compensation of our NEOs should be aligned with our stockholders' interests and directly linked to measurable performance. To evaluate the proportion of performance-based compensation for our NEOs, the Compensation Committee looks at recurring compensation by examining Total Direct Compensation, or TDC, earned by our NEOs. TDC is calculated by adding base salary, actual cash performance bonuses paid and the grant date fair value of stock awards, each as reported in our Summary Compensation Table. It excludes indirect compensation reported under the "All Other Compensation" column of our Summary Compensation Table.

As illustrated below, At-Risk Compensation, comprised of cash performance bonuses and equity-based compensation, made up approximately 79% of the TDC of our CEO, and 72% of the combined TDC of our other NEOs in 2015.



CEO Pay-at-a-Glance

The following graph shows the relationship of our CEO's TDC compared to our cumulative stockholder return indexed over the last five fiscal years. As illustrated, Waste Connections delivered total stockholder return of 115.7% over this period while the Compensation Committee's decisions and changes to our executive compensation program increased TDC of our CEO by approximately 53%.

On a year-over-year basis, the TDC of our CEO declined 12.3% in 2015 due to a 42.3% decrease in his cash performance bonus. In 2014, the company exceeded all of its financial performance targets, resulting in an overall payment of 170% of target opportunity for that fiscal year. Approximately 50% of the year-over-year increase in our CEO's TDC in 2014 was related to the increase in cash incentives linked to the company's strong financial performance in that year; another 25% of the increase was related to the introductory grant of PSUs. In 2015, below target performance resulting from the decline in higher margin E&P waste activity related to the precipitous drop in crude oil prices drove the year-over-year decline in our CEO's TDC.

Last Year's "Say on Pay"

The company provides its stockholders with an opportunity to cast an annual advisory vote with respect to its NEO compensation as disclosed in the company's annual proxy statement, or "Say on Pay" proposal ("Say on Pay"). At last year's Annual Meeting of Stockholders, more than 74% of the shares that voted approved our NEO compensation program as described in last year's proxy statement. In light of concerns expressed by a proxy advisory firm and based upon our management's engagement with stockholders holding over 65% of our outstanding shares regarding compensation matters, the Compensation Committee, as discussed below, implemented additional changes to the company's compensation program in 2015 and intends to review further changes upon completion of our announced combination with Progressive Waste.

Recent and Anticipated Changes to Further Align Pay with Performance

Consistent with our stockholders' support and the significant stockholder value creation over the years, the Compensation Committee decided to retain the core design of our executive compensation program for fiscal 2015. However, based on observations of our stockholders and proxy advisory firms, the company's management and Compensation Committee, with the input of the full Board of Directors and the Compensation Committee's independent compensation consultant, reviewed our executive compensation programs and made certain revisions to further align pay with performance.

In 2014, the Compensation Committee introduced performance-based restricted stock units ("PSUs") with two new and distinct performance metrics measured over a three-year period as a new component of compensation for the Company's executive officers, including its NEOs. The Compensation Committee also revised our stock ownership guidelines to (i) increase the amount of company stock our CEO and other executive officers must own (as described below under "Stock Ownership Guidelines"), and (ii) broaden the guidelines to include executive officers at all levels.

In early 2015, the Compensation Committee introduced a one-year performance-based condition to the company's annual restricted stock unit ("RSU") grants to its executive officers based on free cash flow generation—a different metric from those used for performance bonuses and PSU grants. Only if the company satisfies the performance targets during the year in which the grant is made will the grants then continue to time-vest over a multi-year schedule. Accordingly, beginning in 2015, all equity grants awarded to our NEOs contain a performance-based threshold the company must meet before grants may vest.

In late 2015, our Board of Directors adopted a Compensation Recoupment Policy. In addition, our CEO's employment agreement was amended to override the single trigger provision in the company's equity incentive award agreements, so unvested equity held by him is subject to the same double-trigger change in control provisions as the rest of his compensation.

The Compensation Committee, following completion of our combination with Progressive Waste, intends to review additional changes to our compensation program, including:

- Increasing the percentage of each executive and non-executive officer's long-term performance-based equity compensation (relative to annual performance-based RSU awards) so that PSUs constitute a higher percentage of total equity compensation, as part of a multi-year plan to increase the prevalence of PSUs;
- Introducing relative TSR as a performance metric to the company's PSU program; and
- Eliminating EBITA CAGR as a performance metric in our PSU program to address any potential concerns of proxy advisory firms that, although different, such a metric might be considered similar to the annual EBITDA target incorporated into our annual cash incentive bonus plan.

Our Compensation Philosophy and Objectives

The Compensation Committee's philosophy with respect to the compensation of the NEOs does not differ materially from its philosophy regarding other executive officers. The Compensation Committee believes that compensation paid to NEOs should closely align with our performance on both a short-term and long-term basis, be linked to specific, measurable results intended to create value for stockholders and assist us in attracting and retaining key executives critical to our long-term success.

In establishing compensation for NEOs, the Compensation Committee's objectives are to:

- Attract and retain individuals with superior leadership ability and managerial talent by providing competitive compensation and rewarding outstanding performance;
- Ensure that NEO compensation is aligned with our corporate strategies, business objectives and the long-term interests of our stockholders;
- Provide an incentive to achieve key strategic and financial performance measures by linking incentive award opportunities to the achievement of performance measures in these areas;
- Create an incentive for sustained growth; and
- Provide a balanced approach to compensation policies and practices, which does not promote excessive risk-taking.

Our overall compensation program is structured to attract and retain highly qualified executive officers by paying them competitively and consistent with our success. We believe that the compensation structure should ensure that a significant portion of pay directly relates to our stock's performance and other factors that directly and indirectly influence stockholder value. Accordingly, our approach to compensation is to provide base salary, an annual performance-based incentive opportunity tied to goals that link NEO compensation to our annual operating and financial performance, and long-term equity grants intended to align NEO compensation with stockholder returns and financial performance over a longer period and to aid in retention. Each year, the Compensation Committee allocates total compensation for NEOs between cash and equity based on comparisons with other companies and the judgment of the Compensation Committee members.

Approach to Compensation; Role of the Compensation Committee

The Compensation Committee has the primary authority for the consideration and determination of the cash and equity compensation we pay to our executive officers. The Compensation Committee also makes recommendations to the Board of Directors concerning cash and equity-based compensation and benefits for non-management directors. To aid the Compensation Committee, the CEO meets with the Compensation Committee and provides recommendations annually to the Compensation Committee regarding the compensation of all executive officers, other than himself. However, the Compensation Committee is not bound to follow the CEO's recommendations. Pursuant to its charter, the Compensation Committee has the authority to engage its own independent advisors to assist it in carrying out its duties. The Compensation Committee holds executive sessions not attended by any members of management or non-independent directors.

The Compensation Committee meets in the first quarter of each fiscal year to review and approve:

- The achievement of financial performance goals for the prior fiscal year and, if applicable, a multi-year period;
- Performance-based compensation, if earned, based on such achievement for the prior fiscal year or multi-year period;
- Annual equity-based compensation grants;
- Financial goals for performance-based awards; and
- The level and mix of NEO compensation for the current fiscal year.

In determining the base salary, performance-based compensation and long-term equity-based compensation levels for the NEOs, the Compensation Committee considers: (i) the compensation structure and practices of a comparator group of companies that it believes are the company's leading competitors in the solid waste industry; (ii) a comparator group of companies, most of which are non-solid waste companies, with comparable financial profiles; and (iii) its own judgment as to an appropriate level of compensation for a company of our size and financial performance. From time to time, the Compensation Committee uses compensation consultants and comparator group analyses from third parties to assess our compensation components. The Compensation Committee believes that achieving the 60th percentile, over time, of market levels of target TDC for our existing NEOs is appropriate given their extensive experience, knowledge and their impact on the long-term success of the company.

For 2015, the Compensation Committee considered a tally sheet that included, for each officer (including the NEOs), current base salary, salary paid in 2014, bonus percentage, cash bonus paid in 2014, RSUs and PSUs granted in 2014, the dollar amount of 401(k) and Nonqualified Deferred Compensation Plan matches in 2014, payments and reimbursements for various expenses that could be considered perquisites, the value of unvested RSUs and PSUs as of the end of the year, and the amount payable to each officer under various severance scenarios, including upon a change in control. In determining the amount of compensation for the NEOs, the Compensation Committee does not take into account amounts realized from prior equity-based compensation grants because the Compensation Committee seeks to provide compensation that takes into account the cost of replacing the NEOs on a market competitive basis and what is equitable based on our performance. We believe that, to some extent, appreciation reflected in the amounts realized from prior equity-based compensation grants confirms the Compensation Committee's success in aligning compensation with our stockholders' interests, thus validating our compensation philosophy.

We provide Mr. Mittelstaedt with greater compensation and benefits than the other NEOs to reflect his importance and value to us as well as the increased level of responsibility and risk faced by him as our CEO and Chairman. Mr. Mittelstaedt's compensation also differs as a direct result of the Compensation Committee's review of the comparator compensation data, and reflects the competitive nature of compensation paid to chief executive officers of companies within the comparator group. The Compensation Committee believes that Mr. Mittelstaedt's competitive compensation package is important to reward, motivate and retain him as a highly valued chief executive whose leadership and strategic vision have helped create significant value for stockholders since our inception.

Role of Independent Compensation Consultant; Comparison Group Compensation Data

The Compensation Committee periodically retains Pearl Meyer, a nationally known compensation consulting firm, to provide it with market data and information regarding market practices and trends, assess the competitiveness of our executive compensation program, compare the performance of the company relative to a comparator group, assist with the development of the Compensation Discussion and Analysis in the proxy statement, and provide analysis on our non-employee director compensation. The Compensation Committee retains Pearl Meyer directly, supervises all work assignments performed by them, and reviews and approves all work invoices received for payment. Pearl Meyer has not performed any other service for the company. As required under Item 407(e)(3) of Regulation S-K, the Compensation Committee annually assesses whether the work of Pearl Meyer raised any conflict of interest. No conflict of interest was determined to exist with respect to Pearl Meyer's services as a compensation consultant during the last fiscal year.

In light of a proxy advisory firm's recommendation against our most recent "say on pay" vote, the Compensation Committee independently retained Pearl Meyer in 2015 to review the composition of the company's comparator group which had last been updated in 2014, and to evaluate the pay versus performance alignment of our CEO's compensation against such group of companies (the "Pearl Meyer 2015 Comparator Group Review"). The Pearl Meyer 2015 Comparator Group Review compared the base salary, target and actual total cash compensation, long term incentive opportunity, and actual and target TDC of our CEO to market levels. The Compensation Committee periodically analyzes the compensation practices of a comparator group to assess the company's competitiveness with the market. In doing so, it takes into account factors such as the relative size and financial performance of those companies and factors that differentiate us from them.

Pearl Meyer reviewed the comparator group that had been selected in 2014 against the most recent comparator peer groups developed by two proxy advisory firms. Pearl Meyer also reviewed the TSR correlation of companies in the three different comparator groups and the alignment of pay versus performance for the three different comparator groups. With input from the Compensation Committee, Pearl Meyer in 2015 maintained the same 14 companies in the comparator group as had been selected in 2014, consisting of the following companies (collectively, the "Company Comparator Group"):

- Cintas Corp.
- Clean Harbors, Inc.
- Covanta Holding Corp.
- Fastenal Company
- Iron Mountain, Inc.
- JB Hunt Transport Services
- Martin Marietta Materials, Inc.
- MSC Industrial Direct Co., Inc.
- Progressive Waste Solutions Ltd.
- Quanta Services, Inc.
- Rollins Inc.
- Stericycle, Inc.
- United Rentals
- Vulcan Materials Company

The list of companies in the Company Comparator Group is determined based on (i) organization size, with financial characteristics such as revenue, free cash flow, capital expenditures, EBITDA or enterprise value similar to those of Waste Connections, and (ii) industry, including companies in the environmental, facilities and diversified support services, distribution and construction industries. Relative to the Company Comparator Group, Waste Connections' revenue, EBITDA and free cash flow for 2014 and enterprise value as of June 30, 2015, is positioned at the 21st percentile, 64th percentile, 71st percentile and 43rd percentile, respectively.

Based on its 2015 review of the company's compensation practices, Pearl Meyer concluded that the company's CEO pay rank is consistent with the Compensation Committee's pay philosophy to target the 60th percentile of the comparator group, and that CEO targeted pay is aligned with performance when compared to any of the three comparator groups.

Elements of Compensation

The Compensation Committee believes that a significant portion of the compensation of our NEOs should align with our stockholders' interests and be directly linked to performance. While the exact pay mix of our NEOs' total compensation (base salary, performance bonuses, and equity-based compensation) is not specifically determined, the Compensation Committee generally targets performance bonuses and equity-based compensation for our NEOs to constitute between 70% and 80% of Total Direct Compensation assuming target level payouts are achieved; this is consistent with market consensus data provided by Pearl Meyer. The Compensation Committee has complete discretion to determine compensation levels.

Base Salary. Our compensation program includes base salaries to compensate executive officers for services rendered each year. Base salaries provide a secure base of compensation that is not dependent on our performance and is an amount that recognizes the role and responsibility of each executive officer, as well as such executive's experience, performance and contributions. We also believe this element is beneficial in attracting and retaining high-performing and experienced executives.

The Compensation Committee considers base salary increases for certain of our executives annually. Base salary decisions generally reflect the Committee's consideration of our comparator group data and subjective factors including an executive's experience and past performance. For 2015, the Compensation Committee approved the following salary increases:

Name	2014 Base Salary	2015 Base Salary	% Increase
Ronald J. Mittelstaedt	$969,000	$969,000	-
Worthing F. Jackman	$500,000	$512,500	2.5%
Steven F. Bouck	$622,000	$622,000	-
Darrell W. Chambliss	$456,000	$467,400	2.5%
Patrick J. Shea	$352,500	$370,000	5.0%

In determining 2016 base salaries for our NEOs, the Compensation Committee, for the second year in a row, did not increase Mr. Mittelstaedt's base salary and provided a 2.5% increase to the base salaries of the other NEOs, effective February 1, 2016.

Performance Bonuses. Our compensation program includes a performance bonus to reward executive officers based on our performance and the individual executive's contribution to that performance. Under our Management Incentive Compensation Program (the "MICP"), which is administered pursuant to our 2014 Incentive Award Plan, each participant has an opportunity to earn an annual performance bonus based on a targeted percentage of the participant's annual base salary for the year. The objective of the annual performance bonus is to provide participants an incentive to manage the company to achieve financial performance targets based on budgeted revenue. See "Management Incentive Compensation Program" section below for further discussion of the NEOs' performance bonuses.

Equity-Based Compensation. We believe that equity ownership in our company ties executive compensation to the performance of our stock and creates an incentive for sustained growth and employee retention. Equity-based awards and creating superior stockholder returns are valued by our equity award recipients. That sense of the value provided to executives coupled with multi-year vesting periods serves to enhance retention and corporate culture, both of which are instrumental to the future success of the company and the long-term interests of our stockholders.

Since 2007, the Compensation Committee has only granted RSU awards to our NEOs; no stock options have been granted to our NEOs since 2006. The Compensation Committee believes that the use of RSU awards reduces the overall compensation cost to us compared to the cost of granting options at levels intended to convey similar value, yet offers our NEOs a competitive and more stable equity-based compensation. RSU awards provide our executives with the opportunity to share in the success of the company. RSU awards vest in equal increments annually over four years. Upon vesting of the RSU awards, the participant receives shares of our common stock equal to the number of RSUs that vested, less any shares used to pay withholding taxes. There are no ordinary dividends paid on outstanding RSUs during the vesting period, and RSUs do not carry voting rights.

Beginning with grants of RSUs made in 2015, the Compensation Committee implemented a one-year performance hurdle based upon achievement of a target amount of free cash flow as a percentage of revenue, or FCF margin, for the fiscal year in which the grant is made. The Compensation Committee selected this metric because it believes it is a key driver of value creation. Only if the company satisfies this performance target for the year in which the grant is made will the grants then continue to vest over a multi-year time-based schedule.

In 2014, the Compensation Committee introduced performance-based restricted stock units, or PSUs, which are awards with three-year performance hurdles to further enhance the link between executive compensation and company performance. At target, the PSUs represent 20% of the total annual long-term incentives awarded to each participant. For the 2014-2016 and 2015-2017 performance periods, each participant may earn between 25% and 150% of the target number of PSUs based on achievement of a return on invested capital, or ROIC, goal and an EBITA growth goal, each weighted 50%. The Compensation Committee selected these metrics because it believes they are critical drivers of sustained value creation over the longer term. At the end of a three-year performance period, the Compensation Committee will certify the performance results and percentage payout, as well as the resulting final number of PSUs earned by each participant, if any. There are no dividends paid on outstanding PSUs during the vesting period, but dividend equivalents on the number of PSUs that ultimately vest will accumulate and a dividend equivalent payment will be payable to each participant on the settlement date without interest. Upon vesting of the PSUs, in addition to receiving the number of shares of common stock determined in accordance with the payout calculation, the participant will receive a cash dividend equal in value to the total dividends that would have been paid on the number of shares of common stock that vest. PSUs do not carry voting rights.

Our NEOs' 2015 annual RSU and PSU awards were granted on February 12, 2015. See "Equity-Based Compensation" section below for further discussion of the NEOs' equity-based compensation.

Management Incentive Compensation Program

Under the MICP, executive officers of the company, including NEOs, are eligible to receive performance bonus payments and equity-based compensation. In 2015, each participant had the opportunity to earn up to 200% (Messrs. Mittelstaedt, Jackman, Bouck and Chambliss) or 150% (Mr. Shea) of such person's targeted performance bonus based on our achievement of certain targeted levels of financial performance established by the Compensation Committee and (other than with respect to Mr. Mittelstaedt) based on the recommendations of the CEO.

The Compensation Committee adopted the performance targets for the fiscal year in February 2015. The company's performance was compared to target levels of: (1) EBITDA, weighted at 20%; (2) operating income, or EBIT, weighted at 20%; (3) operating income as a percentage of revenue, or EBIT Margin, weighted at 30%; and (4) net cash provided by operating activities as a percentage of revenue, or CFFO Margin, weighted at 30%. Payouts are determined based on the weighted average achievement of the company relative to each metric (the "multiplier"). Because the operating budget adopted by the Board of Directors is a compilation of stretch goals set for each operating location, the targeted performance goals reflect a percentage or factor of the final budget, consistent with the prior year, as set forth below:

	Original 2015 Budget	2015 Factor	2015 Targeted Performance Goal	Weight
EBITDA	$754.8M	96.0%	$724.6M	20%
EBIT	$488.0M	96.0%	$468.5M	20%
EBIT Margin	22.1%	N/A	21.2%	30%
CFFO Margin	26.0%	97.0%	25.2%	30%

The Compensation Committee establishes targeted performance goals at levels intended to be difficult but attainable. For example in 2013 and 2014, we achieved a weighted-average of 99.2% and 103.5%, respectively, of targeted performance goals.

Under the terms of the MICP, the Compensation Committee, in its complete and sole discretion, may adjust the targeted performance goals if an acquisition, significant new contract or extraordinary event results in a significant impact to the goals. For these purposes, the Compensation Committee determines operating income, or EBIT, by adjusting for any gains or losses on disposal of assets, and determines EBITDA by adding depreciation and amortization to operating income. The Compensation Committee chose these measures of performance because they are widely used by investors as valuation measures in the solid waste industry and because the targeted goals encourage improving free cash flow and returns on invested capital.

For 2015, the target bonuses were set at as follows:

Name	Target Bonus (as a % of Base Salary)
Ronald J. Mittelstaedt	115%
Worthing F. Jackman	75%
Steven F. Bouck	75%
Darrell W. Chambliss	75%
Patrick J. Shea	50%

The company's cumulative performance relative to target is calculated as a weighted average and treated as a multiplier. The multiplier is applied to the target payout so that if the company achieved 100% of its targets, the participants would receive 100% of their performance bonuses. Participants may earn from 0% up to a maximum of 200% or 150% of their targeted performance bonuses, based on their position, in accordance with the following sliding scale, which illustrates the interpolation of payouts within the ranges:

		Bonus as % of Base Salary			Bonus as % of Base Salary
% Target Achievement	Target % Multiplier	CEO	President, CFO and COO	Target % Multiplier	SVP
105% or Higher	200%	230%	150%	150%	66%
104%	180%	207%	135%	140%	63%
103%	160%	184%	120%	130%	60%
102%	140%	161%	105%	120%	57%
101%	120%	138%	90%	110%	53%
100%	100%	115%	75%	100%	50%
99%	80%	92%	60%	90%	47%
98%	60%	69%	45%	80%	44%
97%	40%	46%	30%	70%	40%
96%	20%	23%	15%	60%	37%
95%	0%	0%	0%	50%	34%

Payments under this program are contingent on continued employment at the time of payout, subject to the terms of any applicable employment agreements.

2015 Adjusted Target Goals and Results

In February 2016, the Compensation Committee adjusted the targets and results for 2015 to reflect the impact of certain acquisition-related items and loss on disposal of assets. Based on the calculations, the company achieved a weighted-average of 99.9% of our NEOs' targeted performance goals in 2015 compared to 103.5% in 2014. Adjusted targeted performance goals and results and the corresponding target achievement percentages for 2015 were as follows:

	Adjusted Target[(1)]	Actual Results[(1)]	Actual Results as % of Target	Weighting	Target Achievement
EBITDA	$737.9M	$710.6M	96.3%	20%	19.3%
EBIT	$474.0M	$441.2M	93.1%	20%	18.6%
EBIT Margin	21.1%	20.8%	98.6%	30%	29.6%
CFFO Margin	25.2%	27.3%	108.1%	30%	32.4%
Overall Achievement					99.9%

(1) The Compensation Committee adjusted the targets and results for 2015 to reflect the impact of certain acquisition-related items and loss on disposal of assets.

For 2015, actual annual performance bonuses earned as a percentage of each participant's eligible base salary were as follows:

Name	Actual Bonus % of Eligible Base Salary
Ronald J. Mittelstaedt	112.7%
Worthing F. Jackman	113.5%
Steven F. Bouck	73.5%
Darrell W. Chambliss	73.5%
Patrick J. Shea	58.1%

Bonuses for each participant were calculated pursuant to the interpolated sliding scale shown above. Mr. Jackman received an additional $200,000 discretionary bonus in recognition of his role as a leading CFO among mid-cap companies. Mr. Shea received an additional $32,263 discretionary bonus for his achievements during the year. Both awards represented less than 10% of each executive's total compensation for the year.

Further disclosure regarding the actual annual incentive bonus amounts earned by the NEOs for 2015 under the MICP are located in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

In lieu of paying an annual performance bonus in cash, the Compensation Committee, in its complete and sole discretion, may choose to pay the annual performance bonus in RSUs issued under our 2014 Incentive Award Plan or any succeeding plan we adopt. All 2015 bonuses paid pursuant to the MICP were paid in cash.

On March 25, 2016, the Compensation Committee approved our 2016 MICP under our 2014 Incentive Award Plan, which is substantially similar to the 2015 MICP.

Exercise of Discretion in Executive Compensation Decisions

As a risk mitigation provision, the Compensation Committee has complete discretion to withhold payment pursuant to any of our incentive compensation plans irrespective of whether our NEOs or we have successfully met the goals set under these plans. The Compensation Committee did not apply this negative discretion under our incentive compensation plans with respect to the NEOs during 2015.

Equity-Based Compensation

Restricted Stock Units. We believe equity awards create an incentive for each executive to contribute to the sustained growth of the company as well as serving as a method of employee retention. Each year, the Compensation Committee, after consultation with the CEO, assesses the performance of both the company and each of the NEOs during the most recently completed fiscal year. Based on the Compensation Committee's subjective review of the prior year's performance and with a focus on maintaining a competitive market level of compensation each participant receives a grant of restricted stock units, or RSUs, pursuant to the MICP and under the 2014 Incentive Award Plan. Such RSUs are subject to a four-year vesting schedule approved by the Compensation Committee. In 2015 for annual RSU awards granted to our executives, the Compensation Committee implemented a performance hurdle for annual RSU awards granted to our executives. The company must achieve a target free cash flow as a percentage of revenue, or FCF margin, for that fiscal year in order for the executive to earn the RSU award. Once earned, the award is then subject to a multi-year time-based vesting period.

While staying competitive with the market is an overall guideline, individual target opportunities may vary based on the Compensation Committee's consideration of other factors, as discussed above. Target RSU awards are approximately 200% of current base salary for Mr. Mittelstaedt, 150% of current base salary for Messrs. Jackman, Bouck and Chambliss, and 125% of current base salary for Mr. Shea. For 2015, the RSU grant for Mr. Mittelstaedt was approximately 213% of his base salary, for Messrs. Jackman, Bouck and Chambliss the award was approximately 160% of their respective base salaries, and for Mr. Shea the award was approximately 131% of his base salary. See the "Grant of Plan Based Awards in Fiscal Year 2015" table for the amount of equity awards granted to each of the NEOs in 2015.

Performance-Based Restricted Stock Units. On February 12, 2015, the Compensation Committee approved grants of PSU awards to each NEO. Payouts are determined based on the achievement of two equally weighted performance goals: the compound annual growth rate of return on invested capital, or ROIC, and the compound annual growth rate of operating income before amortization expense, or EBITA. Each participant has the opportunity to earn between 25% and 150% of the target number of PSUs based on the company's achievement of the goals during the three-year performance period. For the portion of the award based on growth in ROIC, achievement of 83.3% of the ROIC goal will result in delivery of 50% of the targeted number of shares, and 133.3% of ROIC goal achievement will result in delivery of 150% of the targeted number of shares. For the portion of the award based on EBITA performance, achievement of 75% of the EBITA growth goal will result in delivery of 50% of the targeted number of shares and achievement of 125% of the EBITA growth goal will result in delivery of 150% of the targeted number of shares, as illustrated below:

ROIC

	Threshold	Target	Maximum
Performance	83.3%	100%	133.3%
Payout	50%	100%	150%

EBITA

	Threshold	Target	Maximum
Performance	75%	100%	125%
Payout	50%	100%	150%

Award payouts are interpolated between threshold, target, and maximum performance goals. Performance below the threshold level will result in no awards delivered for that portion of the award. The target number of shares for the PSUs is equal to 20% of each participant's 2015 annual long-term incentive award. Once the Compensation Committee has determined the level of performance goal achievement, earned PSUs will vest within 15 business days; but in no event shall the vesting date be later than March 15, 2018.

Performance goals for the three-year performance period are recommended by management based on the company's historical performance, current projections and trends, and are established during the first quarter of the performance period. The Compensation Committee reviews management's recommendations (including a discussion of associated risks), determines appropriate revisions, and once satisfied with the degree of difficulty associated with goal achievement, approves the goals for each performance period. The Compensation Committee seeks to establish goals such that the likelihood of missing the target goal is at least as high as the likelihood of achieving the target goal based on reasonable assumptions and projections at the time of grant.

Stock Ownership Guidelines

To further align management and stockholder interests and discourage inappropriate or excessive risk-taking, our Compensation Committee has established stock ownership guidelines for our executive officers. The current minimum ownership thresholds are as follows:

- For the Chief Executive Officer, five times such participant's base salary;
- For the President, four times such participant's base salary;
- For Executive Vice Presidents, three times each such participant's base salary;
- For Senior Vice Presidents, two times each such participant's base salary; and
- For Vice Presidents, one times each such participant's base salary.

Once an executive officer satisfies the ownership requirement as a multiple of base salary, the number of shares the executive owns to meet the requirement as of the assessment date becomes his or her minimum ownership requirement (regardless of salary increases or stock price fluctuations) until he or she is promoted to a higher level. Notwithstanding the foregoing, once an individual is determined to be in compliance with the ownership guidelines as of the assessment date, he or she shall be deemed to remain in compliance, regardless of any subsequent stock price fluctuations, as long as such individual maintains ownership of at least the same number of shares as that required as of the assessment date for which he or she was previously compliant.

Each executive officer is expected to attain the applicable stock ownership threshold under the guidelines within five years following the later of (i) the first annual assessment with respect to such individual or (ii) the first annual compliance assessment at which a higher stock ownership multiple becomes applicable to such individual (due to a promotion or otherwise). The intent of the five-year phase-in period is to permit gradual accumulation of the incremental ownership associated with a new or higher multiple. Shares included in the calculation are those deemed "beneficially owned" by the executive officer within the meaning of the rules of the SEC, restricted stock or RSUs subject to time-based vesting held by the executive officer, and vested or time-based unvested RSUs or resulting shares deposited into a deferred compensation plan or arrangement.

As of the date of this proxy statement, all of our executive officers exceeded the requirements of our stock ownership guidelines.

Timing of Equity Awards

The Compensation Committee generally makes company-wide annual grants of equity-based compensation to our executive officers and other employees in late January or in February following the public release of year-end financial results and outlook for the upcoming year. This timing is optimal from the Compensation Committee's standpoint for two reasons: first, the Compensation Committee has the financial results from the previous year; and second, management may notify employees of the annual grant award at or around the same time they typically notify employees of their cash performance bonus with respect to the previous year, which we typically pay in February.

Other Benefits

We provide certain limited benefits to our employees, including the NEOs, to fulfill particular business purposes. In general, these benefits make up a very small percentage of total compensation for the NEOs.

401(k) Plan. The NEOs are entitled to participate in a company-sponsored 401(k) profit sharing plan on the same terms as all employees. We make matching contributions of 50% of every dollar of a participating employee's pre-tax and Roth contributions until the employee's contributions equal six percent of the employee's eligible compensation, subject to certain limitations imposed by the IRC. Employees are eligible to participate in the 401(k) plan beginning on the first day of the month following completion of sixty days of employment. Our matching contributions vest over four years.

Deferred Compensation Plan. We provide NEOs and certain other highly compensated employees the opportunity to defer receiving income until after they terminate their employment. This benefit offers tax advantages to eligible executives, permitting them to defer payment of their compensation and defer taxation on that compensation until after termination. We put the plan in place to mitigate the impact of our officers and other highly compensated employees being unable to make the maximum contribution permitted under the 401(k) plan due to certain limitations imposed by the IRC. We make a matching contribution of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equal six percent of the employee's eligible compensation, less the amount of any match we make on behalf of the employee under the company-sponsored 401(k) plan. Matches are subject to certain deferral limitations imposed by the IRC on 401(k) plans and, when made, are 100% vested. The deferred compensation plan is described under the heading "Nonqualified Deferred Compensation in Fiscal Year 2015."

Other. We also offer a number of benefits to the NEOs pursuant to benefit programs that provide for broad-based employee participation. In addition to the 401(k) plan described above, the benefits include medical, prescription drugs, dental and vision insurance, long-term disability insurance, life and accidental death and dismemberment insurance, health and dependent flexible spending accounts, a cafeteria plan and employee assistance benefits. These generally available benefits do not specifically factor into decisions regarding an individual executive's total compensation or equity-based compensation package. These benefits are designed to help us attract and retain employees as we compete for talented individuals in the marketplace, where such benefits are commonly offered. We also offer limited additional benefits to select employees, such as reimbursement of certain club dues and personal use of a private aircraft.

Relocation of Corporate Headquarters. In 2012, we relocated our corporate headquarters from Folsom, California to The Woodlands, Texas. In connection with the relocation, we established a company-wide relocation program, as discussed in our proxy statement for our 2013 annual meeting of stockholders. These relocation benefits were available to all employees, including our NEOs, who relocated from our previous headquarters to our new headquarters. We engaged the services of an independent relocation company (the "Provider") to provide relocation and related services. Pursuant to the guaranteed purchase offer provision of the relocation program, the Provider would purchase an employee's former residence at a purchase price equal to the average of two independent appraisals of the property (or if there was more than a 5% variance between the two appraised values, the average of the two out of three closest appraisal values) or equal to an independent third-party offer. We agreed to reimburse the Provider for all expenses, including the purchase price for any residence. We would recognize gains from the resale of any residence, if the resale price was greater than the price the Provider paid for the property, and recognize losses from the resale of any residence, if the resale price was lower than the price the Provider paid for the property. In accordance with our relocation program, the Provider purchased Mr. Mittelstaedt's former residence in California in December 2012 for a purchase price equal to the average of two independent appraisals obtained with respect to the property. Although the property had been listed with two different brokerage firms throughout the period in which the Provider held the property, the property did not receive any offers and remained unsold. In May 2015, Mr. Mittelstaedt offered to repurchase the property for an amount equal to the original purchase price paid to Mr. Mittelstaedt by the Provider, which was $262,500 above the appraised value of the property, as determined by the average of two independent appraisals performed in May 2015. The Provider accepted Mr. Mittelstaedt's offer to purchase the property and the transaction closed on May 29, 2015. Transaction costs with respect to the closing equaled $9,665; these costs were paid by the Provider and reimbursed by the Company. The additional incremental cost to us of carrying the property during the period from the date of purchase of the property from Mr. Mittelstaedt through May 29, 2015, was $192,164. However, because Mr. Mittelstaedt purchased the property for $262,500 above the appraised value, as determined by the average of two independent appraisals performed in May 2015, Mr. Mittelstaedt's repurchase of the property saved the company from a loss of $70,336, assuming the property had been sold for the May 2015 appraised value to a third party.

For more information about this transaction, see the Summary Compensation Table and the accompanying footnotes.

Anti-Hedging/Pledging Policy

We have adopted a policy prohibiting executive officers and directors from engaging in transactions designed to hedge against the economic risks associated with an investment in our common stock or pledging our common stock in a margin account. These individuals may not engage in the purchase or sale of put and call options, short sales and other hedging transactions designed to minimize the risk of owning our common stock. In addition, these individuals may not pledge shares of our common stock as collateral for a margin account.

Clawback Provisions

On November 30, 2015, based on the Compensation Committee's recommendation, our Board of Directors approved and adopted a Compensation Recoupment Policy (the "Clawback Policy") to maintain and enhance a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. As more fully described in the Clawback Policy, which was filed as an exhibit to the Form 8-K we filed with the SEC on December 18, 2015, the policy provides that if an accounting restatement occurs, the Board shall seek to require the forfeiture or repayment of incentive compensation paid to an executive officer during the three completed fiscal years preceding the date of the restatement that is in excess of the amount that would have been awarded to, vested and/or paid to the executive under the restatement if (i) the executive officer engaged in fraud or intentional misconduct that materially contributed to the need for the restatement or (ii) a clawback is otherwise required by the applicable rules and regulations of the Securities and Exchange Commission or the Company's stock exchange. Although we may need to revise our Clawback Policy depending on the final recoupment rules under the Dodd-Frank Wall Street Reform and Consumer Protection Act, we believe this policy is a good governance practice that would be beneficial for our company even ahead of the final rules.

We also maintain numerous risk mitigating provisions in our compensation arrangements for the NEOs, which are described under the heading "Compensation Risk Assessment." Examples include the Compensation Committee's ability to exercise negative discretion to reduce annual incentive awards to zero, RSU grants which are determined based on the company's and the recipient's performance, PSU grants which require achievement of multiple pre-determined goals over a three-year period before vesting, anti-hedging/anti-pledging policies, and stock ownership requirements.

Tax Deductibility Considerations

Section 162(m) of the IRC generally disallows an income tax deduction to publicly held corporations for compensation in excess of $1,000,000 paid for any fiscal year to the corporation's "covered employees," defined in Section 162(m) as the Chief Executive Officer and the three other most highly compensated executive officers, other than the Chief Financial Officer. However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met. The Compensation Committee believes that the potential deductibility of the compensation payable under those plans and arrangements should be only one of a number of relevant factors taken into consideration in establishing compensation plans and arrangements for our executive officers and not the sole governing factor. For that reason, the Compensation Committee may approve compensation that will not meet qualifying performance-based compensation requirements in order to assure appropriate levels of total compensation for the executive officers based on the company's performance.

Severance and Change in Control Arrangements

The Compensation Committee believes that the company's current and historic successes are due in large part to the leadership, skills and performance of the NEOs, and that it is critical to maintain the stability of the company by providing severance and change in control benefits in order to encourage NEO retention through a change in control. On February 13, 2012, we entered into a new Separation Benefits Plan and Employment Agreement with Mr. Mittelstaedt (the "CEO Separation Benefits Plan"), and a Separation Benefits Plan under which eligible executives, including our NEOs (other than Messrs. Mittelstaedt and Shea) may receive certain severance and change in control benefits (the "NEO Separation Benefits Plan," together with the CEO Separation Benefits Plan, the "Separation Benefits Plans"). The CEO Separation Benefits Plan superseded and replaced the employment agreement of Mr. Mittelstaedt, dated March 1, 2004, as amended, and the NEO Separation Benefits Plan and related participation letters superseded the employment agreements of Messrs. Jackman, Bouck, and Chambliss, dated as of April 11, 2003, October 1, 2004 and June 1, 2000, respectively. Mr. Shea's employment agreement, executed February 1, 2008, provides that Mr. Shea may receive certain severance and change in control benefits. A summary of the terms of the Severance Benefits Plans and Mr. Shea's agreement regarding severance and change in control are described below under "Potential Payments Upon Termination or Change in Control."

Compensation Committee Report

The Compensation Committee of the Board of Directors has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K. Based on the review and discussions referred to above, the Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" be incorporated into our Original 10-K, as amended by this Amendment.

This report is submitted on behalf of the Compensation Committee.

William J. Razzouk, Chairman
Edward E. "Ned" Guillet
Michael W. Harlan

COMPENSATION RISK ASSESSMENT

We believe our compensation policies and practices do not present any risk that is reasonably likely to have a material adverse effect on the company. We believe our approach to setting performance targets, evaluating performance, and establishing payouts does not promote excessive risk-taking. We believe that the components of our pay mix—base salary, annual cash incentive bonuses, and long-term equity grants—appropriately balance near-term performance improvement with sustainable long-term value creation.

We considered the following elements of our compensation policies and practices when evaluating whether such policies and practices encourage our employees to take unreasonable risks:

- Annual performance targets are established by each operating location and region and on a company-wide basis to encourage decision-making that is in the best long-term interests of both the company and our stockholders;
- We adjust performance targets to exclude the benefit or detriment of extraordinary events to ensure our employees are compensated on results within their control or influence;
- We adjust performance targets to include certain acquisitions and new contracts not reflected in the originally approved operating budget in order to achieve targeted returns on deployed capital;
- The use of four performance metrics in our annual cash performance bonus plan mitigates the incentive to overperform with respect to any particular financial metric at the expense of other financial metrics;
- We set annual performance goals to avoid targets that, if not achieved, result in a large percentage loss of compensation;
- Payouts under our performance-based plans remain at the discretion of our Board of Directors and may be reduced even if targeted performance levels are achieved;
- Payouts under our performance-based plans can result in some compensation at levels below full target achievement, rather than an “all-or-nothing” approach;
- Our NEOs receive annual cash incentive bonus awards only if cash incentive bonus awards payable to other employees have been made;
- We have adopted a clawback policy which allows us to recover certain incentive cash and equity compensation if it is earned based on inaccurate financial statements;
- We use RSUs rather than stock options for equity awards because RSUs retain value even in a depressed market so that recipient employees are less likely to take unreasonable risks to get, or keep, options “in-the-money”;
- Equity-based compensation with time-based vesting over a multi-year schedule accounts for a time horizon of risk and ensures that participating employee interests are aligned with the long-term interests of our stockholders;
- Stock ownership guidelines require members of our Board of Directors and our executive officers to maintain certain ownership levels in our common stock, which aligns a portion of their personal wealth to the long-term performance of the company;
- We have adopted a policy which prohibits members of our Board of Directors and our executive officers from engaging in transactions designed to hedge against the economic risks associated with an investment in our common stock or pledging our common stock in a margin account; and
- Our Compensation Committee periodically utilizes an independent compensation consultant that performs no other services for the company.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation earned by each of our NEOs in 2015, 2014 and 2013.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(4)	Total ($)
Ronald J. Mittelstaedt	2015	1,006,269	—	2,582,570	1,092,063	—	55,204	4,736,106
Chief Executive	2014	950,692	—	2,490,468	1,894,395	—	49,878	5,385,433
Officer and Chairman	2013	828,050	—	1,681,572	804,678	—	68,643	3,382,943
Worthing F. Jackman	2015	530,529	200,000	1,024,431	367,500	—	56,464	2,178,924
Executive Vice	2014	491,654	—	963,811	637,500	—	22,298	2,115,263
President and Chief	2013	436,392	—	771,596	275,940	—	38,446	1,522,374
Financial Officer								
Steven F. Bouck	2015	645,923	—	1,243,305	457,170	—	14,870	2,361,268
President	2014	612,039	—	1,198,651	793,050	—	14,471	2,618,211
	2013	545,250	—	830,688	345,240	—	24,668	1,745,846
Darrell W. Chambliss	2015	483,842	—	934,279	335,160	—	12,040	1,765,321
Executive Vice	2014	451,423	—	878,955	581,400	—	11,747	1,923,525
President and Chief	2013	420,688	—	639,676	265,860	—	12,650	1,338,874
Operating Officer								
Patrick J. Shea	2015	382,885	32,263	608,199	182,737	—	40,547	1,246,631
Senior Vice	2014	347,789	—	443,436	163,000	—	25,336	979,561
President, General	2013	320,423	—	333,642	143,000	—	25,414	822,479
Counsel and Secretary								

(1) Amounts shown reflect salary earned by the NEOs for each year indicated and reflect increases that the Messrs. Jackman, Chambliss and Shea received on February 1, 2015. Messrs. Mittelstaedt and Bouck did not receive salary increases for 2015. Due to the calendaring of bi-weekly paychecks in 2015, amounts shown for 2015 include one extra pay period as compared to 2014.

(2) Stock awards consist of (i) RSUs granted under our 2014 Incentive Award Plan and our Third Amended and Restated 2004 Equity Incentive Plan, and (ii) PSUs granted under our 2014 Incentive Award Plan. Amounts shown do not reflect compensation actually received by the NEO. Instead, the amounts shown are the grant date fair value of the awards computed in accordance with generally accepted accounting principles, excluding estimates of forfeitures related to service-based vesting conditions. A discussion of the value of stock awards is set forth under Note 1 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on February 9, 2016. The table below sets forth the details of the components that make up the fiscal year 2015 stock awards for our NEOs. Annual RSU awards vest in four substantially equal annual installments beginning on the first anniversary of the grant date. The values of the PSU awards in the table below, at target and maximum levels, are based on the full number of shares for which performance goals were established in fiscal year 2015 under the awards made on February 12, 2015, which are scheduled to vest in February 2018.

Name	Components of Annual Stock Awards		Additional Information
	Value of Restricted Stock Units ($)	Value of Performance-Based Restricted Stock Units – Targeted ($)	Value of Performance-Based Restricted Stock Units – Maximum ($)
Ronald J. Mittelstaedt	2,066,056	516,514	774,794
Worthing F. Jackman	819,545	204,886	307,353
Steven F. Bouck	994,644	248,661	373,015
Darrell W. Chambliss	747,423	186,856	280,307
Patrick J. Shea	486,541	121,658	182,488

(3) Amounts shown reflect annual incentive bonus awards earned by the NEOs under our MICP, which is discussed elsewhere in this filing, under "Compensation Discussion and Analysis." The amounts shown for 2015 were paid on February 19, 2016.

(4) We make available for business use to our NEOs and other employees a private aircraft. Our general policy is not to permit employees, including the NEOs, to use the aircraft for purely personal use. Occasionally, employees or their relatives or spouses, including relatives or spouses of the NEOs, may derive personal benefit from travel on our aircraft incidental to a business function, such as when an NEO's spouse accompanies the officer to the location of an event the officer is attending for business purposes. For purposes of our Summary Compensation Table, we value the compensatory benefit to the officer at the incremental cost to us of conferring the benefit, which consists of additional catering and fuel expenses. In the example given, the incremental cost would be nominal because the aircraft would have been used to travel to the event, and the basic costs of the trip would have been incurred, whether or not the NEO's spouse accompanied the officer on the trip. However, on the rare occasions when we permit an employee to use the aircraft for purely personal use, we value the compensation benefit to such employee (including NEOs) at the incremental cost to us of conferring the benefit, which consists of the average weighted fuel expenses, catering expenses, trip-related crew expenses, landing fees and trip-related hangar/parking costs. Since our aircraft is used primarily for business travel, the valuation excludes the fixed costs that do not change based on usage, such as pilots' compensation, the lease expense of the aircraft and the cost of maintenance. Our valuation of personal use of aircraft as set forth in this filing is calculated in accordance with SEC guidance, which may not be the same as valuation under applicable tax regulations.

In 2015, All Other Compensation paid to our NEOs consisted of the following amounts:

Name	Matching Contributions to 401(k) ($)	Company Contributions Under Nonqualified Deferred Compensation Plan ($)	Life Insurance Premiums Paid by Company[1] ($)	Professional Association Dues ($)	Club Dues ($)	Personal Use of Corporate Aircraft Incidental to Business Function ($)	Purely Personal Use of Corporate Aircraft ($)	Relocation Expenses[2] ($)	Total All "Other" Compensation ($)
Ronald J. Mittelstaedt	—	—	1,813	—	27,230	1,307	24,854	9,665	49,878
Worthing F. Jackman	—	9,000	1,697	—	27,851	197	17,719	—	56,464
Steven F. Bouck	4,350	4,650	2,694	434	2,325	417	—	—	14,870
Darrell W. Chambliss	8,376	624	3,040	—	—	—	—	—	12,040
Patrick J. Shea	6,692	2,308	1,281	1,795	28,471	—	—	—	40,547

(1) Amounts shown are paid by the company in connection with life insurance policies made available to all participants in our Nonqualified Deferred Compensation Plan, including the NEOs.

(2) The amount represents the transaction costs paid by the Provider with respect to the repurchase by Mr. Mittelstaedt in May 2015 of the property that the Provider had purchased from Mr. Mittelstaedt in 2012 pursuant to the guaranteed purchase offer benefit of the company-wide relocation program. Our incremental cost related to carrying this property during the period from the date of purchase by the Provider until the date of repurchase by Mr. Mittelstaedt was $192,164. For more information about this transaction, see "Executive Compensation – Compensation Discussion and Analysis – Other Benefits – Relocation of Corporate Headquarters" above.

GRANTS OF PLAN BASED AWARDS IN FISCAL YEAR 2015

The following table summarizes the amount of awards under the MICP and equity awards granted in 2015 for each of the NEOs.

			Estimated Potential Payouts Under Non-Equity Incentive Plan Awards[2]			Estimated Future Payouts Under Equity Incentive Plan Awards[3]				
Name	Award Type[1]	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)[4]	Grant Date Fair Value of Stock Awards ($)[5]
Ronald J. Mittelstaedt	RSU	2/12/15	—	—	—	—	—	—	44,460	2,066,056
	PSU	2/12/15	—	—	—	2,778	11,115	16,673	—	516,514[6]
	MICP	—	222,870	1,114,350	2,228,700	—	—	—	—	—
Worthing F. Jackman	RSU	2/12/15	—	—	—	—	—	—	17,636	819,545
	PSU	2/12/15	—	—	—	1,102	4,409	6,614	—	204,886[6]
	MICP	—	76,875	384,375	768,750	—	—	—	—	—
Steven F. Bouck	RSU	2/12/15	—	—	—	—	—	—	21,404	994,644
	PSU	2/12/15				1,337	5,351	8,027	—	248,661[6]
	MICP	—	93,300	466,500	933,000	—	—	—	—	—
Darrell W. Chambliss	RSU	2/12/15	—	—	—	—	—	—	16,084	747,423
	PSU	2/12/15	—	—	—	1,005	4,021	6,032	—	186,856[6]
	MICP	—	70,110	350,550	701,100	—	—	—	—	—
Patrick J. Shea	RSU	2/12/15	—	—	—	—	—	—	10,470	486,541
	PSU	2/12/15	—	—	—	654	2,618	3,927	—	121,658[6]
	MICP	—	125,800	185,000	244,200	—	—	—	—	—

(1) “RSU” refers to restricted stock units granted under our 2014 Incentive Award Plan. “PSU” refers to performance-based restricted stock units granted under our 2014 Incentive Award Plan. “MICP” refers to cash awards made pursuant to our Management Incentive Compensation Program, which is administered pursuant to our 2014 Incentive Award Plan.

(2) The target incentive amounts shown in this column reflect our annual incentive bonus plan awards under the MICP and represent the target awards pre-established as a percentage of salary. The maximum is the greatest payout which can be made if the pre-established maximum performance level is met or exceeded. Actual annual incentive bonus amounts earned by the NEOs for 2015 under the MICP are reflected in the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table.

(3) Represents the range of possible awards of performance shares upon the vesting of PSUs granted in fiscal year 2015 under our 2014 Incentive Award Plan. Awards are capped at the maximum, and no awards will vest unless the pre-established threshold performance level is met or exceeded. See “Compensation Discussion and Analysis – Equity-Based Compensation” for more information regarding PSU awards.

(4) Stock awards consist of RSUs granted under our 2014 Incentive Award Plan on February 12, 2015. Assuming that the first-year performance hurdle is satisfied, the RSUs vest in equal, annual installments over the four-year period following the date of grant, beginning on the first anniversary of the date of grant. See "Compensation Discussion and Analysis – Equity-Based Compensation" for more information regarding RSU awards.

(5) The value of a stock award is based on the fair value as of the grant date of such award computed in accordance with generally accepted accounting principles, excluding estimates of forfeitures related to service-based vesting conditions. A discussion of the value of stock awards is set forth under Note 1 of the "Notes to Consolidated Financial Statements" included in our Original 10-K.

(6) Represents the value of PSUs based on the expected outcome as of the date of grant. This result is based on (i) achieving the target level of a return on invested capital, or ROIC; and (ii) achieving the target level of an EBITA growth goal, each of which is weighted 50%.

OUTSTANDING EQUITY AWARDS AT 2015 FISCAL YEAR-END

The following table summarizes RSUs and PSUs that have not vested and related information for each of our NEOs as of December 31, 2015.

			Stock Awards			
Name	Award Type[1]	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[6]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[7]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[6]
Ronald J. Mittelstaedt	RSU	02/10/12	9,769[2]	550,190	—	—
	RSU	02/25/13	24,730[3]	1,392,794	—	—
	RSU	02/13/14	34,163[4]	1,924,060	—	—
	RSU	02/12/15	44,460[5]	2,503,987	—	—
	PSU	03/18/14	—	—	11,388	500,958
	PSU	02/12/15	—	—	11,115	625,997
Worthing F. Jackman	RSU	02/10/12	4,348[2]	244,879	—	—
	RSU	02/25/13	11,347[3]	639,063	—	—
	RSU	02/13/14	13,221[4]	744,607	—	—
	RSU	02/12/15	17,636[5]	993,260	—	—
	PSU	03/18/14	—	—	4,407	193,864
	PSU	02/12/15	—	—	4,409	248,315
Steven F. Bouck	RSU	02/10/12	5,063[2]	285,148	—	—
	RSU	02/25/13	12,216[3]	688,005	—	—
	RSU	02/13/14	16,443[4]	926,070	—	—
	RSU	02/12/15	21,404[5]	1,205,473	—	—
	PSU	03/18/14	—	—	5,481	241,109
	PSU	02/12/15	—	—	5,351	301,368
Darrell W. Chambliss	RSU	02/10/12	4,313[2]	242,908	—	—
	RSU	02/25/13	9,407[3]	529,802	—	—
	RSU	02/13/14	12,057[4]	679,050	—	—
	RSU	02/12/15	16,084[5]	905,851	—	—
	PSU	03/18/14	—	—	4,019	176,796
	PSU	02/12/15	—	—	4,021	226,463
Patrick J. Shea	RSU	02/10/12	2,097[2]	118,103	—	—
	RSU	02/25/13	4,907[3]	276,362	—	—
	RSU	02/13/14	6,083[4]	342,595	—	—
	RSU	02/12/15	10,470[5]	589,670	—	—
	PSU	03/18/14	—	—	2,618	115,166
	PSU	02/12/15	—	—	2,618	147,446

(1) "RSU" refers to restricted stock units granted under either our Third Amended and Restated 2004 Equity Incentive Plan or our 2014 Incentive Award Plan. "PSU" refers to performance-based restricted stock units granted under our 2014 Incentive Award Plan.

(2) The RSUs vest in equal installments on each of the first four anniversaries of the grant date of February 10, 2012.

(3) The RSUs vest in equal installments on each of the first four anniversaries of the grant date of February 25, 2013.

(4) The RSUs vest in equal installments on each of the first four anniversaries of the grant date of February 13, 2014.

(5) Assuming that the first-year performance hurdle is satisfied, the RSUs vest in equal installments on each of the first four anniversaries of the grant date of February 12, 2015.

(6) Based on the closing price of our common stock of $56.32 on the New York Stock Exchange on December 31, 2015, the last trading day of the 2015 fiscal year.

(7) Represents unearned shares under the PSU awards made in March 2014 and February 2015. Based on guidance provided by the SEC, the targeted potential number of shares for such grants has been assumed. The amounts shown include the full target award for the performance periods ending on December 31, 2016, and December 31, 2017, respectively. The PSUs will vest, if at all, within 15 business days following the date on which the determination by the Compensation Committee is made with respect to the achievement of the performance goals, but in no event shall the vesting dates be later than March 15, 2017, and March 15, 2018, respectively.

STOCK VESTED IN FISCAL YEAR 2015

The following table summarizes each vesting of RSUs and related information for each of our NEOs on an aggregated basis during 2015.

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Ronald J. Mittelstaedt	30,089	2,081,037
Worthing F. Jackman	14,277	905,237
Steven F. Bouck	16,412	1,047,347
Darrell W. Chambliss	13,243	838,747
Patrick J. Shea	6,362	403,300

PENSION BENEFITS IN FISCAL YEAR 2015

We do not sponsor any qualified or non-qualified defined benefit plans for any of our executive officers, including the NEOs.

NONQUALIFIED DEFERRED COMPENSATION IN FISCAL YEAR 2015

The following table summarizes the participation of our NEOs during 2015 in our Nonqualified Deferred Compensation Plan, which is our only plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Name	Executive Contributions in Last Fiscal Year ($)(1)	Registrant Contributions in Last Fiscal Year ($)(1)	Aggregate Earnings in Last Fiscal Year ($)(2)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)(3)
Ronald J. Mittelstaedt	802,911	8,750	1,358,105	—	11,805,370
Worthing F. Jackman	491,810	8,750	429,928	(40,013)	2,238,525
Steven F. Bouck	49,700	4,700	6,187	(228,988)	1,755,156
Darrell W. Chambliss	73,280	3,400	322,405	—	2,430,383
Patrick J. Shea	32,273	3,400	(7,576)	—	252,062

(1) Amounts in these columns represent base salary and cash performance bonus each NEO elected to defer and our annual matching contributions in lieu of matching contributions under our 401(k) plan. Contributions by an NEO are reported in the Summary Compensation Table under "Salary", "Bonus" and/or "Non-Equity Incentive Plan Compensation" and matching contributions we make to an NEO's account are reported in the Summary Compensation Table under "All Other Compensation."

(2) Amounts in this column are not included in any other amounts disclosed in this filing, as the amounts are not preferential earnings. Instead, earnings disclosed are determined by reference to the returns on one or more select mutual funds, as determined by the participant, that are also available for investment by the general public, or with regard to RSUs deferred into our Nonqualified Deferred Compensation Plan in years prior to 2015, our common stock.

(3) Amounts shown in this column include the following amounts reported as compensation to the NEO in the Summary Compensation Table in our previous proxy statements:

- For Mr. Mittelstaedt, a total of $7,115,349 was reported (2005 to 2015);
- For Mr. Jackman, a total of $1,237,234 was reported (2005 to 2015);
- For Mr. Bouck, a total of $1,580,248 was reported (2005 to 2015);
- For Mr. Chambliss, a total of $1,425,837 was reported (2005 to 2015); and
- For Mr. Shea, no amounts have previously been reported, as 2015 was the first year for which Mr. Shea was an NEO.

The NEOs and certain other highly compensated employees are entitled to participate in the Nonqualified Deferred Compensation Plan, which we put in place to mitigate the impact of our officers and other highly compensated employees being unable to make the maximum contribution permitted under the 401 (k) plan due to certain limitations imposed by the IRC. The Nonqualified Deferred Compensation Plan allows an eligible employee to voluntarily defer receipt of up to 80% of the employee's base salary, and up to 100% of bonuses and commissions and, if permitted, RSU grants. We make a matching contribution of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equal six percent of the employee's eligible compensation, less the amount of any match we make on behalf of the employee under the company-sponsored 401(k) plan, and subject to certain deferral limitations imposed by the IRC on 401(k) plans, except that our matching contributions are 100% vested when made. Except for RSUs that are deferred, the company also credits an amount reflecting a deemed return to each participant's deferred compensation account periodically, based on the returns of various mutual funds or measurement funds selected by the participant. RSUs that are deferred are credited as shares of company common stock, which had a 2015 annual rate of return of approximately 28%. The earnings on an employee's deferred compensation may exceed or fall short of market rate returns, depending on the performance of the funds selected compared to the markets in general.

The investment options offered by our plan administrator and their annual rates of return for the calendar year ended December 31, 2015, are set forth in the following table.

Name of Investment Option	Rate of Return in 2015
Invesco Mid Cap Core Equity	-4.03%
AllianceBern VPS Real Estate A	0.80%
American Funds IS International 2	-4.53%
American Century VP Mid Cap Value I	-1.43%
Franklin Rising Dividends Securities	-3.65%
Franklin Small Cap Value Securities CI2	-7.39%
Goldman Sachs VIT Growth Opp	-5.20%
Ivy Funds VIP High Income	-6.50%
Janus Aspen Balanced Svc	0.41%
M Capital Appreciation Fund	-6.58%
Oppenheimer International Growth	3.43%
Pioneer Bond VCT Portfolio	0.30%
MFS Var Ins Tr II Intl Value SC	6.32%
MFS VIT Value – SC	-0.93%
PIMCO VIT Real Return Admin	-2.70%
Van Eck VIP Trust Emerging Markets	-13.99%
Vanguard VIF Capital Growth	2.62%
Royce Capital Small-Cap Inv	-11.80%
T. Rowe Price Limited Term Bond	0.30%
Van Eck VIP Tr Global Hard Assets I	-33.45%
Vanguard Var Ins Money Market	0.15%

Distributions from the Nonqualified Deferred Compensation Plan are automatically triggered by the occurrence of certain events. Upon termination of employment, a participant will receive a distribution from the plan in the form he previously selected—either in a lump sum or in annual installments over any period selected, up to fifteen years. Payments will commence within 60 days after the last day of the six-month period immediately following the termination date. If a participant becomes disabled, he will receive his entire account balance in a lump sum within 60 days of the date on which he became disabled. Upon the death of a participant during employment or while receiving his benefits under the plan following termination of employment, his unpaid account balance will be paid to his beneficiary in a lump sum within 60 days of the date the plan committee is notified of his death.

Participants also elect whether to receive a distribution of their entire account balance in a lump sum upon a change in control of our company, as defined in the plan, or whether to have their account balance remain in the plan after a change in control. In the absence of such an election, a participant will receive a distribution after a change in control occurs. Participants may also choose to receive lump sum distributions of all or a portion of their account balances upon optional, scheduled distribution dates or upon an unforeseeable financial emergency. Optional distribution dates must be a January 1 (March 1 for deferred RSUs) that is at least three years after the end of the plan year in which the deferral election is made. Optional distributions may be postponed, subject to certain conditions specified in the plan. Distributions upon an unforeseeable financial emergency are also subject to certain restrictions specified in the plan.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Severance Arrangements in Effect in 2015

Our NEOs are entitled to certain payments and benefits upon qualifying terminations of employment and, in certain cases, a change in control under the Separation Benefits Plans, the grant agreements under our 2014 Incentive Award Plan and the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan. The following discussion describes the terms of these payments and benefits and the circumstances in which they will be paid or provided.

CEO Separation Benefits Plan

Mr. Mittelstaedt is eligible to receive severance benefits and change in control payments pursuant to the CEO Separation Benefits Plan. Under the terms of the CEO Separation Benefits Plan, Mr. Mittelstaedt is entitled to receive, upon a termination by us without “cause” (as defined below), or resignation by Mr. Mittelstaedt for “good reason” (as defined below) prior to a change in control (as defined below) or upon a termination due to death or permanent disability: (i) a lump-sum cash payment equal to $7,500,000, payable on or within 60 days following the date of his termination; (ii) coverage under our group medical insurance of Mr. Mittelstaedt and his eligible dependents for three years following termination, provided that Mr. Mittelstaedt will be obligated to pay the company for the premiums for such coverage on an after-tax basis (the “Health Insurance Benefit”); (iii) accelerated vesting of all of Mr. Mittelstaedt’s outstanding but unvested time-based equity awards; (iv) a pro-rated portion of Mr. Mittelstaedt’s performance-based equity awards, following our determination of actual performance achievement following the end of the performance period; and (v) with respect to any outstanding stock options held by Mr. Mittelstaedt, an extended post-termination exercise period through the earlier of the fifth anniversary of Mr. Mittelstaedt’s date of termination or the expiration date of such stock options pursuant to their original terms.

Upon a termination by us without cause or resignation by Mr. Mittelstaedt for good reason within two years after a change in control, Mr. Mittelstaedt is entitled to receive a lump-sum cash payment equal to $7,500,000, payable on or within 60 days following the date of his termination and the Health Insurance Benefit. Further, the CEO Separation Benefits Plan includes a so-called “best pay” provision where payments and benefits provided on account of a change in control shall be made to Mr. Mittelstaedt in full or in such lesser amount as would result in no portion of the payments being subject to an excise tax under Section 280G and Section 4999 of the IRC, whichever of the foregoing amounts is greater on an after-tax basis.

In consideration of the severance benefits under the CEO Separation Benefits Plan, Mr. Mittelstaedt must abide by certain restrictive covenants in the CEO Separation Benefits Plan, including a commitment by Mr. Mittelstaedt not to compete in restricted territory with our competitors and not to solicit our customers or employees (with a few limited exceptions with respect to certain of our executive officers) for 12 months following the date of Mr. Mittelstaedt’s termination of employment. Additionally, in the event of certain terminations of employment, Mr. Mittelstaedt is eligible to receive an amount equal to $7,000,000 in a lump sum on the first anniversary of the date of his termination if the company determines, in its discretion, to extend the post-termination restrictive covenant period from 12 months to 24 months after his termination of employment.

On December 17, 2015, the CEO Separation Benefits Plan with Mr. Mittelstaedt was amended to override the single trigger change in control provisions in our equity incentive award agreements with Mr. Mittelstaedt so that unvested equity awards held by him are treated with the same double-trigger change in control provisions as the rest of his compensation in the event of a change in control followed by a termination of Mr. Mittelstaedt’s employment without cause or upon his disability or death, or a termination of his employment by Mr. Mittelstaedt for good reason.

Separation Benefits Plan for Other NEOs (other than Mr. Shea)

Our NEOs, other than Messrs. Mittelstaedt and Shea, are eligible to receive certain separation benefits and change in control payments pursuant to the NEO Separation Benefits Plan. Under the terms of the NEO Separation Benefits Plan and their respective participation letter agreements under the NEO Separation Benefits Plan, each of Messrs. Bouck, Jackman and Chambliss are entitled to receive, upon a termination by us without “cause” or resignation by such NEO for “good reason” prior to a change in control: (i) a cash payment equal to $3,900,000 (for Mr. Bouck) or $3,300,000 (for each of Messrs. Jackman and Chambliss), payable one-third on the termination date and, provided that the applicable NEO has complied with the non-competition and non-solicitation provisions of the NEO Separation Benefits Plan, one-third on each of the first and second anniversaries of the termination date; (ii) full accelerated vesting of the applicable NEO’s outstanding but unvested time-based equity awards; (iii) a pro-rated portion of the applicable NEO’s performance-based equity awards, following our determination of actual performance achievement following the end of the performance period; and (iv) with respect to any outstanding stock options held by the applicable NEO, an extended post-termination exercise period through the earlier of the third anniversary of the termination date or the expiration of the original term of such stock options.

Messrs. Bouck, Jackman and Chambliss are also entitled to the foregoing benefits if such NEO's employment is terminated as a result of their death, except that any cash payments will be paid in a lump sum on or within 60 days following the date of death. In the event of a termination of employment due to permanent disability, each of Messrs. Bouck, Jackman and Chambliss are entitled to receive the benefits described above, except that in lieu of the cash payment, each such NEO will be entitled to: (A) a pro-rated portion of the applicable NEO's target annual bonus for the year of termination, and (B) cash payments equal to the applicable NEO's base salary through the remaining term of the NEO Separation Benefits Plan, to be paid one-third on the date of termination and, provided that the applicable NEO has complied with the non-competition and non-solicitation provisions of the NEO Separation Benefits Plan, one-third on each of the first and second anniversaries of the date of termination.

Upon a termination by us without cause or resignation by them for good reason within two years after a change in control, Messrs. Bouck, Jackman and Chambliss are entitled to receive a cash payment equal to $3,900,000 (for Mr. Bouck) and $3,300,000 (for each of Messrs. Jackman and Chambliss), payable in a lump sum on or within 60 days following the date of termination. Further, the NEO Separation Benefits Plan includes a so-called "best pay" provision where payments and benefits provided on account of a change in control shall be made to such participating NEOs in full or in such lesser amount as would result in no portion of the payments being subject to an excise tax under Section 280G and Section 4999 of the IRC, whichever of the foregoing amounts is greater on an after-tax basis.

In consideration of the above severance benefits, Messrs. Bouck, Jackman and Chambliss must abide by certain restrictive covenants in the NEO Separation Benefits Plan, including a commitment by the NEO not to compete with the company in a restricted territory and not to solicit our customers or employees for 12 months following the date of such NEO's termination of employment.

For purposes of the Separation Benefits Plans, "good reason" is generally defined as: (i) assignment to the NEO of duties inconsistent with and resulting in a diminution of his position (including status, offices, titles, responsibilities and reporting requirements), authority, duties or responsibilities as they existed on the effective date of the Separation Benefits Plans; or any other action by the company which results in a diminution in such position, authority, duties or responsibilities; a substantial alteration in the title(s) of the NEO (so long as the existing corporate structure of the company is maintained); provided, however, that his failure to be in the same position (including status, offices, titles, responsibilities and reporting requirements) with the ultimate parent of the company will constitute "good reason"; (ii) the relocation of his principal place of employment to a location more than fifty (50) miles from its present location without his prior approval; (iii) a material reduction by the company in his total annual cash compensation without his prior approval; (iv) on or after a change in control, a material reduction by the company in his total annual compensation without his prior approval; (v) a failure by the company to continue in effect, without substantial change, any benefit plan or arrangement in which he was participating or the taking of any action by the company which would adversely affect his participation in or materially reduce his benefits under any benefit plan (unless such changes apply equally to all other management employees of company); (vi) any material breach by the company of any provision of the Separation Benefits Plans without his having committed any material breach of his obligations hereunder, which breach is not cured within twenty (20) days following written notice thereof to the company of such breach; or (vii) the failure of the company to obtain the assumption of the plan by any successor entity.

Employment Agreement with Mr. Shea

We entered into an employment agreement with Mr. Shea on February 1, 2008, and an amendment to the employment agreement on November 12, 2008 (as amended, the "Shea Employment Agreement"). This agreement provides for certain payments to Mr. Shea in the event of his termination without cause (as defined below) or upon a change in control (as defined below) of the company.

Under the Shea Employment Agreement, upon a termination by us without cause and upon a termination due to Mr. Shea's disability or death, Mr. Shea is entitled to receive: (i) a lump sum payment in an amount equal to the lesser of (x) his base salary through the end of the then-current term under the Shea Employment Agreement and (y) one year of his base salary, generally to be paid on the date of termination; (ii) an amount equal to the prorated target bonus available to Mr. Shea under the Shea Employment Agreement and the MICP for the year in which the termination occurs, which is 50% of his base salary at the time of termination, to be paid in accordance with our normal payroll practices and not as a lump sum; (iii) full accelerated vesting of all of Mr. Shea's outstanding but unvested options, if any, and other rights relating to the capital stock of the company, including unvested RSUs; and (iv) with respect to any such options and rights, an extended post-termination exercise period through the earlier of (A) the expiration of the term of such options and rights or (B) the first anniversary of the date of termination. We will also pay to Mr. Shea an amount equal to the company's portion (but not Mr. Shea's portion) of the cost of medical, dental and other health plan insurance for Mr. Shea, his wife and children at the rate in effect on the date of termination for a period of one year from the date of termination. In addition, upon a termination by us without cause, we will pay as incurred Mr. Shea's expenses, up to $15,000, associated with career counseling and resume development.

For the purposes of the Shea Employment Agreement, a change in control of the company is generally treated as a termination without cause of Mr. Shea, unless he elects in writing to waive the applicable provision of his employment agreement. Thus, upon a change in control of the company, Mr. Shea will be entitled to receive the same payments and benefits as he would have upon a termination by us without cause as described above.

In addition, in the event of a change in control after which any previously outstanding option or other right relating to our capital stock fails to remain outstanding, Mr. Shea would be entitled to receive either: (i) an option, warrant or other right to purchase that number of shares of stock of the acquiring company (the "Successor Option") that he would have received had he exercised his terminated Waste Connections options, warrants or rights immediately prior to the acquisition resulting in a change in control and received for the shares acquired on exercise of such options shares of the acquiring company in the change in control transaction such that the aggregate exercise price for the shares covered by such options would be the aggregate exercise price for the terminated Waste Connections options, warrants or rights; or (ii) a lump sum payment in an amount agreed to by Mr. Shea and the company of at least, on an after-tax basis, the net after-tax gain he would have realized on exercise of the Successor Option of the acquiring company had he been issued a Successor Option and sale of the underlying shares, payable within ten days after the consummation of the change in control.

In consideration of the payments and benefits provided for in the Shea Employment Agreement, Mr. Shea must abide by certain restrictive covenants in the Shea Employment Agreement, including a commitment by the NEO not to compete with the company in a restricted territory for the earlier of: (i) the maximum period allowed under applicable law; and (ii) (aa) in the case of a change in control, until the first anniversary of the effective date of the change in control, (bb) in the case of a termination by the company without cause, until the first anniversary of the date of termination, or (cc) in the case of termination for cause by the company or by Mr. Shea, until the first anniversary of the date of termination. If the company terminates Mr. Shea without cause, Mr. Shea may shorten the term of the covenant not to compete by the length of any period that Mr. Shea elects to waive his right to receive severance payments. Mr. Shea must abide by a commitment not to solicit our customers or employees for one year following the date of the termination of Mr. Shea's employment or the effective date of a change in control (whichever is later).

For the purposes of the Separation Benefits Plans and the Shea Employment Agreement, "cause" is defined as: (i) a material breach of any of the terms of the agreement that is not immediately corrected following written notice of default specifying such breach; (ii) a breach of any of the provisions of the non-competition and non-solicitation provisions of the applicable agreement; (iii) repeated intoxication with alcohol or drugs while on company premises during its regular business hours to such a degree that, in the reasonable judgment of the other managers of the company, the employee is abusive or incapable of performing his duties and responsibilities under the agreement; (iv) conviction of a felony; or (v) misappropriation of property belonging to the company and/or any of its affiliates. Further, for the purposes of the Separation Benefits Plans and the Shea Employment Agreement, a "change in control" is deemed to have occurred if:

- there shall be consummated (a) any reorganization, liquidation or consolidation of the company, or any merger or other business combination of the company with any other corporation, other than any such merger or other business combination that would result in the voting securities of the company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the total voting power represented by the voting securities of the company or such surviving entity outstanding immediately after such transaction; or (b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the company;

- any person (as defined in the applicable agreement), shall become the beneficial owner (as defined in the applicable agreement), directly or indirectly, of 50% or more of the company's outstanding voting securities; or

- during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board of Directors shall cease for any reason to constitute at least one-half of the membership thereof unless the election, or the nomination for election by the company's stockholders, of each new director was approved by a vote of at least one-half of the directors then still in office who were directors at the beginning of the period.

Third Amended and Restated 2004 Equity Incentive Plan

Pursuant to the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan, immediately upon a change in control, outstanding and unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued.

2014 Incentive Award Plan

Restricted Stock Units

Pursuant to the grant agreements under our 2014 Incentive Award Plan, immediately upon a change in control, outstanding and unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued.

Performance Stock Units

Pursuant to the grant agreements under our 2014 Incentive Award Plan, upon a change in control, if (i) the PSUs are assumed or substituted by the acquiror in a change of control and the employee's employment is involuntarily terminated within the 24-month period following the change of control, or (ii) the PSUs are not assumed or substituted in a change of control, then the vesting of the PSUs will be accelerated, based on the greater of the target level award opportunity or the actual performance through the most recent completed year prior to the change of control or the date of termination of employment, payable within 60 days of the change of control or the date of termination of employment.

Potential Payments Tables

The following tables estimate the payments we would be obligated to make to each of our NEOs as a result of his termination (including, in certain cases, in connection with a change in control of our company) or resignation, assuming such termination or resignation occurred on December 31, 2015. We have calculated these estimated payments to meet SEC disclosure requirements. The estimated payments are not necessarily indicative of the actual amounts any of our NEOs would receive in such circumstances.

For illustrative purposes only, the tables assume that: (a) a termination or resignation of employment occurred on December 31, 2015, as applicable; and (b) the price per share of our common stock is $56.32, the closing price on December 31, 2015, the last trading day of the 2015 fiscal year.

In addition to the amounts reflected in the tables, on termination of employment, all vested deferred compensation and other retirement benefits payable to the employee under benefit plans in which he then participated would be paid to him in accordance with the provisions of the respective plans. These plans include our voluntary 401(k) plan and our Nonqualified Deferred Compensation Plan.

Ronald J. Mittelstaedt, Chief Executive Officer and Chairman

	Termination for Cause or by Employee Without Good Reason Not Subject to Optional Restricted Period	Termination for Cause or by Employee Without Good Reason Subject to Optional Restricted Period	Termination Without Cause, on Disability or by Employee For Good Reason Not Subject to Optional Restricted Period	Termination Without Cause, on Disability or by Employee For Good Reason Subject to Optional Restricted Period	Termination on Death	Termination in Connection with Change in Control
Base Salary	$—(1)	$—(1)	$—(5)	$—(5)	$—(5)	$—(5)
Bonus	—(2)	—(2)	—(6)	—(6)	—(6)	—(6)
Severance Payment	—	7,000,000(4)	7,562,659(7)	14,562,659(9)	7,562,659(7)	7,562,659(7)
Unvested Stock Options, Restricted Stock Units and Other Equity in Company	—(3)	—(3)	7,638,400(8)	7,638,400(8)	7,638,400(8)	7,638,400(10)
TOTAL	$—	$7,000,000	$15,201,059	$22,201,059	$15,201,059	$15,201,059

(1) Reflects the employee's base salary to the date of termination, paid in a lump sum, which is assumed to have been paid in full.

(2) Employee will forfeit his bonus for the year in which such a termination occurs.

(3) All of employee's unvested options, RSUs and other equity relating to the capital stock of the company will be forfeited upon such a termination.

(4) Reflects the payment owed pursuant to the CEO Separation Benefits Plan if the company determines, in its discretion, to extend the post-termination restrictive covenant period from 12 months to 24 months after his termination of employment.

(5) Reflects that, in lieu of the employee's base salary, the employee will receive a lump sum payment pursuant to the terms of the CEO Separation Benefits Plan, payable within 60 days of the date of termination.

(6) Reflects that, in lieu of the employee's bonus, the employee will receive a lump sum payment pursuant to the terms of the CEO Separation Benefits Plan payable within 60 days of the date of termination.

(7) Reflects the sum of: (i) $7,500,000 and (ii) the employee's Health Insurance Benefit.

(8) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. The exercisability of any such equity-based award, together with all vested equity-based awards held by the employee, will be extended to the earlier of the expiration of the term of such equity-based award or the fifth anniversary of the date of termination. No value for the extension was included since Mr. Mittelstaedt does not currently hold any options. For PSUs, the employee will receive pro-rata vesting based on the total months worked during the three-year performance period, payable at the end of the three-year period based on our achievement of the performance goals. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

(9) Reflects the sum of: (i) $7,500,000, (ii) the employee's Health Insurance Benefit, and (iii) the payment owed pursuant to the CEO Separation Benefits Plan if the company determines, in its discretion, to extend the post-termination restrictive covenant period from 12 months to 24 months after his termination of employment.

(10) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. Pursuant to the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan and our 2014 Incentive Award Plan and Mr. Mittelstaedt's amended CEO Separation Benefits Plan, immediately upon a termination following a change in control, outstanding but unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued. Pursuant to the grant agreements under our 2014 Incentive Award Plan and Mr. Mittelstaedt's amended CEO Separation Benefits Plan, upon a termination following a change in control, (i) if the PSUs are assumed or substituted by the acquiror in a change of control and the employee's employment is involuntarily terminated within the 24-month period following the change of control, or (ii) the PSUs are not assumed or substituted in a change of control, then the vesting of the PSUs will be accelerated, based on the greater of the target level award opportunity or the actual performance through the most recent completed year prior to the change of control or the date of termination of employment, payable within 60 days of the change of control or the date of termination of employment. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

Worthing F. Jackman, Executive Vice President and Chief Financial Officer

	Termination for Cause	Termination Without Cause	Termination on Disability	Termination on Death	Termination by Employee For Good Reason	Termination by Employee Without Good Reason	Termination in Connection with Change in Control
Base Salary	$—(1)	$—(4)	$1,537,500(8)	$—(10)	$—(4)	$—(1)	$—(10)
Bonus	—(2)	—(5)	384,375(9)	—(11)	—(5)	—(2)	—(11)
Severance Payment	—	3,300,000(6)	—	3,300,000(12)	3,300,000(6)	—	3,300,000(12)
Unvested Stock Options, Restricted Stock Units and Other Equity in Company	—(3)	3,118,326(7)	3,118,326(7)	3,118,326(7)	3,118,326(7)	—(3)	3,118,326(13)
TOTAL	$—	$6,418,326	$5,040,201	$6,418,326	$6,418,326	$—	$6,418,326

(1) Reflects the employee's base salary to the date of termination, paid in a lump sum, which is assumed to have been paid in full.

(2) Employee will forfeit his bonus for the year in which such a termination occurs.

(3) All of employee's unvested options, RSUs and other equity relating to the capital stock of the company will be forfeited upon such a termination.

(4) Reflects that, in lieu of the employee's base salary, the employee will receive payments pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. See footnote (6) for payment terms.

(5) Reflects that, in lieu of the employee's bonus, the employee will receive payments pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. See footnote (6) for payment terms.

(6) Reflects the amount the employee is entitled to receive pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. This amount will be paid as follows: one-third on date of termination and, provided employee has complied with the non-competition and non-solicitation provisions of the NEO Separation Benefits Plan, one-third on each of the first and second anniversaries of the date of termination.

(7) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. The exercisability of any such equity-based award, together with all vested equity-based awards held by the employee, will be extended to the earlier of the expiration of the term of such equity-based award or the third anniversary of the date of termination. No value for the extension was included since Mr. Jackman does not currently hold any options. For PSUs, the employee will receive pro-rata vesting based on the total months worked during the three-year performance period, payable at the end of the three-year period based on our achievement of the performance goals. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

(8) Reflects base salary payable to the employee through the end of the term of the NEO Separation Benefits Plan, which is extended by one year on each anniversary of the NEO Separation Benefits Plan, thus extending the term to three years. The term of the NEO Separation Benefits Plan currently expires on February 12, 2019. See footnote (6) for payment terms.

(9) Reflects the pro-rated portion of the target bonus available to the employee pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement for the year in which the termination occurs, which is 75% of his base salary at the time of termination. See footnote (6) for payment terms.

(10) Reflects that, in lieu of the employee's base salary, the employee or his estate, as applicable, will receive a lump sum payment pursuant to the terms of the NEO Separation Benefits Plan. See footnote (12) for payment terms.

(11) Reflects that, in lieu of the employee's bonus, the employee or his estate, as applicable, will receive a lump sum payment pursuant to the terms of the NEO Separation Benefits Plan. See footnote (12) for payment terms.

(12) Reflects the lump sum amount the employee or his estate, as applicable, is entitled to receive pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. This amount will be paid within 60 days of the date of death or termination, as applicable.

(13) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. Pursuant to the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan and our 2014 Incentive Award Plan, immediately upon a change in control, outstanding but unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued. Pursuant to the grant agreements under our 2014 Incentive Award Plan, upon a change in control, (i) if the PSUs are assumed or substituted by the acquiror in a change of control and the employee's employment is involuntarily terminated within the 24-month period following the change of control, or (ii) the PSUs are not assumed or substituted in a change of control, then the vesting of the PSUs will be accelerated, based on the greater of the target level award opportunity or the actual performance through the most recent completed year prior to the change of control or the date of termination of employment, payable within 60 days of the change of control or the date of termination of employment. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

Steven F. Bouck, President

	Termination for Cause	Termination Without Cause	Termination on Disability	Termination on Death	Termination by Employee For Good Reason	Termination by Employee Without Good Reason	Termination in Connection with Change in Control
Base Salary	$—(1)	$—(4)	$1,866,000(8)	$—(10)	$—(4)	$—(1)	$—(10)
Bonus	—(2)	—(5)	466,500(9)	—(11)	—(5)	—(2)	—(11)
Severance Payment	—	3,900,000(6)	—	3,900,000(12)	3,900,000(6)	—	3,900,000(12)
Unvested Stock Options, Restricted Stock Units and Other Equity in Company	—(3)	3,714,755(7)	3,714,755(7)	3,714,755(7)	3,714,755(7)	—(3)	3,714,755(13)
TOTAL	$—	$7,614,755	$6,047,255	$7,614,755	$7,614,755	$—	$7,614,755

(1) Reflects the employee's base salary to the date of termination, paid in a lump sum, which is assumed to have been paid in full.

(2) Employee will forfeit his bonus for the year in which such a termination occurs.

(3) All of employee's unvested options, RSUs and other equity relating to the capital stock of the company will be forfeited upon such a termination.

(4) Reflects that, in lieu of the employee's base salary, the employee will receive payments pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. See footnote (6) for payment terms.

(5) Reflects that, in lieu of the employee's bonus, the employee will receive payments pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. See footnote (6) for payment terms.

(6) Reflects the amount the employee is entitled to receive pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. This amount will be paid as follows: one-third on date of termination and, provided employee has complied with the non-competition and non-solicitation provisions of the NEO Separation Benefits Plan, one-third on each of the first and second anniversaries of the date of termination.

(7) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. The exercisability of any such equity-based award, together with all vested equity-based awards held by the employee, will be extended to the earlier of the expiration of the term of such equity-based award or the third anniversary of the date of termination. No value for the extension was included since Mr. Bouck does not currently hold any options. For PSUs, the employee will receive pro-rata vesting based on the total months worked during the three-year performance period, payable at the end of the three-year period based on our achievement of the performance goals. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

(8) Reflects base salary payable to the employee through the end of the term of the NEO Separation Benefits Plan, which is extended by one year on each anniversary of the NEO Separation Benefits Plan, thus extending the term to three years. The term of the NEO Separation Benefits Plan currently expires on February 12, 2019. See footnote (6) for payment terms.

(9) Reflects the pro-rated portion of the target bonus available to the employee pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement for the year in which the termination occurs, which is 75% of his base salary at the time of termination. See footnote (6) for payment terms.

(10) Reflects that, in lieu of the employee's base salary, the employee or his estate, as applicable, will receive a lump sum payment pursuant to the terms of the NEO Separation Benefits Plan. See footnote (12) for payment terms.

(11) Reflects that, in lieu of the employee's bonus, the employee or his estate, as applicable, will receive a lump sum payment pursuant to the terms of the NEO Separation Benefits Plan. See footnote (12) for payment terms.

(12) Reflects the lump sum amount the employee or his estate, as applicable, is entitled to receive pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. This amount will be paid within 60 days of the date of death or termination, as applicable.

(13) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. Pursuant to the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan and our 2014 Incentive Award Plan, immediately upon a change in control, outstanding but unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued. Pursuant to the grant agreements under our 2014 Incentive Award Plan, upon a change in control, (i) if the PSUs are assumed or substituted by the acquiror in a change of control and the employee's employment is involuntarily terminated within the 24-month period following the change of control, or (ii) the PSUs are not assumed or substituted in a change of control, then the vesting of the PSUs will be accelerated, based on the greater of the target level award opportunity or the actual performance through the most recent completed year prior to the change of control or the date of termination of employment, payable within 60 days of the change of control or the date of termination of employment. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

Darrell W. Chambliss, Executive Vice President and Chief Operating Officer

	Termination for Cause	Termination Without Cause	Termination on Disability	Termination on Death	Termination by Employee For Good Reason	Termination by Employee Without Good Reason	Termination in Connection with Change in Control
Base Salary	$—(1)	$—(4)	$1,402,200(8)	$—(10)	$—(4)	$—(1)	$—(10)
Bonus	—(2)	—(5)	350,550(9)	—(11)	—(5)	—(2)	—(11)
Severance Payment	—	3,300,000(6)	—	3,300,000(12)	3,300,000(6)	—	3,300,000(12)
Unvested Stock Options, Restricted Stock Units and Other Equity in Company	—(3)	2,810,424(7)	2,810,424(7)	2,810,424(7)	2,810,424(7)	—(3)	2,810,424(13)
TOTAL	$—	$6,110,424	$4,563,174	$6,110,424	$6,110,424	$—	$6,110,424

(1) Reflects the employee's base salary to the date of termination, paid in a lump sum, which is assumed to have been paid in full.

(2) Employee will forfeit his bonus for the year in which such a termination occurs.

(3) All of employee's unvested options, RSUs and other equity relating to the capital stock of the company will be forfeited upon such a termination.

(4) Reflects that, in lieu of the employee's base salary, the employee will receive payments pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. See footnote (6) for payment terms.

(5) Reflects that, in lieu of the employee's bonus, the employee will receive payments pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. See footnote (6) for payment terms.

(6) Reflects the amount the employee is entitled to receive pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. This amount will be paid as follows: one-third on date of termination and, provided employee has complied with the non-competition and non-solicitation provisions of the NEO Separation Benefits Plan, one-third on each of the first and second anniversaries of the date of termination.

(7) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. The exercisability of any such equity-based award, together with all vested equity-based awards held by the employee, will be extended to the earlier of the expiration of the term of such equity-based award or the third anniversary of the date of termination. No value for the extension was included since Mr. Chambliss does not currently hold any options. For PSUs, the employee will receive pro-rata vesting based on the total months worked during the three-year performance period, payable at the end of the three-year period based on our achievement of the performance goals. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

(8) Reflects base salary payable to the employee through the end of the term of the NEO Separation Benefits Plan, which is extended by one year on each anniversary of the NEO Separation Benefits Plan, thus extending the term to three years. The term of the NEO Separation Benefits Plan currently expires on February 12, 2019. See footnote (6) for payment terms.

(9) Reflects the pro-rated portion of the target bonus available to the employee pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement for the year in which the termination occurs, which is 75% of his base salary at the time of termination. See footnote (6) for payment terms.

(10) Reflects that, in lieu of the employee's base salary, the employee or his estate, as applicable, will receive a lump sum payment pursuant to the terms of the NEO Separation Benefits Plan. See footnote (12) for payment terms.

(11) Reflects that, in lieu of the employee's bonus, the employee or his estate, as applicable, will receive a lump sum payment pursuant to the terms of the NEO Separation Benefits Plan. See footnote (12) for payment terms.

(12) Reflects the lump sum amount the employee or his estate, as applicable, is entitled to receive pursuant to the terms of the NEO Separation Benefits Plan and his related participation letter agreement. This amount will be paid within 60 days of the date of death or termination, as applicable.

(13) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. Pursuant to the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan and our 2014 Incentive Award Plan, immediately upon a change in control, outstanding but unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued. Pursuant to the grant agreements under our 2014 Incentive Award Plan, upon a change in control, (i) if the PSUs are assumed or substituted by the acquiror in a change of control and the employee's employment is involuntarily terminated within the 24-month period following the change of control, or (ii) the PSUs are not assumed or substituted in a change of control, then the vesting of the PSUs will be accelerated, based on the greater of the target level award opportunity or the actual performance through the most recent completed year prior to the change of control or the date of termination of employment, payable within 60 days of the change of control or the date of termination of employment. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

Patrick J. Shea, Senior Vice President, General Counsel and Secretary

	Termination for Cause	Termination Without Cause	Termination on Disability	Termination on Death	Termination by Employee	Termination in Connection with Change in Control
Base Salary	$—[(1)]	$370,000	$370,000	$370,000	$—[(1)]	$370,000
Bonus	—[(2)]	185,000	185,000	185,000	—[(2)]	185,000
Severance Payment	—	32,694[(4)]	17,694[(5)]	17,694[(5)]	—	32,694[(4)]
Unvested Stock Options, Restricted Stock Units and Other Equity in Company	—[(3)]	1,588,393[(6)]	1,588,393[(6)]	1,588,393[(6)]	—[(3)]	1,588,393[(7)]
TOTAL	$—	$2,176,087	$2,161,087	$2,161,087	$—	$2,176,087

(1) Reflects the employee's base salary to the date of termination, paid in a lump sum, which is assumed to have been paid in full.

(2) Employee will forfeit his bonus for the year in which such a termination occurs.

(3) All of employee's unvested options, RSUs and other equity relating to the capital stock of the company will be forfeited upon such a termination.

(4) Reflects an amount equal to (i) the company's portion (but not Mr. Shea's portion) of the cost of medical, dental and other health plan insurance for Mr. Shea, his wife and children at the rate in effect on the date of termination for a period of one year from the date of termination; and (ii) Mr. Shea's expenses, up to $15,000, associated with career counseling and resume development.

(5) Reflects an amount equal to the company's portion (but not Mr. Shea's portion) of the cost of medical, dental and other health plan insurance for Mr. Shea, his wife and children at the rate in effect on the date of termination for a period of one year from the date of termination.

(6) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. The exercisability of any such equity-based award, together with all vested equity-based awards held by the employee, will be extended to the earlier of (A) the expiration of the term of such options and rights or (B) the first anniversary of the date of termination. No value for the extension was included since Mr. Shea does not currently hold any options. For PSUs, the employee will receive pro-rata vesting based on the total months worked during the three-year performance period, payable at the end of the three-year period based on our achievement of the performance goals. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

(7) Reflects the immediate vesting of all of employee's outstanding but unvested stock options, RSUs and other rights related to the company's capital stock (other than PSUs) as of the date of termination. Pursuant to the grant agreements under our Third Amended and Restated 2004 Equity Incentive Plan and our 2014 Incentive Award Plan, immediately upon a change in control, outstanding but unvested RSUs shall automatically vest in full, and the shares subject to those vested RSUs shall be issued. Pursuant to the grant agreements under our 2014 Incentive Award Plan, upon a change in control, (i) if the PSUs are assumed or substituted by the acquiror in a change of control and the employee's employment is involuntarily terminated within the 24-month period following the change of control, or (ii) the PSUs are not assumed or substituted in a change of control, then the vesting of the PSUs will be accelerated, based on the greater of the target level award opportunity or the actual performance through the most recent completed year prior to the change of control or the date of termination of employment, payable within 60 days of the change of control or the date of termination of employment. In valuing the PSUs, the targeted potential number of shares for such grants has been assumed.

DIRECTOR COMPENSATION

Compensation of Non-Employee Directors for Fiscal Year 2015

The following table provides compensation information for the year ended December 31, 2015, for each non-employee member of our Board of Directors. Directors who are officers or employees of Waste Connections do not currently receive any compensation as directors or for attending meetings of the Board of Directors or its committees.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[1]	Total ($)
Robert H. Davis	60,000	159,950	219,950
Edward E. “Ned” Guillet	65,000	159,950	224,950
Michael W. Harlan	75,000	159,950	234,950
William J. Razzouk	70,000	159,950	229,950

(1) In February 2015, each of our non-employee directors received an annual grant of 3,442 RSUs with a grant date fair value of $159,950, as shown in the “Stock Awards” column. The RSUs granted in February 2015 were granted under our 2014 Incentive Award Plan. Amounts shown do not reflect compensation actually received by the director. Instead, the amount shown for each non-employee director is the grant date fair value of the 2015 awards computed in accordance with generally accepted accounting principles, excluding estimates of forfeitures related to service-based vesting conditions. A discussion of the valuation of stock awards is set forth under Note 1 of the Notes to Consolidated Financial Statements included in our Original 10-K.

The table below shows the aggregate numbers of unvested stock awards (in the form of RSUs) outstanding for each non-employee director as of December 31, 2015.

Name	Aggregate Stock Awards Outstanding as of December 31, 2015 (#)
Robert H. Davis	1,721
Edward E. “Ned” Guillet	1,721
Michael W. Harlan	1,721
William J. Razzouk	1,721

In 2015, each non-employee director received a basic monthly cash retainer of $5,000. Committee chairs received the following additional cash compensation, in addition to their monthly retainers: Audit Committee Chair – $1,250, Compensation Committee Chair – $833.33, and Nominating and Corporate Governance Committee Chair – $416.67. Effective January 1, 2016, the retainer paid to outside directors was increased by a monthly amount of $625 for each committee an outside director sits on.

The monthly cash retainer is intended to compensate non-employee directors for participation in Board and committee meetings and for incidental participation in company affairs between meetings. Each Board member is also eligible for reimbursement of reasonable expenses incurred in attending meetings.

We grant each non-employee director annual RSU awards with a targeted value of approximately $150,000. On February 12, 2015, we granted each non-employee director 3,442 RSUs under our 2014 Incentive Award Plan and no options. The RSUs vested in two equal installments on the February 12, 2015 grant date and on the first anniversary of the grant date, subject to the director continuing to provide services to the company through the vesting date.

Non-Employee Directors' Equity Ownership

Non-employee directors of the company are required to hold shares of the company's common stock having a market value of at least $300,000. Non-employee directors have five years from the fiscal year-end following initial election to the Board to accumulate the stock ownership prescribed by the guidelines. For purposes of the calculation, shares deemed "beneficially owned" by the non-employee directors within the meaning of the rules of the SEC, as well as shares of restricted stock or RSUs subject to time-based vesting held by the non-employee director, and vested or time-based unvested RSUs or resulting shares deposited into a deferred compensation plan or arrangement, are included in the calculation of the amount of such individual's ownership. As of the date of this filing, all of our non-employee directors exceeded the requirements of our stock ownership guidelines.

Compensation Committee Interlocks and Insider Participation

In 2015, the Compensation Committee of our Board of Directors consisted of Messrs. Razzouk, Harlan and Guillet. None of our executive officers served as a director or member of the compensation committee of another entity which had an executive officer that served as a director of our company or a member of our Compensation Committee. In addition, there are no other such potential Compensation Committee interlocks.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Securities Authorized for Issuance under Equity Compensation Plans

The following is a summary of all of our equity compensation plans and individual arrangements that provide for the issuance of equity securities as compensation, as of December 31, 2015.

Equity Compensation Plan Category	(a) Number of securities to be issued upon exercise of outstanding warrants and rights	(b) Weighted-average exercise price of outstanding warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Approved by stockholders[1]	1,442,296[2]	$51.38[3]	2,488,023[4]
Not approved by stockholders[6]	56,201[5]	$31.90	—[5]
Total	1,498,497	$45.85[3]	2,488,023

(1) Consists of: (a) 2014 Incentive Award Plan; and (b) the Third Amended and Restated 2004 Equity Incentive Plan.

(2) Includes an aggregate of 1,300,714 RSUs.

(3) Excludes RSUs.

(4) The remaining 2,488,023 shares reserved for issuance under the 2014 Incentive Award Plan will be issuable upon the exercise of future stock option grants or pursuant to future restricted stock or RSU awards that vest upon the attainment of prescribed performance milestones or the completion of designated service periods. The Board of Directors unanimously adopted resolutions in 2014 approving the reduction of the shares available for future issuance under the Third Amended and Restated 2004 Equity Incentive Plan to zero, and as a result no further awards will be granted under the Third Amended and Restated 2004 Equity Incentive Plan.

(5) While warrants granted under the 2002 Consultant Incentive Plan remain outstanding, the term of the plan expired in 2012, and as a result, no further awards may be granted under the plan.

(6) Consists of the 2002 Consultant Incentive Plan summarized below.

The material features of our 2002 Consultant Incentive Plan, which was not approved by stockholders, are described below.

2002 Consultant Incentive Plan

In 2002, our Board of Directors authorized the 2002 Consultant Incentive Plan, under which warrants to purchase our common stock were issuable to certain of our consultants. Warrants awarded under the Consultant Incentive Plan are subject to a vesting schedule set forth in each warrant agreement. Historically, warrants issued have been fully vested and exercisable at the date of grant. The Compensation Committee currently administers the 2002 Consultant Incentive Plan. All warrants granted under the plan have purchase prices per share at least equal to the fair market value of the underlying common stock on the date of grant. While warrants granted under plan remain outstanding, the term of the plan expired in 2012, and as a result no further awards may be granted under the plan.

Security Ownership of Certain Beneficial Owners

The following table sets forth information known to Waste Connections concerning the shares of Waste Connections common stock beneficially owned by entities that have reported beneficial ownership of greater than five percent, based on filings made on or prior to April 28, 2016.

Name of Beneficial Owner	Number of Outstanding Shares of Common Stock Beneficially Owned[1]	Percent of Class
T. Rowe Price Associates, Inc.[2]	13,695,210	11.1%
The Vanguard Group[3]	8,372,355	6.8%
BlackRock, Inc.[4]	8,257,050	6.7%
JPMorgan Chase & Co.[5]	6,337,282	5.1%

(1) Beneficial ownership is determined in accordance with the rules of the SEC. In general, a person who has voting power and/or investment power with respect to securities is treated as the beneficial owner of those securities. Except as otherwise indicated by footnote, Waste Connections believes that the persons named in this table have sole voting and investment power with respect to the shares of common stock shown.

(2) The share ownership of T. Rowe Price Associates, Inc. is based on a Schedule 13G/A filed with the SEC on February 12, 2016. T. Rowe Price Associates has sole voting power with respect to 3,312,273 shares of common stock and sole dispositive power with respect to 13,695,210 shares of common stock. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202.

(3) The share ownership of The Vanguard Group is based on a Schedule 13G/A filed with the SEC on February 11, 2016. The Vanguard Group has sole voting power with respect to 88,414 shares of common stock and sole dispositive power with respect to 8,285,191 shares of common stock. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

(4) The share ownership of BlackRock, Inc. is based on a Schedule 13G/A filed with the SEC on January 27, 2016. BlackRock, Inc. has sole voting power with respect to 7,809,510 shares of common stock and sole dispositive power with respect to 8,257,050 shares of common stock. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10022.

(5) The share ownership of JPMorgan Chase & Co. is based on a Schedule 13G filed with the SEC on February 1, 2016. JPMorgan Chase & Co. has sole voting power with respect to 5,459,250 shares of common stock and sole dispositive power with respect to 6,255,721 shares of common stock. The address of JPMorgan Chase & Co. is 270 Park Ave, New York, New York 10017.

Security Ownership of Management.

The following table sets forth information known to Waste Connections concerning shares of Waste Connections common stock beneficially owned, as of April 28, 2016, by (i) each current Waste Connections director; (ii) each current Waste Connections named executive officer; and (iii) all Waste Connections executive officers and directors as a group. Except as otherwise indicated in the footnotes to the table below, and subject to applicable community property laws, Waste Connections believes that the beneficial owners of the common stock, based on information furnished by such owners, have sole investment power and voting power with respect to such shares.

Beneficial Owner[1]	Amount and Nature of Beneficial Ownership[2]	Vested Restricted Stock Units Held Under Nonqualified Deferred Compensation Plan[3]	Total
Ronald J. Mittelstaedt	58,889[4]	114,340	173,229
Steven F. Bouck	193,604	—	193,604
Darrell W. Chambliss	82,416	25,060	107,476
Worthing F. Jackman	62,447	16,618	79,065
Edward E. “Ned” Guillet	53,033	—	53,033
Michael W. Harlan	29,745	—	29,745
Patrick J. Shea	23,455	—	23,455
William J. Razzouk	15,449	—	15,449
Robert H. Davis	8,295	—	8,295
All executive officers and directors as a group (20 persons)	663,062	156,018	819,080

(1) Beneficial ownership is determined in accordance with the rules of the SEC. In general, a person who has voting power and/or investment power with respect to securities is treated as the beneficial owner of those securities. Except as otherwise indicated by footnote, Waste Connections believes that the persons named in this table have sole voting and investment power with respect to the shares of common stock shown.

(2) Shares of common stock subject to options and/or warrants currently exercisable or exercisable within 60 days after March 1, 2016, shares of common stock into which convertible securities are convertible within 60 days after March 1, 2016, and shares which will become issuable within 60 days after March 1, 2016, pursuant to outstanding RSUs count as outstanding for computing the percentage beneficially owned by the person holding such options, warrants, convertible securities and RSUs, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(3) Executive officers, in years prior to 2015, were able to voluntarily defer receipt of RSU grants under Waste Connections’ Nonqualified Deferred Compensation Plan. The RSUs held under Waste Connections’ Nonqualified Deferred Compensation Plan are not considered common stock that is beneficially owned for SEC disclosure purposes. Waste Connections has included them in this table because they are similar to or track its common stock, they ultimately are settled in common stock, and they represent an investment risk in the performance of its common stock.

(4) Includes 58,889 shares of common stock held by Mittelstaedt Enterprises, L.P., of which Mr. Mittelstaedt is a limited partner. Excludes 3,524 shares of common stock held by the Mittelstaedt Irrevocable Trust dated 6/18/97 and 39,688 shares of common stock held by RDM Positive Impact Foundation as to which Mr. Mittelstaedt disclaims beneficial ownership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with Related Persons, Promoters and Certain Control Persons

2015 Related Party Transactions

Since January 20, 2005, Namen Chambliss has held the position of Network Manager for the company. Mr. N. Chambliss is the brother of Darrell Chambliss, our Executive Vice President and Chief Operating Officer. Previously, Mr. N. Chambliss held the position of Systems Operations Supervisor for the Eastern Region, and was based in our regional office in Tennessee. The total salary and incentive compensation we paid to Mr. N. Chambliss in 2015 was $139,863. In addition, Mr. N. Chambliss had $33,010 of RSUs vest in 2015. In 2015, we granted Mr. N. Chambliss 600 RSUs. The units were granted on the same general terms and conditions as units granted to other employees at the same management level. As Network Manager, Mr. N. Chambliss' annual salary is $116,000 as of January 22, 2016.

Since January 2, 2008, Michelle Little has held the position of Director of Accounting for the company. Mrs. Little is the spouse of James Little, our Senior Vice President – Engineering and Disposal. The total salary and incentive compensation we paid to Mrs. Little in 2015 was $199,231. In addition, Mrs. Little had $70,109 of RSUs vest in 2015. In 2015, we granted Mrs. Little 1,000 RSUs. The units were granted on the same general terms and conditions as units granted to other employees at the same management level. As Director of Accounting, Mrs. Little's annual salary is $205,000.12 as of February 1, 2016.

Review, Approval or Ratification of Transactions with Related Persons

The charter of our Board of Directors' Nominating and Corporate Governance Committee provides that among the Committee's responsibilities is the review and approval of any material transaction between us and any of our directors or executive officers or any entity affiliated with such a person, including assessing whether the transaction is fair and in our interests, why we should enter into it with a related rather than an unrelated party, and whether public disclosure is required.

In addition, the Nominating and Corporate Governance Committee developed and the Board of Directors approved our Corporate Governance Guidelines and our Code of Conduct and Ethics, including a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, as required by Section 406 of the Sarbanes-Oxley Act. The Committee reviews the Guidelines and Code on an annual basis, or more frequently if appropriate, and recommends to the Board of Directors changes as necessary.

In addressing conflicts of interest, the Code provides that no officer, director or employee may be subject to influences, interests or relationships that conflict with the best interests of the company. It states that a conflict of interest exists when a person is in a position to influence a decision that may personally benefit that person or a person he or she is related to by blood or marriage as a result of the company's business dealings. The Code provides that each officer, director and employee of the company must avoid any investment, interest or association that interferes or might interfere with that person's independent exercise of judgment in the company's best interests, and that service to the company should never be subordinated to personal gain or advantage.

In an effort to help avoid these and other conflicts of interest, the Code sets forth certain rules the company has adopted, including rules that prohibit: (a) officers, directors or any employees who buy or sell goods or services or have responsibility connected to buying and selling for or on behalf of the company and members of their respective families from having certain economic interests in business concerns that transact business with the company or are in competition with it; (b) officers, directors or employees or members of their respective families from giving or accepting certain gifts to or from any person soliciting or doing business with the company; (c) officers of the company from serving as a director of any other company that is organized for profit without the written approval of the Nominating and Corporate Governance Committee; and (d) officers, directors or employees from having any material interest in a business that deprives the company of any business opportunity or is in any way detrimental to the company.

Each officer and director must report all actual or potential conflicts of interest to the Nominating and Corporate Governance Committee. Directors must also comply with the conflict provisions relating to directors set forth in our Corporate Governance Guidelines. The Nominating and Corporate Governance Committee will resolve all conflicts of interest involving officers or directors. If a conflict involves a member of the Nominating and Corporate Governance Committee, that committee will resolve the conflict only if there are two disinterested directors remaining on that committee. Otherwise, the matter will be resolved by the entire Board of Directors. If a significant conflict exists involving a director that cannot be resolved and cannot be waived, the director must resign.

The Nominating and Corporate Governance Committee has the sole authority to waive provisions of our Code of Conduct and Ethics with respect to executive officers and directors in specific circumstances where it determines that such waiver is appropriate, subject to compliance with applicable laws and regulations. Any such waivers will be promptly disclosed to our stockholders to the extent required by applicable laws and regulations.

On August 30, 2013, Mr. Harlan was appointed to the board of directors of Travis Acquisition, LLC, the parent of Travis Body & Trailer, Inc., a private company from which Waste Connections has purchased, and expects to continue to purchase in the future, an immaterial amount of equipment. In connection with his appointment, Mr. Harlan made an equity investment in Travis Acquisition, LLC. On August 29, 2013, after due consideration of the immaterial nature of the potential conflicts of interest that may be presented by Mr. Harlan's relationships with Travis Body & Trailer, Inc., the Nominating and Corporate Governance Committee of the Board of Directors of Waste Connections waived the application of Section 1 of Waste Connections' Code of Conduct and Ethics with respect to Mr. Harlan's service on the board of directors of Travis Acquisition, LLC and his ownership of an equity interest in Travis Acquisition, LLC, not to exceed five percent. In 2015, Waste Connections purchased approximately $202,600 of equipment from Travis Body & Trailer, Inc. Mr. Harlan had an indirect interest in this transaction commensurate with his ownership interest in Travis Acquisition, LLC.

Mr. Harlan also serves as the Chairman of the Board of Directors and Chief Executive Officer of, and owns an equity interest in, Principal Environmental, LLC, doing business as Principle Energy Services ("PES"), a private equity-backed oilfield services company. PES provides engineered noise mitigation solutions for oil and natural gas drilling, completions and production and operates in five states and serves a wide range of customers from small, independent exploration companies to the major oil and gas companies. Waste Connections' subsidiary, R360 Permian Basin, LLC ("R360"), operates a facility in Halfway, New Mexico, where a permit condition for a salt water disposal well R360 drilled in 2015 required R360 to use noise abatement technology, such as an acoustical curtain, while drilling the well. R360 hired PES to provide the noise abatement services at R360's site, which services Waste Connections cost approximately $120,000. Mr. Harlan had an indirect interest in this transaction commensurate with his ownership interest in Travis Acquisition, LLC. On April 16, 2015, after due consideration of the immaterial nature of the potential conflicts of interest that may be presented by Mr. Harlan's relationships with PES, the Nominating and Corporate Governance Committee of the Board of Directors of Waste Connections waived the application of Section 1 of Waste Connections' Code of Conduct and Ethics with respect to the potential transaction between PES and R360.

Director Independence; Lead Independent Director

The Board of Directors has determined that each of Messrs. Davis, Guillet, Harlan and Razzouk is "independent" within the meaning of the standards set forth in our Corporate Governance Guidelines. Messrs. Davis, Harlan and Razzouk together make up the Board's Audit Committee. Messrs. Guillet, Harlan and Razzouk together make up the Board's Compensation Committee. Messrs. Davis, Guillet and Razzouk together make up the Board's Nominating and Corporate Governance Committee.

The Board selects its Chairman and the company's Chief Executive Officer in any way it considers to be in the best interest of the company. The Board has determined that its stockholders are best served by having Ronald J. Mittelstaedt, the company's founder and current Chief Executive Officer, also serve as Chairman of the Board. Mr. Mittelstaedt has held the positions of Chairman of the Board and Chief Executive Officer since January 1998.

In the event that Mr. Mittelstaedt no longer serves as both Chairman and Chief Executive Officer, it is the Board's policy that the positions of Chairman and Chief Executive Officer be held by separate persons.

To ensure the strength and independence of the Board, the independent, non-employee directors typically meet in an executive session, without management, at each of our five regularly scheduled Board of Directors meetings. Furthermore, when the Chairman is an affiliated director or a member of the company's management, or when the independent directors determine that it is in the best interests of the company, the independent directors will appoint from among themselves a lead independent director. The Board has designated the chairman of the Audit Committee, currently Mr. Harlan, as the Board's lead independent director. In addition to his other duties as a director and member of committees, the lead independent director:

- Presides at all meetings of the Board at which the Chairman is not present;
- Has the authority to call meetings of non-employee directors;
- Presides over each meeting of non-employee directors;
- Helps facilitate communication between the Chairman/CEO and the non-employee directors;
- Advises with respect to the Board's agenda; and
- If requested by major stockholders, ensures his availability for direct communication.

If the Chairman of the Board is an independent director, then the duties for the lead independent director described above shall be part of the duties of the Chairman. As set forth in our Corporate Governance Guidelines, a majority of the members of our Board of Directors must be independent. For a director to be considered independent, the Board of Directors must determine that the director is "independent" within the meaning of the New York Stock Exchange listing standards. In addition, for a director to be considered independent, the Board of Directors must determine that the director has no material relationship with the company, either directly or indirectly as a partner, stockholder or officer of an organization that has a relationship with the company. No director who is a former employee of the company, is a former employee or affiliate of any current auditor of the company or its subsidiaries, is a part of an interlocking directorate in which any executive officer of the company serves on the compensation committee of another company that concurrently employs such director or has an immediate family member in any of the foregoing categories, can be independent until three years after such employment, affiliation or relationship has ceased.

The Board of Directors reviews all commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships of each director to assess whether any of them is a material relationship so as to impair that director's independence. A "material relationship" means a direct or indirect commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship that is reasonably likely to affect the independent and objective judgment of the director in question, provided that the direct or indirect ownership of any amount of our stock is not deemed to constitute a material relationship. The following commercial or charitable relationships are not considered to be material relationships that would impair a director's independence: if a director of Waste Connections (a) is also an executive officer of another company that does business with Waste Connections and the annual sales to, or purchases from, Waste Connections are less than the greater of $1 million or two percent of the annual revenue of that other company; (b) is an executive officer of another company that is indebted to Waste Connections, or to which Waste Connections is indebted, and the total amount of either company's indebtedness to the other is less than one percent of the total consolidated assets of that other company; or (c) serves as an officer, director or trustee of a charitable organization, and Waste Connections' discretionary charitable contributions to that organization are less than one percent of that organization's total annual receipts. The Board of Directors reviews annually whether its members satisfy these categorical independence tests before any non-employee member stands for reelection to the Board of Directors.

All relationships not covered by the preceding paragraph are reviewed by the directors who satisfy the independence tests set forth above to determine whether they are material so as to impair a director's independence. If the Board of Directors determines that any relationship is immaterial even though it does not meet the categorical tests for immateriality set forth above, we will explain in our next proxy statement the basis for the Board of Director's determination.

In October 2008, Mr. Davis, after informing the Board of Directors, joined the external advisory board of the Global Waste Research Institute, or the GWRI. The GWRI, of which Mr. Davis is a conceptual founder, was developed in conjunction with California Polytechnic State University, San Luis Obispo. The GWRI's mission is to advance state-of-the-art research and development of sustainable technologies and practices to more effectively manage existing and emerging wastes and byproducts. Also in October 2008, Waste Connections agreed to make gifts to the GWRI totaling up to $1,000,000 over nine years ($100,000 of which was paid in 2015), subject to certain conditions. Based on information provided to the Board of Directors by Mr. Davis, these gifts will initially constitute more than one percent of the total annual receipts of GWRI, which caused the relationship to fall outside the criteria of the independence tests set forth above and required the Board of Directors to review and decide whether to approve Mr. Davis' involvement with the GWRI. After a review of the relevant facts and the mission of the GWRI, the Board of Directors determined that Mr. Davis' participation in the GWRI as a member of it external advisory board coupled with Waste Connections' contributions to the GWRI would not be a material relationship that would impair Mr. Davis' independence as a director of Waste Connections.

On August 30, 2013, Mr. Harlan was appointed to the board of directors of Travis Acquisition, LLC, the parent of Travis Body & Trailer, Inc., a private company from which Waste Connections has purchased, and expects to continue to purchase in the future, an immaterial amount of equipment. In connection with his appointment, Mr. Harlan made an equity investment in Travis Acquisition, LLC. On August 29, 2013, after due consideration of the immaterial nature of the potential conflicts of interest that may be presented by Mr. Harlan's relationships with Travis Body & Trailer, Inc., the Nominating and Corporate Governance Committee of the Board of Directors of Waste Connections determined Mr. Harlan's relationship with Travis Body & Trailer, Inc. did not impair Mr. Harlan's independence as a director of Waste Connections. In 2015, Waste Connections purchased approximately $202,600 of equipment from Travis Body & Trailer, Inc. Mr. Harlan had an indirect interest in this transaction commensurate with his ownership interest in Travis Acquisition, LLC.

Mr. Harlan also serves as the Chairman of the Board of Directors and Chief Executive Officer of, and owns an equity interest in, Principal Environmental, LLC, doing business as Principle Energy Services ("PES"), a private equity-backed oilfield services company. PES provides engineered noise mitigation solutions for oil and natural gas drilling, completions and production and operates in five states and serves a wide range of customers from small, independent exploration companies to the major oil and gas companies. Waste Connections' subsidiary, R360 Permian Basin, LLC ("R360"), operates a facility in Halfway, New Mexico, where a permit condition for a salt water disposal well R360 drilled in 2015 required R360 to use noise abatement technology, such as an acoustical curtain, while drilling the well. R360 hired PES to provide the noise abatement services at R360's site, which services Waste Connections cost approximately $120,000. Mr. Harlan had an indirect interest in this transaction commensurate with his ownership interest in Travis Acquisition, LLC. On April 16, 2015, after due consideration of the immaterial nature of the potential conflicts of interest that may be presented by Mr. Harlan's relationships with PES, the Nominating and Corporate Governance Committee of the Board of Directors of Waste Connections determined Mr. Harlan's relationship with PES did not impair Mr. Harlan's independence as a director of Waste Connections.

Independence of Committee Members

In addition to the general requirements for independent Board members described above, members of the Audit Committee and the Compensation Committee must also satisfy the additional independence requirements of the New York Stock Exchange and federal securities laws. These rules, among other things, prohibit a member of the Audit Committee or the Compensation Committee, other than in his capacity as a member of such committee, the Board of Directors or any other committee of the Board of Directors, from receiving any compensatory fees from or being an affiliated person of Waste Connections or any of its subsidiaries. As a matter of policy, the Board of Directors also applies this additional requirement to members of the Nominating and Corporate Governance Committee.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

PricewaterhouseCoopers LLP audited our consolidated financial statements for the fiscal year 2015. The following table sets forth fees billed to the company for professional services rendered in 2015 and 2014 by PricewaterhouseCoopers LLP.

	2015	2014
Audit Fees	$1,970,200	$1,422,500
Audit-Related Fees	—	—
Tax Fees	109,000	21,500
All Other Fees	3,600	3,600
Total	$2,082,800	$1,447,600

Audit Fees consist of fees associated with both the audit of our consolidated financial statements and the audit of our internal control over financial reporting for fiscal years 2015 and 2014, review of the consolidated financial statements included in our quarterly reports on Form 10-Q, consents, assistance with review of documents filed with, or furnished to, the SEC, and audit work related to acquisitions, as well as out-of-pocket expenses incurred in the performance of audit services.

Tax Fees consist of fees associated with tax compliance, advice and planning in 2015 and 2014, which principally included discussions regarding proposed acquisitions and an accounting methods change.

All Other Fees consist of a license fee for an online accounting and reporting research database.

The Audit Committee considers the services provided by PricewaterhouseCoopers LLP described under “Tax Fees” and “All Other Fees” to be compatible with PricewaterhouseCoopers LLP’s independence during the periods covered.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that requires advance approval of all audit, audit-related, tax and other services performed by the independent registered public accounting firm. The policy provides for pre-approval by the Audit Committee of specifically defined audit and non-audit services. Unless the specific service has been previously pre-approved with respect to that year, the Audit Committee must approve the permitted service before the independent registered public accounting firm is engaged to perform it. The Audit Committee has delegated to the chairman of the Audit Committee authority to approve permitted services, provided that the chairman reports all approvals to the Audit Committee at its next meeting. All of the fees described above under “Audit Fees”, “Tax Fees” and “All Other Fees” were approved by the Audit Committee.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents, which we have filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, are by this reference incorporated in and made a part of this report:

1. Financial Statements—Our consolidated financial statements were previously filed with the Original Filing.

2. Financial Statement Schedules—Financial Statement Schedules were previously filed with the Original Filing.

(b) See Exhibit Index immediately following signature page.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

Waste Connections, Inc.

By: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

Date: April 28, 2016

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
2.1	Agreement and Plan of Merger, dated as of January 18, 2016, by and among Progressive Waste Solutions Ltd., Water Merger Sub LLC, and the Registrant (incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K filed on January 20, 2016)
3.1	Amended and Restated Certificate of Incorporation of the Registrant, dated as of June 14, 2013 (incorporated by reference to Exhibit 3.1 of the Registrant's Form 10-Q filed on July 24, 2013)
3.2	Fourth Amended and Restated Bylaws of the Registrant, effective July 17, 2014 (incorporated by reference to Exhibit 3.2 of the Registrant's Form 10-Q filed on July 21, 2014)
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Registrant's Form S-1/A filed on May 6, 1998)
4.2	Master Note Purchase Agreement, dated July 15, 2008 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on July 18, 2008)
4.3	Amendment No. 1 to Master Note Purchase Agreement, dated as of July 20, 2009 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q filed on August 5, 2009)
4.4	First Supplement to Master Note Purchase Agreement, dated as of October 26, 2009 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q filed on October 27, 2009)
4.5	Amendment No. 2 to Master Note Purchase Agreement, dated as of November 24, 2010 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on November 26, 2010)
4.6	Second Supplement to Master Note Purchase Agreement, dated as of April 1, 2011 (incorporated by reference to Exhibit 4.5 of the Registrant's Form 8-K filed on April 5, 2011)
4.7	Amendment No. 3 to Master Note Purchase Agreement, dated as of October 12, 2011 (incorporated by reference to Exhibit 4.7 of the Registrant's Form 10-K filed on February 8, 2012)
4.8	Amendment No. 4 to Master Note Purchase Agreement, dated August 9, 2013 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on August 14, 2013)
4.9	Amendment No. 5 to Master Note Purchase Agreement, dated February 20, 2015 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on February 26, 2015)
4.10	Third Supplement to Master Note Purchase Agreement, dated as of June 11, 2015 (incorporated by reference to Exhibit 4.9 of the Registrant's Form 8-K filed on June 12, 2015)
10.1 +	Employment Agreement between the Registrant and James M. Little, dated as of September 13, 1999 (incorporated by reference to Exhibit 10.42 of the Registrant's Form 10-K filed on March 13, 2000)
10.2 +	Employment Agreement between the Registrant and Eric O. Hansen, dated as of January 1, 2001 (incorporated by reference to Exhibit 10.12 of the Registrant's Form 10-Q filed on May 3, 2005)
10.3 +	First Amended and Restated Employment Agreement between the Registrant and David M. Hall, dated as of October 1, 2005 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on October 4, 2005)
10.4 +	First Amended and Restated Employment Agreement between the Registrant and David G. Eddie, dated as of October 1, 2005 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on October 4, 2005)
10.5 +	Form of Indemnification Agreement between the Registrant and each of its directors and officers (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on July 31, 2006)

Exhibit Number	Description of Exhibits
10.6 +	Employment Agreement between the Registrant and Patrick J. Shea, dated as of February 1, 2008 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on April 23, 2008)
10.7 +	Consultant Incentive Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on April 23, 2008)
10.8 +	Form of Amendment to Employment Agreement between the Registrant and each of David G. Eddie, David M. Hall and Patrick J. Shea (incorporated by reference to Exhibit 10.24 of the Registrant's Form 10-K filed on February 10, 2009)
10.9 +	Form of Amendment to Employment Agreement between the Registrant and James M. Little (incorporated by reference to Exhibit 10.25 of the Registrant's Form 10-K filed on February 10, 2009)
10.10 +	Form of Amendment to Employment Agreement between the Registrant and Eric O. Hansen (incorporated by reference to Exhibit 10.26 of the Registrant's Form 10-K filed on February 10, 2009)
10.11 +	Employment Agreement between the Registrant and Rick Wojahn, dated as of February 9, 2009 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on May 8, 2009)
10.12 +	Employment Agreement between the Registrant and Scott Schreiber, dated as of February 9, 2009 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on May 8, 2009)
10.13 +	Employment Agreement between the Registrant and Greg Thibodeaux, dated as of July 1, 2000 (incorporated by reference to Exhibit 10.29 of the Registrant's Form 10-K filed on February 9, 2011)
10.14 +	Form of Amendment to Employment Agreement between the Registrant and Greg Thibodeaux (incorporated by reference to Exhibit 10.30 of the Registrant's Form 10-K filed on February 9, 2011)
10.15 +	Waste Connections, Inc. Nonqualified Deferred Compensation Plan, amended and restated as of December 1, 2014 (incorporated by reference to Exhibit 10.17 of the Registrant's Form 10-K filed on February 10, 2015)
10.16 +	Waste Connections, Inc. Third Amended and Restated 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.30 of the Registrant's Form 10-K filed on February 8, 2012)
10.17 +	Separation Benefits Plan and Employment Agreement by and between the Registrant and Ronald J. Mittelstaedt, effective February 13, 2012 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.18 +	Separation Benefits Plan, effective February 13, 2012 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.19 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Steven F. Bouck, effective February 13, 2012 (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.20 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Worthing F. Jackman, effective February 13, 2012 (incorporated by reference to Exhibit 10.4 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.21 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Darrell W. Chambliss, effective February 13, 2012 (incorporated by reference to Exhibit 10.5 of the Registrant's Form 8-K/A filed on February 27, 2012)
10.22 +	Employment Agreement between the Registrant and Matthew Black, dated as of March 1, 2012 (incorporated by reference to Exhibit 10.7 of the Registrant's Form 10-Q filed on April 26, 2012)

Exhibit Number	Description of Exhibits
10.23 +	Employment Agreement between the Registrant and Mary Anne Whitney, dated as of March 1, 2012 (incorporated by reference to Exhibit 10.8 of the Registrant's Form 10-Q filed on April 26, 2012)
10.24 +	Employment Agreement between the Registrant and Susan Netherton, dated as of July 23, 2013 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on October 23, 2013)
10.25 +	Waste Connections, Inc. 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on May 19, 2014)
10.26 +	Form Grant Agreement for Performance-Based Restricted Stock Units (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on May 19, 2014)
10.27 +	Form Warrant to Purchase Common Stock pursuant to 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.3 of the Registrant's Form 10-Q filed on July 21, 2014)
10.28 +	Form Grant Agreement for Restricted Stock Units pursuant to 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q filed on October 22, 2014)
10.29 +	Employment Agreement between the Registrant and Robert Cloninger, dated as of August 1, 2014 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q filed on October 22, 2014)
10.30	Term Loan Agreement, dated as of October 25, 2012 (incorporated by reference to Exhibit 4.9 of the Registrant’s Form 10-K filed on March 1, 2013)
10.31	First Amendment to Term Loan Agreement, dated as of May 6, 2013 (incorporated by reference to Exhibit 4.1 of the Registrant’s Form 10-Q filed on July 24, 2013)
10.32	Second Amended and Restated Credit Agreement, dated as of May 6, 2013 (incorporated by reference to Exhibit 4.2 of the Registrant’s Form 10-Q filed on July 24, 2013)
10.33	Second Amendment to Term Loan Agreement, dated as of May 15, 2014 (incorporated by reference to Exhibit 10.3 of the Registrant’s Form 8-K filed on May 19, 2014)
10.34	Revolving Credit and Term Loan Agreement, dated as of January 26, 2015 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on January 30, 2015)
10.35 +	Amendment to Separation Benefits Plan and Employment Agreement between Registrant and Ronald J. Mittelstaedt (incorporated by reference to Exhibit 10.1 of the Registrant’s Form 8-K filed on December 18, 2015)
10.36 +	Amended and Restated Compensation Plan for Independent Directors, dated January 1, 2016 (incorporated by reference to Exhibit 10.36 of the Registrant’s Form 10-K filed on February 9, 2016)
10.37 +	Form Grant Agreement for Restricted Stock Units for Non-employee Directors pursuant to 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.37 of the Registrant’s Form 10-K filed on February 9, 2016)
10.38 +	Form Grant Agreement for Restricted Stock Units (with One-Year Performance Period) pursuant to 2014 Incentive Award Plan (incorporated by reference to Exhibit 10.38 of the Registrant’s Form 10-K filed on February 9, 2016)
10.39	Consent to Revolving Credit and Term Loan Agreement, dated as of January 18, 2016 (incorporated by reference to Exhibit 10.1 of the Registrant’s Form 8-K filed on January 22, 2016)
12.1	Statement regarding Computation of Ratios (incorporated by reference to Exhibit 12.1 of the Registrant’s Form 10-K filed on February 9, 2016)

Exhibit Number	Description of Exhibits
21.1	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 of the Registrant's Form 10-K filed on February 9, 2016)
23.1	Consent of Independent Registered Public Accounting Firm (incorporated by reference to Exhibit 23.1 of the Registrant's Form 10-K filed on February 9, 2016)
24.1	Power of Attorney (incorporated by reference to Exhibit 24.1of the Registrant's Form 10-K filed on February 9, 2016)
31.1	Certification of Chief Executive Officer (incorporated by reference to Exhibit 31.1 of the Registrant's Form 10-K filed on February 9, 2016)
31.2	Certification of Chief Financial Officer (incorporated by reference to Exhibit 31.2 of the Registrant's Form 10-K filed on February 9, 2016)
31.3*	Certification of Chief Executive Officer
31.4*	Certification of Chief Financial Officer
32.1	Certificate of Chief Executive Officer (incorporated by reference to Exhibit 32.1 of the Registrant's Form 10-K filed on February 9, 2016)
32.2	Certificate of Chief Financial Officer (incorporated by reference to Exhibit 32.2 of the Registrant's Form 10-K filed on February 9, 2016)
101.INS	XBRL Instance Document (incorporated by reference to Exhibit 101.INS of the Registrant's Form 10-K filed on February 9, 2016)
101.SCH	XBRL Taxonomy Extension Schema Document (incorporated by reference to Exhibit 101.SCH of the Registrant's Form 10-K filed on February 9, 2016)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (incorporated by reference to Exhibit 101.CAL of the Registrant's Form 10-K filed on February 9, 2016)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (incorporated by reference to Exhibit 101.LAB of the Registrant's Form 10-K filed on February 9, 2016)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (incorporated by reference to Exhibit 101.PRE of the Registrant's Form 10-K filed on February 9, 2016)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (incorporated by reference to Exhibit 101.DEF of the Registrant's Form 10-K filed on February 9, 2016)

* Filed herewith.

+ Management contract or compensatory plan, contract or arrangement.

Exhibit 31.3

CERTIFICATION OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

I, Ronald J. Mittelstaedt, certify that:

1. I have reviewed this annual report on Form 10-K/A of Waste Connections, Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 28, 2016

/s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chairman and
Chief Executive Officer

Exhibit 31.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Worthing F. Jackman, certify that:

1. I have reviewed this annual report on Form 10-K/A of Waste Connections, Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Date: April 28, 2016

/s/ Worthing F. Jackman
Worthing F. Jackman
Executive Vice President and
Chief Financial Officer

WASTE CONNECTIONS, INC.
2014 ANNUAL REPORT

ACCOUNTABILITY

INTEGRITY

SERVANT LEADERSHIP

CUSTOMER SERVICE

SAFETY

A GREAT PLACE TO WORK

LETTER TO STOCKHOLDERS

Safety Driven. Be the Safest. Do the Right Thing. For Waste Connections, these are heartfelt words embraced by servant leaders and empowered employees. These are guiding principles for a “safety-first" culture that lives up to our #1 Operating Value. And these words help remind us what’s important.

The theme for our annual report last year was *Culture Matters*. It emphasized the importance of our culture as a major contributor to our success and the success of our stockholders. Safety is a key component of that culture—in fact, it’s our #1 Operating Value. We deploy a variety of resources for safety training and education, and use various tools to monitor and record incidents. Without the right culture, efforts like these can often result in a “check the box” or “gotcha” approach to safety. But with the right culture, a culture like the one we foster at Waste Connections, embracing a ZERO incident safety goal becomes possible. And as discussed further below, we’ve not only embraced this goal, but we’ve made some exciting progress toward achieving it!

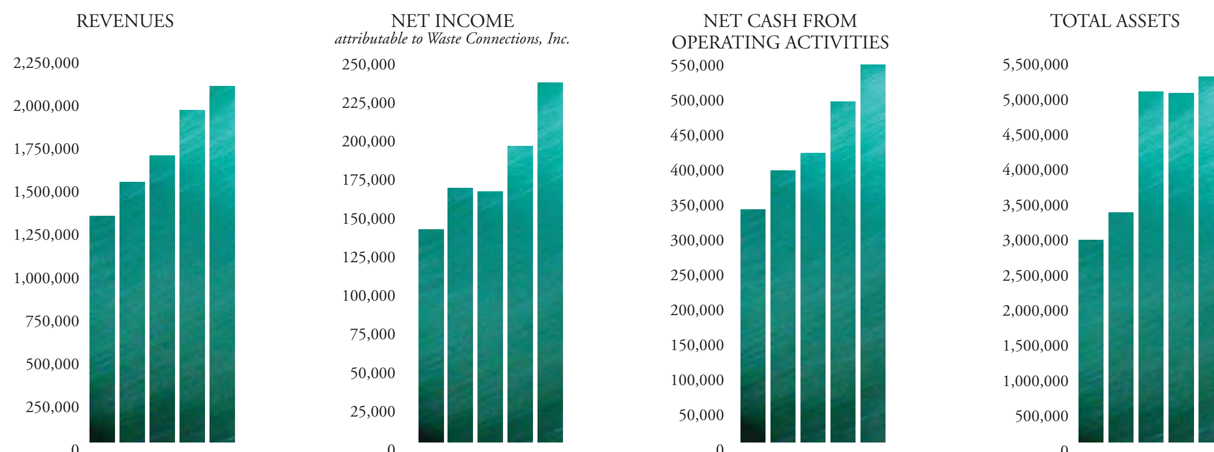
Waste Connections is the premier provider of municipal solid waste services in mostly exclusive and secondary markets across the U.S. and a leading provider of exploration and production, or E&P, waste treatment, recovery and disposal services in the U.S. Our differentiated strategy combines the industry-leading financial performance and predictability of a municipal solid waste business with the strong cash-on-cash profile of an emerging E&P waste business.

EXCEPTIONAL PERFORMANCE IN 2014

2014 was an exceptional year for Waste Connections, with better than expected growth in solid waste volumes and a 20+% increase in E&P waste disposal activity driving strong financial performance throughout the year. Revenue in 2014 grew 7.8% from the prior year to $2.08 billion, and adjusted

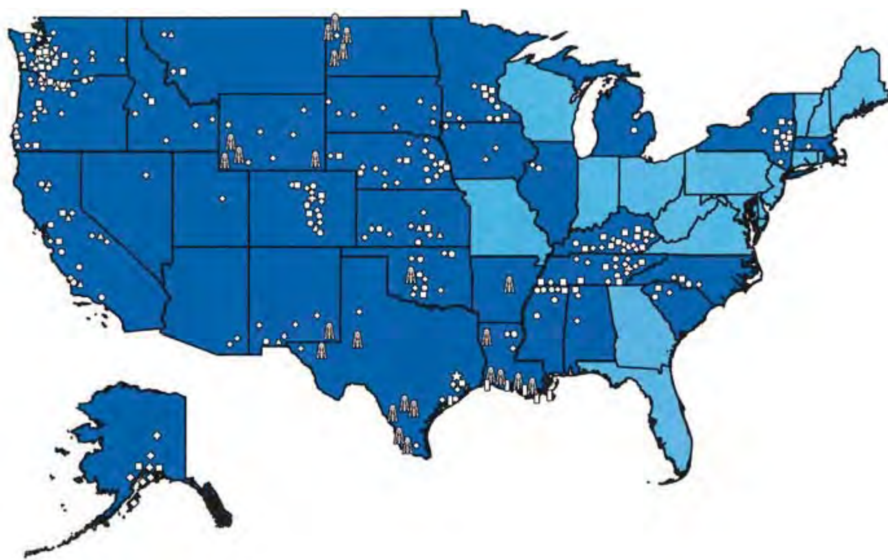
FIVE YEAR FINANCIAL HIGHLIGHTS

(2010-2014; $000s)



net income increased 14.7% to $254.2 million. Adjusted EBITDA as a percent of revenue increased 40 basis points from 34.1% in 2013, to 34.5% in 2014, coming in at $717.1 million.

We deployed over $365 million in 2014 for capital expenditures and acquisitions to reinvest in and expand our business, including a new C&D landfill in New York's Hudson Valley Region, new market entry solid waste collection acquisitions in Alabama and North Dakota, and four new E&P waste treatment and disposal facilities in North Dakota and Texas. In spite of a 15.0% increase in capital expenditures and 42.2% increase in cash taxes, adjusted free cash flow grew 6.6% to $321.6 million, or 15.5% of revenue.



FACILITIES

Solid waste collection operations	150
Transfer stations	69
MSW, Non-MSW and E&P Landfills	58
Recycling operations	35
E&P liquid waste injection wells	22
Oil recovery facilities	20
E&P waste treatment and recovery facilities	19
Intermodal facilities	7

We improved our credit metrics during the year, giving us greater flexibility to not only invest for growth, but also to increase the return of capital to stockholders. Return of capital to stockholders increased 29.3% to $66.2 million through cash dividends and repurchases of our common stock. Our regular quarterly cash dividend increased by 13.0% to $0.13 per share. In addition, our investment-grade credit rating was upgraded two notches to 'BBB+' by Standard & Poor's.

The precipitous drop in crude oil prices negatively impacted our stock in late 2014. Despite this headwind, 2014 was our 11th consecutive year of positive Total Stockholder Return, or TSR. Over a longer term, five-year period ending December 31, 2014, our 106.8% TSR outperformed the approximately 105.1% TSR, 83.5% TSR and 76.0% TSR of the S&P 500 Index, the Dow Jones U.S. Waste & Disposal Services Index and our Peer Group Companies, respectively.

OVERCOMING CHALLENGES AND INCREASING RETURN OF CAPITAL IN 2015

Our exceptional performance in 2014 provides us with strong momentum to overcome the two primary challenges we expect to face in the upcoming year: (1) a decrease in demand for higher

margin E&P waste disposal services due to the precipitous drop in crude oil prices in late 2014; and (2) a decrease in the value of recycled commodities due to weak economic conditions outside of the U.S., the improving U.S. dollar, and logistics issues in getting recycled materials to market due to work slowdowns and congestion at West Coast ports.

We believe that we will overcome these challenges through continued pricing strength and volume growth within solid waste, lower fuel costs, newly opened solid waste and E&P waste disposal facilities, and recently completed acquisitions, all of which should drive top-line growth and a more than 10% increase in free cash flow generation. We also believe our balance sheet is well positioned to fund additional growth opportunities, and we expect to triple the amount of capital returned to stockholders in 2015 to an estimated 4% of market capitalization.

SAFETY, OUR #1 OPERATING VALUE

While financial results are a critical measure of a company's annual success, we would be remiss not to highlight the efforts of our nearly 7,000 employees toward continuing improvements in safety. We have targeted a ZERO incident safety goal, which makes it a priority to keep our employees, customers and communities safe. This is an enormous challenge to which we are committed.

At Waste Connections, we believe that safety is the responsibility of each and every employee. *It Starts With One* is engrained in our culture. Our success has been driven by the development of our managers and supervisors into servant leaders and our ability to instill this commitment-based, safety-driven culture across our broader employee base. Servant leaders are accountable to employees for each employee's success at work and beyond; safety is an integral component of this commitment. The strong relationship between servant leader and employee enables us to utilize observations and tools to develop an employee risk-profile ranking and to facilitate effective communication and behavior coaching. Put simply, the focus on safety is but one of the ways that we invest in our most important asset—our people.

So how have we done? Has it been a "check-the-box" or "gotcha" approach, or have we achieved real-world results?

In 2014, we reached another historic low in our safety-related incident rates. At our annual managers meeting in October, we recognized almost one-third of our operating locations with perfect safety records or ZERO incident status, along with five employees as either driver or equipment operator of the year for their distinguished career records in safety

performance. In fact, over the past five years, our annual number of incidents has declined 35%, despite a 75% increase in revenue over that same period. It can be done!

Our successful progress to a ZERO incident safety goal is but one example of impactful results driven by the focus and commitment of our team towards continuous improvement in every facet of our business—safety, people, financial or other. It's another reason we believe our track record demonstrates accountability and alignment with stockholders for continuous improvement and value creation.

As always, thank you for your continuing support.

Ronald J. Mittelstaedt	Steven F. Bouck	Worthing F. Jackman
CHIEF EXECUTIVE OFFICER AND CHAIRMAN	PRESIDENT	EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File No. 1-31507

WASTE CONNECTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	94-3283464 (I.R.S. Employer Identification No.)
3 Waterway Square Place, Suite 110 The Woodlands, Texas (Address of principal executive offices)	77380 (Zip Code)

(832) 442-2200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.01 per share	New York Stock Exchange
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

☑ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As of June 30, 2014, the aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant, based on the closing sales price for the registrant's common stock, as reported on the New York Stock Exchange, was $5,988,475,779.

Number of shares of common stock outstanding as of January 30, 2015: 123,984,527

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2015 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

WASTE CONNECTIONS, INC.
ANNUAL REPORT ON FORM 10-K

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PART I

ITEM 1. BUSINESS

Our Company

Waste Connections, Inc. is an integrated municipal solid waste, or MSW, services company that provides solid waste collection, transfer, disposal and recycling services primarily in exclusive and secondary markets in the U.S. and a leading provider of non-hazardous exploration and production, or E&P, waste treatment, recovery and disposal services in several of the most active natural resource producing areas of the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

As of December 31, 2014, we served residential, commercial, industrial and E&P customers in 31 states: Alabama, Alaska, Arizona, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of December 31, 2014, we owned or operated a network of 148 solid waste collection operations; 69 transfer stations; seven intermodal facilities, 35 recycling operations, 58 active MSW, E&P and/or non-MSW landfills, 22 E&P liquid waste injection wells, 17 E&P waste treatment and recovery facilities, 20 oil recovery facilities and two development stage landfills. Non-MSW landfills accept construction and demolition, industrial and other non-putrescible waste.

Our senior management team has extensive experience in operating, acquiring and integrating non-hazardous waste services businesses, and we intend to continue to focus our efforts on balancing internal and acquisition-based growth. We anticipate that a part of our future growth will come from acquiring additional MSW and E&P waste businesses and, therefore, we expect that additional acquisitions could continue to affect period-to-period comparisons of our operating results.

Waste Connections, Inc. is a Delaware corporation organized in 1997.

Our Operating Strategy

Our operating strategy seeks to improve financial returns and deliver superior stockholder value creation within the solid waste industry. We seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. We also target niche markets, like E&P waste treatment and disposal services, with similar characteristics and, we believe, higher comparative growth potential. We are a leading provider of waste services in most of our markets, and the key components of our operating strategy, which are tailored to the competitive and regulatory factors that affect our markets, are as follows:

Target Secondary and Rural Markets. By targeting secondary and rural markets, we believe that we are able to garner a higher local market share than would be attainable in more competitive urban markets, which we believe reduces our exposure to customer churn and improves financial returns. In certain niche markets, like E&P waste treatment and disposal, early mover advantage in certain rural basins may improve market positioning and financial returns given the limited availability of existing third-party-owned waste disposal alternatives.

Control the Waste Stream. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. In addition, in certain E&P markets with "no pit" rules or other regulations that limit on-site storage or treatment of waste, control of the waste stream allows us to generate additional service revenue from the transportation of waste, as well as the waste treatment and disposal, thus increasing the overall scope and value of the services provided.

Optimize Asset Positioning. We believe that the location of disposal sites within competitive markets is a critical factor to success in both MSW and E&P waste services. Given the importance of and costs associated with the transportation of waste to treatment and disposal sites, having disposal capacity proximate to the waste stream may provide a competitive advantage and serve as a barrier to entry.

Provide Vertically Integrated Services. In markets where we believe that owning landfills is a strategic advantage to a collection operation because of competitive and regulatory factors, we generally focus on providing integrated services, from collection through disposal of solid waste in landfills that we own or operate. Similarly, we see this strategic advantage in E&P waste services where we offer closed loop systems for liquid and solid waste storage, transportation, treatment, and disposal.

Manage on a Decentralized Basis. We manage our operations on a decentralized basis. This places decision-making authority close to the customer, enabling us to identify and address customers' needs quickly in a cost-effective manner. We believe that decentralization provides a low-overhead, highly efficient operational structure that allows us to expand into geographically contiguous markets and operate in relatively small communities that larger competitors may not find attractive. We believe that this structure gives us a strategic competitive advantage, given the relatively rural nature of many of the markets in which we operate, and makes us an attractive buyer to many potential acquisition candidates.

As of December 31, 2014, we delivered our services from over 210 operating locations grouped into four operating segments: our Western segment is comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Central segment is comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; our Eastern segment is comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee; and, our E&P segment includes the majority of our E&P waste service operations in Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico. Some E&P revenues are also included in other operating segments, where we accept E&P waste at some of our MSW landfills. In addition, a small amount of solid waste revenue is included in our E&P segment.

We manage and evaluate our business on the basis of the operating segments' geographic characteristics, interstate waste flow, revenue base, employee base, regulatory structure, and acquisition opportunities. Each operating segment has a regional vice president and a regional controller reporting directly to our corporate management. These regional officers are responsible for operations and accounting in their operating segments and supervise their regional staff. See Note 15 to the consolidated financial statements for further information on our segment reporting of our operations.

Each operating location has a district or site manager who has a high degree of decision-making authority for his or her operations and is responsible for maintaining service quality, promoting safety, implementing marketing programs and overseeing day-to-day operations, including contract administration. Local managers also help identify acquisition candidates and are responsible for integrating acquired businesses into our operations and obtaining the permits and other governmental approvals required for us to operate.

Implement Operating Standards. We develop company-wide operating standards, which are tailored for each of our markets based on industry norms and local conditions. We implement cost controls and employee training and safety procedures and establish a sales and marketing plan for each market. By internalizing the waste stream of acquired operations, we can further increase operating efficiencies and improve capital utilization. We use a wide-area information system network, implement financial controls and consolidate certain accounting, personnel and customer service functions. While regional and district management operate with a high degree of autonomy, our executive officers monitor regional and district operations and require adherence to our accounting, purchasing, marketing and internal control policies, particularly with respect to financial matters. Our executive officers regularly review the performance of regional officers, district managers and operations. We believe we can improve the profitability of existing and newly acquired operations by establishing operating standards, closely monitoring performance and streamlining certain administrative functions.

Our Growth Strategy

We tailor the components of our growth strategy to the markets in which we operate and into which we hope to expand.

Obtain Additional Exclusive Arrangements. Our operations include market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and governmental certificates, under which we are the exclusive service provider for a specified market. These exclusive rights and contractual arrangements create a barrier to entry that is usually obtained through the acquisition of a company with such exclusive rights or contractual arrangements or by winning a competitive bid.

We devote significant resources to securing additional franchise agreements and municipal contracts through competitive bidding and by acquiring other companies. In bidding for franchises and municipal contracts and evaluating acquisition candidates holding governmental certificates, our management team draws on its experience in the waste industry and knowledge of local service areas in existing and target markets. Our district management and sales and marketing personnel maintain relationships with local governmental officials within their service areas, maintain, renew and renegotiate existing franchise agreements and municipal contracts, and secure additional agreements and contracts while targeting acceptable financial returns. Our sales and marketing personnel also expand our presence into areas adjacent to or contiguous with our existing markets, and market additional services to existing customers. We believe our ability to offer comprehensive rail haul disposal services in the Pacific Northwest improves our competitive position in bidding for such contracts in that region.

Generate Internal Growth. To generate internal revenue growth, our district management and sales and marketing personnel focus on increasing market penetration in our current and adjacent markets, soliciting new customers in markets where such customers have the option to choose a particular waste collection service and marketing upgraded or additional services (such as compaction or automated collection) to existing customers. We also seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Where possible, we intend to leverage our franchise-based platforms to expand our customer base beyond our exclusive market territories. As customers are added in existing markets, our revenue per routed truck increases, which generally increases our collection efficiencies and profitability. In markets in which we have exclusive contracts, franchises and governmental certificates, we expect internal volume growth generally to track population and business growth.

In niche disposal markets, like E&P, our focus is on increasing market penetration, and providing additional service offerings in existing markets where appropriate. In addition, we focus on developing and permitting new treatment and disposal sites in new and existing E&P markets to position ourselves to capitalize on current and future drilling activity in those areas.

Expand Through Acquisitions. We intend to expand the scope of our operations by continuing to acquire MSW and E&P waste facilities and companies in new markets and in existing or adjacent markets that are combined with or “tucked in” to our existing operations. We focus our acquisition efforts on markets that we believe provide significant growth opportunities for a well-capitalized market entrant and where we can create economic and operational barriers to entry by new competitors. This focus typically highlights markets in which we can: (1) provide waste collection services under exclusive arrangements such as franchise agreements, municipal contracts and governmental certificates; (2) gain a leading market position and provide vertically integrated collection and disposal services; or (3) gain a leading market position in a niche market through the provision of treatment and disposal services. We believe that our experienced management, decentralized operating strategy, financial strength, size, and public company status make us an attractive buyer to certain waste collection and disposal acquisition candidates. We have developed an acquisition discipline based on a set of financial, market and management criteria to evaluate opportunities. Once an acquisition is closed, we seek to integrate it while minimizing disruption to our ongoing operations and those of the acquired business.

In new markets, we often use an initial acquisition as an operating base and seek to strengthen the acquired operation's presence in that market by providing additional services, adding new customers and making “tuck-in” acquisitions of other waste companies in that market or adjacent markets. We believe that many suitable “tuck-in” acquisition opportunities exist within our current and targeted market areas that may provide us with opportunities to increase our market share and route density.

The U.S. solid waste services industry experienced significant consolidation during the 1990s. The consolidation trend has continued, most notably with the merger between Republic Services, Inc. and Allied Waste Industries, Inc. in 2008, the merger between IESI-BFC Ltd. and Waste Services, Inc. in 2010, and the sale of the U.S. solid waste business of Veolia Environnement S.A. to Advanced Disposal Services, Inc. in 2012. In spite of this consolidation, the solid waste services industry remains regional in nature, with acquisition opportunities available in select markets. The E&P waste services industry is similarly regional in nature and is also highly fragmented, with acquisition opportunities available in several active natural resource basins. In some markets in both MSW and E&P waste, independent landfill, collection or service providers lack the capital resources, management skills and/or technical expertise necessary to comply with stringent environmental and other governmental regulations and to compete with larger, more efficient, integrated operators. In addition, many of the remaining independent operators may wish to sell their businesses to achieve liquidity in their personal finances or as part of their estate planning.

During the year ended December 31, 2014, we completed nine acquisitions, none of which individually accounted for greater than 10% of our total assets. The total fair value of consideration transferred for the nine acquisitions completed during the year ended December 31, 2014 was approximately $168.7 million. During the year ended December 31, 2013, we completed eight acquisitions, none of which individually accounted for greater than 10% of our total assets. The total fair value of consideration transferred for the eight acquisitions completed during the year ended December 31, 2013 was approximately $64.2 million. During 2012, we acquired the business of R360 Environmental Solutions, Inc., or R360, a leading provider of non-hazardous E&P waste treatment, recovery and disposal services, for total fair value of consideration transferred of $1.38 billion. During the year ended December 31, 2012, we completed 12 other acquisitions, none of which individually or in the aggregate accounted for greater than 10% of our total assets. The total fair value of consideration transferred for the 12 other acquisitions completed during the year ended December 31, 2012 was approximately $275.8 million.

WASTE SERVICES

Collection Services

We provide collection services to residential, commercial, industrial and E&P customers. Our services are generally provided under one of the following arrangements: (1) governmental certificates; (2) exclusive franchise agreements; (3) exclusive municipal contracts; (4) residential subscriptions; (5) residential contracts; or (6) commercial, industrial and E&P service agreements.

Governmental certificates, exclusive franchise agreements and exclusive municipal contracts grant us rights to provide MSW services within specified areas at established rates and are long-term in nature. Governmental certificates, or G Certificates, are unique to the State of Washington and are awarded by the Washington Utilities and Transportation Commission, or WUTC, to solid waste collection service providers in unincorporated areas and electing municipalities. These certificates typically grant the holder the exclusive and perpetual right to provide specific residential, commercial and/or industrial waste services in a defined territory at specified rates subject to divestiture and/or cancellation by the WUTC on specified, limited grounds. Franchise agreements typically provide an exclusive period of seven years or longer for a specified territory; they specify a broad range of services to be provided, establish rates for the services and often give the service provider a right of first refusal to extend the term of the agreement. Municipal contracts typically provide a shorter service period and a more limited scope of services than franchise agreements and generally require competitive bidding at the end of the contract term. In markets where exclusive arrangements are not available, we may enter into residential contracts with homeowners' associations, apartment owners and mobile home park operators, or work on a subscription basis with individual households. In such markets, we may also provide commercial and industrial services under customer service agreements generally ranging from one to five years in duration. Finally, in certain E&P markets with "no pit" rules or other regulations that limit on-site storage or treatment of waste, we offer containers and collection services to provide a closed loop system for the collection of drilling wastes at customers' well sites and subsequent transportation of the waste to our facilities for treatment and disposal.

Landfill Disposal Services

As of December 31, 2014, we owned or operated 42 MSW landfills, eight E&P waste landfills, which only accept E&P waste, eight non-MSW landfills, which only accept construction and demolition, industrial and other non-putrescible waste, and two development stage landfills. Twelve of our MSW landfills also received E&P waste during 2014. We generally own landfills to achieve vertical integration in markets where the economic and regulatory environments make landfill ownership attractive. We also own landfills in certain markets where it is not necessary to provide collection services because we believe that we are able to attract volume to our landfills, given our location or other market dynamics. Over time, MSW landfills generate a greenhouse gas, methane, which can be converted into a valuable source of clean energy. We deploy gas recovery systems at 31 of our landfills to collect methane, which can then be used to generate electricity for local households, fuel local industrial power plants, power alternative fueled vehicles, or qualify for carbon emission credits.

Our developed and operational landfill facilities consisted of the following at December 31, 2014:

Owned and operated landfills	47
Operated landfills under life-of-site agreements	6
Operated landfills under limited-term operating agreements	5
	58

Under landfill operating agreements, the owner of the property, generally a municipality, usually owns the permit and we operate the landfill for a contracted term, which may be the life of the landfill. Where the contracted term is not the life of the landfill, the property owner is generally responsible for final capping, closure and post-closure obligations. We are responsible for all final capping, closure and post-closure obligations at our operated landfills for which we have life-of-site agreements. Our five operating agreements for which the contracted term is less than the life of the landfill have expiration dates of 2015, 2017, 2017, 2018 and 2024, and we intend to seek renewal of these contracts prior to, or upon, their expiration.

Based on remaining permitted capacity as of December 31, 2014, and projected annual disposal volumes, the average remaining landfill life for our owned and operated landfills and landfills operated, but not owned, under life-of-site agreements, is estimated to be approximately 35 years. Many of our existing landfills have the potential for expanded disposal capacity beyond the amount currently permitted. We regularly consider whether it is advisable, in light of changing market conditions and/or regulatory requirements, to seek to expand or change the permitted waste streams or to seek other permit modifications. We also monitor the available permitted in-place disposal capacity of our landfills on an ongoing basis and evaluate whether to seek capacity expansion using a variety of factors.

We are currently seeking to expand permitted capacity at eight of our landfills, for which we consider expansions to be probable. Although we cannot be certain that all future expansions will be permitted as designed, the average remaining landfill life for our owned and operated landfills and landfills operated, but not owned, under life-of-site agreements is estimated to be approximately 40 years when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume.

The following table reflects estimated landfill capacity and airspace changes, as measured in tons, for owned and operated landfills and landfills operated, but not owned, under life-of-site agreements (in thousands):

	2014			2013		
	Permitted	Probable Expansion	Total	Permitted	Probable Expansion	Total
Balance, beginning of year	668,052	146,933	814,985	654,764	138,885	793,649
Acquired landfills	19,994	-	19,994	-	-	-
Developed landfills	-	-	-	7,607	6,928	14,535
Permits granted	31,265	(31,265)	-	13,348	(13,348)	-
Airspace consumed	(20,486)	-	(20,486)	(19,091)	-	(19,091)
Expansions initiated	-	-	-	-	1,929	1,929
Changes in engineering estimates	15,330	(10,170)	5,160	11,424	12,539	23,963
Balance, end of year	714,155	105,498	819,653	668,052	146,933	814,985

The estimated remaining operating lives for the landfills we own and landfills we operate under life-of-site agreements, based on remaining permitted and probable expansion capacity and projected annual disposal volume, in years, as of December 31, 2014, and December 31, 2013, are shown in the tables below. The estimated remaining operating lives include assumptions that the operating permits are renewed.

	2014						
	0 to 5	6 to 10	11 to 20	21 to 40	41 to 50	51+	Total
Owned and operated landfills	1	3	4	17	6	16	47
Operated landfills under life-of-site agreements	1	-	3	1	-	1	6
	2	3	7	18	6	17	53

	2013						
	0 to 5	6 to 10	11 to 20	21 to 40	41 to 50	51+	Total
Owned and operated landfills	2	2	5	14	5	16	44
Operated landfills under life-of-site agreements	-	1	2	2	-	1	6
	2	3	7	16	5	17	50

The disposal tonnage that we received in 2014 and 2013 at all of our landfills is shown in the tables below (tons in thousands):

	Three months ended								Twelve months ended December 31, 2014
	March 31, 2014		June 30, 2014		September 30, 2014		December 31, 2014		
	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	
Owned operational landfills and landfills operated under life-of-site agreements	50	4,545	50	5,139	51	5,562	53	5,240	20,486
Operated landfills	5	116	5	124	5	130	5	121	491
	55	4,661	55	5,263	56	5,692	58	5,361	20,977

	Three months ended								Twelve months ended December 31, 2013
	March 31, 2013		June 30, 2013		September 30, 2013		December 31, 2013		
	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	Number of Sites	Total Tons	
Owned operational landfills and landfills operated under life-of-site agreements	49	4,008	49	5,003	49	5,276	50	4,804	19,091
Operated landfills	5	102	5	115	5	119	5	113	449
	54	4,110	54	5,118	54	5,395	55	4,917	19,540

Transfer Station and Intermodal Services

As of December 31, 2014, we owned or operated 64 MSW transfer stations and five E&P waste transfer stations with marine access. Transfer stations receive, compact and load waste to be transported to landfills or treatment facilities via truck, rail or barge. They extend our direct-haul reach and link collection operations or waste generators with distant disposal or treatment facilities by concentrating the waste stream from a wider area and thus providing better utilization rates and operating efficiencies.

Intermodal logistics is the movement of containers using two or more modes of transportation, usually including a rail or truck segment. We entered the intermodal services business in the Pacific Northwest through the acquisition of Northwest Container Services, Inc., which provides repositioning, storage, maintenance and repair of cargo containers for international shipping companies. We provide these services for containerized cargo primarily to international shipping companies importing and exporting goods through the Pacific Northwest. We also operate two intermodal facilities primarily for the shipment of waste by rail to distant disposal facilities that we do not own. As of December 31, 2014, we owned or operated seven intermodal operations in Washington and Oregon. Our fleet of double-stack railcars provides dedicated direct-line haul services among terminals in Portland, Tacoma and Seattle. We have contracts with the Burlington Northern Santa Fe and Union Pacific railroads for the movement of containers among our seven intermodal operations. We also provide our customers container and chassis sales and leasing services.

We intend to further expand our intermodal business through cross-selling efforts with our solid waste services operations. We believe that a significant amount of solid waste is transported currently by truck, rail and barge from primarily the Seattle-Tacoma and Metro Portland areas to remote landfills in Eastern Washington and Eastern Oregon. We believe our ability to market both intermodal and disposal services will enable us to more effectively compete for these volumes.

Recycling Services

We offer residential, commercial, industrial and municipal customers recycling services for a variety of recyclable materials, including compost, cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own or operate 35 recycling processing operations and sell other collected recyclable materials to third parties for processing before resale. The majority of the recyclables we process for sale are paper products and are shipped primarily to customers in Asia. Changes in end market demand as well as other factors can cause fluctuations in the prices for such commodities, which can affect revenue, operating income and cash flows. To reduce our exposure to commodity price volatility and risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volumes collected from third parties. We believe that recycling will continue to be an important component of local and state solid waste management plans due to the public's increasing environmental awareness and expanding regulations that mandate or encourage recycling.

E&P Waste Treatment, Recovery and Disposal Services

E&P waste is a broad term referring to the by-products resulting from oil and natural gas exploration and production activity. These generally include: waste created throughout the initial drilling and completion of an oil or natural gas well, such as drilling fluids, drill cuttings, completion fluids and flowback water; production wastes and produced water during a well's operating life; contaminated soils that require treatment during site reclamation; and substances that require clean-up after a spill, reserve pit clean-up or pipeline rupture. E&P customers are principally integrated oil and natural gas exploration and production companies operating in the areas that we serve. E&P revenue is therefore driven by vertical and horizontal drilling, hydraulic fracturing, production and clean-up activity; it is complemented by other services including closed loop collection systems and the sale of recovered products. E&P activity varies across market areas which are tied to the natural resource basins in which the drilling activity occurs and reflects the regulatory environment, pricing and disposal alternatives available in any given market.

Our customers are generally responsible for the delivery of their waste streams to us. We receive flowback water, produced water and other drilling and production wastes at our facilities in vacuum trucks, dump trucks or containers deposited by roll-off trucks. In certain markets, we offer bins and rails systems that capture and separate liquid and solid oilfield waste streams at our customers' well sites and deliver the drilling and production wastes to our facilities. Waste generated by offshore drilling is delivered by supply vessel from the drilling rig to one of our transfer stations, where the waste is then transferred to our network of barges for transport to our treatment facilities.

As of December 31, 2014, we provided E&P waste treatment, recovery and/or disposal services from a network of eight E&P waste landfills, 12 MSW landfills that also received E&P waste during 2014, 22 E&P liquid waste injection wells, 17 E&P waste treatment and recovery facilities and 20 oil recovery facilities. Treatment processes vary by site and regulatory jurisdiction. At certain treatment facilities, loads of flowback and produced water and other drilling and production wastes delivered by our customers are sampled, assessed and tested by third parties according to state regulations. Solids contained in a waste load are deposited into a land treatment cell where liquids are removed from the solids and are sent through an oil recovery system before being injected into saltwater disposal injection wells or placed in evaporation cells that utilize specialized equipment to accelerate evaporation of liquids. In certain locations, fresh water is then added to the remaining solids in the cell to "wash" the solids several times to remove contaminants, including oil and grease, chlorides and other contaminants, to ensure the solids meet specific regulatory criteria that, in certain areas, are administered by third-party labs and submitted to the regulatory authorities.

After the washing or treatment process, the treated solids are designated "reuse materials," and are no longer considered a waste product by state regulation. These materials are dried, removed from the treatment cells, stockpiled and compacted in designated stockpile areas on site and at certain locations are available for use as feedstock for roadbase. At certain of our facilities, during the treatment process we reclaim oil for resale and we treat and recycle liquids for re-use in our operations or for sale to third parties as fresh or brine water.

COMPETITION

The U.S. municipal solid waste services industry is highly competitive and requires substantial labor and capital resources. Besides Waste Connections, the industry includes: two national, publicly held solid waste companies – Waste Management, Inc. and Republic Services, Inc.; several regional, publicly held and privately owned companies; and several thousand small, local, privately owned companies. Certain of the markets in which we compete or will likely compete are served by one or more large, national solid waste companies, as well as by numerous regional and local solid waste companies of varying sizes and resources, some of which we believe have accumulated substantial goodwill in their markets. We compete for collection, transfer and disposal volume based primarily on the price and, to a lesser extent, quality of our services. We also compete with operators of alternative disposal facilities, including incinerators, and with counties, municipalities and solid waste districts that maintain their own waste collection and disposal operations. Public sector operators may have financial and other advantages over us because of their access to user fees and similar charges, tax revenues, tax-exempt financing and the ability to flow-control waste streams to publicly owned disposal facilities.

From time to time, competitors may reduce the price of their services in an effort to expand their market shares or service areas or to win competitively bid municipal contracts. These practices may cause us to reduce the price of our services or, if we elect not to do so, to lose business. We provide a significant amount of our residential, commercial and industrial collection services under exclusive franchise and municipal contracts and G Certificates. Exclusive franchises and municipal contracts may be subject to periodic competitive bidding.

The U.S. municipal solid waste services industry has undergone significant consolidation, and we encounter competition in our efforts to acquire collection operations, transfer stations and landfills. We generally compete for acquisition candidates with publicly owned regional and national waste management companies. Accordingly, it may become uneconomical for us to make further acquisitions or we may be unable to locate or acquire suitable acquisition candidates at price levels and on terms and conditions that we consider appropriate, particularly in markets we do not already serve. Competition in the disposal industry is also affected by the increasing national emphasis on recycling and other waste reduction programs, which may reduce the volume of waste deposited in landfills.

Competition for E&P waste comes primarily from smaller regional companies that utilize a variety of disposal methods and generally serve specific geographic markets. We also compete with publicly held and privately owned companies such as Waste Management, Inc., Republic Services, Inc., Clean Harbors, Inc., Tervita Corporation, Secure Energy Services Inc., Nuverra Environmental Solutions, Trinity Oilfield Services and Ecoserv in certain markets. In addition, customers in many markets have the option of using internal disposal methods or outsourcing to another third-party disposal company. The principal competitive factors in this business include: gaining customer approval of treatment and disposal facilities; location of facilities in relation to customer

activity; reputation; reliability of services; track record of environmental compliance; ability to accept multiple waste types at a single facility; and price.

The intermodal services industry is also highly competitive. We compete against other intermodal rail services companies, trucking companies and railroads, many of which have greater financial and other resources than we do. Competition is based primarily on price, reliability and quality of service.

REGULATION

Introduction

Our operations, including landfills, solid waste transportation, transfer stations, intermodal operations, vehicle maintenance shops, fueling facilities, and oilfield waste treatment, recovery and disposal operations, are all subject to extensive and evolving federal, state and local environmental, health, and safety laws and regulations, the enforcement of which has become increasingly stringent. These laws and regulations may, among other things, require the acquisition of permits for regulated activities; govern the amounts and types of substances that may be released into the environment in connection with our operations; restrict the way we handle or dispose of wastes; limit or prohibit our or our customers' activities in sensitive areas such as wetlands, wilderness areas or areas inhabited by endangered or threatened species; require investigatory and remedial actions to mitigate pollution conditions caused by our operations or attributable to former operations; and impose specific standards addressing worker protections. Compliance is often costly or difficult, and the violation of these laws and regulations may result in the denial or revocation of permits, issuance of corrective action orders, assessment of administrative and civil penalties and even criminal prosecution. The environmental regulations that affect us are administered by the Environmental Protection Agency, or the EPA, and numerous other federal, state and local environmental, zoning, health and safety agencies. For example, the WUTC regulates the portion of our collection business in Washington performed under G Certificates.

We currently comply in all material respects with applicable federal, state and local environmental and occupational health and safety laws, permits, orders and regulations. In addition, we attempt to anticipate future regulatory requirements and plan in advance as necessary to comply with them. We do not presently anticipate incurring any material costs to bring our operations into environmental compliance with existing or expected future regulatory requirements, although we can give no assurance that this will not change in the future. It is possible that substantial costs for compliance or penalties for non-compliance may be incurred in the future. It is also possible that other developments, such as the adoption of stricter environmental laws, regulations and enforcement policies, could result in additional costs or liabilities that we cannot currently quantify. Moreover, changes in environmental laws could reduce the demand for our services and adversely impact our business. For example, changes in environmental laws could limit our customers' oil and natural gas E&P businesses or encourage our customers to handle and dispose of oil and natural gas E&P wastes in other ways.

A number of the major federal, state and local statutes and regulations that apply to our operations are described generally below. Certain of the statutes described below contain provisions that authorize, under certain circumstances, lawsuits by private citizens to enforce the provisions of the statutes. In addition to penalties, some of those statutes authorize an award of attorneys' fees to parties that successfully bring such an action. Enforcement actions under these statutes may include both civil and criminal penalties, as well as injunctive relief in some instances.

The Resource Conservation and Recovery Act of 1976, or RCRA

RCRA regulates the generation, treatment, storage, handling, transportation and disposal of solid waste and requires states to develop programs to ensure the safe disposal of solid waste. RCRA divides solid waste into two groups, hazardous and nonhazardous. Wastes are generally classified as hazardous if they either: (1) are specifically included on a list of hazardous wastes; or (2) exhibit certain characteristics defined as hazardous. Household wastes are specifically designated as nonhazardous. Wastes classified as hazardous under RCRA are subject to much stricter regulation than wastes classified as nonhazardous, and businesses that deal with hazardous waste are subject to regulatory obligations in addition to those imposed on handlers of nonhazardous waste. From time to time, our intermodal services business transports hazardous materials in compliance with federal transportation requirements. Some of our ancillary operations, such as vehicle maintenance operations, may generate hazardous wastes. We manage these wastes in substantial compliance with applicable laws.

In October 1991, the EPA adopted the Subtitle D Regulations governing solid waste landfills. The Subtitle D Regulations, which generally became effective in October 1993, include location restrictions, facility design standards, operating criteria, closure and post-closure requirements, financial assurance requirements, groundwater monitoring requirements, groundwater remediation standards and corrective action requirements. In addition, the Subtitle D Regulations require that new landfill sites meet more

stringent liner design criteria (typically, composite soil and synthetic liners or two or more synthetic liners) intended to keep leachate out of groundwater and have extensive collection systems to carry away leachate for treatment prior to disposal. Groundwater monitoring wells must also be installed at virtually all landfills to monitor groundwater quality and, indirectly, the effectiveness of the leachate collection system. The Subtitle D Regulations also require, where certain regulatory thresholds are exceeded, that facility owners or operators control emissions of methane gas generated at landfills in a manner intended to protect human health and the environment. Each state is required to revise its landfill regulations to meet these requirements or such requirements will be automatically imposed by the EPA on landfill owners and operators in that state. Each state is also required to adopt and implement a permit program or other appropriate system to ensure that landfills in the state comply with the Subtitle D Regulations. Various states in which we operate or may operate in the future have adopted regulations or programs as stringent as, or more stringent than, the Subtitle D Regulations.

Most E&P waste is exempt from stringent regulation as a hazardous waste under RCRA. None of our oilfield waste recycling, treatment, and disposal facilities are currently permitted to accept hazardous wastes for disposal, and we take precautions to help ensure that hazardous wastes do not enter or are not disposed of at these facilities. Some wastes handled by us that currently are exempt from treatment as hazardous wastes may in the future be designated as "hazardous wastes" under RCRA or other applicable statutes. For example, in September 2010, a nonprofit environmental group filed a petition with the EPA requesting reconsideration of the RCRA E&P waste exemption. Although the EPA has not yet formally responded to the petition, if the RCRA E&P waste exemption is repealed or modified, we could become subject to more rigorous and costly operating and disposal requirements.

We are required to obtain permits for the land treatment and disposal of E&P waste as part of our operations. The construction, operation and closure of E&P waste land treatment and disposal operations are generally regulated at the state level. These regulations vary widely from state to state. State permits can restrict size and location of disposal operations, impose limits on the types and amount of waste a facility may receive and the overall capacity of a waste disposal facility. States may add additional restrictions on the operations of a disposal facility when a permit is renewed or amended. As these regulations change, our permit requirements could become more stringent and may require material expenditures at our facilities or impose significant restraints or financial assurances on our operations.

In the course of our E&P waste operations, some of our equipment may be exposed to naturally occurring radiation associated with oil and gas deposits, and this exposure may result in the generation of wastes containing naturally occurring radioactive materials, or NORM. NORM wastes exhibiting trace levels of naturally occurring radiation in excess of established state standards are subject to special handling and disposal requirements, and any storage vessels, piping and work area affected by NORM may be subject to remediation or restoration requirements. It is possible that we may incur costs or liabilities associated with elevated levels of NORM.

RCRA also regulates underground storage of petroleum and other regulated materials. RCRA requires registration, compliance with technical standards for tanks, release detection and reporting, and corrective action, among other things. Certain of our facilities and operations are subject to these requirements.

The Federal Water Pollution Control Act of 1972, or the Clean Water Act

The Clean Water Act regulates the discharge of pollutants from a variety of sources, including solid waste disposal sites, transfer stations, and oilfield waste facilities, into waters of the United States. If run-off from our owned or operated transfer stations or oilfield waste facilities or run-off or collected leachate from our owned or operated landfills is discharged into streams, rivers or other surface waters, the Clean Water Act would require us to apply for and obtain a discharge permit, conduct sampling and monitoring and, under certain circumstances, reduce the quantity of pollutants in such discharge. Also, virtually all landfills are required to comply with the EPA's storm water regulations issued in November 1990, which are designed to prevent contaminated landfill storm water run-off from flowing into surface waters. Spill prevention, control and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of regulated waters in the event of a hydrocarbon storage tank spill, rupture or leak. We believe that our facilities comply in all material respects with the Clean Water Act requirements. Various states in which we operate or may operate in the future have been delegated authority to implement the Clean Water Act permitting requirements, and some of these states have adopted regulations that are more stringent than the federal Clean Water Act requirements. For example, states often require permits for discharges that may impact ground water as well as surface water. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act and analogous state laws and regulations. We believe that compliance with existing permits and regulatory requirements under the Clean Water Act and state counterparts will not have a material adverse effect on our business. Future changes to permits or regulatory requirements under the Clean Water Act, however, could adversely affect our business.

Safe Drinking Water Act, or SDWA

Our E&P underground injection operations are subject to the SDWA, as well as analogous state laws and regulations. Under the SDWA, the EPA established the underground injection control or UIC program, which includes requirements for permitting, testing, monitoring, record keeping, and reporting of injection well activities, as well as a prohibition against the migration of fluid containing any contaminant into underground sources of drinking water. State regulations require us to obtain a permit from the applicable regulatory agencies to operate our underground injection wells. We believe that we have obtained the necessary permits from these agencies for our underground injection wells and that we are in substantial compliance with permit conditions and state rules. Although we monitor the injection process of our wells, any leakage from the subsurface portions of the injection wells could cause degradation of fresh groundwater resources, potentially resulting in suspension of our UIC permit, issuance of fines and penalties from governmental agencies, incurrence of expenditures for remediation of the affected resource and imposition of liability by third parties for property damages and personal injuries. In addition, our sales of residual crude oil collected as part of the saltwater injection process could impose liability on us in the event that the entity to which the oil was transferred fails to manage and, as necessary, dispose of residual crude oil in accordance with applicable environmental and occupational health and safety laws.

Oil Pollution Act of 1990, or OPA

The OPA, as amended, establishes strict liability for owners and operators of facilities that are the site of a release of oil into the waters of the U.S. The OPA also imposes ongoing requirements on owners or operators of facilities that handle certain quantities of oil, including the preparation of oil spill response plans and proof of financial responsibility to cover environmental clean-up and restoration costs that could be incurred in conjunction with an oil spill. We handle oil at many of our facilities, and if a release of oil into the waters of the U.S. occurred at one of our facilities, we could be liable for cleanup costs and damages under the OPA.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or CERCLA

CERCLA established a regulatory and remedial program intended to provide for the investigation and cleanup of facilities where, or from which, a release of any hazardous substance into the environment has occurred or is threatened. CERCLA's primary mechanism for remedying such problems is to impose strict joint and several liability for cleanup of facilities on current owners and operators of the site, former owners and operators of the site at the time of the disposal of the hazardous substances, any person who arranges for the transportation, disposal or treatment of the hazardous substances, and the transporters who select the disposal and treatment facilities, regardless of the care exercised by such persons. CERCLA also imposes liability for the cost of evaluating and remedying any damage to natural resources. The costs of CERCLA investigation and cleanup can be very substantial. Liability under CERCLA does not depend on the existence or disposal of "hazardous waste" as defined by RCRA; it can also be based on the release of even very small amounts of the more than 700 "hazardous substances" listed by the EPA, many of which can be found in household waste. In addition, the definition of "hazardous substances" in CERCLA incorporates substances designated as hazardous or toxic under the federal Clean Water Act, Clear Air Act and Toxic Substances Control Act.

We may handle hazardous substances within the meaning of CERCLA, or similar state statutes, in the course of our ordinary operations and, as a result, may be jointly and severally liable under CERCLA for all or part of the costs required to clean up sites at which these hazardous substances have been released into the environment. If we were found to be a responsible party for a CERCLA cleanup, the enforcing agency could hold us, or any other generator, transporter or the owner or operator of the contaminated facility, responsible for all investigative and remedial costs, even if others were also liable. Under such laws, we could be required to remove previously disposed substances and wastes (including substances disposed of or released by prior owners or operators) or remediate contaminated property (including groundwater contamination, whether from prior owners or operators or other historic activities or spills). These laws may also require us to conduct natural resource damage assessments and pay penalties for such damages. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other pollutants into the environment. These laws and regulations may also expose us to liability for our acts that were in compliance with applicable laws at the time the acts were performed.

CERCLA also authorizes the imposition of a lien in favor of the United States on all real property subject to, or affected by, a remedial action for all costs for which a party is liable. Subject to certain procedural restrictions, CERCLA gives a responsible party the right to bring a contribution action against other responsible parties for their allocable shares of investigative and remedial costs. Our ability to obtain reimbursement from others for their allocable shares of such costs would be limited by our ability to find other responsible parties and prove the extent of their responsibility, their financial resources, and other procedural requirements. Various state laws also impose strict joint and several liability for investigation, cleanup and other damages associated with hazardous substance releases.

Petroleum hydrocarbons and other substances and wastes arising from E&P-related activities have been disposed of or released on or under many of our sites. At some of our facilities, we have conducted and continue to conduct monitoring or remediation of known soil and groundwater contamination, and we will continue to perform such monitoring and remediation of known contamination, including any post remediation groundwater monitoring that may be required, until the appropriate regulatory standards have been achieved. These monitoring and remediation efforts are usually overseen by state environmental regulatory agencies.

The Clean Air Act, or CAA

The CAA generally, through state implementation of federal requirements, regulates emissions of air pollutants from emissions sources, including certain landfills and oilfield waste facilities, based on factors such as the date of the construction and tons per year of emissions of regulated pollutants. The CAA and analogous state laws require permits for and impose other restrictions on facilities that have the potential to emit substances into the atmosphere above certain specified quantities or in a manner that could adversely affect environmental quality. Failure to obtain a permit or to comply with permit requirements could result in the imposition of substantial administrative, civil and even criminal penalties.

Larger landfills and landfills located in areas where the ambient air does not meet certain requirements of the CAA may be subject to even more extensive air pollution controls and emission limitations. In addition, the EPA has issued standards regulating the disposal of asbestos-containing materials. Air permits may be required to construct gas collection and flaring systems and composting operations, and operating permits may be required, depending on the potential air emissions. In July 2014, the EPA proposed "Subpart XXX," a New Source Performance Standard ("NSPS") that would apply to newly constructed or modified municipal solid waste ("MSW") landfills. Subpart XXX would reduce the non-methane organic compounds ("NMOC") emission threshold at which MSW landfills must install controls, require compliance even during periods of start-up, shutdown, and malfunction, and impose other requirements. State air regulatory programs may impose additional restrictions beyond federal requirements. For example, some state air programs uniquely regulate odor and the emission of toxic air pollutants.

We do not believe that any of our oilfield waste operations are subject to CAA permitting or regulatory requirements for major sources of air emissions, but some of our facilities are subject to state "minor source" air permitting requirements and other state regulatory requirements for air emissions. In addition, our customers' operations may be subject to existing and future CAA permitting and regulatory requirements that could have a material effect on their operations. For example, on April 17, 2012, the EPA approved new CAA rules requiring additional emissions controls and practices for oil and natural gas production wells, including wells that are the subject of hydraulic fracturing operations. These rules may increase the costs to our customers of developing and producing hydrocarbons, and as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers.

In addition, the EPA recently modified, or is in the process of modifying, other standards promulgated under the CAA in a manner which could increase our compliance costs. For example, the EPA has recently modified or discussed modifying national ambient air quality standards applicable to particulate matter, carbon monoxide, and oxides of sulfur and nitrogen, and other standards to make them more stringent.

Climate Change Laws and Regulations

On September 27, 2006, California enacted AB 32, the Global Warming Solutions Act of 2006, which established the first statewide program in the United States to limit greenhouse gas, or GHG, emissions and impose penalties for non-compliance. Because landfill and collection operations emit GHGs, our operations in California are subject to regulations issued under AB 32. The California Air Resources Board, or CARB, has taken, and plans to take, various actions to implement AB 32. CARB approved a landfill methane control measure, which became effective in June 2010, and this measure requires that certain uncontrolled landfills install gas collection and control systems and also sets operating standards for gas collection and control systems. In addition, CARB implemented a GHG cap-and-trade program, which began imposing compliance obligations in January 2013.

State climate change laws could also affect our non-California operations. For example, the Western Climate Initiative, which once included seven states and four Canadian provinces, has developed GHG reduction strategies, among them a GHG cap-and-trade program.

The EPA's regulation of GHG emissions under its CAA authority may also impact our operations. In 2009, the EPA made an endangerment finding allowing GHGs to be regulated under the CAA. The CAA requires stationary sources of air pollution to obtain New Source Review, or NSR, permits prior to construction and, in some cases, Title V operating permits. Pursuant to the EPA's rulemakings and interpretations, certain Title V and NSR Prevention of Significant Deterioration, or PSD, permits issued on or after January 2, 2011, must address GHG emissions. As a result, new or modified emissions sources may be required to install Best

Available Control Technology to limit GHG emissions. The EPA's proposed Subpart XXX would also require the reduction of GHG emissions from new or modified landfills, and the EPA published in July 2014 an Advanced Notice of Proposed Rulemaking ("ANPR") that sought public comment on rules that would reduce GHG emissions from existing landfills. In addition, the EPA's Mandatory Greenhouse Gas Reporting Rule sets monitoring, recordkeeping, and reporting requirements applicable to certain landfills and other entities.

Regulation of GHG emissions from oil and gas E&P operations may also increase the costs to our customers of developing and producing hydrocarbons, and as a result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers. For example, a group of state attorneys general petitioned the EPA in December 2012 requesting that the EPA set methane emissions standards for the oil and gas sector pursuant to its CAA authority. The EPA has not yet acted on the petition, but released in April 2014 five technical white papers describing potential methane mitigation measures applicable to E&P sources including compressors, hydraulically fractured oil wells, leaks, liquids unloading, and pneumatic devices, and the EPA had indicated that it would make a decision on its regulatory approach in 2014. The State of Colorado adopted rules in February 2014 that would directly regulate methane emissions from the oil and gas sector, and other states subsequently adopted or considered similar regulations, including Wyoming, California and Ohio.

The EPA's 2014 activities discussed above follow on the White House's release in March 2014 of a "Climate Action Plan: Strategy to Reduce Methane Emissions," which sets out a strategy for EPA and other agencies to follow in reducing emissions from landfills, oil and gas operations, coal mines and the agricultural sector.

These statutes and regulations increase the costs of our operations, and future climate change statutes and regulations may have an impact as well. If we are unable to pass such higher costs through to our customers, or if our customers' costs of developing and producing hydrocarbons increase, our business, financial condition and operating results could be adversely affected.

The Occupational Safety and Health Act of 1970, or the OSH Act

The OSH Act is administered by the Occupational Safety and Health Administration, or OSHA, and many state agencies whose programs have been approved by OSHA. The OSH Act establishes employer responsibilities for worker health and safety, including the obligation to maintain a workplace free of recognized hazards likely to cause death or serious injury, comply with adopted worker protection standards, maintain certain records, provide workers with required disclosures and implement certain health and safety training programs. Various OSHA standards may apply to our operations, including standards concerning notices of hazards, safety in excavation and demolition work, the handling of asbestos and asbestos-containing materials and worker training and emergency response programs.

Hydraulic Fracturing Regulation

We do not conduct hydraulic fracturing operations, but we do provide treatment, recovery and disposal services with respect to the fluids used and wastes generated by our customers in such operations, which are often necessary to drill and complete new wells and maintain existing wells. Recently, there has been increased public concern regarding the alleged potential for hydraulic fracturing to adversely affect drinking water supplies, and proposals have been made to enact separate federal legislation or legislation at the state and local government levels that would increase the regulatory burden imposed on hydraulic fracturing. Bills and regulations have been proposed and/or adopted at the federal, state and local levels that would regulate, restrict or prohibit hydraulic fracturing operations or require the reporting and public disclosure of chemicals used in the hydraulic fracturing process. Additionally, the EPA is currently studying the environmental impacts of hydraulic fracturing, including the impacts resulting from the treatment and disposal of E&P wastes associated with the hydraulic fracturing process. In 2014, the EPA proposed or discussed new rules that would regulate hydraulic fracturing and the treatment and disposal of E&P wastes associated with fracturing.

Hydraulic fracturing is regulated extensively at the state level, typically by state oil and natural gas commissions and similar agencies. States and localities have placed moratoria or bans on hydraulic fracturing or the disposal of waste therefrom, or have considered the same. For example, in December 2014, New York announced its intention to ban hydraulic fracturing, and bans or moratoria are in effect in localities in California, Colorado, Ohio, Pennsylvania and Texas, as well as in other states. Several states, including Louisiana, New Mexico, North Dakota, Oklahoma, Texas and Wyoming, where we conduct business, have adopted or proposed laws and/or regulations to require oil and natural gas operators to disclose information concerning their operations, which could result in increased public scrutiny.

As part of its efforts to regulate hydraulic fracturing, the EPA is developing a proposed rule to amend the Effluent Limitations Guidelines and Standards ("ELGs") to address discharges of wastewater pollutants from onshore unconventional oil and gas extraction facilities to publicly-owned treatment works ("POTWs"). The EPA sent the proposed rule to the White House Office of Management

& Budget in November 2014 for pre-publication review and plans to publish the proposed rule in February 2015. In September 2014, the EPA announced that it plans to conduct a detailed study of centralized waste treatment ("CWT") facilities accepting oil and gas extraction wastewater to ensure that current controls are adequate, and the scope of the planned study would analyze the environmental impacts of discharges from CWTs, available treatment technologies and their costs. In May 2014, the EPA issued an ANPR under the Toxic Substances Control Act ("TSCA") seeking comment on whether and how the EPA should regulate the reporting or disclosure of the use of hydraulic fracturing chemical substances and mixtures. The EPA also released in 2014 guidance and studies concerning the applicability of the SDWA and RCRA to hydraulic fracturing operations. The impacts of the rules that the EPA is proposing or discussing will be uncertain until the rules are finalized.

If the EPA's newly proposed or discussed rules, or other new federal, state or local laws or regulations that significantly restrict hydraulic fracturing, are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities and make it more difficult or costly for our customers to perform hydraulic fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could reduce oil and natural gas exploration and production activities by our customers and, therefore, adversely affect our business. Such laws or regulations could also materially increase our costs of compliance.

Flow Control/Interstate Waste Restrictions

Certain permits and approvals and state and local regulations may limit a landfill's or transfer station's ability to accept waste that originates from specified geographic areas, import out-of-state waste or wastes originating outside the local jurisdictions or otherwise discriminate against non-local waste. These restrictions, generally known as flow control restrictions, are controversial, and some courts have held that some state and local flow control schemes violate constitutional limits on state or local regulation of interstate commerce, while other state and local flow control schemes do not. Certain state and local jurisdictions may seek to enforce flow control restrictions through local legislation or contractually. These actions could limit or prohibit the importation of wastes originating outside of local jurisdictions or direct that wastes be handled at specified facilities. Such actions could adversely affect our transfer stations and landfills. These restrictions could also result in higher disposal costs for our collection operations. If we were unable to pass such higher costs through to our customers, our business, financial condition and operating results could be adversely affected.

State and Local Regulations

Each state in which we now operate or may operate in the future has laws and regulations governing the generation, storage, treatment, handling, transportation and disposal of solid waste, oilfield waste, occupational safety and health, water and air pollution and, in most cases, the siting, design, operation, maintenance, closure and post-closure maintenance of landfills and transfer stations. State and local permits and approval for these operations may be required and may be subject to periodic renewal, modification or revocation by the issuing agencies. In addition, many states have adopted statutes comparable to, and in some cases more stringent than, CERCLA. These statutes impose requirements for investigation and cleanup of contaminated sites and liability for costs and damages associated with such sites, and some provide for the imposition of liens on property owned by responsible parties.

Many municipalities also have enacted or could enact ordinances, local laws and regulations affecting our operations. These include zoning and health measures that limit solid waste management activities to specified sites or activities, flow control provisions that direct or restrict the delivery of solid wastes to specific facilities, laws that grant the right to establish franchises for collection services and bidding for such franchises, and bans or other restrictions on the movement of solid wastes into a municipality.

Various jurisdictions have enacted "fitness" regulations which allow agencies with authority over waste service contracts or permits to deny or revoke such contracts or permits based on the compliance history of the provider. Some jurisdictions also consider the compliance history of the parent, subsidiaries, or affiliated companies of the provider in making these decisions.

Permits or other land use approvals with respect to a landfill, as well as state or local laws and regulations, may specify the quantity of waste that may be accepted at the landfill during a given time period and/or the types of waste that may be accepted at the landfill. Once an operating permit for a landfill is obtained, it generally must be renewed periodically.

There has been an increasing trend at the state and local level to mandate and encourage waste reduction at the source and waste recycling, and to prohibit or restrict the disposal in landfills of certain types of solid wastes, such as food waste, yard waste, leaves, tires, computers and other electronic equipment waste, and painted wood and other construction and demolition debris. The enactment of regulations reducing the volume and types of wastes available for transport to and disposal in landfills could prevent us from operating our facilities at their full capacity.

Some state and local authorities enforce certain federal requirements in addition to state and local laws and regulations. For example, in some states, local or state authorities enforce requirements of RCRA, the OSH Act and parts of the CAA and the Clean Water Act instead of the EPA or OSHA, as applicable, and in some states such laws are enforced jointly by state or local and federal authorities.

E&P waste treatment, recovery and disposal operations are also regulated at the state level. For example, in Louisiana, the Louisiana Department of Natural Resources, or LDNR is responsible for regulating and permitting all oil and natural gas activities in the state, including E&P waste treatment and disposal operations, such as injection wells, land treatment and disposal facilities and transfer stations. As an example of the impact state regulations can have, in November 2009, the LDNR amended its regulations allowing operators to reuse certain E&P waste in hydraulic fracturing operations one time before the operators must dispose of the waste, and on June 20, 2010, the LDNR amended its regulations to allow operators to reuse E&P waste from hydraulic fracturing as many times as reasonably feasible. This regulatory action allows operators to, in some cases, forego sending their E&P waste to commercial disposal facilities such as ours, directly impacting our operations in Louisiana. State environmental laws and regulations require that we obtain permits and authorizations prior to the development and operation of E&P waste treatment and storage facilities and in connection with the disposal and transportation of certain types of waste. The applicable regulatory agencies strictly monitor production and disposal practices at all of our facilities. As part of our permitting process, we participate in annual monitoring, internal testing and third-party testing. A breach of such laws or regulations may result in suspension or revocation of necessary permits and authorizations, civil liability and imposition of fines and penalties. Moreover, if we experience a delay in obtaining, are unable to obtain, or suffer the revocation of required permits, we may be unable to serve our customers, our operations may be interrupted, and our growth and revenue may be limited.

Public Utility Regulation

In some states, public authorities regulate the rates that landfill operators may charge. The adoption of rate regulation or the reduction of current rates in states in which we own or operate landfills could adversely affect our business, financial condition and operating results.

Solid waste collection services in all unincorporated areas of Washington and in electing municipalities in Washington are provided under G Certificates awarded by the WUTC. In association with the regulation of solid waste collection service levels in these areas, the WUTC also reviews and approves rates for regulated solid waste collection and transportation service.

RISK MANAGEMENT, INSURANCE AND FINANCIAL SURETY BONDS

Risk Management

We maintain environmental and other risk management programs that we believe are appropriate for our business. Our environmental risk management program includes evaluating existing facilities and potential acquisitions for environmental law compliance. We do not presently expect environmental compliance costs to increase materially above current levels, but we cannot predict whether future acquisitions will cause such costs to increase. We also maintain a worker safety program that encourages safe practices in the workplace. Operating practices at our operations emphasize minimizing the possibility of environmental contamination and litigation. Our facilities comply in all material respects with applicable federal and state regulations.

Insurance

We have a high deductible or self-insured retention insurance program for automobile liability, general liability, employer’s liability claims, environmental liability, cyber liability, employment practices liability and directors’ and officers’ liability as well as for employee group health insurance, property and workers’ compensation. Our loss exposure for insurance claims is generally limited to per incident deductibles or self-insured retentions. Losses in excess of deductible or self-insured retention levels are insured subject to policy limits. Under our current insurance program, we carry per incident deductibles or self-insured retentions of $2 million for automobile liability claims, $1.5 million for workers’ compensation and employer’s liability claims, $1 million for general liability claims, $1 million for directors’ and officers’ liability claims, $250,000 for employee group health insurance and employment practices liability, and primarily $100,000 for property claims. We also have a policy covering risks associated with cyber liability that has a $50,000 self-insured retention. Additionally, we have umbrella policies with insurance companies for automobile liability, general liability and employer’s liability. Since workers’ compensation is a statutory coverage limited by the various state jurisdictions, the umbrella coverage is not applicable. Also, our umbrella policy does not cover property claims, as the insurance limits for these claims are in accordance with the replacement values of the insured property. From time to time, actions filed against us include claims for punitive damages, which are generally excluded from coverage under our liability insurance policies.

We carry environmental protection insurance which has a $250,000 per incident deductible. This insurance policy covers all owned or operated landfills, certain transfer stations and other facilities, subject to the policy terms and conditions. Our policy provides insurance for new pollution conditions that originate after the commencement of our coverage. Pollution conditions existing prior to the commencement of our coverage, if found, could be excluded from coverage.

Financial Surety Bonds

We use financial surety bonds for a variety of corporate guarantees. The financial surety bonds are primarily used for guaranteeing municipal contract performance and providing financial assurances to meet asset closure and retirement requirements under certain environmental regulations. In addition to surety bonds, such guarantees and obligations may also be met through alternative financial assurance instruments, including insurance, letters of credit and restricted asset deposits. At December 31, 2014 and 2013, we had provided customers and various regulatory authorities with surety bonds in the aggregate amount of approximately $342.6 million and $304.4 million, respectively, to secure our asset closure and retirement requirements and $94.4 million and $89.2 million, respectively, to secure performance under collection contracts and landfill operating agreements.

We own a 9.9% interest in a company that, among other activities, issues financial surety bonds to secure landfill final capping, closure and post-closure obligations for companies operating in the solid waste sector, including a portion of our own.

EMPLOYEES

At December 31, 2014, we had 6,777 employees, of which 683, or approximately 10.1% of our workforce, were employed under collective bargaining agreements, primarily with the Teamsters Union. These collective bargaining agreements are renegotiated periodically. We have five collective bargaining agreements covering 249 employees that have expired or are set to expire during 2015. We do not expect any significant disruption in our overall business in 2015 as a result of labor negotiations, employee strikes or organizational efforts.

SEASONALITY

We expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters and lower in the fourth quarter than in the second and third quarters. This seasonality reflects (a) the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during winter months in the U.S., and (b) reduced E&P activity during harsh weather conditions, with expected fluctuation due to such seasonality between our highest and lowest quarters of approximately 12% to 15%. In addition, some of our operating costs may be higher in the winter months. Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected municipal solid waste, resulting in higher disposal costs, which are calculated on a per ton basis.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information concerning our executive officers as of February 10, 2015:

NAME	AGE	POSITIONS
Ronald J. Mittelstaedt [1]	51	Chief Executive Officer and Chairman
Steven F. Bouck	57	President
Darrell W. Chambliss	50	Executive Vice President and Chief Operating Officer
Worthing F. Jackman	50	Executive Vice President and Chief Financial Officer
David G. Eddie	45	Senior Vice President and Chief Accounting Officer
David M. Hall	57	Senior Vice President – Sales and Marketing
James M. Little	53	Senior Vice President – Engineering and Disposal
Patrick J. Shea	44	Senior Vice President, General Counsel and Secretary
Matthew S. Black	42	Vice President and Chief Tax Officer
Robert M. Cloninger	42	Vice President, Deputy General Counsel and Assistant Secretary
Eric O. Hansen	49	Vice President – Chief Information Officer
Susan R. Netherton	45	Vice President – People, Training and Development
Scott I. Schreiber	58	Vice President – Disposal Operations
Gregory Thibodeaux	48	Vice President – Maintenance and Fleet Management
Mary Anne Whitney	51	Vice President – Finance
Richard K. Wojahn	57	Vice President – Business Development

[1] Member of the Executive Committee of the Board of Directors.

Ronald J. Mittelstaedt has been Chief Executive Officer and a director of Waste Connections since the company was formed, and was elected Chairman in January 1998. Mr. Mittelstaedt also served as President from Waste Connections' formation through August 2004. Mr. Mittelstaedt has more than 25 years of experience in the solid waste industry. Mr. Mittelstaedt serves as a director of SkyWest, Inc. and Mattress Firm Holding Corp. Mr. Mittelstaedt holds a B.A. degree in Business Economics with a finance emphasis from the University of California at Santa Barbara.

Steven F. Bouck has been President of Waste Connections since September 1, 2004. From February 1998 to that date, Mr. Bouck served as Executive Vice President and Chief Financial Officer. Mr. Bouck held various positions with First Analysis Corporation from 1986 to 1998, focusing on financial services to the environmental industry. Mr. Bouck holds B.S. and M.S. degrees in Mechanical Engineering from Rensselaer Polytechnic Institute, and an M.B.A. in Finance from the Wharton School.

Darrell W. Chambliss has been Executive Vice President and Chief Operating Officer of Waste Connections since October 2003. From October 1, 1997, to that date, Mr. Chambliss served as Executive Vice President – Operations. Mr. Chambliss has more than 24 years of experience in the solid waste industry. Mr. Chambliss holds a B.S. degree in Business Administration from the University of Arkansas.

Worthing F. Jackman has been Executive Vice President and Chief Financial Officer of Waste Connections since September 1, 2004. From April 2003 to that date, Mr. Jackman served as Vice President – Finance and Investor Relations. Mr. Jackman held various investment banking positions with Alex. Brown & Sons, now Deutsche Bank Securities, Inc., from 1991 through 2003, including most recently as a Managing Director within the Global Industrial & Environmental Services Group. In that capacity, he provided capital markets and strategic advisory services to companies in a variety of sectors, including solid waste services. Mr. Jackman serves as a director of Quanta Services, Inc. He holds a B.S. degree in Finance from Syracuse University and an M.B.A. from the Harvard Business School.

David G. Eddie has been Senior Vice President and Chief Accounting Officer of Waste Connections since January 2011. From February 2010 to that date, Mr. Eddie served as Vice President – Chief Accounting Officer. From March 2004 to February 2010, Mr. Eddie served as Vice President – Corporate Controller. From April 2003 to February 2004, Mr. Eddie served as Vice President – Public Reporting and Compliance. From May 2001 to March 2003, Mr. Eddie served as Director of Finance. Mr. Eddie served as Corporate Controller for International Fibercom, Inc. from April 2000 to May 2001. From September 1999 to April 2000, Mr. Eddie served as Waste Connections' Manager of Financial Reporting. From September 1994 to September 1999, Mr. Eddie held various positions, including Audit Manager, for PricewaterhouseCoopers LLP. Mr. Eddie is a Certified Public Accountant and holds a B.S. degree in Accounting from California State University, Sacramento.

David M. Hall has been Senior Vice President – Sales and Marketing of Waste Connections since October 2005. From August 1998 to that date, Mr. Hall served as Vice President – Business Development. Mr. Hall has more than 29 years of experience

in the solid waste industry with extensive operating and marketing experience in the Western U.S. Mr. Hall received a B.S. degree in Management and Marketing from Missouri State University.

James M. Little has been Senior Vice President – Engineering and Disposal of Waste Connections since February 2009. From September 1999 to that date, Mr. Little served as Vice President – Engineering. Mr. Little held various management positions with Waste Management, Inc. (formerly USA Waste Services, Inc., which acquired Waste Management, Inc. and Chambers Development Co. Inc.) from April 1990 to September 1999, including Regional Environmental Manager and Regional Landfill Manager, and most recently Division Manager in Ohio, where he was responsible for the operations of ten operating companies in the Northern Ohio area. Mr. Little is a certified professional geologist and holds a B.S. degree in Geology from Slippery Rock University.

Patrick J. Shea has been Senior Vice President, General Counsel and Secretary of Waste Connections since August 2014. From February 2009 to that date, Mr. Shea served as Vice President, General Counsel and Secretary. From February 2008 to February 2009, Mr. Shea served as General Counsel and Secretary. He served as Corporate Counsel from February 2004 to February 2008. Mr. Shea practiced corporate and securities law with Brobeck, Phleger & Harrison LLP in San Francisco from 1999 to 2003 and Winthrop, Stimson, Putnam & Roberts (now Pillsbury Winthrop Shaw Pittman LLP) in New York and London from 1995 to 1999. Mr. Shea holds a B.S. degree in Managerial Economics from the University of California at Davis and a J.D. degree from Cornell University.

Matthew S. Black has been Vice President and Chief Tax Officer of Waste Connections since March 2012. From December 2006 to that date, Mr. Black served as Executive Director of Taxes. Mr. Black served as Tax Director for The McClatchy Company from April 2001 to November 2006, and served as Tax Manager from December 2000 to March 2001. From January 1994 to November 2000, Mr. Black held various positions, including Tax Manager, for PricewaterhouseCoopers LLP. Mr. Black is a Certified Public Accountant and holds a B.S. degree in Accounting and M.S. degree in Taxation from California State University, Sacramento.

Robert M. Cloninger has been Vice President, Deputy General Counsel and Assistant Secretary of Waste Connections since August 2014. From February 2013 to that date, Mr. Cloninger served as Deputy General Counsel. He served as Corporate Counsel from February 2008 to February 2013. Mr. Cloninger practiced corporate, securities and mergers and acquisitions law with Schiff Hardin LLP in Chicago from 1999 to 2004 and Downey Brand LLP in Sacramento from 2004 to 2008. Mr. Cloninger holds a B.A. degree in History from Northwestern University and a J.D. degree from the University of California at Davis.

Eric O. Hansen has been Vice President – Chief Information Officer of Waste Connections since July 2004. From January 2001 to that date, Mr. Hansen served as Vice President – Information Technology. From April 1998 to December 2000, Mr. Hansen served as Director of Management Information Systems. Mr. Hansen holds a B.S. degree from Portland State University.

Susan R. Netherton has been Vice President – People, Training and Development since July 2013. From February 2007 to that date, Ms. Netherton served as Director of Human Resources and Employment Manager. From 1994 to 2007, Ms. Netherton held various human resources positions at Carpenter Technology Corporation, a publicly traded specialty metals and materials company. Ms. Netherton holds a B. S. in Elementary Education from Kutztown University and an M.B.A. from St. Mary's College of California.

Scott I. Schreiber has been Vice President – Disposal Operations of Waste Connections since February 2009. From October 1998 to that date, Mr. Schreiber served as Director of Landfill Operations. Mr. Schreiber has more than 34 years of experience in the solid waste industry. From September 1993 to September 1998, Mr. Schreiber served as corporate Director of Landfill Development and corporate Director of Environmental Compliance for Allied Waste Industries, Inc. From August 1988 to September 1993, Mr. Schreiber served as Regional Engineer (Continental Region) and corporate Director of Landfill Development for Laidlaw Waste Systems Inc. From June 1979 to August 1988, Mr. Schreiber held several managerial and technical positions in the solid waste and environmental industry. Mr. Schreiber holds a B.S. degree in Chemistry from the University of Wisconsin at Parkside.

Gregory Thibodeaux has been Vice President – Maintenance and Fleet Management of Waste Connections since January 2011. From January 2000 to that date, Mr. Thibodeaux served as Director of Maintenance. Mr. Thibodeaux has more than 28 years of experience in the solid waste industry having held various management positions with Browning Ferris Industries, Sanifill, and USA Waste Services, Inc. Before coming to Waste Connections, Mr. Thibodeaux served as corporate Director of Maintenance for Texas Disposal Systems.

Mary Anne Whitney has been Vice President - Finance of Waste Connections since March 2012. From November 2006 to that date, Ms. Whitney served as Director of Finance. Ms. Whitney held various finance positions for Wheelabrator Technologies from 1990 to 2001. Ms. Whitney holds a B.A. degree in Economics from Georgetown University and an M.B.A. in Finance from New York University Stern School of Business.

Richard K. Wojahn has been Vice President – Business Development of Waste Connections since February 2009. From September 2005 to that date, Mr. Wojahn served as Director of Business Development. Mr. Wojahn served as Vice President of Operations for Mountain Jack Environmental Services, Inc. (which was acquired by Waste Connections in September 2005) from January 2004 to September 2005. Mr. Wojahn has more than 33 years of experience in the solid waste industry having held various management positions with Waste Management, Inc. and Allied Waste Industries, Inc. Mr. Wojahn attended Western Illinois University.

AVAILABLE INFORMATION

Our corporate website address is http://www.wasteconnections.com. The information on our website is not incorporated by reference in this annual report on Form 10-K. We make our reports on Forms 10-K, 10-Q and 8-K and any amendments to such reports available on our website free of charge as soon as reasonably practicable after we file them with or furnish them to the Securities and Exchange Commission, or SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC, 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

Certain statements contained in this Annual Report on Form 10-K are forward-looking in nature, including statements related to our ability to obtain additional exclusive arrangements, our ability to generate internal growth, our ability to generate free cash flow and reduce our leverage, our ability to provide adequate cash to fund our operating activities, our ability to draw on our credit agreement or raise additional capital, the impact of global economic conditions, including the price of crude oil, on our volume, business and results of operations, the effects of landfill special waste projects on volume results, the effects of seasonality on our business and results of operations, demand for recyclable commodities and recyclable commodity pricing, our ability to grow through acquisitions and our expectations with respect to the impact of acquisitions on our expected revenues and expenses, our ability to expand permitted capacity at landfills we own or operate, our expectations with respect to capital expenditures, our expectations with respect to the purchase of fuel and fuel prices, and our expectations with respect to the outcomes of our legal proceedings. These statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” or “anticipates,” or the negative thereof or comparable terminology, or by discussions of strategy.

Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, those listed below and elsewhere in this report. There may be additional risks of which we are not presently aware or that we currently believe are immaterial which could have an adverse impact on our business. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances that may change.

Negative trends or volatility in crude oil prices may adversely affect the level of exploration, development and production activity of E&P companies and the demand for our E&P waste services.

The price of crude oil dropped precipitously in late 2014 and is expected to affect the profitability and creditworthiness of many E&P companies and therefore may affect their level of investment and the amount of linear feet drilled in the basins where we operate. Lower crude oil prices and the volatility of such prices may impact the ability of E&P companies to access capital on economically advantageous terms or at all; in addition, E&P companies may elect to decrease investment in basins where the returns on investment are inadequate or uncertain due to lower crude oil prices or volatility in crude oil prices. Such reductions in capital spending would negatively impact E&P waste generation and therefore the demand for our services. Further, we cannot provide assurances that higher crude oil prices will result in increased capital spending and linear feet drilled by our customers in the basins where we operate.

Our results are vulnerable to economic conditions.

Our business and financial results would be harmed by downturns in the general economy, or in the economy of the regions in which we operate as well as other factors affecting those regions, including the price of crude oil. In an economic slowdown, we experience the negative effects of decreased waste generation, increased competitive pricing pressure, customer turnover, and reductions in customer service requirements. Two lines of business that could see a more immediate impact would be construction and demolition and E&P waste disposal. In addition, a weaker economy may result in declines in recycled commodity prices. Worsening economic conditions or a prolonged or recurring economic recession could adversely affect our operating results and expected seasonal fluctuations. Further, we cannot assure you that any improvement in economic conditions after such a downturn will result in an immediate, if at all positive, improvement in our operating results or cash flows.

Our E&P waste business depends on the willingness of E&P companies to outsource their waste services activities.

The demand for E&P waste services in the basins in which we operate may be adversely affected by the willingness of E&P companies to outsource their waste services activities. In certain basins, we are largely dependent on the willingness of E&P companies to outsource their waste services activities generally, and to us specifically, rather than to our competitors. To the extent that E&P companies, including our current customers, elect not to outsource their E&P waste services activities or market prices decline, our results may be affected. E&P companies have varying market shares within basins, and, depending on that share, the loss of any customer in a given basin could have an adverse effect on results of operations and cash flows in that market. Furthermore, while our E&P customers frequently require us to enter into master service agreements, such agreements typically do not include volume commitments from the customers and typically are terminable at the discretion of either party. These factors introduce greater volatility to our revenues and operating margins for this business, which could have a material adverse effect on our financial position, results of operations and cash flows.

Our industry is highly competitive and includes larger and better capitalized companies, companies with lower prices, return expectations or other advantages, and governmental service providers, which could adversely affect our ability to compete and our operating results.

Our industry is highly competitive and requires substantial labor and capital resources. Some of the markets in which we compete or will seek to compete are served by one or more large, national companies, as well as by regional and local companies of varying sizes and resources, some of which we believe have accumulated substantial goodwill in their markets. Some of our competitors may also be better capitalized than we are, have greater name recognition than we do, or be able to provide or be willing to bid their services at a lower price than we may be willing to offer. In addition, existing and future competitors may develop or offer services or new technologies, new facilities or other advantages. Our inability to compete effectively could hinder our growth or negatively impact our operating results.

In our solid waste business, we also compete with counties, municipalities and solid waste districts that maintain or could in the future choose to maintain their own waste collection and disposal operations, including through the implementation of flow control ordinances or similar legislation. These operators may have financial advantages over us because of their access to user fees and similar charges, tax revenues and tax-exempt financing.

In our E&P waste business, we compete for disposal volumes with existing facilities owned by third parties, and we face potential competition from new facilities that are currently under development. Increased competition in certain markets may result in lower pricing and decreased volumes at our facilities. In addition, customers in certain markets may decide to use internal disposal methods for the treatment and disposal of their waste.

Our financial and operating performance may be affected by the inability to renew landfill operating permits, obtain new landfills and expand existing ones.

We currently own and/or operate 58 landfills and have two additional landfills in development. Our ability to meet our financial and operating objectives may depend in part on our ability to acquire, lease, or renew landfill operating permits, expand existing landfills and develop new landfill sites, especially in our E&P waste business. It has become increasingly difficult and expensive to obtain required permits and approvals to build, operate and expand solid waste management facilities, including landfills and transfer stations. Although the process generally takes less time, the process of obtaining permits and approvals for E&P landfills has similar uncertainties. Operating permits for landfills in states where we operate must generally be renewed every five to ten years, although some permits are required to be renewed more frequently. These operating permits often must be renewed several times during the permitted life of a landfill. The permit and approval process is often time consuming, requires numerous hearings and compliance with zoning, environmental and other requirements, is frequently challenged by special interest and other groups, and may result in the denial of a permit or renewal, the award of a permit or renewal for a shorter duration than we believed was otherwise required by law, or burdensome terms and conditions being imposed on our operations. We may not be able to obtain new landfill sites or expand the permitted capacity of our landfills when necessary and may be required to expense up to the carrying value of the landfill or expansion project, less the recoverable value of the property and other amounts recovered. Obtaining new landfill sites is important to our expansion into new, non-exclusive solid waste markets and in our E&P waste business. If we do not believe that we can obtain a landfill site in a non-exclusive market, we may choose not to enter that market. Expanding existing landfill sites is important in those markets where the remaining lives of our landfills are relatively short. We may choose to forego acquisitions and internal growth in these markets because increased volumes would further shorten the lives of these landfills. Any of these circumstances could adversely affect our operating results.

Competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit our ability to grow through acquisitions.

We seek to grow through strategic acquisitions in addition to internal growth. Although we have and expect to continue to identify numerous acquisition candidates that we believe may be suitable, we may not be able to acquire them at prices or on terms and conditions favorable to us.

Other companies have adopted or may in the future adopt our strategy of acquiring and consolidating regional and local businesses. We expect that increased consolidation in the solid waste services industry will continue to reduce the number of attractive acquisition candidates. Moreover, general economic conditions and the environment for attractive investments may affect the desire of the owners of acquisition candidates to sell their companies. As a result, we may have fewer acquisition opportunities, and those opportunities may be on less attractive terms than in the past, which could cause a reduction in our rate of growth from acquisitions.

Our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so. While we expect we will be able to fund some of our acquisitions with our existing resources, additional financing to pursue additional acquisitions may be required. However, particularly if market conditions deteriorate, we may be unable to secure additional financing or any such additional financing may be available to us on unfavorable terms, which could have an impact on our flexibility to pursue additional acquisition opportunities. In addition, disruptions in the capital and credit markets could adversely affect our ability to draw on our credit agreement or raise other capital. Our access to funds under the credit agreement is dependent on the ability of the banks that are parties to the facility to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

<u>Our indebtedness could adversely affect our financial condition and limit our financial flexibility</u>.

As of December 31, 2014, we had approximately $2.0 billion of total indebtedness outstanding, and we may incur additional debt in the future. This amount of indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- expose us to interest rate risk since a majority of our indebtedness is at variable rates;
- limit our ability to obtain additional financing or refinancings at attractive rates;
- require the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures, dividends, share repurchases and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry; and
- place us at a competitive disadvantage relative to our competitors with less debt.

Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants under any of our indebtedness, we may be in default under the loan, which may entitle the lenders to accelerate the debt obligations. A default under one of our loans could result in cross-defaults under our other indebtedness. In order to avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating dividends or stock repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, any of which may not be available on terms that are favorable to us, if at all.

<u>Price increases may not be adequate to offset the impact of increased costs, or may cause us to lose volume</u>.

We seek price increases necessary to offset increased costs, to improve operating margins and to obtain adequate returns on our deployed capital. Contractual, general economic, competitive or market-specific conditions may limit our ability to raise prices. As a result of these factors, we may be unable to offset increases in costs, improve operating margins and obtain adequate investment returns through price increases. We may also lose volume to lower-price competitors.

<u>Fluctuations in prices for recycled commodities that we sell and rebates we offer to customers may cause our revenues and operating results to decline</u>.

We provide recycling services to some of our customers. The majority of the recyclables we process for sale are paper products that are shipped to customers in Asia. The sale prices of and demands for recyclable commodities, particularly paper products, are frequently volatile and when they decline, our revenues, operating results and cash flows will be affected. Our recycling operations offer rebates to customers based on the market prices of commodities we buy to process for resale. Therefore, if we recognize increased revenues resulting from higher prices for recyclable commodities, the rebates we pay to suppliers will also increase, which also may impact our operating results.

<u>We have limited experience in running an E&P waste treatment, recovery and disposal business</u>.

In 2012, we acquired the non-hazardous E&P waste treatment, recovery and disposal businesses of R360, which are included in what we refer to as our E&P waste business. Our E&P waste business accounted for approximately 15% of our revenues in 2014. While we conducted limited E&P waste treatment and disposal prior to the R360 acquisition, the E&P waste business is outside of our historical core business of municipal solid waste. We expect revenues and operating margins, as well as customer demand, for our E&P waste business to be more volatile than our historical MSW business, particularly in the near term, given the precipitous decline in crude oil prices in late 2014. If we are unable to effectively manage this business, or if we do not adequately anticipate the volatility of this business, our financial condition and results of operations may suffer.

The seasonal nature of our business and "event-driven" waste projects cause our results to fluctuate.

Based on historic trends, we expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters, and lower in the fourth quarter than in the second and third quarters. We expect the fluctuation in our revenues between our highest and lowest quarters to be approximately 12% to 15%. This seasonality reflects the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during the winter months in the U.S., and reduced E&P activity during harsh weather conditions. Conversely, mild winter weather conditions may reduce demand for oil and natural gas, which may cause our customers to curtail their drilling programs, which could result in production of lower volumes of E&P waste.

Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected waste, resulting in higher disposal costs, which are calculated on a per ton basis. Certain weather conditions, including severe storms, may result in temporary suspension of our operations, which can significantly impact the operating results of the affected areas. Conversely, weather-related occurrences and other "event-driven" waste projects can boost revenues through heavier weight loads or additional work for a limited time period. These factors impact period-to-period comparisons of financial results, and our stock price may be negatively affected by these variations.

We may lose contracts through competitive bidding, early termination or governmental action.

We derive a significant portion of our revenues from market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and G Certificates. Many franchise agreements and municipal contracts are for a specified term and are, or will be, subject to competitive bidding in the future. For example, we have approximately 319 contracts, representing approximately 2.4% of our annual revenues, which are set for expiration or automatic renewal on or before December 31, 2015. Although we intend to bid on additional municipal contracts and franchise agreements, we may not be the successful bidder. In addition, some of our customers, including municipalities, may terminate their contracts with us before the end of the terms of those contracts. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills. For example, see the discussion regarding the Madera County, California Materials Recovery Facility Contract Litigation under the "Legal Proceedings" section of Note 11 of our consolidated financial statements included in Item 8 of this report.

Governmental action may also affect our exclusive arrangements. Municipalities may annex unincorporated areas within counties where we provide collection services. As a result, our customers in annexed areas may be required to obtain services from competitors that have been franchised by the annexing municipalities to provide those services. In addition, municipalities in which we provide services on a competitive basis may elect to franchise those services. Unless we are awarded franchises by these municipalities, we will lose customers. Municipalities may also decide to provide services to their residents themselves, on an optional or mandatory basis, causing us to lose customers. Municipalities in Washington may, by law, annex any unincorporated territory, which could remove such territory from an area covered by a G Certificate issued to us by the WUTC. Such occurrences could subject more of our Washington operations to competitive bidding. Moreover, legislative action could amend or repeal the laws governing WUTC regulation, which could harm our competitive position by subjecting more areas to competitive bidding and/or overlapping service. If we are not able to replace revenues from contracts lost through competitive bidding or early termination or from the renegotiation of existing contracts with other revenues within a reasonable time period, our revenues could decline.

Alternatives to landfill disposal may cause our revenues and operating results to decline.

Counties and municipalities in which we operate landfills may be required to formulate and implement comprehensive plans to reduce the volume of municipal solid waste deposited in landfills through waste planning, composting, recycling or other programs. Some state and local governments prohibit the disposal of certain types of wastes, such as yard waste, at landfills. Although such actions are useful to protect our environment, these actions, as well as the actions of our customers to reduce waste or seek disposal alternatives, have reduced and may in the future further reduce the volume of waste going to landfills in certain areas, which may affect our ability to operate our landfills at full capacity and could adversely affect our operating results.

Increases in labor costs could impact our financial results.

Labor is one of our highest costs and relatively small increases in labor costs per employee could materially affect our cost structure. We compete with other businesses in our markets for qualified employees and the labor supply is sometimes tight in our markets. In our E&P waste business, for example, we are exposed to the cyclical variations in demand that are particular to the development and production of oil and natural gas in the U.S. A shortage of qualified employees would require us to incur additional costs related to wages and benefits, to hire more expensive temporary employees or to contract for services with more expensive third-party vendors.

Increases in the price of diesel or compressed natural gas fuel may adversely affect our collection business and reduce our operating margins.

The market price of diesel fuel is volatile. We generally purchase diesel fuel at market prices, and such prices have fluctuated significantly in recent years. A significant increase in market prices for fuel could adversely affect our waste collection business through a combination of higher fuel and disposal-related transportation costs and reduce our operating margins and reported earnings. To manage a portion of this risk, we have entered into fuel hedge agreements related to forecasted diesel fuel purchases and fixed-price fuel purchase contracts. During periods of falling diesel fuel prices, our hedge payable positions may increase and it may become more expensive to purchase fuel under fixed-price fuel purchase contracts than at market prices.

We utilize compressed natural gas, or CNG, in a small percentage of our fleet and may convert more of our fleet from diesel fuel to CNG over time. The market price of CNG is also volatile; a significant increase in such cost could adversely affect our operating margins and reported earnings.

Labor union activity could divert management attention and adversely affect our operating results.

From time to time, labor unions attempt to organize our employees. Some groups of our employees are represented by unions, and we have negotiated collective bargaining agreements with most of these unions. We are currently engaged in negotiations with other labor unions attempting to organize groups of our employees. Additional groups of employees may seek union representation in the future. As a result of these activities, we may be subjected to unfair labor practice charges, complaints and other legal and administrative proceedings initiated against us by unions or the National Labor Relations Board, which could negatively impact our operating results. Negotiating collective bargaining agreements with these unions could divert management attention, which could also adversely affect operating results. If we are unable to negotiate acceptable collective bargaining agreements, we might have to wait through "cooling off" periods, which are often followed by union-initiated work stoppages, including strikes. Depending on the type and duration of any labor disruptions, our operating expenses could increase significantly, which could adversely affect our financial condition, results of operations and cash flows.

We could face significant withdrawal liability if we withdraw from participation in one or more multiemployer pension plans in which we participate and the accrued pension benefits are not fully funded.

We participate in two "multiemployer" pension plans administered by employee and union trustees. We make periodic contributions to these plans to fund pension benefits for our union employees pursuant to our various contractual obligations to do so. In the event that we withdraw from participation in or otherwise cease our contributions to one of these plans, then applicable law regarding withdrawal liability could require us to make additional contributions to the plan if the accrued benefits are not fully funded, and we would have to reflect that "withdrawal liability" as an expense in our consolidated statement of operations and as a liability on our consolidated balance sheet. Our withdrawal liability for any multiemployer plan would depend on the extent to which accrued benefits are funded. In the ordinary course of our renegotiation of collective bargaining agreements with labor unions that participate in these plans, we may decide to discontinue participation in a multiemployer plan, and in that event, we could face withdrawal liability. Some multiemployer plans in which we participate may from time to time have significant accrued benefits that are not funded. The size of our potential withdrawal liability may be affected by the level of unfunded accrued benefits, the actuarial assumptions used by the plan and the investment gains and losses experienced by the plan.

Our financial results could be adversely affected by impairments of goodwill or indefinite-lived intangibles.

As a result of our acquisition strategy, we have a material amount of goodwill and indefinite-lived intangibles recorded in our financial statements. We do not amortize our existing goodwill or indefinite-lived intangibles and are required to test goodwill and indefinite-lived intangibles for impairment annually using the two-step process prescribed in the accounting guidance. The first step is a screen for potential impairment, using either a qualitative or quantitative assessment, while the second step measures the amount of the impairment, if any. We perform the first step of the required impairment tests of goodwill and indefinite-lived intangible assets annually using a quantitative assessment.

Pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements.

We are, and from time to time become, involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. Many of these matters raise complicated factual and legal issues and are subject to uncertainties and complexities, all of which makes the matters costly to address. For example, in recent years, wage and hour and employment laws have changed regularly and become increasingly complex, which has fostered litigation, including purported class

actions. Similarly, citizen suits brought pursuant to environmental laws, such as those regulating the treatment of storm water runoff, have proliferated. The timing of the final resolutions to lawsuits, regulatory inquiries, and governmental and other legal proceedings is uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting our consolidated financial condition, results of operations and cash flows. See discussion under the "Legal Proceedings" section of Note 11 of our consolidated financial statements included in Item 8 of this report.

<u>We may be subject in the normal course of business to judicial, administrative or other third-party proceedings that could interrupt or limit our operations, require expensive remediation, result in adverse judgments, settlements or fines and create negative publicity</u>.

Governmental agencies may, among other things, impose fines or penalties on us relating to the conduct of our business, attempt to revoke or deny renewal of our operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations or as a result of third-party challenges, require us to install additional pollution control equipment or require us to remediate potential environmental problems relating to any real property that we or our predecessors ever owned, leased or operated or any waste that we or our predecessors ever collected, transported, disposed of or stored. Individuals, citizens groups, trade associations or environmental activists may also bring actions against us in connection with our operations that could interrupt or limit the scope of our business. Any adverse outcome in such proceedings could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and stock price.

<u>Increases in insurance costs and the amount that we self-insure for various risks could reduce our operating margins and reported earnings</u>.

We maintain high deductible insurance policies for automobile, general, employer's, environmental, cyber, employment practices and directors' and officers' liability as well as for employee group health insurance, property insurance and workers' compensation. We carry umbrella policies for certain types of claims to provide excess coverage over the underlying policies and per incident deductibles. The amounts that we effectively self-insure could cause significant volatility in our operating margins and reported earnings based on the event and claim costs of incidents, accidents, injuries and adverse judgments. Our insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by our management with assistance from our third-party actuary and our third-party claims administrator. To the extent these estimates are inaccurate, we may recognize substantial additional expenses in future periods that would reduce operating margins and reported earnings. Furthermore, while we maintain liability insurance, our insurance is subject to coverage limitations. If we were to incur substantial liability, our insurance coverage may be inadequate to cover the entirety of such liability. This could have a material adverse effect on our financial position, results of operations and cash flows. One form of coverage limitation concerns claims for punitive damages, which are generally excluded from coverage under all of our liability insurance policies. A punitive damage award could have an adverse effect on our reported earnings in the period in which it occurs. Significant increases in premiums on insurance that we retain also could reduce our margins.

<u>We rely on computer systems to run our business and disruptions or privacy breaches in these systems could impact our ability to service our customers and adversely affect our financial results, damage our reputation, and expose us to litigation risk</u>.

Our businesses rely on computer systems to provide customer information, process customer transactions and provide other general information necessary to manage our businesses. We also rely on a Payment Card Industry compliant third party to protect our customers' credit card information. We have an active disaster recovery plan in place that we review and test. However, our computer systems are subject to damage or interruption due to system conversions, power outages, computer or telecommunication failures, catastrophic events such as fires, tornadoes and hurricanes and usage errors by our employees. Given the unpredictability of the timing, nature and scope of such disruptions, we could potentially be subject to operational delays and interruptions in our ability to provide services to our customers. Any disruption caused by the unavailability of our computer systems could adversely affect our revenues or could require significant investment to fix or replace them, and, therefore, could affect our operating results.

In addition, cyber-security attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. If the network of security controls, policy enforcement mechanisms or monitoring systems we use to address these threats to technology fail, the compromising of confidential or otherwise protected company, customer or employee information, destruction or corruption of data, security breaches or other manipulation or improper use of our systems and networks could result in financial losses from remedial actions, loss of business or potential liability and damage to our reputation.

A portion of our growth and future financial performance depends on our ability to integrate acquired businesses, and the success of our acquisitions.

A component of our growth strategy involves achieving economies of scale and operating efficiencies by growing through acquisitions. We may not achieve these goals unless we effectively combine the operations of acquired businesses with our existing operations. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills. In addition, we are not always able to control the timing of our acquisitions. Our inability to complete acquisitions within the time frames that we expect may cause our operating results to be less favorable than expected, which could cause our stock price to decline.

Even if we are able to make acquisitions on advantageous terms and are able to integrate them successfully into our operations and organization, some acquisitions may not fulfill our anticipated financial or strategic objectives in a given market due to factors that we cannot control, such as market conditions, including the price of crude oil, market position, competition, customer base, loss of key employees, third-party legal challenges or governmental actions. In addition, we may change our strategy with respect to a market or acquired businesses and decide to sell such operations at a loss, or keep those operations and recognize an impairment of goodwill and/or intangible assets. Similar risks may affect contracts that we are awarded to operate municipally-owned assets, such as landfills.

Each business that we acquire or have acquired may have liabilities or risks that we fail or are unable to discover, or that become more adverse to our business than we anticipated at the time of acquisition.

It is possible that the corporate entities or sites we have acquired, or which we may acquire in the future, have liabilities or risks in respect of former or existing operations or properties, or otherwise, which we have not been able to identify and assess through our due diligence investigations. As a successor owner, we may be legally responsible for those liabilities that arise from businesses that we acquire. Even if we obtain legally enforceable representations, warranties and indemnities from the sellers of such businesses, they may not cover the liabilities fully or the sellers may not have sufficient funds to perform their obligations. Some environmental liabilities, even if we do not expressly assume them, may be imposed on us under various regulatory schemes and other applicable laws. In addition, our insurance program may not cover such sites and will not cover liabilities associated with some environmental issues that may have existed prior to attachment of coverage. A successful uninsured claim against us could harm our financial condition or operating results. Additionally, there may be other risks of which we are unaware that could have an adverse effect on businesses that we acquire or have acquired. For example, interested parties may bring actions against us in connection with operations that we acquire or have acquired. Furthermore, risks or liabilities we judge to be not material or remote at the time of acquisition may develop into more serious risks to our business. Any adverse outcome resulting from such risks or liabilities could harm our operations and financial results and create negative publicity, which could damage our reputation, competitive position and stock price. For example, see the discussions regarding the Hudson Valley, New York TEAM Transportation Workers' Compensation Trust and the Lower Duwamish Waterway Superfund Site Allocation Process under the "Legal Proceedings" section of Note 11 of our consolidated financial statements included in Item 8 of this report.

Extensive and evolving environmental, health and safety laws and regulations may restrict our operations and growth and increase our costs.

Existing environmental laws and regulations have become more stringently enforced in recent years. In addition, our industry is subject to regular enactment of new or amended federal, state and local environmental and health and safety statutes, regulations and ballot initiatives, as well as judicial decisions interpreting these requirements, which have become more stringent over time. Citizen suits brought pursuant to environmental laws have proliferated. We expect these trends to continue, which could lead to material increases in our costs for future environmental, health and safety compliance. These requirements also impose substantial capital and operating costs and operational limitations on us and may adversely affect our business. In addition, federal, state and local governments may change the rights they grant to, the restrictions they impose on, or the laws and regulations they enforce against, solid waste and E&P waste services companies. These changes could adversely affect our operations by restricting the way in which we manage storm water runoff, comply with health and safety laws, treat and dispose of E&P or other waste or our ability to operate and expand our business.

Governmental authorities and various interest groups have promoted laws and regulations that could limit greenhouse gas, or GHG, emissions due to concerns that GHGs are contributing to climate change. The State of California has already adopted a climate change law, and other states in which we operate are considering similar actions. In addition, the EPA made an endangerment finding in 2009 allowing certain GHGs to be regulated under the CAA. This finding allows the EPA to create regulations that will impact our operations – including imposing emission reporting, permitting, control technology installation, and monitoring requirements, although the materiality of the impacts will not be known until all regulations are finalized. Regulation of GHG emissions from oil and natural gas E&P operations may also increase the costs to our customers of developing and producing hydrocarbons, and as a

result, may have an indirect and adverse effect on the amount of oilfield waste delivered to our facilities by our customers. These statutes and regulations increase the costs of our operations, and future climate change statutes and regulations may have an impact as well.

Our E&P waste business could be adversely affected by changes in laws regulating E&P waste.

We believe that the demand for our E&P waste services is directly related to the regulation of E&P waste. In particular, RCRA, which governs the disposal of solid and hazardous waste, currently exempts certain E&P wastes from classification as hazardous wastes. In recent years, proposals have been made to rescind this exemption from RCRA. If the exemption covering E&P wastes is repealed or modified, or if the regulations interpreting the rules regarding the treatment or disposal of this type of waste were changed, our operations could face significantly more stringent regulations, permitting requirements, and other restrictions, which could have a material adverse effect on our business.

Changes in laws or government regulations regarding hydraulic fracturing could increase our customers' costs of doing business and reduce oil and gas production by our customers, which could adversely impact our business.

We do not conduct hydraulic fracturing operations, but we do provide treatment, recovery and disposal services with respect to the fluids used and wastes generated by our customers in such operations, which are often necessary to drill and complete new wells and maintain existing wells. Recently, there has been increased public concern regarding the alleged potential for hydraulic fracturing to adversely affect drinking water supplies, and proposals have been made to enact separate federal, state and local legislation that would increase the regulatory burden imposed on hydraulic fracturing. Bills and regulations have been proposed and/or adopted at the federal, state, and local levels that would regulate, restrict, or prohibit hydraulic fracturing operations or require the reporting and public disclosure of chemicals used in the hydraulic fracturing process. Additionally, the EPA is currently studying the environmental impacts of hydraulic fracturing, including the impacts resulting from the treatment and disposal of E&P wastes associated with the hydraulic fracturing process, which could result in increased regulation of hydraulic fracturing and new rules regarding the treatment and disposal of E&P wastes associated with fracturing.

If new federal, state, or local laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities, and make it more difficult or costly for our customers to perform fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could reduce oil and natural gas E&P activities by our customers and, therefore, adversely affect our business. Such laws or regulations could also materially increase our costs of compliance and doing business by more strictly regulating how hydraulic fracturing wastes are handled or disposed. Conversely, any loosening of existing federal, state, or local laws or regulations regarding how such wastes are handled or disposed could adversely impact demand for our services.

Future changes in laws regulating the flow of solid waste in interstate commerce could adversely affect our operating results.

Various state and local governments have enacted, or are considering enacting, laws and regulations that restrict the disposal within the jurisdiction of solid waste generated outside the jurisdiction. In addition, some state and local governments have promulgated, or are considering promulgating, laws and regulations which govern the flow of waste generated within their respective jurisdictions. These "flow control" laws and regulations typically require that waste generated within the jurisdiction be directed to specified facilities for disposal or processing, which could limit or prohibit the disposal or processing of waste in our transfer stations and landfills. Such flow control laws and regulations could also require us to deliver waste collected by us within a particular jurisdiction to facilities not owned or controlled by us, which could increase our costs and reduce our revenues. In addition, such laws and regulations could require us to obtain additional costly licenses or authorizations to be deemed an authorized hauler or disposal facility. All such waste disposal laws and regulations are subject to judicial interpretation and review. Court decisions, legislation, and state and local regulation in the waste disposal area could adversely affect our operations.

Extensive regulations that govern the design, operation and closure of landfills may restrict our landfill operations or increase our costs of operating landfills.

If we fail to comply with state and federal regulations governing the design, operation, closure and financial assurance of MSW, non-MSW and E&P landfills, we could be required to undertake investigatory or remedial activities, curtail operations or close such landfills temporarily or permanently. Future changes to these regulations may require us to modify, supplement or replace equipment or facilities at substantial costs. If regulatory agencies fail to enforce these regulations vigorously or consistently, our competitors whose facilities are not forced to comply with the regulations may obtain an advantage over us. Our financial obligations arising from any failure to comply with these regulations could harm our business and operating results.

Our financial results are based upon estimates and assumptions that may differ from actual results.

In preparing our consolidated financial statements in accordance with U.S. generally accepted accounting principles, estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and we must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to our accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, asset impairments and litigation, claims and assessments. Actual results for all estimates could differ materially from the estimates and assumptions that we use, which could have an adverse effect on our financial condition and results of operations.

Our accruals for our landfill site closure and post-closure costs may be inadequate.

We are required to pay capping, closure and post-closure maintenance costs for landfill sites that we own and operate. We are also required to pay capping, closure and post-closure maintenance costs for operated landfills for which we have life-of-site agreements. Our obligations to pay closure or post-closure costs may exceed the amount we have accrued and reserved and other amounts available from funds or reserves established to pay such costs. In addition, the completion or closure of a landfill site does not end our environmental obligations. After completion or closure of a landfill site, there exists the potential for unforeseen environmental problems to occur that could result in substantial remediation costs. Paying additional amounts for closure or post-closure costs and/or for environmental remediation could harm our financial condition or operating results.

We depend significantly on the services of the members of our senior and regional management team, and the departure of any of those persons could cause our operating results to suffer.

Our success depends significantly on the continued individual and collective contributions of our senior and regional management team. Of particular importance to our success are the services of our founder, Chief Executive Officer and Chairman, Ronald J. Mittelstaedt. Key members of our management, including Mr. Mittelstaedt, have entered into employment agreements, but we may not be able to enforce these agreements. The loss of the services of any member of our senior and regional management or the inability to hire and retain experienced management personnel could harm our operating results.

Our decentralized decision-making structure could allow local managers to make decisions that adversely affect our operating results.

We manage our operations on a decentralized basis. Local managers have the authority to make many decisions concerning their operations without obtaining prior approval from executive officers, subject to compliance with general company-wide policies. Poor decisions by local managers could result in the loss of customers or increases in costs, in either case adversely affecting operating results.

Liabilities for environmental damage may adversely affect our financial condition, business and earnings.

We may be liable for any environmental damage that our current or former operations cause, including damage to neighboring landowners or residents, particularly as a result of the contamination of soil, groundwater or surface water, and especially drinking water, or to natural resources. We may be liable for damage resulting from conditions existing before we acquired these operations. Even if we obtain legally enforceable representations, warranties and indemnities from the sellers of these operations, they may not cover the liabilities fully or the sellers may not have sufficient funds to perform their obligations.

We may also be liable for any on-site environmental contamination caused by pollutants or hazardous substances whose transportation, treatment or disposal we or our predecessors arranged or conducted. Some environmental laws and regulations may impose strict, joint and several liability in connection with releases of regulated substances into the environment. Therefore, in some situations we could be exposed to liability as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties. If we were to incur liability for environmental damage, environmental cleanups, corrective action or damage not covered by insurance or in excess of the amount of our coverage, our financial condition or operating results could be materially adversely affected. For example, see the discussion regarding the Lower Duwamish Waterway Superfund Site Allocation Process under the "Legal Proceedings" section of Note 11 of our consolidated financial statements included in Item 8 of this report.

If we are not able to develop and protect intellectual property, or if a competitor develops or obtains exclusive rights to a breakthrough technology, our financial results may suffer.

Our existing and proposed service offerings to customers may require that we develop or license, and protect, new technologies. We may experience difficulties or delays in the research, development, production and/or marketing of new products and services which may negatively impact our operating results and prevent us from recouping or realizing a return on the investments required to bring new products and services to market. Further, protecting our intellectual property rights and combating unlicensed copying and use of intellectual property is difficult, and any inability to obtain or protect new technologies could impact our services to customers and development of new revenue sources. Additionally, a competitor may develop or obtain exclusive rights to a "breakthrough technology" that provides a revolutionary change in traditional waste management. If we have inferior intellectual property to our competitors, our financial results may suffer.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2014, we owned 148 collection operations, 52 transfer stations, 33 MSW landfills, eight E&P waste landfills, six non-MSW landfills, two development stage landfills, 35 recycling operations, five intermodal operations, 22 liquid E&P waste injection wells, 17 E&P waste treatment and recovery facilities and 20 oil recovery facilities, and operated, but did not own, an additional 17 transfer stations, nine MSW landfills, two non-MSW landfills and two intermodal operations, in 31 states. Non-MSW landfills accept construction and demolition, industrial and other non-putrescible waste. We lease certain of the sites on which these facilities are located. We lease various office facilities, including our corporate offices in The Woodlands, Texas, where we occupy approximately 53,000 square feet of space. We also maintain regional administrative offices in each of our segments. We own various equipment, including waste collection and transportation vehicles, related support vehicles, double-stack rail cars, carts, containers, chassis and heavy equipment used in landfill, collection, transfer station, waste treatment and intermodal operations. We believe that our existing facilities and equipment are adequate for our current operations. However, we expect to make additional investments in property and equipment for expansion and replacement of assets in connection with future acquisitions.

ITEM 3. LEGAL PROCEEDINGS

Information regarding our legal proceedings can be found under the "Legal Proceedings" section of Note 11 of our consolidated financial statements included in Item 8 of this report and is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURE

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange under the symbol "WCN". The following table sets forth the high and low prices per share of our common stock, as reported on the New York Stock Exchange, and the cash dividends declared per share of common stock, for the periods indicated.

	HIGH	LOW	DIVIDENDS DECLARED[1]
2015			
First Quarter (through January 30, 2015)	$ 44.60	$ 42.05	$ 0.13
2014			
Fourth Quarter	$ 50.73	$ 42.86	$ 0.13
Third Quarter	50.93	46.60	0.115
Second Quarter	48.80	41.76	0.115
First Quarter	44.62	39.69	0.115
2013			
Fourth Quarter	$ 46.49	$ 41.08	$ 0.115
Third Quarter	46.00	41.14	0.10
Second Quarter	41.71	34.61	0.10
First Quarter	36.56	33.26	0.10

(1) On February 9, 2015, we announced that our Board of Directors approved a regular quarterly cash dividend of $0.13 per share on our common stock. Our Board of Directors will review the cash dividend periodically, with a long-term objective of increasing the amount of the dividend. We cannot assure you as to the amounts or timing of future dividends. We have the ability under our credit agreement and master note purchase agreement to repurchase our common stock and pay dividends provided we maintain specified financial ratios.

As of January 30, 2015, there were 97 record holders of our common stock.

Our Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1.2 billion of our common stock through December 31, 2017. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including our capital structure, the market price of our common stock and overall market conditions. As of December 31, 2014, we have repurchased approximately 40.0 million shares of our common stock at a cost of $791.4 million, or an average price of $19.77 per share. The table below reflects repurchases we made during the three months ended December 31, 2014 (in thousands, except share and per share amounts):

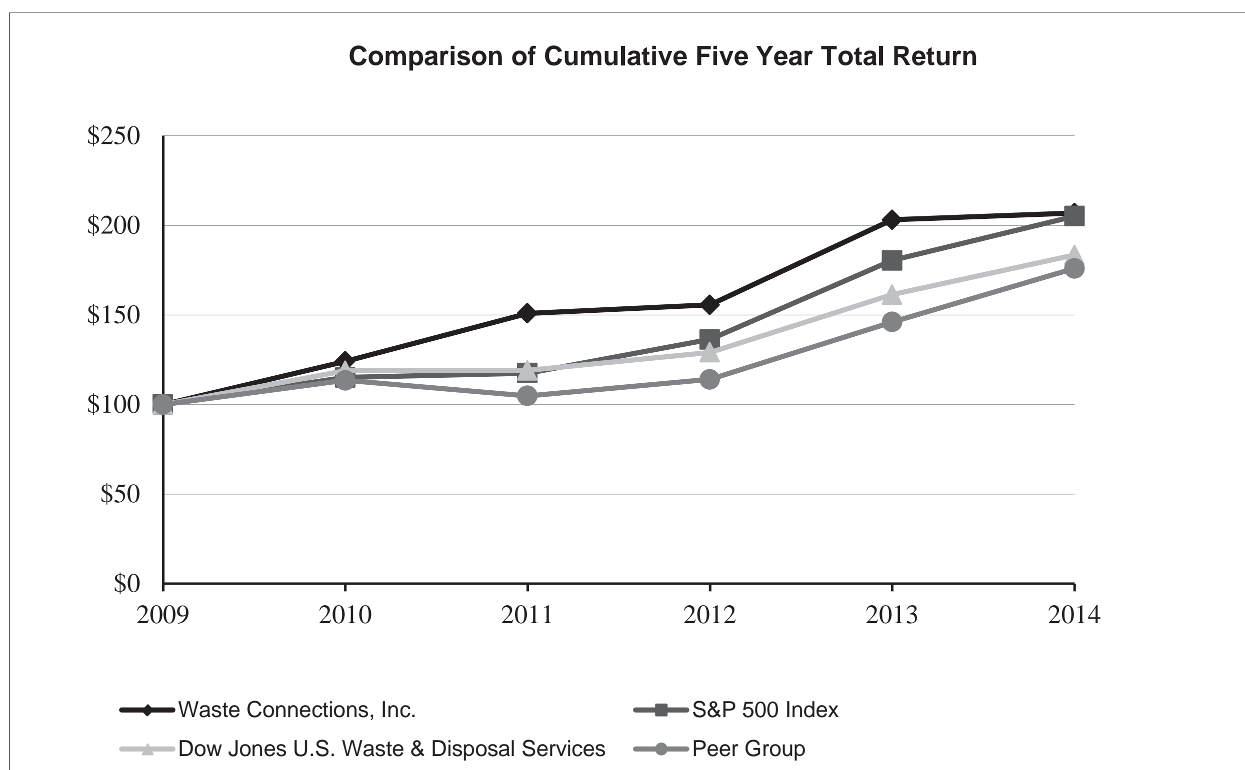
Period	Total Number of Shares Purchased	Average Price Paid Per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
10/1/14 – 10/31/14	-	$ -	-	$ 415,960
11/1/14 – 11/30/14	-	-	-	415,960
12/1/14 – 12/31/14	167,100	43.79	167,100	408,643
	167,100	43.79	167,100	

(1) This amount represents the weighted average price paid per common share. This price includes a per share commission paid for all repurchases.

Performance Graph

The following performance graph compares the total cumulative stockholder returns on our common stock over the past five fiscal years with the total cumulative returns for the S&P 500 Index, the Dow Jones U.S. Waste and Disposal Services Index, or DJ Waste Services Index, and a peer group index we selected. We have selected the DJ Waste Services Index to replace the peer group index we have used in past years. As a result of our acquisition of R360 in October 2012 and subsequent growth of our E&P waste business, we believe that the numerous and diversified companies represented by the DJ Waste Services Index provides a more relevant comparison.

The graph assumes an investment of $100 in our common stock on December 31, 2009, and the reinvestment of all dividends. This chart has been calculated in compliance with SEC requirements and prepared by Capital IQ®.



This graph and the accompanying text is not "soliciting material," is not deemed filed with the SEC, and is not to be incorporated by reference in any filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Company Name / Index	Base Period Dec09	Indexed Returns Years Ending Dec10	Dec11	Dec12	Dec13	Dec14
Waste Connections, Inc.	$ 100	$ 124.09	$ 150.84	$ 155.63	$ 203.04	$ 206.83
S&P 500 Index	$ 100	$ 115.06	$ 117.49	$ 136.30	$ 180.44	$ 205.14
Dow Jones U.S. Waste & Disposal Services Index	$ 100	$ 118.78	$ 118.99	$ 129.11	$ 161.31	$ 183.49
Peer Group [(a)]	$ 100	$ 113.46	$ 104.82	$ 113.95	$ 146.05	$ 175.97

(a) Peer Group Companies: Casella Waste Systems, Inc.; Republic Services, Inc.; Waste Management, Inc.; Progressive Waste Solutions Ltd.

THE STOCK PRICE PERFORMANCE INCLUDED IN THIS GRAPH IS NOT NECESSARILY INDICATIVE OF FUTURE STOCK PRICE PERFORMANCE.

ITEM 6. SELECTED FINANCIAL DATA

This table sets forth our selected financial data for the periods indicated. This data should be read in conjunction with, and is qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Annual Report on Form 10-K and our audited consolidated financial statements, including the related notes and our independent registered public accounting firm's report and the other financial information included in Item 8 of this Annual Report on Form 10-K. The selected data in this section is not intended to replace the consolidated financial statements included in this report.

	YEARS ENDED DECEMBER 31,				
	2014 (a)	2013 (a)	2012 (a)	2011	2010
	(in thousands, except share and per share data)				
STATEMENT OF OPERATIONS DATA:					
Revenues	$ 2,079,166	$ 1,928,795	$ 1,661,618	$ 1,505,366	$ 1,319,757
Operating expenses:					
Cost of operations	1,138,388	1,064,819	956,357	857,580	749,487
Selling, general and administrative	229,474	212,637	197,454	161,967	149,860
Depreciation	230,944	218,454	169,027	147,036	132,874
Amortization of intangibles	27,000	25,410	24,557	20,064	14,582
Loss on prior office leases	-	9,902	-	-	-
Gain from litigation settlement	-	-	(3,551)	-	-
Impairments and other operating charges	4,091	4,129	1,627	1,657	571
Operating income	449,269	393,444	316,147	317,062	272,383
Interest expense	(64,674)	(73,579)	(53,037)	(44,520)	(40,134)
Loss on extinguishment of debt	-	-	-	-	(10,193)
Other income, net	1,067	1,056	1,993	587	3,420
Income before income tax provision	385,662	320,921	265,103	273,129	225,476
Income tax provision	(152,335)	(124,916)	(105,443)	(106,958)	(89,334)
Net income	233,327	196,005	159,660	166,171	136,142
Less: Net income attributable to noncontrolling interests	(802)	(350)	(567)	(932)	(1,038)
Net income attributable to Waste Connections	$ 232,525	$ 195,655	$ 159,093	$ 165,239	$ 135,104
Earnings per common share attributable to Waste Connections' common stockholders:					
Basic	$ 1.87	$ 1.58	$ 1.31	$ 1.47	$ 1.17
Diluted	$ 1.86	$ 1.58	$ 1.31	$ 1.45	$ 1.16
Shares used in the per share calculations:					
Basic	124,215,346	123,597,540	121,172,381	112,720,444	115,646,173
Diluted	124,787,421	124,165,052	121,824,349	113,583,486	116,894,204
Cash dividends per common share	$ 0.475	$ 0.415	$ 0.37	$ 0.315	$ 0.075
Cash dividends paid	$ 58,906	$ 51,213	$ 44,465	$ 35,566	$ 8,561

(a) For more information regarding this financial data, see the Management's Discussion and Analysis of Financial Condition and Results of Operations section included in this report.

	DECEMBER 31,				
	2014	2013	2012	2011	2010
	(in thousands, except share and per share data)				
BALANCE SHEET DATA:					
Cash and equivalents	$ 14,353	$ 13,591	$ 23,212	$ 12,643	$ 9,873
Working capital surplus (deficit)	5,833	(16,513)	(55,086)	(34,544)	(37,976)
Property and equipment, net	2,594,205	2,450,649	2,457,606	1,450,469	1,337,476
Total assets	5,250,031	5,064,252	5,076,026	3,328,005	2,915,984
Long-term debt and notes payable	1,975,916	2,067,590	2,204,967	1,172,758	909,978
Total equity	2,233,741	2,048,207	1,883,130	1,399,687	1,370,418

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the "Selected Financial Data" included in Item 6 of this Annual Report on Form 10-K, our consolidated financial statements and the related notes included elsewhere in this report.

Industry Overview

The municipal solid waste industry is a local and highly competitive business, requiring substantial labor and capital resources. The participants compete for collection accounts primarily on the basis of price and, to a lesser extent, the quality of service, and compete for landfill business on the basis of tipping fees, geographic location and quality of operations. The municipal solid waste industry has been consolidating and continues to consolidate as a result of a number of factors, including the increasing costs and complexity associated with waste management operations and regulatory compliance. Many small independent operators and municipalities lack the capital resources, management, operating skills and technical expertise necessary to operate effectively in such an environment. The consolidation trend has caused municipal solid waste companies to operate larger landfills that have complementary collection routes that can use company-owned disposal capacity. Controlling the point of transfer from haulers to landfills has become increasingly important as landfills continue to close and disposal capacity moves further from collection markets.

Generally, the most profitable operators within the municipal solid waste industry are those companies that are vertically integrated or enter into long-term collection contracts. A vertically integrated operator will benefit from: (1) the internalization of waste, which is bringing waste to a company-owned landfill; (2) the ability to charge third-party haulers tipping fees either at landfills or at transfer stations; and (3) the efficiencies gained by being able to aggregate and process waste at a transfer station prior to landfilling.

The E&P waste services industry is regional in nature and is also highly fragmented, with acquisition opportunities available in several active natural resource basins. Competition for E&P waste comes primarily from smaller regional companies that utilize a variety of disposal methods and generally serve specific geographic markets. In addition, customers in many markets have the option of using internal disposal methods or outsourcing to another third-party disposal company. The principal competitive factors in this business include: gaining customer approval of treatment and disposal facilities; location of facilities in relation to customer activity; reputation; reliability of services; track record of environmental compliance; ability to accept multiple waste types at a single facility; and price.

Executive Overview

We are an integrated municipal solid waste services company that provides solid waste collection, transfer, disposal and recycling services primarily in exclusive and secondary markets in the U.S. and a leading provider of non-hazardous exploration and production, or E&P, waste treatment, recovery and disposal services in several of the most active natural resource producing areas of the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities.

We seek to avoid highly competitive, large urban markets and instead target markets where we can attain high market share either through exclusive contracts, vertical integration or asset positioning. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally owned or funded or available at multiple municipal sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. We also target niche markets, like E&P waste treatment and disposal services, with similar characteristics and, we believe, higher comparative growth potential over the long term.

As of December 31, 2014, we served residential, commercial, industrial and E&P customers in 31 states: Alabama, Alaska, Arizona, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of December 31, 2014, we owned or operated a network of 148 solid waste collection operations; 69 transfer stations; seven intermodal facilities, 35 recycling operations, 58 active MSW, E&P and/or non-MSW landfills, 22 E&P liquid waste injection wells, 17 E&P waste treatment and recovery facilities, 20 oil recovery facilities and two development stage landfills.

2014 Financial Performance

Operating Results

Revenues in 2014 increased 7.8% to $2.08 billion from $1.93 billion in 2013, as a result of organic growth in solid waste, plus increased E&P waste activity. Solid waste revenues increased 5.4%, primarily due to internal growth. Solid waste internal growth increased to 4.3% in 2014, from 3.1% in 2013. Pricing growth was 0.1 percentage points lower than in 2013, due to higher core prices offset by lower fuel, materials and environmental surcharges. Increases in landfill and hauling volumes contributed to total volume growth increasing to 2.1% in 2014 from 0.7% in 2013. A larger decrease in recycled commodity prices than in the prior year, coupled with lower volumes due to the closure of two of our recycling operations, resulted in recycling contributing negative 0.6% to internal growth in 2014, compared to negative 0.5% in 2013. E&P waste revenues increased to $310.1 million from $250.8 million in 2013, through a combination of increased activity at existing facilities and contributions from new facilities.

In 2014, adjusted earnings before interest, taxes, depreciation and amortization, or adjusted EBITDA, a non-GAAP financial measure (refer to page 60 of this report for a definition and reconciliation to Net income), increased 9.1% to $717.1 million, from $657.0 million in 2013. As a percentage of revenue, adjusted EBITDA increased from 34.1% in 2013, to 34.5% in 2014. This 0.4 percentage point increase was primarily attributable to an increased mix of higher margin solid waste disposal and E&P waste revenues. Adjusted net income attributable to Waste Connections, a non-GAAP financial measure (refer to page 61 of this report for a definition and reconciliation to Net income attributable to Waste Connections), in 2014 increased 14.7% to $254.2 million from $221.7 million in 2013.

Adjusted Free Cash Flow

Net cash provided by operating activities increased 12.6% to $545.2 million in 2014, from $484.1 million in 2013, and capital expenditures increased from $209.9 million in 2013 to $241.3 million in 2014, an increase of $31.4 million, or 15.0%. This increase in capital expenditures was primarily due to pulling forward into 2014 capital expenditures from 2015 to take advantage of bonus depreciation tax benefits available in 2014, and the construction of two new E&P waste disposal facilities and a new construction and demolition landfill. Adjusted free cash flow, a non-GAAP financial measure (refer to page 59 of this report for a definition and reconciliation to Net cash provided by operating activities), increased 6.6% to $321.6 million in 2014, from $301.6 million in 2013. Adjusted free cash flow as a percentage of revenues was 15.5% in 2014, compared to 15.6% in 2013. This decrease as a percentage of revenues was primarily due to increased capital expenditures as noted above.

Return of Capital to Stockholders

In 2014, we returned $58.9 million to stockholders through cash dividends declared by our Board of Directors, which also increased the quarterly cash dividend by 13% from $0.115 to $0.13 per share of common stock in October 2014. Our Board of Directors intends to review the quarterly dividend during the fourth quarter of each year, with a long-term objective of increasing the amount of the dividend. In 2014, we also repurchased approximately 167,100 shares of common stock at a cost of $7.3 million. We expect the amount of capital we return to stockholders through stock repurchases to vary depending on our financial condition and results of operations, capital structure, the amount of cash we deploy on acquisitions, the market price of our common stock, and overall market conditions. We cannot assure you as to the amounts or timing of future stock repurchases or dividends. We have the ability under our credit agreement and master note purchase agreement to repurchase our common stock and pay dividends provided that we maintain specified financial ratios.

Capital Position

We target a leverage ratio, as defined in our credit agreement, of approximately 2.75x total debt to EBITDA. We deployed $126.2 million during 2014 for acquisitions from operating cash flow, and we paid down over $93 million in debt. As a result, our leverage ratio improved to 2.67x at December 31, 2014, from 3.08x at December 31, 2013.

Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the consolidated financial statements. As described by the SEC, critical accounting estimates and assumptions are those that may be material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and that have a material impact on the financial condition or operating performance of a

company. Such critical accounting estimates and assumptions are applicable to our reportable segments. Based on this definition, we believe the following are our critical accounting estimates.

Insurance liabilities. We maintain high deductible or self-insured retention insurance policies for automobile, general, employer's, environmental, cyber, employment practices and directors' and officers' liability as well as for employee group health insurance, property insurance and workers' compensation. We carry umbrella policies for certain types of claims to provide excess coverage over the underlying policies and per incident deductibles or self-insured retentions. Our insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by our management with assistance from our third-party actuary and third-party claims administrator. The insurance accruals are influenced by our past claims experience factors, which have a limited history, and by published industry development factors. If we experience insurance claims or costs above or below our historically evaluated levels, our estimates could be materially affected. The frequency and amount of claims or incidents could vary significantly over time, which could materially affect our self-insurance liabilities. Additionally, the actual costs to settle the self-insurance liabilities could materially differ from the original estimates and cause us to incur additional costs in future periods associated with prior year claims.

Income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. If our judgment and estimates concerning assumptions made in calculating our expected future income tax rates are incorrect, our deferred tax assets and liabilities would change. Based on our net deferred tax liability balance at December 31, 2014, each 0.1 percentage point change to our expected future income tax rate would change our net deferred tax liability balance and income tax expense by approximately $1.3 million.

Accounting for landfills. We recognize landfill depletion expense as airspace of a landfill is consumed. Our landfill depletion rates are based on the remaining disposal capacity at our landfills, considering both permitted and probable expansion airspace. We calculate the net present value of our final capping, closure and post-closure commitments by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in our final capping, closure and post-closure liabilities being recorded in "layers." The resulting final capping, closure and post-closure obligation is recorded on the balance sheet along with an offsetting addition to site costs, which is amortized to depletion expense as the remaining landfill airspace is consumed. Interest is accreted on the recorded liability using the corresponding discount rate. The accounting methods discussed below require us to make certain estimates and assumptions. Changes to these estimates and assumptions could have a material effect on our financial condition and results of operations. Any changes to our estimates are applied prospectively.

Landfill development costs. Landfill development costs include the costs of acquisition, construction associated with excavation, liners, site berms, groundwater monitoring wells, gas recovery systems and leachate collection systems. We estimate the total costs associated with developing each landfill site to its final capacity. Total landfill costs include the development costs associated with expansion airspace. Expansion airspace is described below. Landfill development costs depend on future events and thus actual costs could vary significantly from our estimates. Material differences between estimated and actual development costs may affect our cash flows by increasing our capital expenditures and thus affect our results of operations by increasing our landfill depletion expense.

Final capping, closure and post-closure obligations. We accrue for estimated final capping, closure and post-closure maintenance obligations at the landfills we own, and the landfills that we operate, but do not own, under life-of-site agreements. We could have additional material financial obligations relating to final capping, closure and post-closure costs at other disposal facilities that we currently own or operate or that we may own or operate in the future. Our discount rate assumption for purposes of computing 2014 and 2013 "layers" for final capping, closure and post-closure obligations was 5.75% for each year, which reflects our long-term cost of borrowing as of the end of 2013 and 2012. Our inflation rate assumption was 2.5% for the years ended December 31, 2014 and 2013. Significant reductions in our estimates of the remaining lives of our landfills or significant increases in our estimates of the landfill final capping, closure and post-closure maintenance costs could have a material adverse effect on our financial condition and results of operations. Additionally, changes in regulatory or legislative requirements could increase our costs related to our landfills, resulting in a material adverse effect on our financial condition and results of operations.

We own two landfills for which the prior owners are obligated to reimburse us for certain costs we incur for final capping, closure and post-closure activities on the portion of the landfill utilized by the prior owners. We accrue the prior owner's portion of the final

capping, closure and post-closure obligation within the balance sheet classification of Other long-term liabilities, and a corresponding receivable from the prior owner in long-term Other assets.

Disposal capacity. Our internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at our landfills. Our landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills that we own and at landfills that we operate, but do not own, under life-of-site agreements. Our landfill depletion rate is based on the term of the operating agreement at our operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets the following criteria is included in our estimate of total landfill airspace:

1) whether the land where the expansion is being sought is contiguous to the current disposal site, and we either own the expansion property or have rights to it under an option, purchase, operating or other similar agreement;
2) whether total development costs, final capping costs, and closure/post-closure costs have been determined;
3) whether internal personnel have performed a financial analysis of the proposed expansion site and have determined that it has a positive financial and operational impact;
4) whether internal personnel or external consultants are actively working to obtain the necessary approvals to obtain the landfill expansion permit; and
5) whether we consider it probable that we will achieve the expansion (for a pursued expansion to be considered probable, there must be no significant known technical, legal, community, business or political restrictions or similar issues existing that we believe are more likely than not to impair the success of the expansion).

We may be unsuccessful in obtaining permits for expansion disposal capacity at our landfills. In such cases, we will charge the previously capitalized development costs to expense. This will adversely affect our operating results and cash flows and could result in greater landfill depletion expense being recognized on a prospective basis.

We periodically evaluate our landfill sites for potential impairment indicators. Our judgments regarding the existence of impairment indicators are based on regulatory factors, market conditions and operational performance of our landfills. Future events could cause us to conclude that impairment indicators exist and that our landfill carrying costs are impaired. Any resulting impairment loss could have a material adverse effect on our financial condition and results of operations.

Goodwill and indefinite-lived intangible assets testing. Goodwill and indefinite-lived intangible assets are tested for impairment on at least an annual basis in the fourth quarter of the year. In the first step of testing for goodwill impairment, we estimate the fair value of each reporting unit, which we have determined to be our three geographic operating segments and our E&P segment, and compare the fair value with the carrying value of the net assets assigned to each reporting unit. If the fair value of a reporting unit is greater than the carrying value of the net assets, including goodwill, assigned to the reporting unit, then no impairment results. If the fair value is less than its carrying value, then we would perform a second step and determine the fair value of the goodwill. In this second step, the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. If the fair value of the goodwill is less than its carrying value for a reporting unit, an impairment charge would be recorded to earnings in our Consolidated Statements of Net Income. In testing indefinite-lived intangible assets for impairment, we compare the estimated fair value of each indefinite-lived intangible asset to its carrying value. If the fair value of the indefinite-lived intangible asset is less than its carrying value, an impairment charge would be recorded to earnings in our Consolidated Statements of Net Income.

To determine the fair value of each of our reporting units as a whole and each indefinite-lived intangible asset, we use discounted cash flow analyses, which require significant assumptions and estimates about the future operations of each reporting unit and the future discrete cash flows related to each indefinite-lived intangible asset. Significant judgments inherent in these analyses include the determination of appropriate discount rates, the amount and timing of expected future cash flows and growth rates. The cash flows employed in our 2014 discounted cash flow analyses were based on ten-year financial forecasts, which in turn were based on the 2015 annual budget developed internally by management. These forecasts reflect operating profit margins that were consistent with 2014 results and annual revenue growth rates of 3.2% in perpetuity. Our discount rate assumptions are based on an assessment of our weighted average cost of capital which approximated 5.2%. In assessing the reasonableness of our determined fair values of our reporting units, we evaluate our results against our current market capitalization.

In addition, we would evaluate a reporting unit for impairment if events or circumstances change between annual tests indicating a possible impairment. Examples of such events or circumstances include the following:

- a significant adverse change in legal factors or in the business climate;

- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold; or
- the testing for recoverability of a significant asset group within the segment.

We did not record an impairment charge as a result of our goodwill and indefinite-lived intangible assets impairment tests in 2014 and 2013.

Business Combination Accounting. We recognize, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. We measure and recognize goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of our previously held equity interest in the acquiree (if any), over (b) the fair value of net assets acquired and liabilities assumed. At the acquisition date, we measure the fair values of all assets acquired and liabilities assumed that arise from contractual contingencies. We measure the fair values of all noncontractual contingencies if, as of the acquisition date, it is more likely than not that the contingency will give rise to an asset or liability.

General

Our revenues consist mainly of fees we charge customers for collection, transfer, recycling and disposal of non-hazardous solid waste and treatment, recovery and disposal of non-hazardous E&P waste. Our collection business also generates revenues from the sale of recyclable commodities, which have significant variability. A large part of our collection revenues comes from providing residential, commercial and industrial services. We frequently perform these services under service agreements, municipal contracts or franchise agreements with governmental entities. Our existing franchise agreements and most of our existing municipal contracts give us the exclusive right to provide specified waste services in the specified territory during the contract term. These exclusive arrangements are awarded, at least initially, on a competitive bid basis and subsequently on a bid or negotiated basis. We also provide residential collection services on a subscription basis with individual households.

We typically determine the prices of our solid waste collection services by the collection frequency and level of service, route density, volume, weight and type of waste collected, type of equipment and containers furnished, the distance to the disposal or processing facility, the cost of disposal or processing, and prices charged by competitors for similar services. The terms of our contracts sometimes limit our ability to pass on price increases. Long-term solid waste collection contracts often contain a formula, generally based on a published price index, that automatically adjusts fees to cover increases in some, but not all, operating costs, or that limit increases to less than 100% of the increase in the applicable price index.

We charge transfer station and landfill customers a tipping fee on a per ton and/or per yard basis for disposing of their solid waste at our transfer stations and landfill facilities. Many of our transfer station and landfill customers have entered into one to ten year disposal contracts with us, most of which provide for annual indexed price increases.

Our revenues from E&P waste services consist mainly of fees that we charge for the treatment and disposal of liquid and solid waste derived from the drilling of wells for the production of oil and natural gas. We also generate income from the transportation of waste to the disposal facility in certain markets and the sale of reclaimed oil, roadbase and processed and treated waters.

Our revenues from recycling services consist of proceeds generated from selling recyclable materials (including compost, cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals) collected from our residential customers and at our recycling processing operations to third parties for processing before resale.

Our revenues from intermodal services consist mainly of fees we charge customers for the movement of cargo and solid waste containers between our intermodal facilities. We also generate revenue from the storage, maintenance and repair of cargo and solid waste containers and the sale or lease of containers and chassis.

No single contract or customer accounted for more than 10% of our total revenues at the consolidated or reportable segment level during the periods presented. The following tables reflect a breakdown of our revenue and inter-company eliminations for the periods indicated (dollars in thousands):

	Year Ended December 31, 2014			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,289,906	$ (3,593)	$ 1,286,313	61.9%
Solid waste disposal and transfer	617,161	(235,851)	381,310	18.3
Solid waste recycling	58,226	(2,118)	56,108	2.7
E&P waste treatment, recovery and disposal	326,934	(16,862)	310,072	14.9
Intermodal and other	46,291	(928)	45,363	2.2
Total	$ 2,338,518	$ (259,352)	$ 2,079,166	100.0%

	Year Ended December 31, 2013			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,219,091	$ (4,304)	$ 1,214,787	63.0%
Solid waste disposal and transfer	579,379	(226,897)	352,482	18.3
Solid waste recycling	71,831	(6,101)	65,730	3.4
E&P waste treatment, recovery and disposal	262,286	(11,462)	250,824	13.0
Intermodal and other	46,038	(1,066)	44,972	2.3
Total	$ 2,178,625	$ (249,830)	$ 1,928,795	100.0%

	Year Ended December 31, 2012			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,176,333	$ (5,545)	$ 1,170,788	70.4%
Solid waste disposal and transfer	524,861	(215,871)	308,990	18.6
Solid waste recycling	81,512	(8,722)	72,790	4.4
E&P waste treatment, recovery and disposal	61,350	(1,542)	59,808	3.6
Intermodal and other	50,321	(1,079)	49,242	3.0
Total	$ 1,894,377	$ (232,759)	$ 1,661,618	100.0%

Cost of operations includes labor and benefits, tipping fees paid to third-party disposal facilities, vehicle and equipment maintenance, workers' compensation, vehicle and equipment insurance, insurance and employee group health claims expense, third-party transportation expense, fuel, the cost of materials we purchase for recycling, district and state taxes and host community fees and royalties. Our significant costs of operations in 2014 were labor, third-party disposal and transportation, vehicle and equipment maintenance, taxes and fees, insurance and fuel. We use a number of programs to reduce overall cost of operations, including increasing the use of automated routes to reduce labor and workers' compensation exposure, utilizing comprehensive maintenance and health and safety programs, and increasing the use of transfer stations to further enhance internalization rates. We carry high-deductible or self-insured retention insurance for automobile liability, general liability, employer's liability, environmental liability, cyber liability, employment practices liability and directors' and officers' liability as well as for employee group health claims, property and workers' compensation. If we experience insurance claims or costs above or below our historically evaluated levels, our estimates could be materially affected.

Selling, general and administrative, or SG&A, expense includes management, sales force, clerical and administrative employee compensation and benefits, legal, accounting and other professional services, acquisition expenses, bad debt expense and rent expense for our corporate headquarters.

Depreciation expense includes depreciation of equipment and fixed assets over their estimated useful lives using the straight-line method. Depletion expense includes depletion of landfill site costs and total future development costs as remaining airspace of the landfill is consumed. Remaining airspace at our landfills includes both permitted and probable expansion airspace. Amortization expense includes the amortization of finite-lived intangible assets, consisting primarily of long-term franchise agreements and contracts, customer lists and non-competition agreements, over their estimated useful lives using the straight-line method. Goodwill and indefinite-lived intangible assets, consisting primarily of certain perpetual rights to provide solid waste collection and transportation services in specified territories, are not amortized.

We capitalize some third-party expenditures related to development projects, such as legal, engineering and interest expenses. We expense all third-party and indirect acquisition costs, including third-party legal and engineering expenses, executive and corporate overhead, public relations and other corporate services, as we incur them. We charge against net income any unamortized capitalized expenditures and advances (net of any portion that we believe we may recover, through sale or otherwise) that may become impaired, such as those that relate to any operation that is permanently shut down and any landfill development project that we believe will not be completed. We routinely evaluate all capitalized costs, and expense those related to projects that we believe are not likely to succeed. For example, if we are unsuccessful in our attempts to obtain or defend permits that we are seeking or have been awarded to operate or expand a landfill, we will no longer generate anticipated income from the landfill and we will be required to expense in a future period up to the carrying value of the landfill or expansion project, less the recoverable value of the property and other amounts recovered.

Results of Operations

The following table sets forth items in our Consolidated Statements of Net Income in thousands and as a percentage of revenues for the periods indicated:

	Years Ended December 31,					
	2014	% of Revenues	2013	% of Revenues	2012	% of Revenues
Revenues	$ 2,079,166	100.0%	$ 1,928,795	100.0%	$ 1,661,618	100.0%
Cost of operations	1,138,388	54.8	1,064,819	55.2	956,357	57.6
Selling, general and administrative	229,474	11.0	212,637	11.0	197,454	11.9
Depreciation	230,944	11.1	218,454	11.4	169,027	10.2
Amortization of intangibles	27,000	1.3	25,410	1.3	24,557	1.5
Loss on prior office leases	-	-	9,902	0.5	-	-
Gain from litigation settlement	-	-	-	-	(3,551)	(0.2)
Impairments and other operating charges	4,091	0.2	4,129	0.2	1,627	0.0
Operating income	449,269	21.6	393,444	20.4	316,147	19.0
Interest expense	(64,674)	(3.1)	(73,579)	(3.8)	(53,037)	(3.2)
Other income, net	1,067	0.0	1,056	0.0	1,993	0.1
Income tax provision	(152,335)	(7.3)	(124,916)	(6.5)	(105,443)	(6.3)
Net income attributable to noncontrolling interests	(802)	(0.0)	(350)	(0.0)	(567)	(0.0)
Net income attributable to Waste Connections	$ 232,525	11.2%	$ 195,655	10.1%	$ 159,093	9.6%

Years Ended December 31, 2014 and 2013

Revenues. Total revenues increased $150.4 million, or 7.8%, to $2.079 billion for the year ended December 31, 2014, from $1.929 billion for the year ended December 31, 2013.

During the year ended December 31, 2014, incremental revenue from acquisitions closed during, or subsequent to, the year ended December 31, 2013, increased solid waste revenues and E&P revenues by approximately $28.0 million and $3.8 million, respectively. Operations divested during, or subsequent to, the year ended December 31, 2013, decreased solid waste revenues by approximately $10.0 million.

During the year ended December 31, 2014, the net increase in prices charged to our solid waste customers was $47.3 million, consisting of $46.6 million of core price increases and $0.7 million of fuel, materials and environmental surcharges.

During the year ended December 31, 2014, volume increases in our existing business increased solid waste revenues and E&P revenues by $35.1 million and $55.8 million, respectively. The increase in solid waste volumes was primarily attributable to increases in roll off collection, landfill special waste projects, landfill MSW volumes and transfer station volumes resulting from increased construction and general economic activity in our markets. The increase in E&P volumes was primarily attributable to $23.9 million of revenue from new facilities opened subsequent to December 31, 2013 and $31.9 million of volume increases at facilities owned and operated in each of the comparable periods.

The substantial reductions in crude oil prices that began in October 2014 and are continuing into 2015 are expected to result in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate. Based on the 2015 capital budgets announced to date by E&P companies in the basins in which we operate, we currently believe that E&P revenues at facilities included in our results of operations for the entire year ended December 31, 2014 could decline significantly in 2015. The overall decline in our E&P revenues will be partially offset by new facilities opened in 2015 and the full year impact of operations from E&P acquisitions closed subsequent to January 1, 2014. Further or sustained declines in commodity prices may lead to further reductions in drilling activities by our E&P customers and further declines in our E&P volumes and revenues.

During the year ended December 31, 2014, the closure of two recycling operations in our Western segment decreased revenues by $10.2 million. Revenues from sales of recyclable commodities at all other facilities owned during the year ended December 31, 2014 and 2013 increased $0.4 million due primarily to an increase in volumes processed and sold.

Other revenues increased by $0.2 million during the year ended December 31, 2014, consisting of $2.0 million of contracted landfill construction services we performed at a landfill we operate and $0.5 million of other revenue increases, partially offset by a $2.3 million decrease from lower cargo volumes at our intermodal operations due primarily to the loss of a large intermodal customer.

Cost of Operations. Total cost of operations increased $73.6 million, or 6.9%, to $1.138 billion for the year ended December 31, 2014, from $1.065 billion for the year ended December 31, 2013. The increase was primarily the result of $17.0 million of additional operating costs from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in operating costs of $7.8 million resulting from operations divested during, or subsequent to, the year ended December 31, 2013, and the following changes at operations owned in comparable periods in 2013 and 2014: an increase in third-party trucking and transportation expenses of $14.6 million due to increased transfer station, landfill and E&P volumes that require us to transport the waste to our disposal sites, an increase in labor expenses of $14.3 million due primarily to employee pay rate and headcount increases, an increase in taxes and royalties on revenues of $9.4 million due primarily to increased revenues, an increase in truck, container, equipment and facility maintenance and repair expenses of $8.6 million due to an increase in the cost of parts and services and variability in the timing and severity of major repairs, an increase in third-party disposal expense of $8.1 million due to disposal rate increases and higher disposal associated with increased collection volumes, an increase in third-party subcontractor expenses of $4.2 million at our E&P facilities to perform processing and remediation services resulting from higher E&P disposal volumes, an increase in auto and workers' compensation claims expense under our high deductible insurance program of $3.3 million due primarily to adjustments to projected losses on prior period claims, an increase of $2.7 million related to an increase in the volume of waste solidification materials needed to treat higher E&P waste volumes at our facilities and regulatory changes requiring use of higher cost waste solidification materials at one of our landfills, an increase of $2.0 million associated with the cost of contracted landfill construction services we performed at a landfill we operate, an increase in employee benefits expenses of $1.4 million due to increased employee participation in our benefits program and increased medical claim costs, and $0.9 million of other net increases, partially offset by a decrease in equipment rental expense of $2.3 million resulting from capital purchases replacing certain equipment that was previously rented at our E&P facilities, a decrease in the cost of recyclable commodities of $1.8 million due to declines in commodity prices and decreased commodity volumes resulting from the closure of two of our recyclable processing centers subsequent to December 31, 2013 and a decrease in fuel expense of $1.0 million resulting from the net of lower market prices for diesel fuel not purchased under diesel fuel hedge agreements offsetting an increase in total diesel fuel gallons consumed.

Cost of operations as a percentage of revenues decreased 0.4 percentage points to 54.8% for the year ended December 31, 2014, from 55.2% for the year ended December 31, 2013. The decrease as a percentage of revenues was comprised of a 0.4 percentage point decrease in labor expenses and a 0.4 percentage point decrease in fuel expense due to lower prices for diesel fuel, a 0.2 percentage point decrease from lower equipment rental expenses and a 0.1 percentage point decrease in disposal expense resulting from the increased internalization of certain collection and transfer station volumes as well as increased landfill and E&P revenues not resulting in increased disposal expenses, partially offset by a 0.5 percentage point increase from higher third-party trucking expenses and a 0.2 percentage point increase in third party subcontractor expenses at our E&P facilities.

SG&A. SG&A expenses increased $16.9 million, or 7.9%, to $229.5 million for the year ended December 31, 2014, from $212.6 million for the year ended December 31, 2013. The increase was primarily the result of $2.8 million of additional SG&A expenses from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in SG&A expenses of $0.9 million resulting from operations divested during, or subsequent to, the year ended December 31, 2013, and the following changes at operations owned in comparable periods in 2013 and 2014: an increase in accrued cash incentive compensation expense of $6.2 million resulting from the achievement of certain financial targets in the current period, an increase in payroll and payroll-related expenses of $3.1 million primarily related to annual compensation increases, an increase in equity-based compensation expense of $3.0 million associated with a decrease in our estimated pre-vesting forfeiture rate and an increase in the total fair value of our annual recurring grant of restricted stock units to our personnel, an increase in professional fees of $2.0 million due primarily to increased expenses for external legal and information technology services, a $1.2 million increase in expenses for uncollectible accounts receivable primarily in our E&P business due to the impact of the decline in crude oil prices at the end of 2014 impacting the solvency of certain E&P customers and $0.4 million of other net increases, partially offset by a decrease in deferred compensation expense of $0.9 million as a result of decreases in the market value of investments to which employee deferred compensation liability balances are tracked.

SG&A expenses as a percentage of revenues was unchanged at 11.0% for the years ended December 31, 2014 and 2013, resulting from a 0.2 percentage point increase from increased cash incentive compensation expense being offset by a 0.2 percentage point decrease from leveraging existing administrative functions to support increases in revenues.

Depreciation. Depreciation expense increased $12.4 million, or 5.7%, to $230.9 million for the year ended December 31, 2014, from $218.5 million for the year ended December 31, 2013. The increase was primarily the result of $2.0 million of additional depreciation expense and $0.1 million of additional depletion expense from acquisitions closed during, or subsequent to, the year

ended December 31, 2013, partially offset by a decrease in depreciation expense of $0.9 million resulting from operations divested during, or subsequent to, the year ended December 31, 2013, and the following changes at operations owned in comparable periods in 2013 and 2014: an increase in depreciation expense of $7.2 million associated with additions to our fleet and equipment purchased to support our existing operations and an increase in depletion expense of $5.4 million due primarily to an increase in volumes at our existing landfill operations, partially offset by an adjustment to depletion expense of $1.4 million recorded during the year ended December 31, 2013 resulting from an adjustment to final capping obligations at one of our landfill operations.

Depreciation expense as a percentage of revenues decreased 0.3 percentage points to 11.1% for the year ended December 31, 2014, from 11.4% for the year ended December 31, 2013. The decrease as a percentage of revenues was due primarily to the aforementioned prior year adjustment to depletion expense resulting from an adjustment to final capping obligations at one of our landfill operations and leveraging existing equipment to support increases in revenues.

Amortization of Intangibles. Amortization of intangibles expense increased $1.6 million, or 6.3%, to $27.0 million for the year ended December 31, 2014, from $25.4 million for the year ended December 31, 2013. The increase was attributable to $2.0 million of additional amortization expense during the year ended December 31, 2014 from acquisitions closed during, or subsequent to, the year ended December 31, 2013, partially offset by a decrease in amortization expense of $0.4 million resulting from certain intangible assets becoming fully amortized subsequent to the year ended December 31, 2013.

Amortization expense as a percentage of revenues was unchanged at 1.3% for the years ended December 31, 2014 and 2013.

Loss on Prior Office Leases. During the year ended December 31, 2013, we recorded a $9.2 million expense charge associated with the cessation of use of our former corporate headquarters in Folsom, California, and subsequently remitted a payment to terminate our remaining lease obligation. Additionally, during the year ended December 31, 2013, we recorded a $0.7 million expense charge associated with the cessation of use of our E&P segment's former regional offices in Houston, Texas.

Impairments and Other Operating Charges. Impairments and other operating charges was a loss of $4.1 million for the years ended December 31, 2014 and 2013.

During the year ended December 31, 2013, we recorded net losses totaling $2.5 million on the disposal of three operating locations, $1.3 million of expenses resulting from increases to the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2013 and a $0.8 million write-down in the carrying value of assets at an operating location that was closed in 2013, partially offset by $0.5 million of net gains on the disposal of certain operating assets.

During the year ended December 31, 2014, we recorded an $8.4 million impairment charge at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that we own and operate, which was partially offset by $4.1 million of decreases to the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2014 and $0.2 million of net gains on the disposal of certain operating assets.

Operating Income. Operating income increased $55.9 million, or 14.2%, to $449.3 million for the year ended December 31, 2014, from $393.4 million for the year ended December 31, 2013. The increase was attributable to the $150.4 million increase in revenues and a $9.9 million decrease in loss on prior office leases, partially offset by the $73.6 million increase in cost of operations, $16.9 million increase in SG&A expense, $12.4 million increase in depreciation expense and $1.6 million increase in amortization of intangibles expense.

Operating income as a percentage of revenues increased 1.2 percentage points to 21.6% for the year ended December 31, 2014, from 20.4% for the year ended December 31, 2013. The increase as a percentage of revenues was comprised of a 0.4 percentage point decrease in cost of operations, a 0.5 percentage point decrease in loss on prior office leases and a 0.3 percentage point decrease in depreciation expense.

Interest Expense. Interest expense decreased $8.9 million, or 12.1%, to $64.7 million for the year ended December 31, 2014, from $73.6 million for the year ended December 31, 2013, due to the following changes: a decrease of $3.7 million due to a reduction in the applicable margin above the base rate or LIBOR rate for outstanding borrowings under our prior credit agreement and term loan agreement as a result of a reduction in our leverage ratio of total debt to EBITDA and amendments to the prior credit agreement and term loan agreement, a decrease of $2.8 million due to a reduction in the average outstanding balances on our prior credit agreement and term loan agreement, a decrease of $2.0 million due to the expiration in February 2014 of a $175 million interest rate swap with a fixed rate of 2.85% and the commencement of a new $175 million interest rate swap with a fixed rate of 1.60%, a decrease of $0.6

million resulting from a decrease in interest accretion expense recorded on liability-classified contingent consideration arrangements that were settled, or became fully accrued, subsequent to December 31, 2013 and a $0.6 million decrease from other net changes, partially offset by a $0.8 million increase resulting from the commencement in July 2014 of a new $100 million interest rate swap with a fixed rate of 1.80%.

Income Tax Provision. Income taxes increased $27.4 million, or 21.9%, to $152.3 million for the year ended December 31, 2014, from $124.9 million for the year ended December 31, 2013, as a result of increased pre-tax income and an adjustment in deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act that increased our income tax expense and our effective tax rate during the year ended December 31, 2014 by $1.2 million and 0.3 percentage points, respectively.

The reconciliation of the income tax provision to the 2012 federal and state tax returns, which were filed during 2013, decreased our tax expense by $0.8 million and reduced our effective tax rates by 0.3 percentage points for the year ended December 31, 2013.

Our effective tax rates for the years ended December 31, 2014 and 2013, were 39.5% and 38.9%, respectively.

Years Ended December 31, 2013 and 2012

Revenues. Total revenues increased $267.2 million, or 16.1%, to $1.929 billion for the year ended December 31, 2013, from $1.662 billion for the year ended December 31, 2012.

During the year ended December 31, 2013, incremental revenue growth from the R360 acquisition was $186.0 million. All other acquisitions closed during, or subsequent to, the year ended December 31, 2012, increased revenues by approximately $38.2 million. Operations divested during, or subsequent to, the year ended December 31, 2012, decreased revenues by approximately $5.4 million.

During the year ended December 31, 2013, the net increase in prices charged to our customers was $46.7 million, consisting of $42.2 million of core price increases and $4.5 million of fuel, materials and environmental surcharges.

During the year ended December 31, 2013, volume increases in our existing business increased revenues by $13.7 million. The increase in volume was primarily attributable to increases in landfill MSW volumes, landfill special waste projects and roll off collection resulting from increased construction and general economic activity in our markets, partially offset by the loss of commercial and residential collection, transfer station and landfill revenues under the terminated Madera County contracts and by declines in commercial collection primarily attributable to service level declines with existing customers and a reduction in customer counts due to competition in our markets.

During the year ended December 31, 2013, decreased recyclable commodity volumes in our Eastern segment, the closure of a recycling operation in our Western segment and decreased recyclable commodity prices, primarily due to decreased overseas demand for recyclable commodities, decreased revenues by $7.9 million.

Other revenues decreased by $4.1 million during the year ended December 31, 2013, primarily due to a decrease in cargo volume at our intermodal operations due primarily to the loss of a large intermodal customer.

Cost of Operations. Total cost of operations increased $108.5 million, or 11.3%, to $1.065 billion for the year ended December 31, 2013, from $956.4 million for the year ended December 31, 2012. The increase was primarily the result of $78.1 million of additional operating costs during the year ended December 31, 2013, from the R360 acquisition, $19.3 million of additional operating costs from all other acquisitions closed during, or subsequent to, the year ended December 31, 2012, partially offset by a decrease in operating costs of $2.6 million resulting from operations divested during, or subsequent to, the year ended December 31, 2012, and the following changes at operations owned in comparable periods in 2012 and 2013: an increase in labor expenses of $6.2 million due primarily to employee pay rate increases and increases in employee headcount to support growth in our existing operations, an increase in diesel fuel expenses of $2.6 million resulting from the net impact of the expiration of a prior year fuel hedge in which the diesel fuel fixed price under the hedge agreement was less than the diesel fuel retail price and an increase in total diesel fuel gallons consumed, partially offset by lower market prices for diesel fuel not purchased under diesel fuel hedge agreements, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.6 million due to variability in the timing and severity of major repairs, an increase in third-party trucking and transportation expenses of $2.5 million due to increased landfill volumes that require us to transport the waste to our disposal sites, an increase in taxes on revenues of $2.2 million due to increased collection and landfill revenues, an increase in third-party disposal expense of $1.4 million due to changes in the disposal internalization of collected volumes in certain markets, an increase in equipment rental expense of $0.9 million to support operating locations with short-term equipment needs, an increase in cell processing reserves at certain E&P locations of $0.9 million due to higher waste volumes filling existing processing cells and requiring the opening of new processing cells, an increase in insurance premiums under our high

deductible insurance program of $0.6 million due to our growth from acquisitions and $2.0 million of other net increases, partially offset by a $3.1 million decrease in insurance claims expense under our high deductible insurance program due primarily to a reduction in projected losses on open auto and workers' compensation claims, a decrease in the cost of recyclable commodities of $2.7 million due to declines in commodity values and decreased recyclable commodity volumes and a decrease in rail transportation expenses at our intermodal operations of $2.4 million due to decreased rail cargo volume.

Cost of operations as a percentage of revenues decreased 2.4 percentage points to 55.2% for the year ended December 31, 2013, from 57.6% for the year ended December 31, 2012. The decrease as a percentage of revenues was comprised of a 1.7 percentage point decrease from acquisitions closed during, or subsequent to, the year ended December 31, 2012, having lower cost of operations as a percentage of revenue than our historical company average, a 0.3 percentage point decrease from lower auto and workers' compensation expense, a 0.2 percentage point decrease from a decrease in the cost of recyclable commodities and a 0.2 percentage point decrease from a decrease in rail transportation expenses at our intermodal operations.

SG&A. SG&A expenses increased $15.1 million, or 7.7%, to $212.6 million for the year ended December 31, 2013, from $197.5 million for the year ended December 31, 2012. The increase was primarily the result of $15.4 million of additional SG&A expenses during the year ended December 31, 2013, from the R360 acquisition, $2.6 million of additional SG&A expenses from all other acquisitions closed during, or subsequent to, the year ended December 31, 2012, and the following changes at operations owned in comparable periods in 2012 and 2013: an increase in cash incentive compensation expense of $4.0 million resulting from the achievement of certain financial targets, an increase in payroll and payroll-related expenses of $1.6 million primarily related to annual compensation increases, an increase in recurring equity-based compensation expense associated with our annual grant of restricted stock unit awards to our personnel of $1.7 million due to an increase in the number of personnel receiving restricted stock unit awards, an increase in professional fees of $1.1 million due primarily to increased expenses for external accounting, tax and information technology services, an increase in deferred compensation expense of $0.7 million due to an increase in deferred compensation liabilities to employees as a result of increases in the market value of investments to which employee deferred compensation balances are tracked, an increase in credit card processing expenses of $0.6 million due to more customers submitting payments for services using credit cards, an increase in contributions to support community activities of $0.5 million and $0.9 million of other net increases, partially offset by a decrease of $7.0 million associated with relocation expenses, the majority of which were incurred during the prior year in connection with the relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, a decrease in equity-based compensation resulting from a grant in 2012 of $3.6 million of immediately vested restricted stock units to certain executive officers at the time the executives agreed to modifications to their employment contracts and a decrease in direct acquisition expenses of $3.4 million due to a reduction in acquisition activity.

SG&A expenses as a percentage of revenues decreased 0.9 percentage points to 11.0% for the year ended December 31, 2013, from 11.9% for the year ended December 31, 2012. The decrease as a percentage of revenues was comprised of a 0.5 percentage point decrease from lower relocation expenses, a 0.3 percentage point decrease due to acquisitions closed during, or subsequent to, the year ended December 31, 2012, having lower SG&A expenses as a percentage of revenue than our historical company average, a 0.2 percentage point decrease from lower total equity-based compensation expense and a 0.2 percentage point decrease due to a decrease in direct acquisition expenses, partially offset by a 0.2 percentage point increase from increased cash incentive compensation expense and a 0.1 percentage point increase from the increase in professional fee expenses.

Depreciation. Depreciation expense increased $49.5 million, or 29.2%, to $218.5 million for the year ended December 31, 2013, from $169.0 million for the year ended December 31, 2012. The increase was primarily attributable to $15.4 million of depreciation and $17.8 million of depletion during the year ended December 31, 2013, from the R360 acquisition, $2.4 million of depreciation and $3.0 million of depletion from all other acquisitions closed during, or subsequent to, the year ended December 31, 2012, an increase in depletion expense of $6.0 million due primarily to both an increase in volumes at our existing landfill operations and adjustments to landfill closure liabilities and an increase in depreciation expense of $4.9 million associated with additions to our fleet and equipment purchased to support our existing operations.

Depreciation expense as a percentage of revenues increased 1.2 percentage points to 11.4% for the year ended December 31, 2013, from 10.2% for the year ended December 31, 2012. The increase as a percentage of revenues was comprised of a 0.7 percentage point increase from an increase in depletion expense at landfills acquired during, or subsequent to, the year ended December 31, 2012, which have a higher depletion rate per ton relative to our historical company average, a 0.4 percentage point increase in depletion expense at our existing operations due to increased landfill volumes and the aforementioned adjustments to landfill closure obligations and a 0.1 percentage point increase in depreciation expense at our existing operations due to additions to our fleet and equipment.

Amortization of Intangibles. Amortization of intangibles expense increased $0.8 million, or 3.5%, to $25.4 million for the year ended December 31, 2013, from $24.6 million for the year ended December 31, 2012. The increase was primarily attributable to $1.8

million of additional amortization expense during the year ended December 31, 2013, for permits and customer lists from the R360 acquisition and $1.0 million of additional amortization expense for contracts and customer lists from all other acquisitions closed during, or subsequent to, the year ended December 31, 2012, partially offset by a decrease in amortization expense of $2.0 million resulting from certain intangible assets becoming fully amortized subsequent to the year ended December 31, 2012.

Amortization expense as a percentage of revenues decreased 0.2 percentage points to 1.3% for the year ended December 31, 2013, from 1.5% for the year ended December 31, 2012. The decrease as a percentage of revenues was attributable to the reduction in amortization expense resulting from certain intangible assets becoming fully amortized subsequent to December 31, 2012.

Impairments and Other Operating Charges. Impairments and other operating charges increased $2.5 million, to a loss of $4.1 million for the year ended December 31, 2013, from a loss of $1.6 million for the year ended December 31, 2012. The increase was attributable to a $2.5 million net loss on the disposal of three operating locations in 2013 compared to a $0.8 million loss on the disposal of an operating location in 2012, $1.3 million of expenses resulting from increases to the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2013 and a $0.8 million write-down in the carrying value of assets at an operating location that was closed in 2013, partially offset by a write off in 2012 of a contract with a carrying value of $0.6 million that was not renewed and an increase of $0.7 million in other net gains resulting primarily from the sale of vehicles and equipment.

Loss on Prior Office Leases. During the year ended December 31, 2013, we recorded a $9.2 million expense charge associated with the cessation of use of our former corporate headquarters in Folsom, California, and subsequently remitted a payment to terminate our remaining lease obligation. Additionally, during the year ended December 31, 2013, we recorded a $0.7 million expense charge associated with the cessation of use of our E&P segment's former regional offices in Houston, Texas.

Gain from Litigation Settlement. Gain from litigation settlement of $3.6 million for the year ended December 31, 2012, consisted of an award received from an arbitration we filed against a counter-party for breach of a disposal agreement.

Operating Income. Operating income increased $77.3 million, or 24.4%, to $393.4 million for the year ended December 31, 2013, from $316.1 million for the year ended December 31, 2012. The increase was primarily attributable to the $267.2 million increase in revenues, partially offset by the $108.5 million increase in cost of operations, $49.5 million increase in depreciation expense, $15.1 million increase in SG&A expense, $9.9 million expense charge recorded for the loss on our prior office leases, $3.6 million gain from litigation settlement received in 2012, $2.5 million increase in impairments and other operating charges and $0.8 million increase in amortization of intangibles expense.

Operating income as a percentage of revenues increased 1.4 percentage points to 20.4% for the year ended December 31, 2013, from 19.0% for the year ended December 31, 2012. The increase as a percentage of revenues was comprised of a 2.4 percentage point decrease in cost of operations, 0.9 percentage point decrease in SG&A expense and 0.2 percentage point decrease in amortization expense, partially offset by a 1.2 percentage point increase in depreciation expense, 0.5 percentage point increase in loss on prior office leases, a 0.2 percentage point decrease in gain from litigation settlement and a 0.2 percentage point increase in impairments and other operating charges.

Interest Expense. Interest expense increased $20.6 million, or 38.7%, to $73.6 million for the year ended December 31, 2013, from $53.0 million for the year ended December 31, 2012, due to the following changes for the comparable periods in 2012 and 2013: an increase of $13.6 million from the October 2012 incurrence of our prior term loan agreement to fund a portion of the consideration for the R360 acquisition, an increase of $4.0 million due to an increase in the average outstanding balance on our prior credit agreement due to additional borrowings to fund a portion of the consideration for the R360 acquisition, an increase of $1.4 million due to an increase in the applicable margin above the base rate or LIBOR rate under our prior credit agreement as a result of our leverage ratio increasing due to our higher total debt balance, an increase of $0.9 million from the amortization of debt issuance costs associated with our prior credit agreement and term loan agreement, an increase of $0.5 million resulting from interest accretion expense recorded on long-term liabilities recorded at fair value associated with acquisitions closed during, or subsequent to, the year ended December 31, 2012, and an increase of $0.2 million due to the commencement of a $150 million interest rate swap in April 2012 with a fixed rate of 0.80%.

Income Tax Provision. Income taxes increased $19.5 million, or 18.5%, to $124.9 million for the year ended December 31, 2013, from $105.4 million for the year ended December 31, 2012, as a result of increased pre-tax income.

Our effective tax rates for the years ended December 31, 2013 and 2012, were 38.9% and 39.8%, respectively.

During the year ended December 31, 2012, income tax expense and our effective tax rate were increased by $2.6 million and 1.0 percentage points, respectively, associated with an adjustment in deferred tax liabilities resulting from changes in the geographical apportionment of our state income taxes primarily due to the R360 acquisition, and $1.1 million and 0.4 percentage points, respectively, due to $2.9 million of the $3.6 million equity-based compensation granted to certain executive officers, incurred at the time the executives agreed to modifications to their employment contracts, being non-deductible expenses.

Additionally, the reconciliation of the income tax provision to the 2011 federal and state tax returns, which were filed during 2012, decreased tax expense by $1.7 million and reduced our effective tax rate by 0.6 percentage points for the year ended December 31, 2012. The reconciliation of the income tax provision to the 2012 federal and state tax returns, which were filed during 2013, decreased our tax expense by $0.8 million and reduced our effective tax rate by 0.3 percentage points for the year ended December 31, 2013.

Segment Reporting

Our Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. We define segment EBITDA as earnings before interest, taxes, depreciation, amortization, loss on prior office leases, impairments and other operating charges and other income (expense). Segment EBITDA is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. Our management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments.

We manage our operations through three geographic operating segments (Western, Central and Eastern), and our E&P segment, which includes the majority of our E&P waste treatment and disposal operations. Our three geographic operating segments and our E&P segment comprise our reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. Our Western segment is comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Central segment is comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; and our Eastern segment is comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee. The E&P segment is comprised of our E&P operations in Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico.

Revenues, net of intercompany eliminations, for our reportable segments are shown in the following table in thousands and as a percentage of total revenues for the periods indicated:

	Years Ended December 31,					
	2014	% of Revenues	2013	% of Revenues	2012	% of Revenues
Western	$ 823,922	39.6%	$ 805,790	41.8%	$ 782,134	47.1%
Central	561,480	27.0	510,928	26.5	461,875	27.8
Eastern	393,821	19.0	371,772	19.3	366,825	22.1
E&P	299,943	14.4	240,305	12.4	50,784	3.0
	$ 2,079,166	100.0%	$ 1,928,795	100.0%	$ 1,661,618	100.0%

Segment EBITDA for our reportable segments is shown in the following table in thousands and as a percentage of segment revenues for the periods indicated:

	Years Ended December 31,					
	2014	% of Revenues	2013	% of Revenues	2012	% of Revenues
Western	$ 258,126	31.3%	$ 249,548	31.0%	$ 229,427	29.3%
Central	197,121	35.1	182,790	35.8	164,756	35.7
Eastern	116,230	29.5	108,173	29.1	101,046	27.5
E&P	147,261	49.1	111,056	46.2	23,651	46.6
Corporate[(a)]	(7,434)	-	(228)	-	(11,073)	-
	$ 711,304	34.2	$ 651,339	33.8	$ 507,807	30.6

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the four operating segments.

A reconciliation of segment EBITDA to Income before income tax provision is included in Note 15 of our consolidated financial statements included in Item 8 of this report.

Significant changes in revenue and segment EBITDA for our reportable segments for the year ended December 31, 2014, compared to the year ended December 31, 2013, and for the year ended December 31, 2013, compared to the year ended December 31, 2012, are discussed below.

Segment Revenue

Revenue in our Western segment increased $18.1 million, or 2.3%, to $823.9 million for the year ended December 31, 2014, from $805.8 million for the year ended December 31, 2013. The components of the increase consisted of volume increases of $21.4 million primarily in our collection operations, transfer stations and solid waste landfills, net price increases of $12.0 million, revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2013, of $0.3 million and other revenue increases of $0.4 million, partially offset by decreases of $5.3 million from divested operations, recyclable commodity sales decreases of $8.4 million due primarily to the closure of two of our recycling operations subsequent to December 31, 2013 and intermodal revenue decreases of $2.3 million due to decreases in cargo volume resulting primarily from the loss of a large intermodal customer.

Revenue in our Western segment increased $23.7 million, or 3.0%, to $805.8 million for the year ended December 31, 2013, from $782.1 million for the year ended December 31, 2012. The components of the increase consisted of net price increases of $17.1 million, revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2012, of $13.5 million and volume increases of $5.9 million primarily at our landfill operations, partially offset by recyclable commodity sales decreases of $4.1 million due to lower prices for recyclable commodities and the closure of one of our recycling operations, intermodal revenue decreases of $4.5 million due to decreases in cargo volume resulting primarily from the loss of a large intermodal customer, decreases of $3.7 million from divested operations and other revenue decreases of $0.5 million.

Revenue in our Central segment increased $50.6 million, or 9.9%, to $561.5 million for the year ended December 31, 2014, from $510.9 million for the year ended December 31, 2013. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2013, of $24.2 million, net price increases of $22.0 million, volume increases of $5.6 million primarily in our roll off collection business, transfer station and solid waste landfills and $0.1 million of other revenue increases, partially offset by recyclable commodity sales decreases of $0.7 million and decreases of $0.6 million from divested operations.

Revenue in our Central segment increased $49.0 million, or 10.6%, to $510.9 million for the year ended December 31, 2013, from $461.9 million for the year ended December 31, 2012. The components of the increase consisted of revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2012, of $22.3 million, net price increases of $18.1 million, volume increases of $8.2 million primarily in our roll off collection business and our solid waste landfills and other revenue increases of $0.5 million, partially offset by recyclable commodity sales decreases of $0.1 million.

Revenue in our Eastern segment increased $22.0 million, or 5.9%, to $393.8 million for the year ended December 31, 2014, from $371.8 million for the year ended December 31, 2013. The components of the increase consisted of net price increases of $13.3 million, volume increases of $8.1 million primarily in our roll off collection business, transfer station and solid waste landfills, other revenue increases of $2.0 million primarily associated with contracted landfill construction services we performed at a landfill we operate and revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2013, of $3.5 million, partially offset by decreases of $4.1 million from divested operations and recyclable commodity sales decreases of $0.8 million due to lower prices for recyclable commodities.

Revenue in our Eastern segment increased $5.0 million, or 1.3%, to $371.8 million for the year ended December 31, 2013, from $366.8 million for the year ended December 31, 2012. The components of the increase consisted of net price increases of $11.5 million, revenue growth from acquisitions closed during, or subsequent to, the year ended December 31, 2012, of $1.2 million and other revenue increases of $0.4 million, partially offset by volume decreases of $2.7 million resulting from decreased residential and commercial collection volumes, partially offset by increased solid waste landfill volumes, recyclable commodity sales decreases of $3.7 million and decreases of $1.7 million from divested operations.

Revenue in our E&P segment increased $59.6 million, or 24.8%, to $299.9 million for the year ended December 31, 2014, from $240.3 million for the year ended December 31, 2013. The components of the increase consisted of $23.9 million of revenue from new facilities opened subsequent to December 31, 2013, $31.9 million of volume increases at facilities owned and operated in each of the comparable periods and $3.8 million of revenue from acquisitions closed during the year ended December 31, 2014.

The substantial reductions in crude oil prices that began in October 2014 and are continuing into 2015 are expected to result in a decline in the level of drilling and production activity, reducing the demand for E&P waste services in the basins in which we operate. Based on the 2015 capital budgets announced to date by E&P companies in the basins in which we operate, we currently believe that E&P revenues at facilities included in our results of operations for the entire year ended December 31, 2014 could decline significantly in 2015. The overall decline in our E&P revenues will be partially offset by new facilities opened in 2015 and the full year impact of operations from E&P acquisitions closed subsequent to January 1, 2014. Further or sustained declines in commodity prices may lead to further reductions in drilling activities by our E&P customers and further declines in our E&P volumes and revenues.

Revenue in our E&P segment increased $189.5 million, or 373.2%, to $240.3 million for the year ended December 31, 2013, from $50.8 million for the year ended December 31, 2012. The components of the increase consisted of revenue from the R360 acquisition of $186.0 million and one additional acquisition closed subsequent to the year ended December 31, 2012 of $1.2 million and volume increases of $2.3 million.

Segment EBITDA

EBITDA in our Western segment increased $8.6 million, or 3.4%, to $258.1 million for the year ended December 31, 2014, from $249.5 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $18.1 million, a net $4.9 million decrease in cost of operations and SG&A expenses attributable to divested operations, a decrease in the cost of recyclable commodities of $1.7 million due to a net decline in commodity volumes resulting from the closure of two of our recyclable processing centers subsequent to December 31, 2013, a decrease in fuel expense of $1.4 million resulting from the net of lower market prices for diesel fuel not purchased under diesel fuel hedge agreements offsetting an increase in total diesel fuel gallons consumed and $0.3 million of other net decreases, partially offset by an increase in taxes on revenues of $4.7 million due to increased revenues, an increase in third-party disposal expense of $4.4 million due to disposal rate increases and higher disposal associated with increased collection volumes, an increase in direct and administrative labor expenses of $2.4 million due primarily to employee pay rate increases, an increase in auto, workers' compensation and property claims expense under our high deductible insurance program of $1.7 million due primarily to adjustments to projected losses on prior period claims, an increase in employee benefits expenses of $1.1 million due to increased employee participation in our benefits program and increased medical claim costs, an increase in truck, container, equipment and facility maintenance and repair expenses of $0.9 million due to variability in the timing and severity of major repairs, increases in expenses for uncollectible accounts receivable of $0.8 million associated with receivables from an individual customer that were deemed uncollectible, an increase in third party trucking and transportation expenses of $0.7 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in corporate overhead expense allocations of $0.7 million due primarily to revenue growth and an increase in professional fee expenses primarily associated with business development opportunities of $0.4 million.

EBITDA in our Western segment increased $20.1 million, or 8.8%, to $249.5 million for the year ended December 31, 2013, from $229.4 million for the year ended December 31, 2012. The increase was primarily due to an increase in revenues of $23.7 million, decreased rail transportation expenses at our intermodal operations of $2.4 million resulting from the decline in intermodal cargo volume, decreased expenses associated with the cost of recyclable commodities of $1.5 million due to declines in commodity values, decreased auto and workers' compensation expense under our high deductible insurance program of $1.3 million due primarily to a reduction in projected losses on open auto and workers' compensation claims, decreased bad debt expense of $0.9 million due to improved collection results and $0.9 million of other net expense decreases, partially offset by a net $5.7 million increase in cost of operations and SG&A expenses attributable to acquired operations, increased direct and administrative labor expenses of $2.5 million resulting from employee pay increases and additional personnel needed to support the segment's growth and increased taxes on revenues of $2.4 million resulting from higher collection and landfill revenues.

EBITDA in our Central segment increased $14.3 million, or 7.8%, to $197.1 million for the year ended December 31, 2014, from $182.8 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $50.6 million, partially offset by a net $15.4 million increase in cost of operations and SG&A expenses attributable to acquired operations, an increase in labor expenses of $4.8 million due primarily to employee pay rate increases, an increase in third-party trucking and transportation expenses of $4.3 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in third-party disposal expense of $3.5 million due to disposal rate increases and higher disposal associated with increased collection volumes, an increase in truck, container, equipment and facility maintenance and repair expenses of $1.8 million due to variability in the timing and severity of major repairs, an increase in corporate overhead expense allocations of $1.8 million due primarily to revenue growth, an increase in landfill solidification materials of $1.2 million due to regulatory changes requiring use of higher cost materials at one of our landfills, an increase in auto, workers' compensation and property claims expense under our high deductible insurance program of $1.0 million due primarily to adjustments to projected losses on prior period claims, an increase in taxes on revenues of $0.9 million due to increased revenues, an increase in employee benefits expenses of $0.8 million

due to increased employee participation in our benefits program and increased medical claim costs and $0.8 million of other net expense increases.

EBITDA in our Central segment increased $18.0 million, or 10.9%, to $182.8 million for the year ended December 31, 2013, from $164.8 million for the year ended December 31, 2012. The increase was primarily due to an increase in revenues of $49.0 million and decreased allocation of expenses from corporate of $1.0 million due to a decrease in the allocation rate, partially offset by a net $14.5 million increase in cost of operations and SG&A expenses attributable to acquired operations, increased direct and administrative labor expenses of $4.4 million resulting from employee pay increases and additional personnel needed to support the segment's growth, increased disposal expenses, third-party trucking and transportation expenses and taxes on revenues of $2.8 million, $1.6 million and $0.9 million, respectively, resulting from collection and landfill volume growth, increased truck, container, equipment and facility maintenance and repair expenses of $2.4 million due to variability in the timing and severity of major repairs, increased diesel fuel expenses of $1.9 million due primarily to the net impact of the expiration of a prior year fuel hedge in which the diesel fuel fixed price under the hedge agreement was less than the diesel fuel retail price, increased equipment rental expenses of $1.3 million to service landfill volume increases, increased cash incentive compensation expense of $0.7 million resulting from the achievement of certain financial targets and $1.5 million of other net expense increases.

EBITDA in our Eastern segment increased $8.0 million, or 7.4%, to $116.2 million for the year ended December 31, 2014, from $108.2 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $22.0 million, a net $3.4 million decrease in cost of operations and SG&A expenses attributable to divested operations and a decrease in expenses for uncollectible accounts receivable of $1.2 million due to a charge recorded during the year ended December 31, 2013 associated with receivables from one large customer that were deemed uncollectible, partially offset by an increase in labor expenses of $3.8 million due primarily to employee pay rate increases, an increase in truck, container, equipment and facility maintenance and repair expenses of $2.9 million due to variability in the timing and severity of major repairs, an increase in taxes on revenues of $2.1 million due to both an increase in revenues and a prior year adjustment that decreased taxes on revenues expense, a net increase in cost of operations and SG&A expenses of $2.0 million attributable to acquisitions closed during the year ended December 31, 2014, an increase of $2.0 million associated with the cost of contracted landfill construction services we performed at a landfill we operate, an increase in leachate disposal expenses of $1.9 million at certain landfills we own and operate, an increase in auto and workers' compensation expense under our high deductible insurance program of $0.8 million due to adjustments to projected losses on prior period claims, an increase in employee benefits expenses of $0.8 million due to increased employee participation in our benefits program and increased medical claim costs, an increase in corporate overhead expense allocations of $0.5 million due primarily to revenue growth, an increase in third-party trucking and transportation expenses of $0.4 million due to increased volumes disposed of at our transfer stations that require further transportation to our landfills, an increase in third-party disposal expense of $0.3 million due to disposal rate increases and higher disposal associated with increased roll off collection volumes and $1.1 million of other net expense increases.

EBITDA in our Eastern segment increased $7.2 million, or 7.1%, to $108.2 million for the year ended December 31, 2013, from $101.0 million for the year ended December 31, 2012. The increase was primarily due to an increase in revenues of $5.0 million, decreased allocation of expenses from corporate of $2.5 million due to a decrease in the allocation rate, decreased expenses associated with the cost of recyclable commodities of $1.5 million due to declines in commodity value and a decrease in recyclable commodity volume, decreased auto and workers' compensation expense under our high deductible insurance program of $1.1 million due primarily to a reduction in projected losses on open auto and workers' compensation claims and $0.8 million of other net expense decreases, partially offset by increased expenses for uncollectible accounts receivable of $1.3 million primarily due to receivables from one large customer that were deemed uncollectible, increased diesel fuel expenses of $1.2 million due primarily to the net impact of the expiration of a prior year fuel hedge in which the diesel fuel fixed price under the hedge agreement was less than the diesel fuel retail price and increased direct and administrative labor expenses of $1.2 million resulting primarily from employee pay increases.

EBITDA in our E&P segment increased $36.2 million, or 32.6%, to $147.3 million for the year ended December 31, 2014, from $111.1 million for the year ended December 31, 2013. The increase was primarily due to an increase in revenues of $59.6 million, a decrease in equipment rental expense of $1.7 million resulting from capital purchases replacing certain equipment that was previously rented and $0.7 million of other net expense decreases, partially offset by an increase in third-party trucking and transportation expenses of $9.2 million due to increased volumes that require us to transport the waste to our disposal sites, an increase in labor expenses of $4.8 million due primarily to employee pay rate increases and increased headcount to support new operating facilities, an increase of $4.1 million for third-party subcontractor processing and remediation services resulting from higher E&P volumes, an increase in truck, container, equipment and facility maintenance and repair expenses of $3.2 million due to variability in the timing and severity of major repairs, a net increase in cost of operations and SG&A expenses of $1.9 million attributable to acquisitions closed during the year ended December 31, 2014, an increase in landfill solidification materials of $1.4 million due to increased E&P volumes and an increase in expenses for uncollectible accounts receivable of $1.2 million due to the impact of the decline in crude oil prices at the end of 2014 impacting the solvency of certain E&P customers.

We believe that the aforementioned reductions in crude oil prices that began in October 2014 and are continuing into 2015 could reduce EBITDA at facilities included in our E&P segment's results of operations for the entire twelve month period ended December 31, 2014 significantly in 2015. The overall decline in EBITDA at our E&P segment will be partially offset by new facilities opened in 2015 and the full year impact of operations from E&P acquisitions closed subsequent to January 1, 2014. Further or sustained declines in commodity prices may lead to further reductions in drilling activities by our E&P customers and further declines in our EBITDA.

EBITDA in our E&P segment increased $87.4 million, or 369.6%, to $111.1 million for the year ended December 31, 2013, from $23.7 million for the year ended December 31, 2012. The increase was primarily attributable to segment EBITDA generated from the R360 acquisition.

EBITDA at Corporate decreased $7.2 million, to a loss of $7.4 million for the year ended December 31, 2014, from a loss of $0.2 million for the year ended December 31, 2013. The increased loss was due to an increase in accrued cash incentive compensation expense of $5.7 million resulting from the achievement of certain financial targets in the current period, an increase in equity-based compensation expense of $3.1 million associated with a decrease in our estimated pre-vesting forfeiture rate and an increase in the total fair value of our annual recurring grant of restricted stock units to our personnel, an increase in professional fees of $2.2 million due primarily to increased expenses for external legal and information technology services and an increase in payroll expenses of $1.5 million due to headcount and pay rate increases, partially offset by an increase in revenue-based corporate overhead expense allocations to our segments of $3.2 million due primarily to our volume growth, a decrease in employee relocation expenses of $1.5 million primarily associated with our relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, which was completed in 2013 and a decrease in real estate lease expense of $0.6 million due primarily to the elimination of duplicate lease obligations for our former headquarters in Folsom, California and our E&P segment's former regional offices in Houston, Texas.

EBITDA at Corporate improved $10.9 million, to a loss of $0.2 million for the year ended December 31, 2013, from a loss of $11.1 million for the year ended December 31, 2012. The lower loss was due to decreased relocation expenses of $7.3 million primarily associated with the relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, which was substantially completed in 2012, a grant in 2012 of $3.6 million of immediately vested restricted stock units to certain executive officers at the time the executives agreed to modifications to their employment contracts, decreased direct acquisition expenses of $3.4 million due to a decline in acquisition activity, an increase in corporate overhead expense allocations to our segments of $3.2 million due primarily to a full year allocation of expenses to our new E&P segment and $0.5 million of other net expense decreases, partially offset by an increase in cash incentive compensation expense of $3.3 million resulting from the achievement of certain financial targets, an increase in equity-based compensation expense of $2.0 million associated with our annual recurring grant of restricted stock units to our personnel and an increase in professional fee expenses of $1.8 million due primarily to increased expenses for external accounting, tax and information technology services.

Liquidity and Capital Resources

The following table sets forth certain cash flow information for the years ended December 31, 2014, 2013 and 2012 (in thousands):

	2014	2013	2012
Net cash provided by operating activities	$ 545,220	$ 484,061	$ 416,327
Net cash used in investing activities	(363,408)	(251,015)	(1,733,847)
Net cash provided by (used in) financing activities	(181,050)	(242,667)	1,328,089
Net increase (decrease) in cash and equivalents	762	(9,621)	10,569
Cash and equivalents at beginning of year	13,591	23,212	12,643
Cash and equivalents at end of year	$ 14,353	$ 13,591	$ 23,212

Operating Activities Cash Flows

For the year ended December 31, 2014, net cash provided by operating activities was $545.2 million. For the year ended December 31, 2013, net cash provided by operating activities was $484.1 million. The $61.1 million increase was due primarily to the following:

1) An increase in net income of $37.3 million, adjusted for an increase in cash flows from operating assets and liabilities, net of effects from acquisitions, of $14.6 million. Cash provided by operating assets and liabilities, net of effects from acquisitions, was $1.3 million for the year ended December 31, 2014. Cash used for operating assets and liabilities, net of effects from acquisitions, was $13.3 million for the year ended December 31, 2013. The significant components of the $1.3 million in net cash inflows from changes in operating assets and liabilities, net of effects from acquisitions, for the year ended December 31, 2014, include the following:
   a) an increase in cash resulting from a $10.2 million increase in accounts payable due primarily to growth in our operations and the timing of vendor payments;
   b) an increase in cash resulting from a $8.6 million increase in deferred revenue due primarily to increased revenues and the timing of billing for services;
   c) an increase in cash resulting from an increase in accrued liabilities of $5.8 million due primarily to an increase in accrued cash incentive compensation and increased liabilities for auto and workers' compensation claims;
   d) an increase in cash resulting from an increase in other long-term liabilities of $2.8 million due primarily to increased deferred compensation plan liabilities resulting from employee contributions and plan earnings; less
   e) a decrease in cash resulting from a $22.2 million increase in accounts receivable due to an increase in revenues remaining uncollected at the end of the comparable periods; less
   f) a decrease in cash resulting from a $3.9 million increase in prepaid expenses and other current assets due primarily to an increase in prepaid income taxes;
2) An increase in depreciation expense of $12.5 million due primarily to increased depletion expense resulting from higher landfill volumes and increased depreciation expense resulting from increased capital expenditures;
3) A decrease in payment of contingent consideration recorded in earnings of $4.0 million due primarily to the final contingent consideration payout in 2013 resulting from the completion of an earnings target for the 2012 acquisition of SKB exceeding the fair value of the contingent consideration liability recorded at the acquisition close date;
4) An increase in equity-based compensation expense of $3.0 million attributable to a decrease in our estimated pre-vesting forfeiture rate and an increase in the total fair value of our annual recurring grant of restricted stock units to our personnel;
5) An increase in the loss on disposal of assets and impairments of $5.4 million due primarily to an impairment charge recorded in 2014 at one of our E&P facilities being partially offset by a loss on the disposal of a solid waste collection operation in 2013; less
6) A decrease in our provision for deferred taxes of $7.6 million due primarily to tax deductible timing differences associated with prepaid expenses and equity-based compensation; less
7) A decrease of $5.4 million attributable to post-closing adjustments resulting in a net decrease in the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2014; less
8) A decrease of $3.8 million attributable to an increase in the excess tax benefit associated with equity-based compensation, due to an increase in the vesting of equity-based compensation resulting in increased taxable income recognized by employees that is tax deductible to us.

For the year ended December 31, 2013, net cash provided by operating activities was $484.1 million. For the year ended December 31, 2012, net cash provided by operating activities was $416.3 million. The $67.8 million increase was due primarily to the following:

1) An increase in net income of $36.3 million, adjusted for a decrease in cash flows from operating assets and liabilities, net of effects from acquisitions, of $27.4 million to cash used for operating assets and liabilities of $13.3 million for the year ended December 31, 2013, from cash provided by operating assets and liabilities of $14.1 million for the year ended December 31, 2012. The significant components of the $13.3 million in net cash outflows from changes in operating assets and liabilities for the year ended December 31, 2013, include the following:
   a) an increase in cash resulting from an increase in accrued liabilities of $6.1 million due primarily to an increase in accrued interest due to the timing of interest payments on our notes and prior term loan agreement, an increase in accrued cash incentive compensation expense resulting from the achievement of certain financial targets and an increase in accrued payroll due to our payroll pay cycle resulting in one additional day of accrual at December 31, 2013;
   b) an increase in cash resulting from a $2.9 million increase in other long term liabilities due primarily to increased deferred compensation plan liabilities resulting from employee contributions and plan earnings;

c) an increase in cash resulting from a $1.7 million decrease in prepaid expenses and other current assets due primarily to a decrease in prepaid income taxes;
d) an increase in cash resulting from a $1.6 million decrease in accounts receivable due to improved collection results in our solid waste and E&P markets, partially offset by increased revenues in 2013 remaining collectable at year end; and
e) an increase in cash resulting from an increase in deferred revenue of $1.4 million due primarily to price-led growth in our residential and commercial collection business for which the majority of our advance billings are incurred; partially offset by
f) a decrease in cash resulting from a $27.0 million decrease in accounts payable due primarily to the timing of payments;

2) An increase in depreciation expense of $49.4 million due primarily to assets acquired in acquisitions closed during, or subsequent to, the year ended December 31, 2012, increased depletion expense resulting from higher landfill volumes and increased depreciation expense resulting from increased capital expenditures;
3) An increase in loss on disposal of assets and impairments of $1.2 million due primarily to the sale of three operating locations in 2013 and the write-down in the carrying value of assets at an operating location that was closed in 2013, compared to the sale of one operating location in 2012 and the write off in 2012 of the carrying value of a contract that was not renewed; partially offset by an increase in net gains from all other asset sales in 2013;
4) An increase in our provision for deferred taxes of $9.0 million due primarily to an increase in the tax deductibility of goodwill as a result of goodwill recorded from acquisitions closed during the year ended December 31, 2012, as well as other tax deductible timing differences associated with depreciation; and
5) An increase of $1.3 million attributable to post-closing adjustments resulting in a net increase in the fair value of amounts payable under liability-classified contingent consideration arrangements associated with acquisitions closed prior to 2013; less
6) A decrease in equity-based compensation expense of $1.9 million due to a grant of $3.6 million of immediately vested restricted stock units to certain executive officers at the time the executives agreed to modifications to their employment contracts during the year ended December 31, 2012, partially offset by a $1.7 million increase associated with our annual grant of restricted stock units to our personnel during the year ended December 31, 2013; less
7) An increase in payment of contingent consideration recorded in earnings of $5.1 million due primarily to the final contingent consideration payout resulting from the completion of an earnings target for the 2012 acquisition of SKB Environmental, Inc., or SKB, exceeding the fair value of the contingent consideration liability recorded at the acquisition close date.

As of December 31, 2014, we had a working capital surplus of $5.8 million, including cash and equivalents of $14.4 million. Our working capital position increased $22.3 million from a deficit of $16.5 million at December 31, 2013, including cash and equivalents of $13.6 million. To date, we have experienced no loss or lack of access to our cash or cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets. Our strategy in managing our working capital is generally to apply the cash generated from our operations that remains after satisfying our working capital and capital expenditure requirements, along with stock repurchase and dividend programs, to reduce the unhedged portion of our indebtedness under our prior credit agreement and to minimize our cash balances.

Investing Activities Cash Flows

Net cash used in investing activities increased $112.4 million to $363.4 million for the year ended December 31, 2014, from $251.0 million for the year ended December 31, 2013. The significant components of the increase include the following:

1) An increase in payments for acquisitions of $62.0 million primarily due to the acquisition of six solid waste businesses, an E&P disposal business, two permitted development stage E&P landfill sites and a permitted development stage construction and demolition landfill site during the year ended December 31, 2014;
2) A cash receipt of $18.0 million during the year ended December 31, 2013 resulting from the settlement of the final closing date net working capital with the former owners of R360; and
3) An increase in capital expenditures for property and equipment of $31.4 million due primarily to expenditures for acquisitions closed subsequent to December 31, 2013, new facilities in our E&P segment, expenditures for trucks in our Houston location that operate on compressed natural gas, and increases in landfill site cost construction, vehicles and containers, partially offset by decreases in expenditures for equipment for our E&P segment and leasehold improvements associated with our new corporate headquarters in The Woodlands, Texas.

Net cash used in investing activities decreased $1.483 billion to $251.0 million for the year ended December 31, 2013, from $1.734 billion for the year ended December 31, 2012. The significant components of the decrease include the following:

1) A decrease in payments for acquisitions of $1.516 billion as the $1.580 billion of total cash consideration we paid during the year ended December 31, 2012 for the acquisitions of R360, Alaska Waste, SKB, nine other solid waste collection businesses and one other E&P disposal business exceeded the $64.2 million of total cash consideration we paid during the year ended December 31, 2013, for the acquisition of Ace Solid Waste and seven other solid waste collection businesses during the year ended December 31, 2013;
2) A cash receipt of $18.0 million in 2013 resulting from the settlement of the final closing date net working capital with the former owners of R360; and
3) An increase in proceeds from disposal of assets of $8.3 million due primarily to the sale of three operating locations in 2013; less
4) An increase in capital expenditures for property and equipment of $56.4 million due primarily to expenditures to support acquisitions closed during, or subsequent to, the year ended December 31, 2012, expenditures for leasehold improvements at our new corporate headquarters in The Woodlands, Texas, expenditures for trucks in our San Jose, California location that operate on compressed natural gas, expenditures associated with the development of new facilities in our E&P segment and accelerating into 2013 the planned purchase of certain heavy equipment in 2014 to take advantage of favorable tax depreciation benefits.

Financing Activities Cash Flows

Net cash used in financing activities decreased $61.6 million to $181.1 million for the year ended December 31, 2014, from $242.7 million for the year ended December 31, 2013. The significant components of the decrease include the following:

1) A decrease in net repayments of long-term borrowings of $72.6 million due primarily to decreased repayments of our prior credit agreement as a result of the aforementioned increase in payments for acquisitions during the year ended December 31, 2014 and the cash receipt during the year ended December 31, 2013 resulting from the settlement of the final closing date net working capital with the former owners of R360; less
2) An increase of $3.8 million attributable to an increase in the excess tax benefit associated with equity-based compensation, due to an increase in the vesting of equity-based compensation resulting in increased taxable income recognized by employees that is tax deductible to us; less
3) An increase in cash dividends paid of $7.7 million due to an increase in our quarterly dividend rate to an annual total of $0.475 per share for the year ended December 31, 2014, from an annual total of $0.415 per share for the year ended December 31, 2013, and an increase in our total common shares outstanding; and
4) An increase in payments to repurchase our common stock of $7.3 million due to no shares being repurchased during the year ended December 31, 2013.

Net cash from financing activities decreased $1.571 billion to net cash used in financing activities of $242.7 million for the year ended December 31, 2013, from net cash provided by financing activities of $1.328 billion for the year ended December 31, 2012. The significant components of the decrease include the following:

1) A decrease in net long-term borrowings of $1.204 billion due primarily to us borrowing $1.275 billion of the purchase price for the R360 acquisition with $475 million of proceeds from borrowings under our prior credit agreement and $800 million of proceeds from our prior term loan agreement during the year ended December 31, 2012, partially offset by higher net repayments under our prior credit agreement during the year ended December 31, 2012;
2) A decrease in cash flows from proceeds from common stock offerings of $369.6 million, net, due to the sale during the year ended December 31, 2012, of 12,000,000 shares of our common stock in a public offering;
3) An increase in payment of contingent consideration recorded at close of $11.4 million due primarily to the payout in 2013 of the fair value of the contingent consideration liability recorded at the close date for the 2012 acquisition of SKB resulting from the achievement of an earnings target, partially offset by the 2012 payout of the fair value of the contingent consideration liability recorded at the close date for the 2012 R360 acquisition; and
4) An increase in cash dividends paid of $6.7 million due to an increase in our dividend rate to an annual total of $0.415 per share in 2013, from an annual total of $0.37 per share in 2012, and an increase in our total common shares outstanding; less
5) A decrease in payments to repurchase our common stock of $18.6 million due to no shares being repurchased during the year ended December 31, 2013.

Our business is capital intensive. Our capital requirements include acquisitions and capital expenditures for landfill cell construction, landfill development, landfill closure activities and intermodal facility construction in the future.

On October 21, 2014, our Board of Directors extended the term of our existing common stock repurchase program. As amended, our common stock repurchase program authorizes the repurchase of up to $1.2 billion of our common stock through December 31, 2017. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including our capital structure, the market price of the common stock and overall market conditions. As of each of December 31, 2014 and 2013, we had repurchased in aggregate 40.0 million and 39.9 million shares, respectively, of our common stock at an aggregate cost of $791.4 million and $784.0 million, respectively. No shares were repurchased under the program during the year ended December 31, 2013. As of December 31, 2014, the remaining maximum dollar value of shares available for purchase under the program was approximately $408.6 million.

Our Board of Directors authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. Cash dividends of $58.9 million and $51.2 million were paid during the years ended December 31, 2014 and 2013, respectively. In October 2014, our Board of Directors authorized an increase to our regular quarterly cash dividend of $0.015, from $0.115 to $0.13 per share. We cannot assure you as to the amounts or timing of future dividends.

We made $241.3 million in capital expenditures during the year ended December 31, 2014. We expect to make capital expenditures between $200 million and $210 million in 2015 in connection with our existing business. We intend to fund our planned 2015 capital expenditures principally through cash on hand, internally generated funds and borrowings under our credit agreement. In addition, we may make substantial additional capital expenditures in acquiring MSW and E&P waste businesses. If we acquire additional landfill disposal facilities, we may also have to make significant expenditures to bring them into compliance with applicable regulatory requirements, obtain permits or expand our available disposal capacity. We cannot currently determine the amount of these expenditures because they will depend on the number, nature, condition and permitted status of any acquired landfill disposal facilities. We believe that our cash and equivalents, credit agreement and the funds we expect to generate from operations will provide adequate cash to fund our working capital and other cash needs for the foreseeable future. However, disruptions in the capital and credit markets could adversely affect our ability to draw on our credit agreement or raise other capital. Our access to funds under the credit agreement is dependent on the ability of the banks that are parties to the agreement to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

We are a well-known seasoned issuer with an effective shelf registration statement on Form S-3 filed in February 2012, which registers an unspecified amount of debt and equity securities, including preferred securities, warrants, stockholder rights and units. In connection with the mandatory expiration of this registration statement, we intend to file a new shelf registration statement to replace the existing registration statement during the first quarter of 2015. We may in the future issue debt or equity securities under our shelf registration statement or in private placements from time to time on an opportunistic basis, dependent upon market conditions and available pricing. We expect to use the proceeds from any such offerings for general corporate purposes, including repaying, redeeming or repurchasing debt, acquisitions of additional assets or businesses, capital expenditures and increasing our working capital.

On October 25, 2012, we completed the acquisition of the business of R360, through the acquisition of all of R360's principal operating subsidiaries, for total cash consideration of approximately $1.34 billion. Additionally, we assumed approximately $9.3 million of outstanding R360 debt and $37.3 million of contingent consideration. The R360 acquisition was funded with available cash and with borrowings of $475 million under our prior credit agreement and $800 million under our uncollateralized term loan agreement, or the prior term loan agreement, with Bank of America, N.A. and the other banks and lending institutions party thereto, as lenders, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as co-syndication agents. The prior term loan agreement, as amended, required the aggregate outstanding principal amount to be paid at the maturity of the agreement on October 25, 2017.

Outstanding amounts on the prior term loan agreement could be either base rate loans or LIBOR loans. At December 31, 2014 and 2013, all amounts outstanding under the prior term loan agreement were in LIBOR loans which bore interest at the LIBOR rate plus the applicable LIBOR margin (approximately 1.66% and 2.04% at December 31, 2014 and 2013, respectively). The LIBOR rate was determined by the administrative agent in a customary manner as described in the prior term loan agreement. The applicable margins under the prior term loan agreement varied depending on our leverage ratio, as defined in the prior term loan agreement, and ranged from 1.250% per annum to 2.000% per annum for LIBOR loans. As of December 31, 2014 and 2013, the margin was 1.500% and 1.875%, respectively, for LIBOR loans. Borrowings under the prior term loan agreement were not collateralized.

On May 16, 2013, we entered into a second amended and restated credit agreement for a $1.2 billion senior revolving credit facility, or the prior credit agreement, with a syndicate of banks for which Bank of America, N.A. acted as administrative agent. As of December 31, 2014, $680.0 million was outstanding under the prior credit agreement, exclusive of outstanding standby letters of

credit of $73.0 million. As of December 31, 2013, $727.1 million was outstanding under the prior credit agreement, exclusive of outstanding standby letters of credit of $75.2 million.

The prior credit agreement required us to pay a commitment fee ranging from 0.150% per annum to 0.275% per annum of the unused portion of the facility. The borrowings under the prior credit agreement bore interest, at our option, at either the base rate plus the applicable base rate margin on base rate loans and swing line loans, or the LIBOR rate plus the applicable LIBOR margin on LIBOR loans. The applicable margins under the prior credit agreement varied depending on our leverage ratio, as defined in the prior credit agreement, and ranged from 1.125% per annum to 1.750% per annum for LIBOR loans and 0.125% per annum to 0.750% per annum for swing line loans. The borrowings under the prior credit agreement were not collateralized.

On January 26, 2015, both the prior term loan agreement and the prior credit agreement were refinanced and replaced with a new revolving credit and term loan agreement, or the credit agreement, with Bank of America, N.A. as administrative agent, which consists of a $1.2 billion revolving credit facility and an $800 million term loan. Under the credit agreement, we may request increases in the aggregate commitments under the revolving credit facility and one or more additional term loans, provided that the aggregate principal amount of commitments and term loans never exceeds $2.3 billion. Under the credit agreement, swing line loans may be issued at our request in an aggregate amount not to exceed a $35 million sublimit and letters of credit may be issued at our request in an aggregate amount not to exceed a $250 million sublimit; however, the issuance of swing line loans and letters of credit both reduce the amount of total borrowings available. The credit agreement requires us to pay a commitment fee ranging from 0.090% per annum to 0.200% per annum of the unused portion of the facility. The borrowings under the credit agreement bear interest, at our option, at either the base rate plus the applicable base rate margin on base rate loans and swing line loans, or the LIBOR rate plus the applicable LIBOR margin on LIBOR loans. The base rate for any day is a fluctuating rate per annum equal to the highest of: (1) the federal funds rate plus one half of one percent (0.500%); (2) the LIBOR rate plus one percent (1.000%), and (3) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate.” The LIBOR rate is determined by the administrative agent pursuant to a formula in the credit agreement. The applicable margins under the credit agreement vary depending on our leverage ratio, as defined in the credit agreement, and range from 1.000% per annum to 1.500% per annum for LIBOR loans and 0.000% per annum to 0.500% per annum for base rate and swing line loans. The borrowings under the credit agreement are not collateralized.

The credit agreement contains representations, warranties, covenants and events of default, including a change of control event of default and limitations on incurrence of indebtedness and liens, new lines of business, mergers, transactions with affiliates and restrictive payments. During the continuance of an event of default, the lenders may take a number of actions, including declaring the entire amount then outstanding under the credit agreement due and payable. The credit agreement contains cross-defaults if we default on the master note purchase agreement or certain other debt. The credit agreement requires that we maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio cannot exceed 3.50x total debt to EBITDA (or 3.75x during material acquisition periods, subject to certain limitations). The required interest coverage ratio must be at least 2.75x total interest expense to EBIT. As of December 31, 2014 and 2013, our leverage ratio was 2.67x and 3.08x, respectively. As of December 31, 2014 and 2013, our interest coverage ratio was 7.94x and 6.33x, respectively. We expect to be in compliance with all applicable covenants under the credit agreement for the next 12 months. We use the credit agreement for acquisitions, capital expenditures, working capital, standby letters of credit and general corporate purposes

On July 15, 2008, we entered into a master note purchase agreement with certain accredited institutional investors pursuant to which we issued and sold to the investors at a closing on October 1, 2008, $175 million of senior uncollateralized notes due October 1, 2015, or the 2015 Notes, in a private placement. The 2015 Notes bear interest at the fixed rate of 6.22% per annum with interest payable in arrears semi-annually on April 1 and October 1 beginning on April 1, 2009, and with principal payable at the maturity of the 2015 Notes on October 1, 2015. We have the intent and ability to redeem the 2015 Notes on October 1, 2015 using borrowings under our credit agreement.

On October 26, 2009, we entered into a first supplement to the master note purchase agreement with certain accredited institutional investors pursuant to which we issued and sold to the investors on that date $175 million of senior uncollateralized notes due November 1, 2019, or the 2019 Notes, in a private placement. The 2019 Notes bear interest at the fixed rate of 5.25% per annum with interest payable in arrears semi-annually on May 1 and November 1 beginning on May 1, 2010, and with principal payable at the maturity of the 2019 Notes on November 1, 2019.

On April 1, 2011, we entered into a second supplement to the master note purchase agreement with certain accredited institutional investors, pursuant to which we issued and sold to the investors on that date $250 million of senior uncollateralized notes at fixed interest rates with interest payable in arrears semi-annually on October 1 and April 1 beginning on October 1, 2011 in a private placement. Of these notes, $100 million will mature on April 1, 2016 with an annual interest rate of 3.30% (the “2016 Notes”), $50

million will mature on April 1, 2018 with an annual interest rate of 4.00% (the "2018 Notes"), and $100 million will mature on April 1, 2021 with an annual interest rate of 4.64% (the "2021 Notes").

The 2015 Notes, 2016 Notes, 2018 Notes, 2019 Notes, and 2021 Notes (collectively, the "Senior Notes") are uncollateralized obligations and rank equally in right of payment with each of the Senior Notes and the obligations under our credit agreement. The Senior Notes are subject to representations, warranties, covenants and events of default. The master note purchase agreement contains cross-defaults if we default on the credit agreement or certain other debt. The master note purchase agreement requires that we maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio cannot exceed 3.75x total debt to EBITDA. The required interest coverage ratio must be at least 2.75x total interest expense to EBIT. As of December 31, 2014 and 2013, our leverage ratio was 2.67x and 3.08x, respectively. As of December 31, 2014 and 2013, our interest coverage ratio was 7.94x and 6.33x, respectively. We expect to be in compliance with all applicable covenants under the Senior Notes for the next 12 months.

Upon the occurrence of an event of default, payment of the Senior Notes may be accelerated by the holders of the respective notes. The Senior Notes may also be prepaid at any time in whole or from time to time in any part (not less than 5% of the then-outstanding principal amount) by us at par plus a make-whole amount determined in respect of the remaining scheduled interest payments on the Senior Notes, using a discount rate of the then current market standard for United States treasury bills plus 0.50%. In addition, we will be required to offer to prepay the Senior Notes upon certain changes in control.

We may issue additional series of senior uncollateralized notes, including floating rate notes, pursuant to the terms and conditions of the master note purchase agreement, as amended, provided that the purchasers of the Senior Notes shall not have any obligation to purchase any additional notes issued pursuant to the master note purchase agreement and the aggregate principal amount of the outstanding notes and any additional notes issued pursuant to the master note purchase agreement shall not exceed $1.25 billion. We currently have $600 million of notes outstanding under the master note purchase agreement.

As of December 31, 2014, we had the following contractual obligations:

	Payments Due by Period (amounts in thousands)				
Recorded Obligations	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Long-term debt	$ 1,979,565	$ 3,649	$ 761,974	$ 1,096,329	$ 117,613
Cash interest payments	197,233	59,601	93,491	35,409	8,732
Contingent consideration	94,411	21,791	16,802	21,415	34,403
Final capping, closure and post-closure	687,516	2,843	562	2,782	681,329

Long-term debt payments include:

1) $680.0 million in principal payments due May 2018 related to our prior credit agreement. We could elect to draw amounts on our prior credit agreement in either base rate loans or LIBOR loans. At December 31, 2014, $677.0 million of the borrowings outstanding under the prior credit agreement were in LIBOR loans, which bore interest at the LIBOR rate plus the applicable LIBOR margin (approximately 1.54% at December 31, 2014), and $3.0 million of the borrowings outstanding under the prior credit agreement were in swing line loans, which bore interest at the base rate plus the applicable base rate margin (approximately 3.63% at December 31, 2014). As of December 31, 2014, our prior credit agreement allowed us to borrow up to $1.2 billion. On January 26, 2015, the prior credit agreement was refinanced and replaced with the credit agreement, which consists of a $1.2 billion revolving credit facility and an $800 million term loan.

2) $660.0 million in principal payments related to our prior term loan agreement. Outstanding amounts on the prior term loan agreement could be either base rate loans or LIBOR loans. At December 31, 2014, all amounts outstanding under the prior term loan agreement were in LIBOR loans, which bore interest at the LIBOR rate plus the applicable LIBOR margin (approximately 1.66% at December 31, 2014). Our prior term loan agreement was scheduled to mature on October 25, 2017. On January 26, 2015, the prior term loan agreement was refinanced and replaced with the credit agreement, which consists of a $1.2 billion revolving credit facility and an $800 million term loan.

3) $175.0 million in principal payments due October 1, 2015 related to our 2015 Notes. Holders of the 2015 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2015 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The

2015 Notes bear interest at a rate of 6.22%. We have recorded this obligation in the payments due in 3 to 5 years category in the table above as we have the intent and ability to redeem the 2015 Notes on October 1, 2015 using borrowings under our credit agreement.

4) $100.0 million in principal payments due 2016 related to our 2016 Notes. Holders of the 2016 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2016 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2016 Notes bear interest at a rate of 3.30%.

5) $50.0 million in principal payments due 2018 related to our 2018 Notes. Holders of the 2018 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2018 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2018 Notes bear interest at a rate of 4.00%.

6) $175.0 million in principal payments due 2019 related to our 2019 Notes. Holders of the 2019 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2019 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2019 Notes bear interest at a rate of 5.25%.

7) $100.0 million in principal payments due 2021 related to our 2021 Notes. Holders of the 2021 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2021 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the master note purchase agreement. The 2021 Notes bear interest at a rate of 4.64%.

8) $31.4 million in principal payments related to our tax-exempt bonds, which bear interest at variable rates (between 0.07% and 0.09%) at December 31, 2014. The tax-exempt bonds have maturity dates ranging from 2018 to 2033.

9) $8.1 million in principal payments related to our notes payable to sellers and other third parties. Our notes payable to sellers and other third parties bear interest at rates between 2.5% and 10.9% at December 31, 2014, and have maturity dates ranging from 2015 to 2036.

The following assumptions were made in calculating cash interest payments:

1) We calculated cash interest payments on the prior credit agreement using the LIBOR rate plus the applicable LIBOR margin at December 31, 2014. We assumed the prior credit agreement would be paid off when it was scheduled to mature in May 2018.

2) We calculated cash interest payments on the prior term loan agreement using the LIBOR rate plus the applicable LIBOR margin at December 31, 2014.

3) We calculated cash interest payments on our interest rate swaps using the stated interest rate in the swap agreement less the LIBOR rate through the earlier expiration of the term of the swaps or the term of the prior credit agreement.

Contingent consideration payments include $70.2 million recorded as liabilities in our consolidated financial statements at December 31, 2014, and $24.2 million of future interest accretion on the recorded obligations.

The estimated final capping, closure and post-closure expenditures presented above are in current dollars.

	Amount of Commitment Expiration Per Period (amounts in thousands)				
Unrecorded Obligations[(1)]	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Operating leases	$ 132,253	$ 17,187	$ 29,574	$ 19,948	$ 65,544
Unconditional purchase obligations	29,024	29,024	-	-	-

(1) We are party to operating lease agreements and unconditional purchase obligations as discussed in Note 11 to the consolidated financial statements. These lease agreements and purchase obligations are established in the ordinary course of our business and are designed to provide us with access to facilities and products at competitive, market-driven prices. At December 31, 2014, our unconditional purchase obligations consisted of multiple fixed-price fuel purchase contracts under which we have 8.7 million gallons remaining to be purchased for a total of $29.0 million. The current fuel purchase contracts expire on or before December 31, 2015. These arrangements have not materially affected our financial position, results of operations or liquidity during the year ended December 31, 2014, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

We have obtained standby letters of credit as discussed in Note 7 to the consolidated financial statements and financial surety bonds as discussed in Note 11 to the consolidated financial statements. These standby letters of credit and financial surety bonds are generally obtained to support our financial assurance needs and landfill and E&P operations. These arrangements have not materially affected our financial position, results of operations or liquidity during the year ended December 31, 2014, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

From time to time, we evaluate our existing operations and their strategic importance to us. If we determine that a given operating unit does not have future strategic importance, we may sell or otherwise dispose of those operations. Although we believe our reporting units would not be impaired by such dispositions, we could incur losses on them.

New Accounting Pronouncements

See Note 1 to the consolidated financial statements for a description of the new accounting standards that are applicable to us.

Non-GAAP Financial Measures

Adjusted Free Cash Flow

We present adjusted free cash flow, a non-GAAP financial measure, supplementally because it is widely used by investors as a valuation and liquidity measure in the solid waste industry. Management uses adjusted free cash flow as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted free cash flow as net cash provided by operating activities, plus proceeds from disposal of assets, plus or minus change in book overdraft, plus excess tax benefit associated with equity-based compensation, less capital expenditures for property and equipment and distributions to noncontrolling interests. We further adjust this calculation to exclude the effects of items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP liquidity or financial measures. Other companies may calculate adjusted free cash flow differently. Our adjusted free cash flow for the years ended December 31, 2014, 2013 and 2012, are calculated as follows (amounts in thousands):

	Years Ended December 31,		
	2014	**2013**	**2012**
Net cash provided by operating activities	$ 545,220	$ 484,061	$ 416,327
Plus/less: Change in book overdraft	(11)	(110)	398
Plus: Proceeds from disposal of assets	9,421	11,019	2,741
Plus: Excess tax benefit associated with equity-based compensation	7,518	3,765	5,033
Less: Capital expenditures for property and equipment	(241,277)	(209,874)	(153,517)
Less: Distributions to noncontrolling interests	(371)	(198)	(198)
Adjustments:			
Payment of contingent consideration recorded in earnings [(a)]	1,074	5,059	-
Payment for termination of corporate lease [(b)]	-	9,690	-
Corporate office relocation [(c)]	-	2,159	8,031
Tax effect [(d)]	-	(3,992)	(3,056)
Adjusted free cash flow	$ 321,574	$ 301,579	$ 275,759

(a) Reflects the addback of acquisition-related payments for contingent consideration that were recorded as expenses in earnings and a component of cash flow from operating activities as the amounts paid exceeded the fair value of the contingent consideration recorded at the acquisition date.

(b) Reflects the addback for the payment to terminate the remaining lease obligations of our former headquarters in Folsom, California.

(c) Reflects the addback of third-party expenses and reimbursable advances to employees associated with the relocation of our corporate headquarters from California to Texas.

(d) The aggregate tax effect of the adjustments in footnotes (b) and (c) is calculated based on the applied tax rates for the respective periods.

Adjusted EBITDA

We present adjusted EBITDA, a non-GAAP financial measure, supplementally because it is widely used by investors as a performance and valuation measure in the solid waste industry. Management uses adjusted EBITDA as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We define adjusted EBITDA as net income, plus income tax provision, plus interest expense, plus depreciation and amortization expense, plus closure and post-closure accretion expense, plus or minus any impairments and other operating charges or gains, plus other expense, less other income. We further adjust this calculation to exclude the effects of other items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate adjusted EBITDA differently. Our adjusted EBITDA for the years ended December 31, 2014, 2013 and 2012, are calculated as follows (amounts in thousands):

	Years Ended December 31,		
	2014	**2013**	**2012**
Net income	$ 233,327	$ 196,005	$ 159,660
Plus: Income tax provision	152,335	124,916	105,443
Plus: Interest expense	64,674	73,579	53,037
Plus: Depreciation and amortization	257,944	243,864	193,584
Plus: Closure and post-closure accretion	3,627	2,967	2,581
Plus: Impairments and other operating charges [(a)]	4,091	4,129	1,627
Less: Other income, net	(1,067)	(1,056)	(1,993)
Adjustments:			
Plus: Loss on prior office leases [(b)]	-	9,902	-
Plus: Acquisition-related costs [(c)]	2,147	1,946	6,415
Plus: Corporate relocation expenses [(d)]	-	750	8,031
Plus: Named executive officers' equity grants [(e)]	-	-	3,585
Less: Gain from litigation settlement [(f)]	-	-	(3,551)
Adjusted EBITDA	$ 717,078	$ 657,002	$ 528,419

(a) Reflects the addback of impairments and other operating charges.
(b) Reflects the addback of the loss on prior office leases resulting primarily from the relocation of our corporate headquarters from California to Texas.
(c) Reflects the addback of acquisition-related transaction and severance costs.
(d) Reflects the addback of costs associated with the relocation of our corporate headquarters from California to Texas.
(e) Reflects the addback of equity compensation expense incurred at the time our named executive officers' employment contracts were modified.
(f) Reflects the elimination of a gain from an arbitration award.

Adjusted Net Income and Adjusted Net Income per Diluted Share

We present adjusted net income and adjusted net income per diluted share, both non-GAAP financial measures, supplementally because they are widely used by investors as a valuation measure in the solid waste industry. Management uses adjusted net income and adjusted net income per diluted share as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. We provide adjusted net income to exclude the effects of items management believes impact the comparability of operating results between periods. Adjusted net income has limitations due to the fact that it excludes items that have an impact on our financial condition and results of operations. Adjusted net income and adjusted net income per diluted share are not a substitute for, and should be used in conjunction with, GAAP financial measures. Other companies may calculate adjusted net income and adjusted net income per diluted share differently. Our adjusted net income and adjusted net income per diluted share for the years ended December 31, 2014, 2013 and 2012, are calculated as follows (amounts in thousands, except per share amounts):

	Years Ended December 31,		
	2014	**2013**	**2012**
Reported net income attributable to Waste Connections	$ 232,525	$ 195,655	$ 159,093
Adjustments:			
Amortization of intangibles [a]	27,000	25,410	24,557
Acquisition-related expenses [b]	2,147	1,946	6,415
Impairments and other operating charges [c]	4,091	4,129	1,627
Loss on prior office leases [d]	-	9,902	-
Corporate relocation expenses [e]	-	750	8,031
Named executive officers' equity grants [f]	-	-	3,585
Gain from litigation settlement [g]	-	-	(3,551)
Tax effect [h]	(12,747)	(16,117)	(14,309)
Impact of deferred tax adjustment [i]	1,220	-	2,602
Adjusted net income attributable to Waste Connections	$ 254,236	$ 221,675	$ 188,050
Diluted earnings per common share attributable to Waste Connections common stockholders:			
Reported net income	$ 1.86	$ 1.58	$ 1.31
Adjusted net income	$ 2.04	$ 1.79	$ 1.54

(a) Reflects the elimination of the non-cash amortization of acquisition-related intangible assets.
(b) Reflects the elimination of acquisition-related expenses, including transaction costs and severance costs.
(c) Reflects the addback of impairments and other operating charges.
(d) Reflects the addback of the loss on prior office leases resulting primarily from the relocation of our corporate headquarters from California to Texas.
(e) Reflects the addback of costs associated with the relocation of our corporate headquarters from California to Texas.
(f) Reflects the addback of equity compensation expense incurred at the time our named executive officers' employment contracts were modified.
(g) Reflects the elimination of a gain from an arbitration award.
(h) The aggregate tax effect of the adjustments in footnotes (a) through (g) is calculated based on the applied tax rates for the respective periods.
(i) Reflects (1) the elimination in 2014 of an increase to the income tax provision associated with an increase in our deferred tax liabilities resulting from the enactment of New York State's 2014-2015 Budget Act on March 31, 2014 and (2) the elimination in 2012 of an increase to the income tax provision associated with an increase in our deferred tax liabilities primarily resulting from the R360 acquisition.

Inflation

Other than volatility in fuel prices and labor costs in certain markets, inflation has not materially affected our operations in recent years. Consistent with industry practice, many of our contracts allow us to pass through certain costs to our customers, including increases in landfill tipping fees and, in some cases, fuel costs. Therefore, we believe that we should be able to increase prices to offset many cost increases that result from inflation in the ordinary course of business. However, competitive pressures or delays in the timing of rate increases under our contracts may require us to absorb at least part of these cost increases, especially if cost increases exceed the average rate of inflation. Management's estimates associated with inflation have an impact on our accounting for landfill liabilities.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, we are exposed to market risk, including changes in interest rates and prices of certain commodities. We use hedge agreements to manage a portion of our risks related to interest rates and fuel prices. While we are exposed to credit risk in the event of non-performance by counterparties to our hedge agreements, in all cases such counterparties are highly rated financial institutions and we do not anticipate non-performance. We do not hold or issue derivative financial instruments for trading purposes. We monitor our hedge positions by regularly evaluating the positions at market and by performing sensitivity analyses over the unhedged fuel and variable rate debt positions.

At December 31, 2014, our derivative instruments included seven interest rate swap agreements that effectively fix the interest rate on the applicable notional amounts of our variable rate debt as follows (dollars in thousands):

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
August 2011	$ 150,000	0.798%	1-month LIBOR	April 2012	January 2015
December 2011	$ 175,000	1.600%	1-month LIBOR	February 2014	February 2017
April 2014	$ 100,000	1.800%	1-month LIBOR	July 2014	July 2019
May 2014	$ 50,000	2.344%	1-month LIBOR	October 2015	October 2020
May 2014	$ 25,000	2.326%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020

* Plus applicable margin.

Under derivatives and hedging guidance, the interest rate swap agreements are considered cash flow hedges for a portion of our variable rate debt, and we apply hedge accounting to account for these instruments. The notional amounts and all other significant terms of the swap agreements are matched to the provisions and terms of the variable rate debt being hedged.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged floating rate debt. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. We are exposed to cash flow risk due to changes in interest rates with respect to the unhedged floating rate balances owed at December 31, 2014 and 2013, of $946.4 million and $1.128 billion, respectively, including floating rate debt under our prior credit agreement and term loan agreement and floating rate municipal bond obligations. A one percentage point increase in interest rates on our variable-rate debt as of December 31, 2014 and 2013, would decrease our annual pre-tax income by approximately $9.5 million and $11.3 million, respectively. All of our remaining debt instruments are at fixed rates, or effectively fixed under the interest rate swap agreements described above; therefore, changes in market interest rates under these instruments would not significantly impact our cash flows or results of operations, subject to counterparty default risk.

The market price of diesel fuel is unpredictable and can fluctuate significantly. We purchase approximately 32.3 million gallons of fuel per year; therefore, a significant increase in the price of fuel could adversely affect our business and reduce our operating margins. To manage a portion of this risk, we periodically enter into fuel hedge agreements related to forecasted diesel fuel purchases.

At December 31, 2014, our derivative instruments included one fuel hedge agreement as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed (per gallon)	Diesel Rate Received Variable	Effective Date	Expiration Date
June 2012	300,000	$ 3.60	DOE Diesel Fuel Index*	January 2014	December 2015

*If the national U.S. on-highway average price for a gallon of diesel fuel ("average price"), as published by the Department of Energy, exceeds the contract price per gallon, we receive the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, we pay the difference to the counterparty.

Under derivatives and hedging guidance, the fuel hedge is considered a cash flow hedge for a portion of our forecasted diesel fuel purchases, and we apply hedge accounting to account for this instrument.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged diesel fuel purchases. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. For the year ending December 31, 2015, we expect to purchase approximately 32.3 million gallons of fuel, of which 19.8 million gallons will be purchased at market prices, 8.9 million gallons will be purchased under our fixed price fuel purchase contracts and 3.6 million gallons are hedged at a fixed price under our fuel hedge agreement. With respect to the approximately 19.8 million gallons of unhedged fuel we expect to purchase in 2015 at market prices, a $0.10 per gallon increase in the price of fuel over the year would decrease our pre-tax income during this period by approximately $2.0 million.

We market a variety of recyclable materials, including cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own and operate 35 recycling processing operations and sell other collected recyclable materials to third parties for processing before resale. To reduce our exposure to commodity price risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volume collected from third parties. In the event of a decline in recycled commodity prices, a 10% decrease in average recycled commodity prices from the average prices that were in effect during the year ended December 31, 2014 and 2013, would have had a $5.6 million and $6.6 million impact on revenues for the year ended December 31, 2014 and 2013, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

WASTE CONNECTIONS, INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Waste Connections, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Waste Connections, Inc. and its subsidiaries at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Houston, TX
February 10, 2015

WASTE CONNECTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	December 31,	
	2014	2013
ASSETS		
Current assets:		
Cash and equivalents	$ 14,353	$ 13,591
Accounts receivable, net of allowance for doubtful accounts of $9,175 and $7,348 at December 31, 2014 and 2013, respectively	259,969	234,001
Deferred income taxes	49,508	41,275
Prepaid expenses and other current assets	42,314	39,638
Total current assets	366,144	328,505
Property and equipment, net	2,594,205	2,450,649
Goodwill	1,693,789	1,675,154
Intangible assets, net	509,995	527,871
Restricted assets	40,841	35,921
Other assets, net	45,057	46,152
	$ 5,250,031	$ 5,064,252
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 120,717	$ 105,394
Book overdraft	12,446	12,456
Accrued liabilities	120,947	119,026
Deferred revenue	80,915	71,917
Current portion of contingent consideration	21,637	30,840
Current portion of long-term debt and notes payable	3,649	5,385
Total current liabilities	360,311	345,018
Long-term debt and notes payable	1,975,916	2,067,590
Long-term portion of contingent consideration	48,528	24,710
Other long-term liabilities	92,900	77,035
Deferred income taxes	538,635	501,692
Total liabilities	3,016,290	3,016,045
Commitments and contingencies (Note 11)		
Equity:		
Preferred stock: $0.01 par value per share; 7,500,000 shares authorized; none issued and outstanding	-	-
Common stock: $0.01 par value per share; 250,000,000 shares authorized; 123,984,527 and 123,566,487 shares issued and outstanding at December 31, 2014 and 2013, respectively	1,240	1,236
Additional paid-in capital	811,289	796,085
Accumulated other comprehensive loss	(5,593)	(1,869)
Retained earnings	1,421,249	1,247,630
Total Waste Connections' equity	2,228,185	2,043,082
Noncontrolling interest in subsidiaries	5,556	5,125
Total equity	2,233,741	2,048,207
	$ 5,250,031	$ 5,064,252

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF NET INCOME
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2014	2013	2012
Revenues	$ 2,079,166	$ 1,928,795	$ 1,661,618
Operating expenses:			
Cost of operations	1,138,388	1,064,819	956,357
Selling, general and administrative	229,474	212,637	197,454
Depreciation	230,944	218,454	169,027
Amortization of intangibles	27,000	25,410	24,557
Loss on prior office leases	-	9,902	-
Gain from litigation settlement	-	-	(3,551)
Impairments and other operating charges	4,091	4,129	1,627
Operating income	449,269	393,444	316,147
Interest expense	(64,674)	(73,579)	(53,037)
Other income, net	1,067	1,056	1,993
Income before income tax provision	385,662	320,921	265,103
Income tax provision	(152,335)	(124,916)	(105,443)
Net income	233,327	196,005	159,660
Less: Net income attributable to noncontrolling interests	(802)	(350)	(567)
Net income attributable to Waste Connections	$ 232,525	$ 195,655	$ 159,093
Earnings per common share attributable to Waste Connections' common stockholders:			
Basic	$ 1.87	$ 1.58	$ 1.31
Diluted	$ 1.86	$ 1.58	$ 1.31
Shares used in the per share calculations:			
Basic	124,215,346	123,597,540	121,172,381
Diluted	124,787,421	124,165,052	121,824,349
Cash dividends per common share	$ 0.475	$ 0.415	$ 0.37

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years Ended December 31,		
	2014	2013	2012
Net income	$ 233,327	$ 196,005	$ 159,660
Other comprehensive income (loss), before tax:			
Interest rate swap amounts reclassified into interest expense	4,581	5,641	5,289
Fuel hedge amounts reclassified into cost of operations	(823)	-	(4,513)
Changes in fair value of interest rate swaps	(6,448)	296	(7,333)
Changes in fair value of the fuel hedge	(3,355)	1,012	2,194
Other comprehensive income (loss) before tax	(6,045)	6,949	(4,363)
Income tax (expense) benefit related to items of other comprehensive income (loss)	2,321	(2,653)	1,678
Other comprehensive income (loss), net of tax	(3,724)	4,296	(2,685)
Comprehensive income	229,603	200,301	156,975
Less: Comprehensive income attributable to noncontrolling interests	(802)	(350)	(567)
Comprehensive income attributable to Waste Connections	$ 228,801	$ 199,951	$ 156,408

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
YEARS ENDED DECEMBER 31, 2012, 2013 AND 2014
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	WASTE CONNECTIONS' EQUITY						
	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	NONCONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT					
Balances at December 31, 2011	110,907,782	$ 1,109	$ 408,721	$ (3,480)	$ 988,560	$ 4,777	$ 1,399,687
Vesting of restricted stock units	591,165	6	(6)	-	-	-	-
Tax withholdings related to net share settlements of restricted stock units	(189,939)	(2)	(6,060)	-	-	-	(6,062)
Equity-based compensation	-	-	17,289	-	-	-	17,289
Exercise of stock options and warrants	329,933	3	4,054	-	-	-	4,057
Issuance of common stock, net of issuance costs of $376	12,000,000	120	369,464	-	-	-	369,584
Excess tax benefit associated with equity-based compensation	-	-	5,033	-	-	-	5,033
Repurchase of common stock	(619,447)	(6)	(18,591)	-	-	-	(18,597)
Cash dividends on common stock	-	-	-	-	(44,465)	-	(44,465)
Amounts reclassified into earnings, net of taxes	-	-	-	481	-	-	481
Changes in fair value of cash flow hedges, net of taxes	-	-	-	(3,166)	-	-	(3,166)
Distributions to noncontrolling interests	-	-	-	-	-	(198)	(198)
Divestiture of noncontrolling interest	-	-	-	-	-	(173)	(173)
Net income	-	-	-	-	159,093	567	159,660
Balances at December 31, 2012	123,019,494	1,230	779,904	(6,165)	1,103,188	4,973	1,883,130
Vesting of restricted stock units	482,403	5	(5)	-	-	-	-
Tax withholdings related to net share settlements of restricted stock units	(152,191)	(1)	(5,438)	-	-	-	(5,439)
Equity-based compensation	-	-	15,397	-	-	-	15,397
Exercise of stock options and warrants	216,781	2	2,462	-	-	-	2,464
Excess tax benefit associated with equity-based compensation	-	-	3,765	-	-	-	3,765
Cash dividends on common stock	-	-	-	-	(51,213)	-	(51,213)
Amounts reclassified into earnings, net of taxes	-	-	-	3,483	-	-	3,483
Changes in fair value of cash flow hedges, net of taxes	-	-	-	813	-	-	813
Distributions to noncontrolling interests	-	-	-	-	-	(198)	(198)
Net income	-	-	-	-	195,655	350	196,005
Balances at December 31, 2013	123,566,487	1,236	796,085	(1,869)	1,247,630	5,125	2,048,207
Vesting of restricted stock units	492,695	5	(5)	-	-	-	-
Restricted stock units released from deferred compensation plan	10,665	-	-	-	-	-	-
Tax withholdings related to net share settlements of restricted stock units	(159,936)	(1)	(6,813)	-	-	-	(6,814)
Equity-based compensation	-	-	18,446	-	-	-	18,446
Exercise of stock options and warrants	241,716	2	3,373	-	-	-	3,375
Excess tax benefit associated with equity-based compensation	-	-	7,518	-	-	-	7,518
Repurchase of common stock	(167,100)	(2)	(7,315)	-	-	-	(7,317)
Cash dividends on common stock	-	-	-	-	(58,906)	-	(58,906)
Amounts reclassified into earnings, net of taxes	-	-	-	2,317	-	-	2,317
Changes in fair value of cash flow hedges, net of taxes	-	-	-	(6,041)	-	-	(6,041)
Distributions to noncontrolling interests	-	-	-	-	-	(371)	(371)
Net income	-	-	-	-	232,525	802	233,327
Balances at December 31, 2014	123,984,527	$ 1,240	$ 811,289	$ (5,593)	$ 1,421,249	$ 5,556	$ 2,233,741

The accompanying notes are an integral part of these consolidated financial statements.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Years Ended December 31,		
	2014	**2013**	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 233,327	$ 196,005	$ 159,660
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on disposal of assets and impairments	8,239	2,853	1,627
Depreciation	230,944	218,454	169,027
Amortization of intangibles	27,000	25,410	24,557
Deferred income taxes, net of acquisitions	31,031	38,680	29,689
Amortization of debt issuance costs	3,085	3,655	1,993
Equity-based compensation	18,446	15,397	17,289
Interest income on restricted assets	(446)	(386)	(603)
Interest accretion	5,076	4,812	4,000
Excess tax benefit associated with equity-based compensation	(7,518)	(3,765)	(5,033)
Payment of contingent consideration recorded in earnings	(1,074)	(5,059)	-
Adjustments to contingent consideration not settled in cash	(4,148)	1,276	-
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, net	(22,168)	1,612	1,549
Prepaid expenses and other current assets	(3,868)	1,696	(733)
Accounts payable	10,173	(26,993)	2,761
Deferred revenue	8,571	1,403	180
Accrued liabilities	5,759	6,117	7,835
Other long-term liabilities	2,791	2,894	2,529
Net cash provided by operating activities	545,220	484,061	416,327
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired	(126,181)	(64,156)	(1,579,869)
Proceeds from adjustments to acquisition consideration	-	18,000	-
Capital expenditures for property and equipment	(241,277)	(209,874)	(153,517)
Proceeds from disposal of assets	9,421	11,019	2,741
Change in restricted assets, net of interest income	(4,475)	(646)	2,983
Other	(896)	(5,358)	(6,185)
Net cash used in investing activities	(363,408)	(251,015)	(1,733,847)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	432,500	327,600	1,647,000
Principal payments on notes payable and long-term debt	(525,909)	(493,560)	(609,014)
Payment of contingent consideration recorded at acquisition date	(24,990)	(23,941)	(12,473)
Change in book overdraft	(11)	(110)	398
Proceeds from option and warrant exercises	3,375	2,464	4,057
Excess tax benefit associated with equity-based compensation	7,518	3,765	5,033
Payments for repurchase of common stock	(7,317)	-	(18,597)
Payments for cash dividends	(58,906)	(51,213)	(44,465)
Tax withholdings related to net share settlements of restricted stock units	(6,814)	(5,439)	(6,062)
Distributions to noncontrolling interests	(371)	(198)	(198)
Debt issuance costs	(125)	(2,035)	(7,174)
Proceeds from common stock offering, net	-	-	369,584
Net cash provided by (used in) financing activities	(181,050)	(242,667)	1,328,089
Net increase (decrease) in cash and equivalents	762	(9,621)	10,569
Cash and equivalents at beginning of year	13,591	23,212	12,643
Cash and equivalents at end of year	$ 14,353	$ 13,591	$ 23,212

The accompanying notes are an integral part of these consolidated financial statements.

SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION AND NON-CASH TRANSACTIONS:

	Years Ended December 31,		
	2014	**2013**	**2012**
Cash paid for income taxes	$ 116,239	$ 81,710	$ 69,954
Cash paid for interest	$ 60,224	$ 66,985	$ 49,826
In connection with its acquisitions, the Company assumed liabilities as follows:			
Fair value of assets acquired	$ 172,875	$ 67,271	$ 1,748,458
Cash paid for current year acquisitions	(126,181)	(64,156)	(1,579,869)
Liabilities assumed and notes payable issued to sellers of businesses acquired	$ 46,694	$ 3,115	$ 168,589

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION, BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Waste Connections, Inc. ("WCI" or the "Company") was incorporated in Delaware on September 9, 1997, and commenced its operations on October 1, 1997, through the purchase of certain solid waste operations in the state of Washington. The Company is an integrated municipal solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. and a leading provider of non-hazardous exploration and production ("E&P") waste treatment, recovery and disposal services in several of the most active natural resource producing areas of the U.S. The Company also provides intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest.

Basis of Presentation

These consolidated financial statements include the accounts of WCI and its wholly-owned and majority-owned subsidiaries. The consolidated entity is referred to herein as the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at purchase to be cash equivalents. As of December 31, 2014 and 2013, cash equivalents consisted of demand money market accounts.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and equivalents, restricted assets and accounts receivable. The Company maintains cash and equivalents with banks that at times exceed applicable insurance limits. The Company reduces its exposure to credit risk by maintaining such deposits with high quality financial institutions. The Company's restricted assets are invested primarily in U.S. government and agency securities. The Company has not experienced any losses related to its cash and equivalents or restricted asset accounts. The Company generally does not require collateral on its trade receivables. Credit risk on accounts receivable is minimized as a result of the large and diverse nature of the Company's customer base. The Company maintains allowances for losses based on the expected collectability of accounts receivable.

Revenue Recognition and Accounts Receivable

Revenues are recognized when persuasive evidence of an arrangement exists, the service has been provided, the price is fixed or determinable and collection is reasonably assured. Certain customers are billed in advance and, accordingly, recognition of the related revenues is deferred until the services are provided. In accordance with revenue recognition guidance, any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer is presented in the statements of net income on a net basis (excluded from revenues).

The Company's receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company estimates its allowance for doubtful accounts based on historical collection trends, type of customer such as municipal or non-municipal, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due.

Property and Equipment

Property and equipment are stated at cost. Improvements or betterments, not considered to be maintenance and repair, which add new functionality or significantly extend the life of an asset are capitalized. Third-party expenditures related to pending development projects, such as legal and engineering expenses, are capitalized. Expenditures for maintenance and repair costs, including planned major maintenance activities, are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related

accumulated depreciation are eliminated from the accounts in the year of disposal. Gains and losses resulting from disposals of property and equipment are recognized in the period in which the property and equipment is disposed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or the lease term, whichever is shorter.

The estimated useful lives are as follows:

Buildings	10 – 20 years
Leasehold and land improvements	3 – 10 years
Machinery and equipment	3 – 12 years
Rolling stock	2 – 10 years
Containers	5 – 12 years

Landfill Accounting

The Company utilizes the life cycle method of accounting for landfill costs. This method applies the costs to be capitalized associated with acquiring, developing, closing and monitoring the landfills over the associated consumption of landfill capacity. The Company utilizes the units of consumption method to amortize landfill development costs over the estimated remaining capacity of a landfill. Under this method, the Company includes future estimated construction costs using current dollars, as well as costs incurred to date, in the amortization base. When certain criteria are met, the Company includes expansion airspace, which has not been permitted, in the calculation of the total remaining capacity of the landfill.

- Landfill development costs. Landfill development costs include the costs of acquisition, construction associated with excavation, liners, site berms, groundwater monitoring wells, gas recovery systems and leachate collection systems. The Company estimates the total costs associated with developing each landfill site to its final capacity. This includes certain projected landfill site costs that are uncertain because they are dependent on future events and thus actual costs could vary significantly from estimates. The total cost to develop a site to its final capacity includes amounts previously expended and capitalized, net of accumulated depletion, and projections of future purchase and development costs, liner construction costs, and operating construction costs. Total landfill costs include the development costs associated with expansion airspace. Expansion airspace is addressed below.

- Final capping, closure and post-closure obligations. The Company accrues for estimated final capping, closure and post-closure maintenance obligations at the landfills it owns and the landfills that it operates, but does not own, under life-of-site agreements. Accrued final capping, closure and post-closure costs represent an estimate of the current value of the future obligation associated with final capping, closure and post-closure monitoring of non-hazardous solid waste landfills currently owned or operated under life-of-site agreements by the Company. Final capping costs represent the costs related to installation of clay liners, drainage and compacted soil layers and topsoil constructed over areas of the landfill where total airspace capacity has been consumed. Closure and post-closure monitoring and maintenance costs represent the costs related to cash expenditures yet to be incurred when a landfill facility ceases to accept waste and closes. Accruals for final capping, closure and post-closure monitoring and maintenance requirements in the U.S. consider site inspection, groundwater monitoring, leachate management, methane gas control and recovery, and operating and maintenance costs to be incurred during the period after the facility closes. Certain of these environmental costs, principally capping and methane gas control costs, are also incurred during the operating life of the site in accordance with the landfill operation requirements of Subtitle D and the air emissions standards. Daily maintenance activities, which include many of these costs, are expensed as incurred during the operating life of the landfill. Daily maintenance activities include leachate disposal; surface water, groundwater, and methane gas monitoring and maintenance; other pollution control activities; mowing and fertilizing the landfill final cap; fence and road maintenance; and third-party inspection and reporting costs. Site specific final capping, closure and post-closure engineering cost estimates are prepared annually for landfills owned or landfills operated under life-of-site agreements by the Company.

The net present value of landfill final capping, closure and post-closure liabilities are calculated by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated.

This policy results in the Company's final capping, closure and post-closure liabilities being recorded in "layers." The Company's discount rate assumption for purposes of computing 2014 and 2013 "layers" for final capping, closure and post-closure obligations was 5.75% for each year, which reflects the Company's long-term cost of borrowing as of the end of 2013 and 2012. The Company's inflation rate assumption was 2.5% for the years ended December 31, 2014 and 2013.

In accordance with the accounting guidance on asset retirement obligations, the final capping, closure and post-closure liability is recorded on the balance sheet along with an offsetting addition to site costs which is amortized to depletion expense on a units-of-consumption basis as remaining landfill airspace is consumed. The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. Depletion expense resulting from final capping, closure and post-closure obligations recorded as a component of landfill site costs will generally be less during the early portion of a landfill's operating life and increase thereafter. Owned landfills and landfills operated under life-of-site agreements have estimated remaining lives, based on remaining permitted capacity, probable expansion capacity and projected annual disposal volumes, that range from approximately 5 to 191 years, with an average remaining life of approximately 40 years. The costs for final capping, closure and post-closure obligations at landfills the Company owns or operates under life-of-site agreements are generally estimated based on interpretations of current requirements and proposed or anticipated regulatory changes.

The estimates for landfill final capping, closure and post-closure costs consider when the costs would actually be paid and factor in inflation and discount rates. Interest is accreted on the recorded liability using the corresponding discount rate. When using discounted cash flow techniques, reliable estimates of market premiums may not be obtainable. In the waste industry, there is no market for selling the responsibility for final capping, closure and post-closure obligations independent of selling the landfill in its entirety. Accordingly, the Company does not believe that it is possible to develop a methodology to reliably estimate a market risk premium and has therefore excluded any such market risk premium from its determination of expected cash flows for landfill asset retirement obligations. The possibility of changing legal and regulatory requirements and the forward-looking nature of these types of costs make any estimation or assumption less certain.

The following is a reconciliation of the Company's final capping, closure and post-closure liability balance from December 31, 2012 to December 31, 2014:

Final capping, closure and post-closure liability at December 31, 2012	$ 46,473
Adjustments to final capping, closure and post-closure liabilities	(3,528)
Liabilities incurred	4,668
Accretion expense associated with landfill obligations	2,749
Closure payments	(234)
Final capping, closure and post-closure liability at December 31, 2013	50,128
Adjustments to final capping, closure and post-closure liabilities	4,176
Liabilities incurred	3,846
Accretion expense associated with landfill obligations	3,408
Closure payments	(178)
Assumption of closure liabilities from acquisitions	120
Final capping, closure and post-closure liability at December 31, 2014	$ 61,500

The Adjustments to final capping, closure and post-closure liabilities for the year ended December 31, 2014, primarily consisted of the following changes at some of the Company's landfills: increases in estimated future closure expenditures, changes in engineering estimates of total site capacities and increases in estimated annual tonnage consumption. The Adjustments to final capping, closure and post-closure liabilities for the year ended December 31, 2013, primarily consisted of increases in estimated airspace at some of the Company's landfills at which expansions are being pursued or have been granted, decreases in estimated closure costs at some of the Company's landfills and revisions in engineering estimates, partially offset by an increase in estimates of annual tonnage consumption at some of the Company's landfills. The final capping, closure and post-closure liability is included in Other long-term liabilities in the Consolidated Balance Sheets. The Company performs its annual review of its cost and capacity estimates in the first quarter of each year.

At December 31, 2014, $38,107 of the Company's restricted assets balance was for purposes of securing its performance of future final capping, closure and post-closure obligations.

– Disposal capacity. The Company's internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at its landfills. This is done by using surveys and other methods to calculate, based on the terms of the permit, height restrictions and other factors, how much airspace is left to fill and how much waste can be disposed of at a landfill before it has reached its final capacity. The Company's landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills it owns, and landfills it operates, but does not own, under life-of-site agreements. The Company's landfill depletion rate is based on the term of the operating agreement at its operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets the following criteria is included in the estimate of total landfill airspace:

1) whether the land where the expansion is being sought is contiguous to the current disposal site, and the Company either owns the expansion property or has rights to it under an option, purchase, operating or other similar agreement;
2) whether total development costs, final capping costs, and closure/post-closure costs have been determined;
3) whether internal personnel have performed a financial analysis of the proposed expansion site and have determined that it has a positive financial and operational impact;
4) whether internal personnel or external consultants are actively working to obtain the necessary approvals to obtain the landfill expansion permit; and
5) whether the Company considers it probable that the Company will achieve the expansion (for a pursued expansion to be considered probable, there must be no significant known technical, legal, community, business, or political restrictions or similar issues existing that the Company believes are more likely than not to impair the success of the expansion).

It is possible that the Company's estimates or assumptions could ultimately be significantly different from actual results. In some cases, the Company may be unsuccessful in obtaining an expansion permit or the Company may determine that an expansion permit that the Company previously thought was probable has become unlikely. To the extent that such estimates, or the assumptions used to make those estimates, prove to be significantly different than actual results, or the belief that the Company will receive an expansion permit changes adversely in a significant manner, the costs of the landfill, including the costs incurred in the pursuit of the expansion, may be subject to impairment testing, as described below, and lower profitability may be experienced due to higher amortization rates, higher capping, closure and post-closure rates, and higher expenses or asset impairments related to the removal of previously included expansion airspace.

The Company periodically evaluates its landfill sites for potential impairment indicators. The Company's judgments regarding the existence of impairment indicators are based on regulatory factors, market conditions and operational performance of its landfills. Future events could cause the Company to conclude that impairment indicators exist and that its landfill carrying costs are impaired.

Cell Processing Reserves

The Company records a cell processing reserve related to its E&P segment for certain locations in Louisiana and Texas for the estimated amount of expenses to be incurred upon the treatment and excavation of oilfield waste received. The cell processing reserve is the future cost to properly treat and dispose of existing waste within the cells at the various facilities. The reserve generally covers estimated costs to be incurred over a period of time up to 24 months, with the current portion representing costs estimated to be incurred in the next 12 months. The estimate is calculated based on current estimated volume in the cells, estimated percentage of waste treated, and historical average costs to treat and excavate the waste. The processing reserve represents the estimated costs to process the volumes of oilfield waste on-hand for which revenue has been recognized. At December 31, 2014 and 2013, the current portion of cell processing reserves was $6,136 and $7,013, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. At December 31, 2014 and 2013, the long-term portion of cell processing reserves was $2,409 and $2,416, respectively, which is included in Other long-term liabilities in the Consolidated Balance Sheets.

Business Combination Accounting

The Company accounts for business combinations as follows:

- The Company recognizes, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. The Company measures and recognizes goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if

any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of net assets acquired and liabilities assumed.

- At the acquisition date, the Company measures the fair values of all assets acquired and liabilities assumed that arise from contractual contingencies. The Company measures the fair values of all noncontractual contingencies if, as of the acquisition date, it is more likely than not that the contingency will give rise to an asset or liability.

Finite-Lived Intangible Assets

The amounts assigned to franchise agreements, contracts and customer lists are being amortized on a straight-line basis over the expected term of the related agreements (ranging from 1 to 56 years).

Goodwill and Indefinite-Lived Intangible Assets

The Company acquired indefinite-lived intangible assets in connection with certain of its acquisitions. The amounts assigned to indefinite-lived intangible assets consist of the value of certain perpetual rights to provide solid waste collection and transportation services in specified territories and to operate exploration and production waste treatment and disposal facilities. The Company measures and recognizes acquired indefinite-lived intangible assets at their estimated acquisition date fair values. Indefinite-lived intangible assets are not amortized. Goodwill represents the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of assets acquired and liabilities assumed. Goodwill and intangible assets, deemed to have indefinite lives, are subject to annual impairment tests as described below.

Goodwill and indefinite-lived intangible assets are tested for impairment on at least an annual basis in the fourth quarter of the year. In the first step of testing for goodwill impairment, the Company estimates the fair value of each reporting unit, which the Company has determined to be its three geographic operating segments and its E&P segment, and compares the fair value with the carrying value of the net assets assigned to each reporting unit. If the fair value of a reporting unit is greater than the carrying value of the net assets, including goodwill, assigned to the reporting unit, then no impairment results. If the fair value is less than the carrying value, then the Company would perform a second step and determine the fair value of the goodwill. In this second step, the fair value of goodwill is determined by deducting the fair value of a reporting unit's identifiable assets and liabilities from the fair value of the reporting unit as a whole, as if that reporting unit had just been acquired and the purchase price were being initially allocated. If the fair value of the goodwill is less than its carrying value for a reporting unit, an impairment charge would be recorded to earnings in the Company's Consolidated Statements of Net Income. In testing indefinite-lived intangible assets for impairment, the Company compares the estimated fair value of each indefinite-lived intangible asset to its carrying value. If the fair value of the indefinite-lived intangible asset is less than its carrying value, an impairment charge would be recorded to earnings in the Company's Consolidated Statements of Net Income.

To determine the fair value of each of the Company's reporting units as a whole and each indefinite-lived intangible asset, the Company uses discounted cash flow analyses, which require significant assumptions and estimates about the future operations of each reporting unit and the future discrete cash flows related to each indefinite-lived intangible asset. Significant judgments inherent in these analyses include the determination of appropriate discount rates, the amount and timing of expected future cash flows and growth rates. The cash flows employed in the Company's 2014 discounted cash flow analyses were based on ten-year financial forecasts, which in turn were based on the 2015 annual budget developed internally by management. These forecasts reflect operating profit margins that were consistent with 2014 results and perpetual revenue growth rates of 3.2%. The Company's discount rate assumptions are based on an assessment of the Company's weighted average cost of capital which approximated 5.2%. In assessing the reasonableness of the Company's determined fair values of its reporting units, the Company evaluates its results against its current market capitalization.

In addition, the Company would evaluate a reporting unit for impairment if events or circumstances change between annual tests indicating a possible impairment. Examples of such events or circumstances include the following:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold; or
- the testing for recoverability of a significant asset group within the segment.

As a result of performing the tests for potential impairment of goodwill and indefinite-lived intangible assets, the Company determined that no impairment existed as of December 31, 2014 or 2013, and, therefore, there were no write-downs to any of its goodwill or indefinite-lived intangible assets.

Impairments of Property, Plant and Equipment and Finite-Lived Intangible Assets

Property, plant, equipment and finite-lived intangible assets are carried on the Company's consolidated financial statements based on their cost less accumulated depreciation or amortization. Finite-lived intangible assets consist of long-term franchise agreements, contracts, customer lists, permits and non-competition agreements. The recoverability of these assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Typical indicators that an asset may be impaired include:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold; or
- the testing for recoverability of a significant asset group within a segment.

If any of these or other indicators occur, a test of recoverability is performed by comparing the carrying value of the asset or asset group to its undiscounted expected future cash flows. If the carrying value is in excess of the undiscounted expected future cash flows, impairment is measured by comparing the fair value of the asset to its carrying value. Fair value is determined by an internally developed discounted projected cash flow analysis of the asset. Cash flow projections are sometimes based on a group of assets, rather than a single asset. If cash flows cannot be separately and independently identified for a single asset, the Company will determine whether an impairment has occurred for the group of assets for which the projected cash flows can be identified. If the fair value of an asset is determined to be less than the carrying amount of the asset or asset group, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. Several impairment indicators are beyond the Company's control, and whether or not they will occur cannot be predicted with any certainty. Estimating future cash flows requires significant judgment and projections may vary from cash flows eventually realized. There are other considerations for impairments of landfills, as described below.

Landfills – There are certain indicators listed above that require significant judgment and understanding of the waste industry when applied to landfill development or expansion projects. A regulator or court may deny or overturn a landfill development or landfill expansion permit application before the development or expansion permit is ultimately granted. Management may periodically divert waste from one landfill to another to conserve remaining permitted landfill airspace. Therefore, certain events could occur in the ordinary course of business and not necessarily be considered indicators of impairment due to the unique nature of the waste industry.

Restricted Assets

Restricted assets held by trustees consist principally of funds deposited in connection with landfill final capping, closure and post-closure obligations and other financial assurance requirements. Proceeds from these financing arrangements are directly deposited into trust funds, and the Company does not have the ability to utilize the funds in regular operating activities. See Note 8 for further information on restricted assets.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and equivalents, trade receivables, restricted assets, trade payables, debt instruments, contingent consideration obligations, interest rate swaps and a fuel hedge. As of December 31, 2014 and 2013, the carrying values of cash and equivalents, trade receivables, restricted assets, trade payables and contingent consideration are considered to be representative of their respective fair values. The carrying values of the Company's debt instruments, excluding certain notes as listed in the table below, approximate their fair values as of December 31, 2014 and 2013, based on current borrowing rates, current remaining average life to maturity and borrower credit quality for similar types of borrowing arrangements, and are classified as Level 2 within the fair value hierarchy. The carrying values and fair values of the Company's debt instruments where the carrying values do not approximate their fair values as of December 31, 2014 and 2013, are as follows:

	Carrying Value at December 31,		Fair Value* at December 31,	
	2014	2013	2014	2013
6.22% Senior Notes due 2015	$ 175,000	$ 175,000	$ 181,476	$ 187,206
3.30% Senior Notes due 2016	$ 100,000	$ 100,000	$ 102,253	$ 102,066
4.00% Senior Notes due 2018	$ 50,000	$ 50,000	$ 52,500	$ 50,992
5.25% Senior Notes due 2019	$ 175,000	$ 175,000	$ 192,974	$ 185,037
4.64% Senior Notes due 2021	$ 100,000	$ 100,000	$ 108,088	$ 100,341

*Senior Notes are classified as Level 2 within the fair value hierarchy. Fair value is based on quotes of bonds with similar ratings in similar industries.

For details on the fair value of the Company's interest rate swaps, fuel hedge and restricted assets, refer to Note 8.

Derivative Financial Instruments

The Company recognizes all derivatives on the balance sheet at fair value. All of the Company's derivatives have been designated as cash flow hedges; therefore, the effective portion of the changes in the fair value of derivatives will be recognized in accumulated other comprehensive loss ("AOCL") until the hedged item is recognized in earnings. The ineffective portion of the changes in the fair value of derivatives will be immediately recognized in earnings. The Company classifies cash inflows and outflows from derivatives within operating activities on the statement of cash flows.

One of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the variable interest rates of certain borrowings issued under its prior credit agreement and credit agreement. The Company's strategy to achieve that objective involves entering into interest rate swaps. Its currently outstanding interest rate swaps were specifically designated to the Company's prior credit agreement and accounted for as cash flow hedges.

At December 31, 2014, the Company's derivative instruments included seven interest rate swap agreements as follows:

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
August 2011	$ 150,000	0.798%	1-month LIBOR	April 2012	January 2015
December 2011	$ 175,000	1.600%	1-month LIBOR	February 2014	February 2017
April 2014	$ 100,000	1.800%	1-month LIBOR	July 2014	July 2019
May 2014	$ 50,000	2.344%	1-month LIBOR	October 2015	October 2020
May 2014	$ 25,000	2.326%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020
May 2014	$ 50,000	2.350%	1-month LIBOR	October 2015	October 2020

* plus applicable margin.

Another of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the price of diesel fuel. The Company's strategy to achieve that objective involves periodically entering into fuel hedges that are specifically designated to certain forecasted diesel fuel purchases and accounted for as cash flow hedges.

At December 31, 2014, the Company's derivative instruments included one fuel hedge agreement as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed (per gallon)	Diesel Rate Received Variable	Effective Date	Expiration Date
June 2012	300,000	$ 3.60	DOE Diesel Fuel Index*	January 2014	December 2015

* If the national U.S. on-highway average price for a gallon of diesel fuel ("average price"), as published by the Department of Energy, exceeds the contract price per gallon, the Company receives the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, the Company pays the difference to the counterparty.

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2014, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Other assets, net	$ 250	Accrued liabilities[a]	$ (4,044)
			Other long-term liabilities	(3,300)
Fuel hedge			Accrued liabilities[b]	(1,979)
Total derivatives designated as cash flow hedges		$ 250		$ (9,323)

(a) Represents the estimated amount of the existing unrealized losses on interest rate swaps as of December 31, 2014 (based on the interest rate yield curve at that date), included in AOCL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in interest rates.

(b) Represents the estimated amount of the existing unrealized losses on the fuel hedge as of December 31, 2014 (based on the forward DOE diesel fuel index curve at that date), included in AOCL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in diesel fuel prices.

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2013, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps			Accrued liabilities	$ (3,373)
			Other long-term liabilities	(1,853)
Fuel hedge	Prepaid expenses and other current assets	$ 1,304		
	Other assets, net	895		
Total derivatives designated as cash flow hedges		$ 2,199		$ (5,226)

The following table summarizes the impact of the Company's cash flow hedges on the results of operations, comprehensive income and AOCL for the years ended December 31, 2014, 2013 and 2012:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCL on Derivatives, Net of Tax (Effective Portion)[a]			Statement of Income Classification	Amount of (Gain) or Loss Reclassified from AOCL into Earnings, Net of Tax (Effective Portion)[b], [c]		
	Years Ended December 31,				Years Ended December 31,		
	2014	2013	2012		2014	2013	2012
Interest rate swaps	$ (3,970)	$ 188	$ (4,524)	Interest expense	$ 2,824	$ 3,483	$ 3,279
Fuel hedge	(2,071)	625	1,358	Cost of operations	(507)	-	(2,798)
Total	$ (6,041)	$ 813	$ (3,166)		$ 2,317	$ 3,483	$ 481

(a) In accordance with the derivatives and hedging guidance, the effective portions of the changes in fair values of interest rate swaps and the fuel hedge have been recorded in equity as a component of AOCL. As the critical terms of the interest rate swaps match the underlying debt being hedged, no ineffectiveness is recognized on these swaps and, therefore, all unrealized changes in fair value are recorded in AOCL. Because changes in the actual price of diesel fuel and changes in the DOE index price do not offset exactly each reporting period, the Company assesses whether the fuel hedge is highly effective using the cumulative dollar offset approach.

(b) Amounts reclassified from AOCL into earnings related to realized gains and losses on interest rate swaps are recognized when interest payments or receipts occur related to the swap contracts, which correspond to when interest payments are made on the Company's hedged debt.

(c) Amounts reclassified from AOCL into earnings related to realized gains and losses on the fuel hedge are recognized when settlement payments or receipts occur related to the hedge contract, which correspond to when the underlying fuel is consumed.

The Company measures and records ineffectiveness on the fuel hedge in Cost of operations in the Consolidated Statements of Net Income on a monthly basis based on the difference between the DOE index price and the actual price of diesel fuel purchased, multiplied by the notional number of gallons on the contracts. There was no significant ineffectiveness recognized on the fuel hedge during the years ended December 31, 2014, 2013 and 2012.

See Note 13 for further discussion on the impact of the Company's hedge accounting to its consolidated Comprehensive income and AOCL.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company records valuation allowances to reduce net deferred tax assets to the amount considered more likely than not to be realized.

The Company is required to evaluate whether the tax positions taken on its federal and state income tax returns will more likely than not be sustained upon examination by the appropriate taxing authority. If the Company determines that such tax positions will not be sustained, it records a liability for the related unrecognized tax benefits. The Company classifies its liability for unrecognized tax benefits as a current liability to the extent it anticipates making a payment within one year.

Equity-Based Compensation

The fair value of restricted stock units is determined based on the number of shares granted and the closing price of the Company's common stock.

Compensation expense associated with outstanding performance-based restricted stock units ("PSU") is measured using the fair value of the Company's common stock and is based on the estimated achievement of the established performance criteria at the end of each reporting period until the performance period ends, recognized ratably over the performance period. Compensation expense is only recognized for those awards that the Company expects to vest, which it estimates based upon an assessment of the probability that the performance criteria will be achieved. The Company assumed a forfeiture rate of 0%.

All share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized on a straight-line basis as expense over the employee's requisite service period. Under the stock-based compensation guidance, the

Company elected to use the short-cut method to calculate the historical pool of windfall tax benefits. The Company elected to use the tax law ordering approach for purposes of determining whether an excess of tax benefit has been realized.

Warrants are valued using the Black-Scholes pricing model with a contractual life of five years, a risk free interest rate based on the 5-year U.S. treasury yield curve and expected volatility. The Company uses the historical volatility of its common stock over a period equivalent to the contractual life of the warrants to estimate the expected volatility. Warrants issued to consultants are recorded as an element of the related cost of landfill development projects or to expense for warrants issued in connection with acquisitions.

Equity-based compensation expense recognized during the years ended December 31, 2014, 2013 and 2012, was approximately $18,446 ($11,372 net of taxes), $15,397 ($9,508 net of taxes) and $17,289 ($11,803 net of taxes), respectively, and consisted of restricted stock unit, PSU and warrant expense. The Company records equity-based compensation expense in Selling, general and administrative expenses in the Consolidated Statements of Net Income. The total unrecognized compensation cost at December 31, 2014, related to unvested restricted stock unit awards was $28,709 and this future expense will be recognized over the remaining vesting period of the restricted stock unit awards, which extends to 2018. The weighted average remaining vesting period of the restricted stock unit awards is 1.2 years. The total unrecognized compensation cost at December 31, 2014, related to unvested PSU awards was $1,661 and this future expense will be recognized over the remaining vesting period of the PSU awards, which extends to 2016. The weighted average remaining vesting period of PSU awards is 2.0 years.

Per Share Information

Basic net income per share attributable to Waste Connections' common stockholders is computed using the weighted average number of common shares outstanding and vested and unissued restricted stock units deferred for issuance into the deferred compensation plan. Diluted net income per share attributable to Waste Connections' common stockholders is computed using the weighted average number of common and potential common shares outstanding. Potential common shares are excluded from the computation if their effect is anti-dilutive.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2014, 2013 and 2012, was $3,479, $3,704 and $3,737, respectively, which is included in Selling, general and administrative expense in the Consolidated Statements of Net Income.

Insurance Liabilities

As a result of its high deductible or self-insured retention insurance policies, the Company is effectively self-insured for automobile liability, general liability, employer's liability, environmental liability, cyber liability, employment practices liability, directors' and officers' liability as well as for employee group health insurance, property and workers' compensation. The Company's insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by the Company's management with assistance from its third-party actuary and its third-party claims administrator. The insurance accruals are influenced by the Company's past claims experience factors, which have a limited history, and by published industry development factors. At December 31, 2014 and 2013, the Company's total accrual for self-insured liabilities was $44,849 and $42,732, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. For the years ended December 31, 2014, 2013 and 2012, the Company recognized $51,702, $48,032 and $47,834, respectively, of self-insurance expense which is included in Cost of operations and Selling, general and administrative expense in the Consolidated Statements of Net Income.

New Accounting Pronouncements

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. In April 2014, the Financial Accounting Standards Board (the "FASB") issued guidance that changes the threshold for reporting discontinued operations and adds new disclosures. The new guidance defines a discontinued operation as a disposal of a component or group of components that is disposed of or is classified as held for sale and "represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results." For disposals of individually significant components that do not qualify as discontinued operations, an entity must disclose pre-tax earnings of the disposed component. For public business entities, this guidance is effective prospectively for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals

(or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

Revenue From Contracts With Customers. In May 2014, the FASB issued guidance to provide a single, comprehensive revenue recognition model for all contracts with customers. The revenue guidance contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard will be effective for the first interim period within annual reporting periods beginning after December 15, 2016 for public entities, with no early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

Accounting for Share-Based Payment When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period. In June 2014, the FASB issued guidance that applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. It requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition and follows existing accounting guidance for the treatment of performance conditions. The standard will be effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

Reclassification

Certain amounts reported in the Company's prior year's financial statements have been reclassified to conform with the 2014 presentation.

2. USE OF ESTIMATES AND ASSUMPTIONS

In preparing the Company's consolidated financial statements, several estimates and assumptions are made that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain of the information that is used in the preparation of the Company's consolidated financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is simply not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and the Company must exercise significant judgment. The most difficult, subjective and complex estimates and the assumptions that deal with the greatest amount of uncertainty are related to the Company's accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, contingent consideration accruals and asset impairments, which are discussed in Note 1. An additional area that involves estimation is when the Company estimates the amount of potential exposure it may have with respect to litigation, claims and assessments in accordance with the accounting guidance on contingencies. Actual results for all estimates could differ materially from the estimates and assumptions that the Company uses in the preparation of its consolidated financial statements.

3. ACQUISITIONS

The Company recognizes, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition date fair values. The Company measures and recognizes goodwill as of the acquisition date as the excess of: (a) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of the Company's previously held equity interest in the acquiree (if any), over (b) the fair value of assets acquired and liabilities assumed. If information about facts and circumstances existing as of the acquisition date is incomplete by the end of the reporting period in which a business combination occurs, the Company will report provisional amounts for the items for which the accounting is incomplete. The measurement period ends once the Company receives the information it was seeking; however, this period will not exceed one year from the acquisition date. Any material adjustments recognized during the measurement period will be reflected retrospectively in the consolidated financial statements of the subsequent period. The Company recognizes acquisition-related costs as expense.

R360 Acquisition

On October 25, 2012, the Company completed the acquisition of all of the outstanding equity interests in certain entities that, together with the operating subsidiaries of such entities, hold the business of R360 Environmental Solutions, Inc. ("R360") for total cash consideration of $1,338,344, net of cash acquired, the assumption of outstanding debt totaling $9,306 and the assumption of contingent consideration totaling $37,293. The acquisition was funded with available cash and with borrowings of $475,000 under the Company's prior credit agreement and of $800,000 under its prior term loan agreement. The R360 business consists of E&P landfills, E&P liquid waste injection wells, E&P waste treatment and recovery facilities and oil recovery facilities at 24 operating locations across Louisiana, New Mexico, North Dakota, Oklahoma, Texas and Wyoming. The R360 acquisition enabled the Company to significantly expand its scope of E&P waste services and contributed towards the achievement of the Company's strategy to expand through acquisitions.

The results of operations of the R360 business have been included in the Company's consolidated financial statements from its acquisition date. Total revenues during the period from October 25, 2012 to December 31, 2012, generated from the R360 operations and included within consolidated revenues were $40,190. Total pre-tax earnings during the period from October 25, 2012 to December 31, 2012, generated from the R360 operations and included within consolidated income before income taxes, were $8,669.

The following table summarizes the consideration transferred to acquire the R360 business and the amounts of identifiable assets acquired and liabilities assumed:

Fair value of consideration transferred:		
Cash	$	1,338,344
Debt assumed*		9,306
Contingent consideration		37,293
		1,384,943
Recognized amounts of identifiable assets acquired and liabilities assumed associated with businesses acquired:		
Accounts receivable		50,161
Other current assets		19,716
Property and equipment		894,651
Indefinite-lived intangibles		27,096
Customer lists		21,016
Accounts payable		(31,702)
Accrued liabilities		(19,286)
Other long-term liabilities		(8,066)
Deferred income taxes		(14,568)
Total identifiable net assets		939,018
Goodwill	$	445,925

*Debt assumed was paid at close of acquisition.

Contingent consideration consists of obligations assumed by the Company related to previous acquisitions completed by R360, and consists of the following:

Prairie Disposal contingent consideration	$	24,376
Oilfield Holdings contingent consideration		8,000
Calpet contingent consideration		4,176
Claco Services contingent consideration		741
	$	37,293

The Prairie Disposal contingent consideration represents the fair value of up to $25,000 of contingent consideration payable to the former owners of Prairie Disposal, LLC and Prairie Liquids, LLC ("Prairie") based on the future achievement of certain milestones over an expected two-year period. The fair value of the contingent consideration was determined using probability assessments of the

expected future cash flows over the two-year period in which the obligation is expected to be settled, and applied a discount rate of 2.0%. During the year ended December 31, 2014, the Company paid $25,000 to the former owners.

The Oilfield Holdings contingent consideration represents the fair value of up to $8,000 payable to the former owners of Oilfield Holdings if R360 completed a qualifying cash event, as defined in the Oilfield Holdings purchase agreement. A qualifying cash event included the sale of R360. Payment of the contingent consideration required the qualifying cash event to generate a return on investment above a certain minimum threshold. The Company's R360 acquisition generated a return on investment that resulted in the payment of the $8,000 liability to the former owners of Oilfield Holdings in November 2012.

The Calpet contingent consideration represents the fair value of up to $4,221 payable to the former owners of Calpet, LLC based on the future achievement of revenue targets through June 2013. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the one-year period in which the obligations is expected to be settled, and applied a discount rate of 2.0%. During the year ended December 31, 2013, $2,500 of the contingent consideration was earned and paid to the former owners and $1,250 of the contingent consideration was not earned and credited to expense. During the year ended December 31, 2014, the remaining $471 of contingent consideration was earned and paid to the former owners.

The Claco Services contingent consideration represents the fair value of up to $750 payable to the former owners of Claco Services through December 2013. The Company paid $375 of this assumed liability in both December 2012 and December 2013.

The R360 acquisition resulted in goodwill acquired totaling $445,925, of which $395,339 is expected to be deductible for tax purposes. The goodwill is attributable to growth opportunities, at existing R360 operations as well as additional acquisitions of companies providing non-hazardous oilfield waste treatment and disposal services, and synergies that are expected to arise as a result of the acquisition.

Cash consideration for the R360 acquisition included payment for the estimated net working capital of $18,906, as defined in the acquisition agreement, which was subject to final adjustment subsequent to the close of the acquisition. In March 2013, Waste Connections received $18,000 from the former owners of R360 due to the final adjustment to the net working capital that was estimated at the closing date.

The gross amount of trade receivables due under contracts was $52,777, of which $2,616 was expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the R360 acquisition.

The Company incurred $2,655, of acquisition-related costs for the R360 acquisition. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income.

Other Acquisitions

In March 2014, the Company acquired Screwbean Landfill, LLC ("Screwbean"), which owns land and permits to construct and operate an E&P waste facility, and S.A. Dunn & Company, LLC ("Dunn"), which owns land and permits to construct and operate a construction and demolition landfill, for aggregate total cash consideration of $27,020 and contingent consideration of $2,923. Contingent consideration represents the fair value of up to $3,000 of amounts payable to the former Dunn owners based on the successful modification of site construction permits that would enable increased capacity at the landfill. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the two-year period in which the obligations are expected to be settled, and applying discount rates ranging from 2.4% to 2.7%.

In September 2014, the Company acquired Rumsey Environmental, LLC ("Rumsey"), which provides solid waste collection services in western Alabama, for aggregate total cash consideration of $16,000 and contingent consideration of $1,891. Contingent consideration represents the fair value of up to $2,000 of amounts payable to the former owners based on the achievement of certain operating targets specified in the asset purchase agreement. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the two-year period in which the obligation is expected to be settled, and applying a discount rate of 2.8%.

In October 2014, the Company acquired Section 18, LLC ("Section 18"), which provides E&P disposal services in North Dakota, for aggregate total cash consideration of $64,425 and contingent consideration of $37,724. Contingent consideration represents the estimated fair value of up to $43,166 of amounts payable to the former owners based on approval of site construction permits for

future facilities in North Dakota, Wyoming and Montana and the achievement of certain operating targets specified in the asset purchase agreement. The fair value of the contingent consideration was determined using probability assessments of the expected future cash flows over the one to four-year period in which the obligations are expected to be settled, and applying a discount rate of 5.2%.

In addition to the acquisitions of Screwbean, Dunn, Rumsey and Section 18, the Company acquired five individually immaterial non-hazardous solid waste collection, transfer and disposal businesses during the year ended December 31, 2014.

The Company acquired eight individually immaterial non-hazardous solid waste collection businesses during the year ended December 31, 2013.

In July 2012, the Company completed the acquisition of 100% of the interests in the operations of SKB Environmental, Inc. ("SKB"), a provider of solid waste transfer and disposal services in Minnesota, in exchange for total consideration of $86,763. Pursuant to the stock purchase agreement, the Company was required to remit additional consideration to the former shareholders of SKB if the acquired operations exceeded earnings targets specified in the stock purchase agreement over a one-year earn out period ending June 30, 2013. The Company computed the fair value of the contingent consideration at the purchase date to be $20,711, based upon probability assessments of the expected future cash flows over the one-year period in which the obligation was expected to be settled, to which the Company had applied a discount rate of 2.0%. Based upon the actual earnings of SKB over the one-year earn out period, the final additional consideration was $25,768, which the Company paid in July 2013. The difference between the final contingent consideration paid and the fair value of the contingent consideration at the purchase date was charged to expense in the Company's Consolidated Statements of Net Income.

On March 1, 2012, the Company completed the acquisition of 100% of the interests in the operations of Alaska Pacific Environmental Services Anchorage, LLC and Alaska Green Waste Solutions, LLC (together, "Alaska Waste"). Alaska Waste provides solid waste collection, transfer and composting services in Anchorage, the Mat-Su Valley, Fairbanks, the Kenai Peninsula and Kodiak Island. The Company paid $133,402 for the purchased operations. Pursuant to the asset purchase agreement, the Company is required to remit up to $4,000 of additional consideration to the former owners of Alaska Waste if new business is generated through the privatization of certain markets currently serviced by municipalities. The Company computed the fair value of the contingent consideration at the purchase date to be $602, based upon probability assessments of the expected future cash flows over the two-year period in which the obligation is expected to be settled, to which the Company applied a discount rate of 2.8%. During the year ended December 31, 2014, the contingency period expired and the contingent consideration liability was written off to Impairments and other operating charges in the Consolidated Statements of Net Income.

In addition to the acquisitions of SKB and Alaska Waste, the Company acquired 10 individually immaterial non-hazardous solid waste collection, transfer, disposal and E&P businesses during the year ended December 31, 2012.

The total acquisition-related costs incurred for the acquisitions closed during the years ended December 31, 2014, 2013 and 2012 were $2,147, $1,946 and $2,658. These expenses are included in Selling, general and administrative expenses in the Company's Consolidated Statements of Net Income.

The results of operations of the acquired businesses have been included in the Company's consolidated financial statements from their respective acquisition dates. The Company expects these acquired businesses to contribute towards the achievement of the Company's strategy to expand through acquisitions. Goodwill acquired is attributable to the synergies and ancillary growth opportunities expected to arise after the Company's acquisition of these businesses.

The following table summarizes the consideration transferred to acquire these businesses and the amounts of identifiable assets acquired, liabilities assumed and noncontrolling interests associated with businesses acquired at the acquisition date for acquisitions consummated in the years ended December 31, 2014, 2013 and 2012:

	2014 Acquisitions	2013 Acquisitions	2012 Acquisitions
Fair value of consideration transferred:			
Cash	$ 126,181	$ 64,156	$ 241,525
Debt assumed*	-	-	12,986
Contingent consideration	42,538	40	21,314
	168,719	64,196	275,825
Recognized amounts of identifiable assets acquired and liabilities assumed associated with businesses acquired:			
Accounts receivable	3,785	211	10,874
Other current assets	111	317	1,062
Restricted assets	-	-	6,725
Property and equipment	140,412	12,775	127,023
Long-term franchise agreements and contracts	369	1,043	10,307
Indefinite-lived intangibles	-	-	35,344
Customer lists	9,420	13,024	21,837
Permits	-	-	2,295
Other long-term assets	-	-	185
Deferred revenue	(427)	(539)	(5,056)
Accounts payable	-	(735)	(3,393)
Accrued liabilities	(1,749)	(1,034)	(2,139)
Other long-term liabilities	(1,980)	(767)	(3,480)
Total identifiable net assets	149,941	24,295	201,584
Goodwill	$ 18,778	$ 39,901	$ 74,241

*Debt assumed as part of 2012 acquisitions was paid at close of acquisition.

Goodwill acquired in 2014 totaling $18,778 is expected to be deductible for tax purposes. Goodwill acquired in 2013 totaling $39,731 is expected to be deductible for tax purposes. The 2012 acquisitions of SKB, Alaska Waste and other individually immaterial non-hazardous solid waste collection, transfer, disposal and E&P businesses resulted in goodwill acquired in 2012 totaling $74,241, which is expected to be deductible for tax purposes.

The fair value of acquired working capital related to three individually immaterial acquisitions completed during the year ended December 31, 2014, is provisional pending receipt of information to support the fair value of the assets acquired and liabilities assumed. Any adjustments recorded relating to finalizing the working capital for these three acquisitions are not expected to be material to the Company's financial position.

The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2014, was $3,981, of which $196 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the year ended December 31, 2013, was $414, of which $203 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired with the acquisitions of SKB, Alaska Waste and other individually immaterial non-hazardous solid waste collection, transfer, disposal and E&P businesses during the year ended December 31, 2012, was $10,984, of which $110 was expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the acquisition of these businesses.

The Company paid $4,099 of contingent consideration during the year ended December 31, 2012, related to the achievement of earnings targets for certain acquisitions closed in 2011 and 2010.

Pro Forma Results of Operations

The following pro forma results of operations assume that the Company's significant acquisitions occurring in 2012, consisting of the acquisitions of R360, Alaska Waste and SKB, were acquired as of January 1, 2012 (unaudited):

	Year Ended December 31, 2012
Total revenue	$ 1,866,458
Net income	164,176
Basic income per share	1.35
Diluted income per share	1.35

The unaudited pro forma results of operations do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions occurred on January 1, 2012, nor are they necessarily indicative of future operating results. The above unaudited pro forma financial information includes adjustments to acquisition expenses incurred by the Company and the acquired businesses, interest expense for additional financing and repayments of debt as part of the acquisitions, depreciation expense on acquired property, plant and equipment, amortization of identifiable intangible assets acquired, accretion of closure and post-closure interest expense on acquired landfills and provision for income taxes.

4. INTANGIBLE ASSETS, NET

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2014:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Long-term franchise agreements and contracts	$ 195,676	$ (52,448)	$ 143,228
Customer lists	161,463	(77,931)	83,532
Permits and non-competition agreements	41,369	(11,777)	29,592
	398,508	(142,156)	256,352
Indefinite-lived intangible assets:			
Solid waste collection and transportation permits	151,505	-	151,505
Material recycling facility permits	42,283	-	42,283
E&P facility permits	59,855	-	59,855
	253,643	-	253,643
Intangible assets, exclusive of goodwill	$ 652,151	$ (142,156)	$ 509,995

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the year ended December 31, 2014 was 2.5 years. The weighted-average amortization period of customer lists acquired during the year ended December 31, 2014 was 9.2 years.

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2013:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Long-term franchise agreements and contracts	$ 196,110	$ (45,114)	$ 150,996
Customer lists	152,378	(59,950)	92,428
Permits and non-competition agreements	41,369	(10,565)	30,804
	389,857	(115,629)	274,228
Indefinite-lived intangible assets:			
Solid waste collection and transportation permits	151,505	-	151,505
Material recycling facility permits	42,283	-	42,283
E&P facility permits	59,855	-	59,855
	253,643	-	253,643
Intangible assets, exclusive of goodwill	$ 643,500	$ (115,629)	$ 527,871

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the year ended December 31, 2013 was 10.0 years. The weighted-average amortization period of customer lists acquired during the year ended December 31, 2013 was 6.4 years.

Estimated future amortization expense for the next five years relating to finite-lived intangible assets is as follows:

For the year ending December 31, 2015	$	27,237
For the year ending December 31, 2016	$	23,158
For the year ending December 31, 2017	$	21,077
For the year ending December 31, 2018	$	20,151
For the year ending December 31, 2019	$	15,564

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	December 31,	
	2014	2013
Landfill site costs	$ 2,209,749	$ 2,015,085
Rolling stock	669,133	602,838
Land, buildings and improvements	403,472	386,099
Containers	289,626	265,432
Machinery and equipment	335,376	311,953
Construction in progress	19,815	14,707
	3,927,171	3,596,114
Less accumulated depreciation and depletion	(1,332,966)	(1,145,465)
	$ 2,594,205	$ 2,450,649

The Company's landfill depletion expense, recorded in Depreciation in the Consolidated Statements of Net Income, for the years ended December 31, 2014, 2013 and 2012, was $84,308, $80,227 and $53,429, respectively.

In 2014, the Company recorded an $8,445 impairment charge, which is included in Impairments and other operating charges in the Consolidated Statements of Net Income, for property and equipment at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that the Company owns and operates. The fair value of the property and equipment was determined using a discounted cash flow model.

6. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31, 2014	December 31, 2013
Insurance claims	$ 44,849	$ 42,732
Payroll and payroll-related	40,376	40,197
Interest payable	9,319	9,579
Cell processing reserve - current portion	6,136	7,013
Unrealized interest rate losses	6,023	3,373
Environmental remediation reserve - current portion	3,023	3,226
Other	11,221	12,906
	$ 120,947	$ 119,026

7. LONG-TERM DEBT

Long-term debt consists of the following:

	December 31, 2014	December 31, 2013
Revolver under prior credit agreement	$ 680,000	$ 727,100
Prior term loan agreement	660,000	700,000
2015 Notes	175,000	175,000
2016 Notes	100,000	100,000
2018 Notes	50,000	50,000
2019 Notes	175,000	175,000
2021 Notes	100,000	100,000
Tax-exempt bonds	31,430	33,030
Notes payable to sellers and other third parties, bearing interest at 2.5% to 10.9%, principal and interest payments due periodically with due dates ranging from 2015 to 2036	8,135	12,845
	1,979,565	2,072,975
Less – current portion	(3,649)	(5,385)
	$ 1,975,916	$ 2,067,590

Revolver under Prior Credit Agreement

As of December 31, 2014, the Company had a senior revolving credit facility with a syndicate of banks for which Bank of America, N.A. acted as administrative agent (the "prior credit agreement"). The maximum borrowings available under the prior credit agreement were $1,200,000 as of December 31, 2014 and 2013. The Company had the ability to increase commitments under the prior credit agreement from $1,200,000 to $1,500,000, subject to conditions including that no default, as defined in the prior credit agreement, has occurred, although no existing lender had any obligation to increase its commitment. Swing line loans could be issued at the request of the Company in an aggregate amount not to exceed a $25,000 sublimit and there was no maximum amount of standby letters of credit that could be issued under the prior credit agreement; however, the issuance of swing line loans and standby letters of credit both reduced the amount of total borrowings available. As of December 31, 2014, $680,000 was outstanding under the prior credit agreement, exclusive of outstanding standby letters of credit of $73,031. As of December 31, 2013, $727,100 was outstanding under the prior credit agreement, exclusive of outstanding standby letters of credit of $75,166. The prior credit agreement was scheduled to mature in May 2018. The Company incurred $4,722 of debt issuance costs associated with the prior credit agreement, which had an unamortized balance of $3,632 recorded in Other assets, net in the Consolidated Balance Sheets at December 31, 2014. On January 26, 2015, the prior credit agreement was refinanced and replaced by the credit agreement (as defined below).

The borrowings under the prior credit agreement bore interest, at the Company's option, at either the base rate plus the applicable base rate margin (approximately 3.63% and 3.75% at December 31, 2014 and 2013, respectively) on base rate loans and swing line

loans, or the LIBOR rate plus the applicable LIBOR margin (approximately 1.54% and 1.67% at December 31, 2014 and 2013, respectively) on LIBOR loans. The applicable margins under the prior credit agreement varied depending on the Company's leverage ratio, as defined in the prior credit agreement. As of December 31, 2014 and 2013, the margins were 1.375% and 1.50%, respectively, for LIBOR loans and 0.50% and 0.50%, respectively, for base rate loans and swing line loans. As of December 31, 2014, $677,000 of the borrowings outstanding under the prior credit agreement were in LIBOR loans and $3,000 of the borrowings outstanding under the prior credit agreement were in swing line loans. As of December 31, 2013, $720,000 of the borrowings outstanding under the prior credit agreement were in LIBOR loans and $7,100 of the borrowings outstanding under the prior credit agreement were in swing line loans.

The prior credit agreement required the Company to pay an annual commitment fee on the unused portion of the facility. The commitment fee was 0.20% and 0.23% as of December 31, 2014 and 2013, respectively.

The borrowings under the prior credit agreement were not collateralized. The prior credit agreement contained representations, warranties, covenants and events of default, including a change of control event of default and limitations on incurrence of indebtedness and liens, new lines of business, mergers, transactions with affiliates and restrictive payments. During the continuance of an event of default, the lenders could take a number of actions, including declaring the entire amount then outstanding under the prior credit agreement due and payable. The prior credit agreement contained cross-defaults if the Company defaulted on the prior term loan agreement, the master note purchase agreement or certain other debt. The prior credit agreement required that the Company maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio could not exceed 3.50x total debt to earnings before interest, taxes, depreciation and amortization, or EBITDA. The required interest coverage ratio was at least 2.75x total interest expense to earnings before interest and taxes, or EBIT. As of December 31, 2014 and 2013, the Company's leverage ratio was 2.67x and 3.08x, respectively. As of December 31, 2014 and 2013, the Company's interest coverage ratio was 7.94x and 6.33x, respectively.

Prior Term Loan Agreement

On October 25, 2012, the Company entered into a term loan agreement in the original principal amount of $800,000 with Bank of America, N.A. and the other banks and lending institutions party thereto, as lenders, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as co-syndication agents (as amended, the "prior term loan agreement"). On January 26, 2015, the prior term loan agreement was refinanced and replaced by the credit agreement (as defined below). The prior term loan agreement required the aggregate outstanding principal amount to be paid at the maturity of the prior term loan agreement on October 25, 2017. The borrowings under the prior term loan agreement were required to be used only to fund the R360 acquisition pursuant to the R360 purchase and sale agreement and to pay fees and expenses incurred in connection with the R360 acquisition and the Company's entry into the prior term loan agreement. The Company incurred $7,370 of debt issuance costs associated with the prior term loan agreement, which had an unamortized balance of $3,809 recorded in Other assets, net in the Consolidated Balance Sheets at December 31, 2014.

Outstanding amounts on the prior term loan agreement could be either base rate loans or LIBOR loans. At December 31, 2014 and 2013, all amounts outstanding under the prior term loan agreement were in LIBOR loans which bore interest at the LIBOR rate plus the applicable LIBOR margin (approximately 1.66% and 2.04% at December 31, 2014 and 2013, respectively). The LIBOR rate was determined by the administrative agent in a customary manner as described in the prior term loan agreement. The applicable margins under the prior term loan agreement varied depending on the Company's leverage ratio, as defined in the prior term loan agreement, and ranged from 1.250% per annum to 2.000% per annum for LIBOR loans. As of December 31, 2014 and 2013, the margin was 1.500% and 1.875%, respectively, for LIBOR loans. Borrowings under the prior term loan agreement were not collateralized.

The prior term loan agreement contained representations and warranties and placed certain business, financial and operating restrictions on the Company relating to, among other things, indebtedness, liens, investments, mergers, consolidation and disposition of assets, sale and leaseback transactions, restricted payments and redemptions, burdensome agreements, business activities, transactions with affiliates, prepayments of indebtedness and accounting changes. During the continuance of an event of default, the lenders could take a number of actions, including declaring the entire amount then outstanding under the prior term loan agreement due and payable. The prior term loan agreement contained cross-defaults if the Company defaulted on the prior credit agreement, the master note purchase agreement or certain other debt. The prior term loan agreement required that the Company maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio could not exceed 3.50x total debt to EBITDA. The required interest coverage ratio was at least 2.75x total interest expense to EBIT. As of December 31, 2014 and 2013, the Company's

leverage ratio was 2.67x and 3.08x, respectively. As of December 31, 2014 and 2013, the Company's interest coverage ratio was 7.94x and 6.33x, respectively.

New Revolving Credit and Term Loan Agreement

On January 26, 2015, the Company entered into a new revolving credit and term loan agreement (the "credit agreement") with Bank of America, N.A., as Administrative Agent, and the other lenders from time to time party thereto (the "Lenders"). The credit agreement has a scheduled maturity date of January 24, 2020.

Pursuant to the credit agreement, the Lenders have committed to provide revolving advances up to an aggregate principal amount of $1,200,000 at any one time outstanding. The Lenders have also provided a term loan in an aggregate principal amount of $800,000. The Company has the option to request increases in the aggregate commitments for revolving advances and one or more additional term loans, provided that the aggregate principal amount of commitments and term loans never exceeds $2,300,000. For any such increase, the Company may ask one or more Lenders to increase their existing commitments or provide additional term loans and/or invite additional eligible lenders to become Lenders under the credit agreement. As part of the aggregate commitments under the facility, the credit agreement provides for letters of credit to be issued at the request of the Company in an aggregate amount not to exceed $250,000 and for swing line loans to be issued at the request of the Company in an aggregate amount not to exceed the lesser of $35,000 and the aggregate commitments.

Interest accrues on advances, at the Company's option, at a LIBOR rate or a base rate plus an applicable margin for each interest period. The issuing fees for all letters of credit are also based on an applicable margin. The applicable margin used in connection with interest rates and fees is based on the Company's consolidated leverage ratio. The applicable margin for LIBOR rate loans and letter of credit fees ranges from 1.00% to 1.500% and the applicable margin for base rate loans and swing line loans ranges from 0.00% to 0.500%. The Company will also pay a fee based on its consolidated leverage ratio on the actual daily unused amount of the aggregate revolving commitments. The borrowings under the credit agreement are not collateralized. Proceeds of the borrowings under the credit agreement were used to refinance the prior credit agreement, which had a maturity of May 4, 2018, and the prior term loan agreement, which had a maturity of October 25, 2017, and will be used for general corporate purposes, including working capital, capital expenditures and permitted acquisitions.

The credit agreement contains representations, warranties, covenants and events of default, including a change of control event of default and limitations on incurrence of indebtedness and liens, limitations on new lines of business, mergers, transactions with affiliates and restrictive agreements. The credit agreement also includes covenants limiting, as of the last day of each fiscal quarter, (a) the ratio of the consolidated funded debt as of such date to the Consolidated EBITDA (as defined in the credit agreement), measured for the preceding 12 months, to not more than 3.50x (or 3.75x during material acquisition periods, subject to certain limitations) and (b) the ratio of Consolidated EBIT (as defined in the credit agreement) to consolidated interest expense, in each case, measured for the preceding 12 months, to not less than 2.75x. During the continuance of an event of default, the Lenders may take a number of actions, including declaring the entire amount then outstanding under the credit agreement due and payable.

The Company will defer and amortize through the maturity date of the credit agreement, or January 2020, $6,874 of the $7,441 unamortized balance of debt issuance costs at December 31, 2014 associated with the prior credit agreement and term loan agreement.

Master Note Purchase Agreement

Senior Notes due 2015

On July 15, 2008, the Company entered into a master note purchase agreement with certain accredited institutional investors pursuant to which the Company issued and sold to the investors at a closing on October 1, 2008, $175,000 of senior uncollateralized notes due October 1, 2015 in a private placement. The 2015 Notes bear interest at the fixed rate of 6.22% per annum with interest payable in arrears semi-annually on April 1 and October 1 beginning on April 1, 2009, and with principal payable at the maturity of the 2015 Notes on October 1, 2015. The Company is amortizing the $1,026 debt issuance costs over a seven-year term through the maturity date, or October 1, 2015. The Company has the intent and ability to redeem the 2015 Notes on October 1, 2015 using borrowings under its credit agreement.

Senior Notes due 2019

On October 26, 2009, the Company entered into a first supplement to the master note purchase agreement with certain accredited institutional investors pursuant to which the Company issued and sold to the investors on that date $175,000 of senior uncollateralized notes due November 1, 2019 in a private placement. The 2019 Notes bear interest at the fixed rate of 5.25% per annum with interest payable in arrears semi-annually on May 1 and November 1 beginning on May 1, 2010, and with principal payable at the maturity of the 2019 Notes on November 1, 2019. The Company is amortizing the $152 debt issuance costs over a 10-year term through the maturity date, or November 1, 2019.

Senior Notes due 2016, 2018 and 2021

On April 1, 2011, the Company entered into a second supplement to the master note purchase agreement with certain accredited institutional investors, pursuant to which the Company issued and sold to the investors on that date $250,000 of senior uncollateralized notes at fixed interest rates with interest payable in arrears semi-annually on October 1 and April 1 beginning on October 1, 2011 in a private placement. Of these notes, $100,000 will mature on April 1, 2016 with an annual interest rate of 3.30% (the "2016 Notes"), $50,000 will mature on April 1, 2018 with an annual interest rate of 4.00% (the "2018 Notes"), and $100,000 will mature on April 1, 2021 with an annual interest rate of 4.64% (the "2021 Notes"). The Company is amortizing the $1,489 debt issuance costs through the maturity dates of the respective notes.

The 2015 Notes, 2016 Notes, 2018 Notes, 2019 Notes, and 2021 Notes (collectively, the "Senior Notes") are uncollateralized obligations and rank equally in right of payment with each of the Senior Notes, the obligations under the Company's credit agreement, as well as the Company's prior obligations under the prior credit agreement and term loan agreement. The Senior Notes are subject to representations, warranties, covenants and events of default. The master note purchase agreement contains cross-defaults if the Company defaults on the credit agreement or certain other debt. The master note purchase agreement requires that the Company maintain specified quarterly leverage and interest coverage ratios. The required leverage ratio cannot exceed 3.75x total debt to EBITDA. The required interest coverage ratio must be at least 2.75x total interest expense to EBIT. As of December 31, 2014 and 2013, the Company's leverage ratio was 2.67x and 3.08x, respectively. As of December 31, 2014 and 2013, the Company's interest coverage ratio was 7.94x and 6.33x, respectively.

Upon the occurrence of an event of default, payment of the Senior Notes may be accelerated by the holders of the respective notes. The Senior Notes may also be prepaid at any time in whole or from time to time in any part (not less than 5% of the then-outstanding principal amount) by the Company at par plus a make-whole amount determined in respect of the remaining scheduled interest payments on the Senior Notes, using a discount rate of the then current market standard for United States treasury bills plus 0.50%. In addition, the Company will be required to offer to prepay the Senior Notes upon certain changes in control.

The Company may issue additional series of senior uncollateralized notes, including floating rate notes, pursuant to the terms and conditions of the master note purchase agreement, as amended, provided that the purchasers of the Senior Notes shall not have any obligation to purchase any additional notes issued pursuant to the master note purchase agreement and the aggregate principal amount of the outstanding notes and any additional notes issued pursuant to the master note purchase agreement shall not exceed $1,250,000.

Tax-Exempt Bonds

The Company's tax-exempt bond financings are as follows:

Name of Bond	Type of Interest Rate	Interest Rate on Bond at December 31, 2014	Maturity Date of Bond	Outstanding Balance at December 31, 2014	Outstanding Balance at December 31, 2013	Backed by Letter of Credit (Amount)
Tehama Bond	Variable	-%	June 1, 2014	$ -	$ 205	$ -
San Jose Bond – Series 2001A	Variable	-	September 1, 2016	-	1,395	-
West Valley Bond	Variable	0.09	August 1, 2018	15,500	15,500	15,678
LeMay Washington Bond	Variable	0.07	April 1, 2033	15,930	15,930	16,126
				$ 31,430	$ 33,030	$ 31,804

In October 2013, the Company gave notice to redeem its Tehama Bond with a remaining principal balance of $205. The Company paid in full the principal and accrued interest on this bond on January 8, 2014.

In July 2014, the Company gave notice to redeem its San Jose Bond – Series 2001A with a remaining principal balance of $1,395. The Company paid in full the principal and accrued interest on this bond on September 3, 2014.

The variable-rate bonds are all remarketed weekly by a remarketing agent to effectively maintain a variable yield. If the remarketing agent is unable to remarket the bonds, then the remarketing agent can put the bonds to the Company. The Company obtained standby letters of credit, issued under its prior credit agreement, to guarantee repayment of the bonds in this event. The Company classified these borrowings as long-term at December 31, 2014, because the borrowings were supported by standby letters of credit issued under the Company's prior credit agreement, which was scheduled to mature in May 2018. The letters of credit were automatically rolled over into the credit agreement in January 2015.

As of December 31, 2014, aggregate contractual future principal payments by calendar year on long-term debt are due as follows:

2015 *	$ 3,649
2016	101,537
2017	660,437
2018	920,918
2019	175,411
Thereafter	117,613
	$ 1,979,565

* The Company has recorded the 2015 Notes in the 2018 category in the table above as the Company has the intent and ability to redeem the 2015 Notes on October 1, 2015 using borrowings under its credit agreement.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments and restricted assets. The Company's derivative instruments are pay-fixed, receive-variable interest rate swaps and a pay-fixed, receive-variable diesel fuel hedge. The Company's interest rate swaps are recorded at their estimated fair values based on quotes received from financial institutions that trade these contracts. The Company verifies the reasonableness of these quotes using similar quotes from another financial institution as of each date for which financial statements are prepared. The Company uses a discounted cash flow ("DCF") model to determine the estimated fair value of the diesel fuel hedge. The assumptions used in preparing the DCF model include: (i) estimates for the forward DOE index curve; and (ii) the discount rate based on risk-free interest rates over the term of the hedge contract. The DOE index curve used in the DCF model was obtained from financial institutions that trade these contracts and ranged from $2.96 to $3.41 at December 31, 2014 and from $3.79 to $4.00 at December 31, 2013. The weighted average DOE index curve used in the DCF model was $3.04 and $3.91 at December 31, 2014 and 2013, respectively. Significant increases (decreases) in the forward DOE index curve would result in a significantly higher (lower) fair value measurement. For the Company's interest rate swaps and fuel hedge, the Company also considers the Company's creditworthiness in its determination of the fair value measurement of these instruments in a net liability position and the banks' creditworthiness in its determination of the fair value measurement of these instruments in a net asset position. The Company's restricted assets are valued at quoted market prices in active markets for similar assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted assets measured at fair value are invested primarily in U.S. government and agency securities.

The Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2014 and 2013, were as follows:

	Fair Value Measurement at December 31, 2014 Using			
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Interest rate swap derivative instruments – net liability position	$ (7,094)	$ -	$ (7,094)	$ -
Fuel hedge derivative instrument – net liability position	$ (1,979)	$ -	$ -	$ (1,979)
Restricted assets	$ 40,870	$ -	$ 40,870	$ -

	Fair Value Measurement at December 31, 2013 Using			
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Interest rate swap derivative instruments – net liability position	$ (5,226)	$ -	$ (5,226)	$ -
Fuel hedge derivative instrument – net asset position	$ 2,199	$ -	$ -	$ 2,199
Restricted assets	$ 32,782	$ -	$ 32,782	$ -

The following table summarizes the change in the fair value for Level 3 derivatives for the years ended December 31, 2014 and 2013:

	Level 3 Derivatives
Balance as of December 31, 2012	$ 1,187
Unrealized gains included in AOCL	1,012
Balance as of December 31, 2013	2,199
Realized gains included in earnings	(823)
Unrealized losses included in AOCL	(3,355)
Balance as of December 31, 2014	$ (1,979)

9. OFFICE RELOCATIONS

In December 2011, the Company commenced a relocation of its corporate headquarters from Folsom, California to The Woodlands, Texas, which was substantially completed in 2012. Costs related to personnel and office relocation expenses are recorded in Selling, general and administrative expenses in the Consolidated Statements of Net Income. During the year ended December 31, 2013, the Company incurred losses on the cessation of use of prior office leases of $9,160 for its former corporate headquarters in

Folsom, California, and $742 for its E&P segment's former regional offices in Houston, Texas. In October 2013, the Company remitted a payment to terminate the remaining lease obligation of its former headquarters in Folsom, California. These costs are recorded in Loss on prior office leases in the Consolidated Statements of Net Income.

10. GAIN FROM LITIGATION SETTLEMENT

In November 2010, the Company's subsidiary, Potrero Hills Landfill, Inc. ("PHLF"), which owns and operates the Potrero Hills Landfill in Solano County, California, initiated contractual arbitration proceedings with Judicial Arbitration and Mediation Services, Inc. in San Francisco against The Ratto Group of Companies, Inc. ("Ratto") alleging Ratto's breach of the parties' Solid Waste Disposal Agreement.

The case was arbitrated in February and March 2012 before the Honorable Fern Smith (ret.). On August 13, 2012, Judge Smith issued her Final Award finding that Ratto had breached the Solid Waste Disposal Agreement by failing to include PHLF in its 2010 bid to Sonoma County and awarding PHLF lost profits, attorney's fees and costs. Pursuant to this Final Award, on September 13, 2012, Ratto remitted to PHLF $3,551, which was recorded as Gain from litigation settlement in the Consolidated Statements of Net Income.

11. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

Leases

The Company leases certain facilities and certain equipment under non-cancelable operating leases for periods ranging from one to 45 years, with renewal options for certain leases. The Company's total rent expense under operating leases during the years ended December 31, 2014, 2013 and 2012, was $27,466, $30,893 and $19,424, respectively.

As of December 31, 2014, future minimum lease payments, by calendar year, are as follows:

2015	$	17,187
2016		15,621
2017		13,953
2018		10,927
2019		9,021
Thereafter		65,544
	$	132,253

Financial Surety Bonds

The Company uses financial surety bonds for a variety of corporate guarantees. The two largest uses of financial surety bonds are for municipal contract performance guarantees and asset closure and retirement requirements under certain environmental regulations. Environmental regulations require demonstrated financial assurance to meet final capping, closure and post-closure requirements for landfills. In addition to surety bonds, these requirements may also be met through alternative financial assurance instruments, including insurance, letters of credit and restricted asset deposits.

At December 31, 2014 and 2013, the Company had provided customers and various regulatory authorities with surety bonds in the aggregate amount of approximately $342,591 and $304,416, respectively, to secure its asset closure and retirement requirements and $94,385 and $89,196, respectively, to secure performance under collection contracts and landfill operating agreements.

The Company owns a 9.9% interest in a company that, among other activities, issues financial surety bonds to secure landfill final capping, closure and post-closure obligations for companies operating in the solid waste industry. The Company accounts for this investment under the cost method of accounting. There have been no identified events or changes in circumstances that may have a significant adverse effect on the carrying value of the investment. This investee company and the parent company of the investee have written financial surety bonds for the Company, of which $179,204 and $163,187 were outstanding as of December 31, 2014 and

2013, respectively. The Company's reimbursement obligations under these bonds are secured by a pledge of its stock in the investee company.

Unconditional Purchase Obligations

At December 31, 2014, the Company's unconditional purchase obligations consist of multiple fixed-price fuel purchase contracts under which it has 8.7 million gallons remaining to be purchased for a total of $29,024. These fuel purchase contracts expire on or before December 31, 2015.

CONTINGENCIES

Environmental Risks

The Company expenses costs incurred to investigate and remediate environmental issues unless they extend the economic useful life of related assets. The Company records liabilities when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. The remediation reserves cover anticipated costs, including remediation of environmental damage that waste facilities may have caused to neighboring landowners or residents as a result of contamination of soil, groundwater or surface water, including damage resulting from conditions existing prior to the Company's acquisition of such facilities. The Company's estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. The Company does not discount remediation obligations. At December 31, 2014 and 2013, the current portion of remediation reserves was $3,023 and $3,226, respectively, which is included in Accrued liabilities in the Consolidated Balance Sheets. At December 31, 2014 and 2013, the long-term portion of remediation reserves was $725 and $725, respectively, which is included in Other long-term liabilities in the Consolidated Balance Sheets. The Company's liabilities for remediation reserves were assumed in the R360 acquisition. Any substantial increase in the liabilities for remediation of environmental damage incurred by the Company could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Legal Proceedings

In the normal course of its business and as a result of the extensive governmental regulation of the solid waste and E&P waste industries, the Company is subject to various judicial and administrative proceedings involving federal, state or local agencies. In these proceedings, an agency may seek to impose fines on the Company or to revoke or deny renewal of an operating permit held by the Company. From time to time, the Company may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and licensing of landfills, transfer stations, and E&P waste treatment, recovery and disposal operations, or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates.

In addition, the Company is a party to various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the normal operation of the waste management business. Except as noted in the matters described below, as of December 31, 2014, there is no current proceeding or litigation involving the Company or its property that the Company believes could have a material adverse impact on its business, financial condition, results of operations or cash flows.

Madera County, California Materials Recovery Facility Contract Litigation

The Company's subsidiary, Madera Disposal Systems, Inc. ("MDSI") was named in a complaint captioned County of Madera vs. Madera Disposal Systems, Inc., et al, filed in Madera County Superior Court (Case No. MCV 059402) on March 5, 2012, and subsequently transferred to Fresno County Superior Court. Madera County alleges in the complaint that from 2007 through 2010, MDSI breached a contract with the County for the operation of a materials recovery facility by withholding profits from facility operations in excess of those authorized by the contract. The County further alleges that the breach gives the County the unilateral right to terminate all of its contracts with MDSI, including contracts for (1) the collection of residential and commercial waste in the unincorporated parts of the County, (2) operation of the materials recovery facility, (3) operation of the North Fork Transfer Station and (4) operation of the Fairmead Landfill. The County seeks monetary damages of $2,962 from MDSI, plus pre-judgment interest at 10% per annum.

MDSI had been under contract with the County to collect residential and commercial waste and operate the county-owned Fairmead Landfill continuously since at least 1981. In 1993, MDSI contracted with the County to construct and operate a materials recovery facility for the County on the premises of the Fairmead Landfill. After it entered into the materials recovery facility contract, MDSI entered into new contracts with the County for waste collection and landfill operation to run concurrently with the materials recovery facility contract. In 1998, MDSI and the County agreed to extend the terms of the County contracts until November 10, 2012, with MDSI holding a unilateral option to extend the contracts for an additional five-year term.

In March 2011, the County issued a Notice of Default to MDSI under the materials recovery facility contract and gave MDSI 30 days to cure the default. MDSI provided information that it believed demonstrated that it was not in default under the contract and had not withheld profits that it was obligated to deliver to the County under the terms of the contract.

On February 7, 2012, the County issued a Notice of Termination to MDSI terminating all of its contracts effective November 1, 2012. The lawsuit followed on March 5, 2012. MDSI answered the complaint and asserted a claim against the County for wrongful termination of the contracts. On October 31, 2012, MDSI ceased providing services and vacated the County premises. The case is set for trial in Fresno in May 2015.

At this point, the Company is not able to determine the likelihood of any outcome in this matter. The Company disputes Madera County's right to terminate the MDSI contracts effective November 1, 2012, and seeks damages for the profits lost as a result of the wrongful termination. The Company estimates that the current annual impact to its pre-tax earnings resulting from the termination of MDSI's contracts with Madera County is approximately $2,300 per year, not including any monetary damages and interest the Court could order MDSI to pay the County.

Hudson Valley, New York TEAM Transportation Workers' Compensation Trust

In April 2011, the Company acquired Hudson Valley Waste Holding, Inc., County Waste and Recycling Service, Inc., and their subsidiaries (collectively, the "HVC Companies") from private owners (the "HVC Sellers") pursuant to a stock purchase agreement dated March 31, 2011 (the "HVC Purchase Agreement"). The HVC Companies are engaged in the solid waste and recycling business in New York's Hudson Valley. In October 2011, the Company received a letter from the New York State Workers' Compensation Board (the "WCB") with respect to the TEAM Transportation Workers' Compensation Trust (the "TEAM Trust"). The TEAM Trust is a self-insured workers' compensation program of which certain of the HVC Companies, together with approximately 760 unrelated entities, were participants. The TEAM Trust incurred deficits for a number of years leading up to 2011. In late 2010, trust members elected to close the TEAM Trust and cease all workers' compensation coverage, effective on January 1, 2011. The October 2011 WCB letter asserted that the TEAM Trust had insufficient funds to cover outstanding claims and liabilities that preceded the trust's closure and that, based upon the WCB's preliminary estimates, the HVC Companies' allocable portion of the underfunding was approximately $866. On December 7, 2011, the WCB determined that the TEAM Trust had demonstrated an inability to properly administer its liabilities, and accordingly, effective February 1, 2012, the WCB assumed the administration and final distribution of the TEAM Trust's assets and liabilities. In February 2012 the Company notified the HVC Sellers that the failure to disclose the HVC Companies' liability for the TEAM Trust's underfunded obligations was a breach by the HVC Sellers of the representations and warranties contained in the HVC Purchase Agreement and that, pursuant to the terms of the HVC Purchase Agreement, the Company was seeking indemnification from the HVC Sellers for any liability that the HVC Companies may have with respect to the underfunding of the TEAM Trust. In March 2012, the HVC Sellers agreed to assume the defense of the matter but denied liability for indemnification under the HVC Purchase Agreement.

In July 2014, the Company received another letter from the WCB indicating that, based on a forensic accounting firm's review of the TEAM Trust's accumulated deficit, the WCB was increasing its estimate of the HVC Companies' allocable portion of the liability for the TEAM Trust's underfunding from approximately $866 to approximately $5,000, including accrued interest. The WCB has also alleged that each former member of the TEAM Trust is jointly and severally liable for the entire deficit of the TEAM Trust. To date, the WCB has issued a total of over $32,000 in deficiency assessments to the TEAM Trust members, including the HVC Companies.

On October 14, 2014, the Company commenced an action against the HVC Sellers in the United States District Court for the Northern District of New York alleging breach of contract, negligent misrepresentation, fraud, and common law indemnification for the TEAM deficits assessed by the WCB and for other costs, fees and damages, and for a declaratory judgment enforcing the HVC Sellers' indemnification obligations to the Company.

Shortly after the lawsuit was filed, the Company and the HVC Sellers commenced settlement discussions, which culminated in the parties entering into a settlement agreement, dated December 17, 2014. Through the settlement agreement, the principal owner among the HVC Sellers agreed to indemnify the Company for any damages it incurs in relation to Team Trust, including prompt payment of any trust-related assessments made by or on behalf of the WCB. In addition, the HVC Sellers have agreed to toll the statute of limitations on claims asserted in the lawsuit until the indemnification obligations are fulfilled and there is no possibility of the Company incurring further liability in relation to the TEAM Trust. In exchange, the Company filed a notice of voluntary dismissal of the lawsuit, without prejudice, on December 19, 2014, and the notice was so-ordered by the court on December 23, 2014. All of the Company's rights under the HVC Purchase Agreement are acknowledged in the settlement agreement, and are available to the Company in the event there is nonperformance by the HVC Sellers under the settlement agreement.

Lower Duwamish Waterway Superfund Site Allocation Process

The Company's subsidiary, Northwest Container Services, Inc. ("NWCS"), has been named by the U.S. Environmental Protection Agency, Region 10 (the "EPA"), along with more than 100 others, as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") with respect to the Lower Duwamish Waterway Superfund Site (the "LDW Site"). Listed on the National Priorities List in 2001, the LDW Site is a five-mile stretch of the Duwamish River flowing into Elliott Bay in Seattle, Washington. A group of PRPs consisting of the City of Seattle, King County, the Port of Seattle, and Boeing Company conducted a Remedial Investigation/Feasibility Study for the LDW Site, and on December 2, 2014, the EPA issued its Record of Decision ("ROD") describing the selected remedy. The EPA estimates the total cleanup costs (in present value dollars) at $342,000, and estimates that it will take seven years to implement the remedy. Implementation will not begin until after the ongoing Early Action Area cleanups have been completed (estimated to be in mid-2015), as well as additional baseline sampling throughout the LDW Site and the preparation of a remedial design, activities that will take a number of years. The ROD also specifies ten years of monitoring following the cleanup, and provides that if the cleanup goals have not been met by the close of this period, then additional remediation activities may be required at that time. In August 2014, NWCS entered into an Alternative Dispute Resolution Memorandum of Agreement with several dozen other PRPs and a neutral allocator to conduct a non-binding allocation of certain past and future response costs allegedly incurred at the LDW Site. The allocation process is designed to develop evidence relating to each PRP's nexus, if any, to the LDW Site (whether or not that PRP is participating in the allocation process), for the allocator to hear arguments as to how each PRP's nexus affects the allocation of response costs, and to determine each PRP's share of the cleanup costs. NWCS is defending itself vigorously in this confidential process and does not anticipate being allocated material liability. The allocation process is currently scheduled to be completed in mid-2018 with the entry of cleanup implementation and cash-out settlement agreements between and amongst the PRPs and the EPA. At this point the Company is not able to determine the likelihood of any outcome in this matter.

Collective Bargaining Agreements

Five of the Company's collective bargaining agreements have expired or are set to expire in 2015. The Company does not expect any significant disruption in its overall business in 2015 as a result of labor negotiations, employee strikes or organizational efforts.

12. STOCKHOLDERS' EQUITY

Sale of Common Stock

On February 27, 2012, the Company entered into an underwriting agreement with Morgan Stanley & Co. LLC, in connection with the offer and sale by the Company of 12,000,000 shares of its common stock, par value $0.01 per share. The shares of common stock were sold to Morgan Stanley & Co. LLC at a price of $30.83 per share. The offering closed on March 2, 2012. The Company received net proceeds from this offering of $369,584 after deducting transaction expenses paid by the Company of approximately $376.

Cash Dividend

The Company's Board of Directors authorized the initiation of a quarterly cash dividend in October 2010 and has increased it on an annual basis. In October 2014, the Company announced that its Board of Directors increased its regular quarterly cash dividend by $0.015, from $0.115 to $0.13 per share. Cash dividends of $58,906, $51,213 and $44,465 were paid during the years ended December 31, 2014, 2013 and 2012, respectively.

Share Repurchase Program

The Company's Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1,200,000 of common stock through December 31, 2017. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including the Company's capital structure, the market price of the common stock and overall market conditions. As of December 31, 2014 and 2013, the Company had repurchased in aggregate 40,032,366 and 39,865,266 shares, respectively, of its common stock at an aggregate cost of $791,357 and $784,040, respectively. The Company did not repurchase any shares of its common stock during the year ended December 31, 2013. As of December 31, 2014, the remaining maximum dollar value of shares available for repurchase under the program was approximately $408,643. The Company's policy related to repurchases of its common stock is to charge any excess of cost over par value entirely to additional paid-in capital.

Common Stock

Of the 126,015,473 shares of common stock authorized but unissued as of December 31, 2014, the following shares were reserved for issuance:

For outstanding restricted stock units, stock options and warrants	1,655,659
For future grants under the 2014 Incentive Award Plan	3,133,024
	4,788,683

Restricted Stock Units, Performance-Based Restricted Stock Units, Stock Options and Stock Purchase Warrants

In 2004, the Company's Board of Directors adopted the 2004 Equity Incentive Plan, currently referred to as the Third Amended and Restated 2004 Equity Incentive Plan (the "2004 Plan"), which was last approved by the Company's stockholders on May 7, 2010. A total of 7,162,500 shares of the Company's common stock were reserved for future issuance under the 2004 Plan, all of which may have been used for grants of stock options, restricted stock, and/or restricted stock units ("RSUs"). Participation in the 2004 Plan was limited to employees, officers, directors and consultants. Options granted under the 2004 Plan were nonqualified stock options and had a term of no longer than five years from the date they were granted. Restricted stock, RSUs, and options granted under the 2004 Plan generally vest in installments pursuant to a vesting schedule set forth in each agreement. The Board of Directors authorized the granting of awards under the 2004 Plan, and determined the employees and consultants to whom such awards were to be granted, the number of shares subject to each award, and the exercise price, term, vesting schedule and other terms and conditions of each award. The exercise prices of the options granted under the 2004 Plan were not less than the fair market value of the Company's common stock on the date of grant. Restricted stock awards granted under the 2004 Plan may or may not have required a cash payment from a participant to whom an award was made; RSU awards granted under the plan did not require any cash payment from the participant to whom an award was made. No further grants may be made under the 2004 Plan as of May 16, 2014 pursuant to the Company's stockholder approval of the 2014 Incentive Award Plan on such date.

In 2014, the Company's Board of Directors adopted the 2014 Incentive Award Plan (the "2014 Plan"), which was approved by the Company's stockholders on May 16, 2014. A total of 3,250,000 shares of the Company's common stock were reserved for future issuance under the 2014 Plan, all of which may be used for grants of nonqualified stock options ("options"), warrants, restricted stock, RSUs, dividend equivalents and stock payment awards. The 2014 Plan also authorizes the granting of performance awards payable in the form of the Company's common stock or cash, including equity awards and incentive cash bonuses that may be intended to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)"). Participation in the 2014 Plan is limited to employees and consultants of the Company and its subsidiaries and non-employee directors. The 2014 Plan is administered by the Company's Board of Directors with respect to awards to non-employee directors and by its Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of the Company's directors and/or officers, subject to certain limitations (collectively, the "administrator"). The administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares subject to awards and to determine the terms and conditions of awards, including the number of shares subject to each award, the exercise price, term, vesting schedule and other terms and conditions of the award.

Options and warrants granted under the 2014 Plan have a term of no longer than ten years from the date they are granted. Options, warrants, restricted stock and RSUs granted under the 2014 Plan generally vest in installments pursuant to a vesting schedule

set forth in each award agreement. The exercise prices of the options and warrants shall not be less than the fair market value of the Company's common stock on the date of grant. Restricted stock awards under the 2014 Plan may or may not require a cash payment from a participant to whom an award is made; RSU awards under the plan do not require any cash payment from the participant to whom an award is made. The vesting of performance awards, including performance-based restricted stock units ("PSUs"), is dependent on one or more performance criteria determined by the administrator on a specific date or dates or over any period or periods determined by the administrator.

Restricted Stock Units

A summary of the Company's RSU activity is presented below:

	Year Ended December 31,		
	2014	**2013**	**2012**
Restricted stock units granted	504,255	574,017	635,266
Weighted average grant-date fair value of restricted stock units granted	$ 42.54	$ 34.06	$ 31.52
Total fair value of restricted stock units granted	$ 21,449	$ 19,550	$ 20,025
Restricted stock units becoming free of restrictions	563,117	543,921	662,909
Weighted average restriction period (in years)	3.9	3.9	3.2

A summary of activity related to RSUs during the year ended December 31, 2014, is presented below:

	Unvested Shares	**Weighted-Average Grant Date Fair Value Per Share**
Outstanding at December 31, 2013	1,299,466	$ 29.98
Granted	504,255	42.54
Forfeited	(39,720)	36.98
Vested and Issued	(492,695)	27.17
Vested and Unissued	(70,422)	26.53
Outstanding at December 31, 2014	1,200,884	36.06

Recipients of the Company's RSUs who participate in the Company's Nonqualified Deferred Compensation Plan may have elected in years prior to 2015 to defer some or all of their RSUs as they vest until a specified date or dates they choose. At the end of the deferral periods, the Company issues to recipients who deferred their RSUs shares of the Company's common stock underlying the deferred RSUs. At December 31, 2014, 2013 and 2012, the Company had 223,752, 163,995 and 102,477 vested deferred RSUs outstanding, respectively.

Performance-Based Restricted Stock Units

A summary of activity related to PSU's during the year ended December 31, 2014, is presented below:

	Unvested Shares
Outstanding at December 31, 2013	-
Granted	54,723
Forfeited	-
Vested	-
Outstanding at December 31, 2014	54,723

The weighted average grant-date fair value per share for the shares of common stock underlying the PSUs granted during the year ended December 31, 2014 was $42.33. The Compensation Committee will determine the achievement of performance results and corresponding vesting of PSUs for each three-year performance period. The three-year performance period for the PSU's granted during the year ended December 31, 2014 ends on December 31, 2016.

Stock Options

The Company has stock options outstanding, vested and exercisable under equity-based compensation plans that expired in 2012. A summary of the Company's stock option activity and related information under these plans during the year ended December 31, 2014, is presented below:

	Number of Shares (Options)	Weighted Average Exercise Price
Outstanding as of December 31, 2013	274,902	$ 14.36
Granted	-	-
Forfeited	-	-
Exercised	(237,902)	14.19
Outstanding as of December 31, 2014	37,000	15.45

The following table summarizes information about stock options outstanding as of December 31, 2014:

	Options Outstanding			Options Vested and Exercisable		
Exercise Price	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
$15.45	37,000	$ 15.45	1.1	37,000	$ 15.45	1.1

The aggregate intrinsic value for both options outstanding and options exercisable at December 31, 2014, was $1,056. The total intrinsic value of stock options exercised during the years ended December 31, 2014, 2013 and 2012, was $7,458, $5,729 and $6,239, respectively. As of December 31, 2014, 2013 and 2012, a total of 37,000, 274,902 and 484,794 options to purchase common stock, respectively, were exercisable under all stock option plans.

Stock Purchase Warrants

The Company has outstanding stock purchase warrants issued under an incentive plan which expired in 2012 as well as outstanding stock purchase warrants issued under the 2014 Plan. Warrants to purchase the Company's common stock were issued to certain consultants to the Company. Warrants issued were fully vested and exercisable at the date of grant. Warrants outstanding at December 31, 2014, expire between 2015 and 2019.

A summary of warrant activity during the year ended December 31, 2014, is presented below:

	Warrants	Weighted-Average Exercise Price
Outstanding at December 31, 2013	90,501	$ 30.92
Granted	50,403	48.33
Forfeited	(3,499)	23.12
Exercised	(3,814)	23.12
Outstanding at December 31, 2014	133,591	37.92

The following table summarizes information about warrants outstanding as of December 31, 2014 and 2013:

Grant Date	Warrants Issued	Exercise Price	Fair Value of Warrants Issued	Outstanding at December 31, 2014	Outstanding at December 31, 2013
Throughout 2010	51,627	$20.64 to $27.41	351	1,886	9,199
Throughout 2011	9,324	$27.53 to $33.14	79	9,324	9,324
Throughout 2012	71,978	$30.52 to $33.03	628	71,978	71,978
Throughout 2014	50,403	$45.62 to $49.06	276	50,403	-
				133,591	90,501

13. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes changes in the fair value of interest rate swaps and the fuel hedge that qualify for hedge accounting. The components of other comprehensive income (loss) and related tax effects for the years ended December 31, 2014, 2013 and 2012, are as follows:

	Year Ended December 31, 2014		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 4,581	$ (1,757)	$ 2,824
Fuel hedge amounts reclassified into cost of operations	(823)	316	(507)
Changes in fair value of interest rate swaps	(6,448)	2,478	(3,970)
Changes in fair value of fuel hedge	(3,355)	1,284	(2,071)
	$ (6,045)	$ 2,321	$ (3,724)

	Year Ended December 31, 2013		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 5,641	$ (2,158)	$ 3,483
Changes in fair value of interest rate swaps	296	(108)	188
Changes in fair value of fuel hedge	1,012	(387)	625
	$ 6,949	$ (2,653)	$ 4,296

	Year Ended December 31, 2012		
	Gross	**Tax effect**	**Net of tax**
Interest rate swap amounts reclassified into interest expense	$ 5,289	$ (2,010)	$ 3,279
Fuel hedge amounts reclassified into cost of operations	(4,513)	1,715	(2,798)
Changes in fair value of interest rate swaps	(7,333)	2,809	(4,524)
Changes in fair value of fuel hedge	2,194	(836)	1,358
	$ (4,363)	$ 1,678	$ (2,685)

A rollforward of the amounts included in AOCL, net of taxes, is as follows:

	Fuel Hedge	**Interest Rate Swaps**	**Accumulated Other Comprehensive Loss**
Balance at December 31, 2012	$ 732	$ (6,897)	$ (6,165)
Amounts reclassified into earnings	-	3,483	3,483
Changes in fair value	625	188	813
Balance at December 31, 2013	1,357	(3,226)	(1,869)
Amounts reclassified into earnings	(507)	2,824	2,317
Changes in fair value	(2,071)	(3,970)	(6,041)
Balance at December 31, 2014	$ (1,221)	$ (4,372)	$ (5,593)

14. INCOME TAXES

The provision for income taxes for the years ended December 31, 2014, 2013 and 2012, consists of the following:

	Years Ended December 31,		
	2014	2013	2012
Current:			
Federal	$ 103,332	$ 73,243	$ 65,099
State	17,972	12,993	10,655
	121,304	86,236	75,754
Deferred:			
Federal	27,646	35,797	24,795
State	3,385	2,883	4,894
	31,031	38,680	29,689
Provision for income taxes	$ 152,335	$ 124,916	$ 105,443

The significant components of deferred income tax assets and liabilities as of December 31, 2014 and 2013 are as follows:

	2014	2013
Deferred income tax assets:		
Accounts receivable reserves	$ 3,519	$ 2,810
Accrued expenses	34,377	31,330
Compensation	15,549	10,901
Interest rate and fuel hedges	3,479	1,158
Leases	1,178	1,308
State taxes	5,480	3,917
Contingent liabilities	25,071	19,415
Other	527	723
Gross deferred income tax assets	89,180	71,562
Less: Valuation allowance	-	-
Net deferred income tax assets	89,180	71,562
Deferred income tax liabilities:		
Goodwill and other intangibles	(280,828)	(247,082)
Property and equipment	(255,512)	(242,556)
Landfill closure/post-closure	(34,277)	(30,085)
Prepaid expenses	(7,690)	(12,256)
Total deferred income tax liabilities	(578,307)	(531,979)
Net deferred income tax liability	$ (489,127)	$ (460,417)

During the years ended December 31, 2014, 2013 and 2012, the Company reduced its taxes payable by $11,090, $8,781 and $9,603 respectively, as a result of the exercise of non-qualified stock options, the vesting of restricted stock units, and the disqualifying disposition of incentive stock options. The excess tax benefit associated with equity-based compensation of $7,518, $3,765 and $5,033 for the years ended December 31, 2014, 2013 and 2012, respectively, was recorded in additional paid-in capital.

The differences between the Company's income tax provision as presented in the accompanying Consolidated Statements of Net Income and income tax provision computed at the federal statutory rate consist of the items shown in the following table as a percentage of pre-tax income:

	Years Ended December 31,		
	2014	**2013**	**2012**
Income tax provision at the statutory rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	3.8	3.7	3.6
Deferred income tax liability adjustments	0.3	-	1.0
Noncontrolling interests	(0.1)	-	(0.1)
Other	0.5	0.2	0.3
	39.5%	38.9%	39.8%

During the year ended December 31, 2014, the Deferred income tax liability adjustments, due primarily to the enactment of New York State's 2014-2015 Budget Act, resulted in an increase to tax expense of $1,220. During the year ended December 31, 2012, the Deferred income tax liability adjustments, due primarily to changes in the geographical apportionment of the Company's state income taxes associated with the R360 acquisition, resulted in an increase to tax expense of $2,602.

At December 31, 2014 and 2013, the Company did not have any significant federal or state net operating loss carryforwards.

The Company and its subsidiaries are subject to U.S. federal income tax as well as to income tax of multiple state jurisdictions. The Company has concluded all U.S. federal income tax matters for years through 2010. All material state and local income tax matters have been concluded for years through 2009.

The Company did not have any unrecognized tax benefits recorded at December 31, 2014, 2013 or 2012. The Company does not anticipate the total amount of unrecognized tax benefits will significantly change by December 31, 2015. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

15. SEGMENT REPORTING

The Company's revenues are generated from the collection, transfer, recycling and disposal of non-hazardous solid waste and the treatment, recovery and disposal of non-hazardous E&P waste. No single contract or customer accounted for more than 10% of the Company's total revenues at the consolidated or reportable segment level during the periods presented.

The Company manages its operations through three geographic operating segments (Western, Central and Eastern), and its E&P segment, which includes the majority of the Company's E&P waste treatment and disposal operations. The Company's three geographic operating segments and its E&P segment comprise the Company's reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. The Company's Western segment is comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; the Company's Central segment is comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; and the Company's Eastern segment is comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee. The E&P segment is comprised of the Company's E&P operations in Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and along the Gulf of Mexico.

The Company's Chief Operating Decision Maker evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. The Company defines segment EBITDA as earnings before interest, taxes, depreciation, amortization, loss on prior office leases, impairments and other operating charges and other income (expense). Segment EBITDA is not a measure of operating income, operating performance or liquidity under generally accepted accounting principles and may not be comparable to similarly titled measures reported by other companies. The Company's management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments. A reconciliation of segment EBITDA to Income before income tax provision is included at the end of this Note 15.

Summarized financial information concerning the Company's reportable segments for the years ended December 31, 2014, 2013 and 2012, is shown in the following tables:

Year Ended December 31, 2014	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Segment EBITDA[c]	Depreciation and Amortization	Capital Expenditures	Total Assets[e]
Western	$ 920,116	$ (96,194)	$ 823,922	$ 258,126	$ 79,907	$ 65,227	$ 1,482,474
Central	629,574	(68,094)	561,480	197,121	69,037	77,500	1,187,505
Eastern	473,983	(80,162)	393,821	116,230	53,717	60,384	852,963
E&P	314,845	(14,902)	299,943	147,261	52,709	36,608	1,609,553
Corporate[a], [d]	-	-	-	(7,434)	2,574	1,558	117,536
	$ 2,338,518	$ (259,352)	$ 2,079,166	$ 711,304	$ 257,944	$ 241,277	$ 5,250,031

Year Ended December 31, 2013	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Segment EBITDA[c]	Depreciation and Amortization	Capital Expenditures	Total Assets[e]
Western	$ 905,764	$ (99,974)	$ 805,790	$ 249,548	$ 81,164	$ 70,960	$ 1,487,409
Central	573,366	(62,438)	510,928	182,790	64,165	57,952	1,173,089
Eastern	447,844	(76,072)	371,772	108,173	51,546	39,703	807,124
E&P	251,651	(11,346)	240,305	111,056	44,099	34,916	1,484,501
Corporate[a], [d]	-	-	-	(228)	2,890	6,343	112,129
	$ 2,178,625	$ (249,830)	$ 1,928,795	$ 651,339	$ 243,864	$ 209,874	$ 5,064,252

Year Ended December 31, 2012	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Segment EBITDA[c]	Depreciation and Amortization	Capital Expenditures	Total Assets[e]
Western	$ 882,228	$ (100,094)	$ 782,134	$ 229,427	$ 78,191	$ 64,583	$ 1,507,081
Central	517,916	(56,041)	461,875	164,756	54,743	51,300	1,114,479
Eastern	441,907	(75,082)	366,825	101,046	49,289	32,037	826,687
E&P	52,326	(1,542)	50,784	23,651	9,018	1,971	1,493,693
Corporate[a], [d]	-	-	-	(11,073)	2,343	3,626	134,086
	$ 1,894,377	$ (232,759)	$ 1,661,618	$ 507,807	$ 193,584	$ 153,517	$ 5,076,026

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the four operating segments.

(b) Intercompany revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

(c) For those items included in the determination of segment EBITDA, the accounting policies of the segments are the same as those described in Note 1.

(d) Corporate assets include cash, net deferred tax assets, debt issuance costs, equity investments, and corporate facility leasehold improvements and equipment.

(e) Goodwill is included within total assets for each of the Company's four operating segments.

The following table shows changes in goodwill during the years ended December 31, 2013 and 2014, by reportable segment:

	Western	Central	Eastern	E&P	Total
Balance as of December 31, 2012	$ 373,143	$ 430,412	$ 380,561	$ 452,441	$ 1,636,557
Goodwill transferred	-	(9,196)	-	9,196	-
Goodwill acquired	521	37,838	564	978	39,901
Goodwill divested	(749)	-	(555)	-	(1,304)
Balance as of December 31, 2013	372,915	459,054	380,570	462,615	1,675,154
Goodwill acquired	-	1,470	11,853	5,455	18,778
Goodwill divested	-	(143)	-	-	(143)
Balance as of December 31, 2014	$ 372,915	$ 460,381	$ 392,423	$ 468,070	$ 1,693,789

The Company has no accumulated impairment losses associated with goodwill.

A reconciliation of the Company's primary measure of segment profitability (segment EBITDA) to Income before income tax provision in the Consolidated Statements of Net Income is as follows:

	Years ended December 31,		
	2014	**2013**	**2012**
Western segment EBITDA	$ 258,126	$ 249,548	$ 229,427
Central segment EBITDA	197,121	182,790	164,756
Eastern segment EBITDA	116,230	108,173	101,046
E&P segment EBITDA	147,261	111,056	23,651
Subtotal reportable segments	718,738	651,567	518,880
Unallocated corporate overhead	(7,434)	(228)	(11,073)
Depreciation	(230,944)	(218,454)	(169,027)
Amortization of intangibles	(27,000)	(25,410)	(24,557)
Loss on prior office leases	-	(9,902)	-
Gain from litigation settlement	-	-	3,551
Impairments and other operating charges	(4,091)	(4,129)	(1,627)
Interest expense	(64,674)	(73,579)	(53,037)
Other income, net	1,067	1,056	1,993
Income before income tax provision	$ 385,662	$ 320,921	$ 265,103

The following tables reflect a breakdown of the Company's revenue and inter-company eliminations for the periods indicated:

	Year Ended December 31, 2014			
	Revenue	**Intercompany Revenue**	**Reported Revenue**	**% of Reported Revenue**
Solid waste collection	$ 1,289,906	$ (3,593)	$ 1,286,313	61.9%
Solid waste disposal and transfer	617,161	(235,851)	381,310	18.3
Solid waste recycling	58,226	(2,118)	56,108	2.7
E&P waste treatment, recovery and disposal	326,934	(16,862)	310,072	14.9
Intermodal and other	46,291	(928)	45,363	2.2
Total	$ 2,338,518	$ (259,352)	$ 2,079,166	100.0%

	Year Ended December 31, 2013			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,219,091	$ (4,304)	$ 1,214,787	63.0%
Solid waste disposal and transfer	579,379	(226,897)	352,482	18.3
Solid waste recycling	71,831	(6,101)	65,730	3.4
E&P waste treatment, recovery and disposal	262,286	(11,462)	250,824	13.0
Intermodal and other	46,038	(1,066)	44,972	2.3
Total	$ 2,178,625	$ (249,830)	$ 1,928,795	100.0%

	Year Ended December 31, 2012			
	Revenue	Intercompany Revenue	Reported Revenue	% of Reported Revenue
Solid waste collection	$ 1,176,333	$ (5,545)	$ 1,170,788	70.4%
Solid waste disposal and transfer	524,861	(215,871)	308,990	18.6
Solid waste recycling	81,512	(8,722)	72,790	4.4
E&P waste treatment, recovery and disposal	61,350	(1,542)	59,808	3.6
Intermodal and other	50,321	(1,079)	49,242	3.0
Total	$ 1,894,377	$ (232,759)	$ 1,661,618	100.0%

16. NET INCOME PER SHARE INFORMATION

The following table sets forth the calculation of the numerator and denominator used in the computation of basic and diluted net income per common share attributable to the Company's common stockholders for the years ended December 31, 2014, 2013 and 2012:

	Years Ended December 31,		
	2014	2013	2012
Numerator:			
Net income attributable to Waste Connections for basic and diluted earnings per share	$ 232,525	$ 195,655	$ 159,093
Denominator:			
Basic shares outstanding	124,215,346	123,597,540	121,172,381
Dilutive effect of stock options and warrants	90,334	186,006	308,681
Dilutive effect of restricted stock units	481,741	381,506	343,287
Diluted shares outstanding	124,787,421	124,165,052	121,824,349

As of December 31, 2014 and 2012, warrants to purchase 50,031 and 72,324 shares of common stock, respectively, were excluded from the computation of diluted earnings per share as they were anti-dilutive. As of December 31, 2013, all outstanding warrants were dilutive and included in the computation of diluted earnings per share. As of December 31, 2014, 2013 and 2012, all outstanding stock options were dilutive and included in the computation of diluted earnings per share.

17. EMPLOYEE BENEFIT PLANS

401K Plans: WCI has a voluntary savings and investment plan (the "WCI 401(k) Plan"), as do certain of its subsidiaries (together with the WCI 401(k) Plan, the "401(k) Plans"). The 401(k) Plans are available to all eligible employees of WCI and its subsidiaries. WCI and its subsidiaries make matching contributions under the 401(k) Plans of 50% to 100% of every dollar of a

participating employee's pre-tax contributions until the employee's contributions equal from 3% to 6% of the employee's eligible compensation, subject to certain limitations imposed by the U.S. Internal Revenue Code.

Total employer expenses, including employer matching contributions, for the 401(k) Plans were $4,765, $4,024 and $3,304, respectively, during the years ended December 31, 2014, 2013 and 2012. These amounts include matching contributions WCI made under the Deferred Compensation Plan, described below.

Multiemployer Pension Plans: The Company also participates in two "multiemployer" pension plans. The Company does not administer these multiemployer plans. In general, these plans are managed by the trustees, with the unions appointing certain trustees, and other contributing employers of the plan appointing certain members. The Company is generally not represented on the board of trustees. The Company makes periodic contributions to these plans pursuant to its collective bargaining agreements. The Company's participation in multiemployer pension plans is summarized as follows:

		Pension Protection Act Zone Status[b]		Company Contributions			Expiration Date of Collective Bargaining Agreement	
Plan Name	**EIN/Pension Plan Number**	**2014**	**2013**	**2014**	**2013**	**2012**		
Western Conference of Teamsters Pension Trust	91-6145047 - 001	Green	Green	$ 226	$ 3,662	$ 3,591	12/15/14 to 12/31/19	(a)
Locals 302 & 612 of the IOUE - Employers Construction Industry Retirement Plan	91-6028571 - 001	Green	Green	3,852	223	221	9/30/16	
				$ 4,078	$ 3,885	$ 3,812		

(a) There is one collective bargaining agreement, representing a total of 54 employees, which expired on December 15, 2014, and is currently being negotiated for extension.
(b) The most recent Pension Protection Act zone status available in 2014 and 2013 is for the plans' years ended December 31, 2013 and 2012, respectively.

The status is based on information that the Company received from the pension plans and is certified by the pension plans' actuary. Plans with "green" status are at least 80% funded. The Company's contributions to each individual multiemployer pension plan represent less than 5% of total contributions to such plan. Under current law regarding multiemployer benefit plans, a plan's termination, the Company's voluntary withdrawal, or the withdrawal of all contributing employers from any under-funded multiemployer pension plan would require the Company to make payments to the plan for its proportionate share of the multiemployer plan's unfunded vested liabilities. The Company could have adjustments to its estimates for these matters in the near term that could have a material effect on its consolidated financial condition, results of operations or cash flows.

Deferred Compensation Plan: Effective for compensation paid on and after July 1, 2004, the Company established a Deferred Compensation Plan for eligible employees, which was amended and restated effective January 1, 2008, January 1, 2010, September 22, 2011 and December 1, 2014 (the "Deferred Compensation Plan"). The Deferred Compensation Plan is a non-qualified deferred compensation program under which the eligible participants, including officers and certain employees who meet a minimum salary threshold, may voluntarily elect to defer up to 80% of their base salaries and up to 100% of their bonuses, commissions and restricted stock unit grants. Effective as of December 1, 2014, the Board of Directors determined to discontinue the option to allow eligible participants to defer restricted stock unit grants pursuant to the Deferred Compensation Plan. Members of the Company's Board of Directors are eligible to participate in the Deferred Compensation Plan with respect to their Director fees. Although the Company periodically contributes the amount of its obligation under the plan to a trust for the benefit of the participants, the amounts of any compensation deferred under the Deferred Compensation Plan constitute an unsecured obligation of the Company to pay the participants in the future and, as such, are subject to the claims of other creditors in the event of insolvency proceedings. Participants may elect certain future distribution dates on which all or a portion of their accounts will be paid to them, including in the case of a change in control of the Company. Their accounts will be distributed to them in cash, except for amounts credited with respect to deferred restricted stock unit grants, which will be distributed in shares of the Company's common stock pursuant to the 2014 Incentive Award Plan, the Third Amended and Restated 2004 Equity Incentive Plan or any successor plan or plans. In addition to the amount of participants' contributions, the Company will pay participants an amount reflecting a deemed return based on the returns of various mutual funds or measurement funds selected by the participants, except in the case of restricted stock units that are deferred, which are credited to their accounts as shares of Company common stock. The measurement funds are used only to determine the amount of return the Company pays to participants and participant funds are not actually invested in the measurement fund, nor are

any shares of Company common stock acquired under the Deferred Compensation Plan. During the year ending December 31, 2014, the Company also made matching contributions to the Deferred Compensation Plan of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equaled 6% of the employee's eligible compensation, less the amount of any match the Company made on behalf of the employee under the WCI 401(k) Plan, and subject to certain deferral limitations imposed by the U.S. Internal Revenue Code on 401(k) plans, except that the Company's matching contributions under the Deferred Compensation Plan were 100% vested when made. In each of the two years ending December 31, 2013, the Company also made matching contributions to the Deferred Compensation Plan of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equaled 5% of the employee's eligible compensation, less the amount of any match the Company made on behalf of the employee under the WCI 401(k) Plan, and subject to certain deferral limitations imposed by the U.S. Internal Revenue Code on 401(k) plans, except that the Company's matching contributions under the Deferred Compensation Plan were 100% vested when made. The Company's total liability for deferred compensation at December 31, 2014 and 2013 was $18,614 and $15,335, respectively, which was recorded in Other long-term liabilities in the Consolidated Balance Sheets.

18. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes the unaudited consolidated quarterly results of operations for 2014:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 481,710	$ 524,693	$ 546,551	$ 526,213
Operating income	100,589	118,716	116,011	113,952
Net income	49,223	62,900	60,284	60,921
Net income attributable to Waste Connections	49,015	62,664	60,084	60,762
Basic income per common share attributable to Waste Connections' common stockholders	0.40	0.50	0.48	0.49
Diluted income per common share attributable to Waste Connections' common stockholders	0.39	0.50	0.48	0.49

During the third quarter of 2014, the Company recorded an $8,445 impairment charge for property and equipment at an E&P disposal facility as a result of projected operating losses resulting from the migration of the majority of the facility's customers to a new E&P facility that the Company owns and operates.

The following table summarizes the unaudited consolidated quarterly results of operations for 2013:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 449,892	$ 489,381	$ 503,646	$ 485,877
Operating income	86,913	91,387	115,714	99,430
Net income	41,680	43,995	60,913	49,417
Net income attributable to Waste Connections	41,556	43,967	60,706	49,426
Basic income per common share attributable to Waste Connections' common stockholders	0.34	0.36	0.49	0.40
Diluted income per common share attributable to Waste Connections' common stockholders	0.34	0.35	0.49	0.40

During the second quarter of 2013, the Company estimated and recorded $10,498 ($6,483 net of taxes) of expense associated with the cessation of use of its former corporate headquarters in Folsom, California, which was reduced by $1,338 ($826 net of taxes) during the third quarter of 2013 as a result of entering into a binding agreement to remit a payment to terminate the remaining lease obligation. During the third quarter of 2013, the Company recorded $742 ($458 net of taxes) of expense associated with the cessation of use of its E&P segment's former regional offices in Houston, Texas.

19. SUBSEQUENT EVENTS

On February 9, 2015, the Company announced that its Board of Directors approved a regular quarterly cash dividend of $0.13 per share on the Company's common stock. The dividend will be paid on March 16, 2015, to stockholders of record on the close of business on March 2, 2015.

Subsequent to December 31, 2014 and through the date the accompanying financial statements were issued, the Company repurchased 428,669 shares of its common stock under this program at a cost of $18,366.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2014, at the reasonable assurance level such that information required to be disclosed in our Exchange Act reports: (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (2) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. This process includes policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and any dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles; (3) provide reasonable assurance that receipts and expenditures of ours are being made only in accordance with authorizations of our management; and (4) provide reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material affect on our financial statements would be prevented or timely detected.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our internal control over financial reporting as of December 31, 2014. In conducting our evaluation, we used the framework set forth in the report titled "Internal Control – Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of our evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of our internal control over financial reporting as of December 31, 2014, has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in its report which appears in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

Based on an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, there has been no change to our internal control over financial reporting that occurred during the three month period ended December 31, 2014, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth above in Part I under “Executive Officers of the Registrant” and in the paragraph below, the information required by Item 10 has been omitted from this report, and is incorporated by reference to the sections “Election of Directors,” “Corporate Governance and Board Matters” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive Proxy Statement for the 2015 Annual Meeting of Stockholders, which we will file with the SEC pursuant to Regulation 14A within 120 days after the end of our 2014 fiscal year.

We have adopted a Code of Conduct and Ethics that applies to our officers, including our principal executive officer, principal financial officer, principal accounting officer and all other officers, directors and employees. We have also adopted Corporate Governance Guidelines to promote the effective functioning of our Board of Directors and its committees, to promote the interests of stockholders and to ensure a common set of expectations concerning how the Board, its committees and management should perform their respective functions. Our Code of Conduct and Ethics and our Corporate Governance Guidelines are available on our website at http://www.wasteconnections.com as are the charters of our Board’s Audit, Nominating and Corporate Governance and Compensation Committees. Information on or that can be accessed through our website is not incorporated by reference to this report. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendments to, or waiver from, a provision of our Code of Conduct by posting such information on our website.

Stockholders may also obtain copies of the Corporate Governance documents discussed above by contacting our Secretary at the address or phone number listed on the cover page of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by Item 11 has been omitted from this report and is incorporated by reference to the sections “Executive Compensation” and “Corporate Governance and Board Matters” in our definitive Proxy Statement for the 2015 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by Item 12 has been omitted from this report and is incorporated by reference to the sections “Principal Stockholders” and “Equity Compensation Plan Information” in our definitive Proxy Statement for the 2015 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by Item 13 has been omitted from this report and is incorporated by reference to the sections “Certain Relationships and Related Transactions” and “Corporate Governance and Board Matters” in our definitive Proxy Statement for the 2015 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by Item 14 has been omitted from this report and is incorporated by reference to the section “Appointment of Independent Registered Public Accounting Firm” in our definitive Proxy Statement for the 2015 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) See Index to Consolidated Financial Statements on page 64. The following Financial Statement Schedule is filed herewith on page 116 and made a part of this Report:

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) See Exhibit Index immediately following signature pages.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Waste Connections, Inc.

By: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

Date: February 10, 2015

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ronald J. Mittelstaedt and Worthing F. Jackman, jointly and severally, his true and lawful attorneys-in-fact, each with the power of substitution, for him in any and all capacities to sign any amendments to this Annual Report on Form 10-K, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ronald J. Mittelstaedt Ronald J. Mittelstaedt	Chief Executive Officer and Chairman (principal executive officer)	February 10, 2015
/s/ Worthing F. Jackman Worthing F. Jackman	Executive Vice President and Chief Financial Officer (principal financial officer)	February 10, 2015
/s/ David G. Eddie David G. Eddie	Senior Vice President and Chief Accounting Officer (principal accounting officer)	February 10, 2015
/s/ Michael W. Harlan Michael W. Harlan	Director	February 10, 2015
/s/ William J. Razzouk William J. Razzouk	Director	February 10, 2015
/s/ Robert H. Davis Robert H. Davis	Director	February 10, 2015
/s/ Edward E. Guillet Edward E. Guillet	Director	February 10, 2015

WASTE CONNECTIONS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2014, 2013 and 2012
(in thousands)

Description	Balance at Beginning of Year	Additions		Deductions (Write-offs, Net of Collections)	Balance at End of Year
		Charged to Costs and Expenses	Charged to Other Accounts		
Allowance for Doubtful Accounts:					
Year Ended December 31, 2014	$ 7,348	$ 8,043	$ -	$ (6,216)	$ 9,175
Year Ended December 31, 2013	6,548	6,617	-	(5,817)	7,348
Year Ended December 31, 2012	6,617	5,153	-	(5,222)	6,548

EXHIBIT INDEX

Exhibit Number	**Description of Exhibits**
2.1	Purchase and Sale Agreement, dated as of September 16, 2012, by an among R360 Environmental Solutions, Inc. and the other Sellers named therein and WCI Holdings Co., Inc. and, for the limited purposes described therein, the Registrant (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on October 23, 2012)
3.1	Amended and Restated Certificate of Incorporation of the Registrant, dated as of June 14, 2013 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on July 24, 2013)
3.2	Fourth Amended and Restated Bylaws of the Registrant, effective July 17, 2014 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on July 21, 2014)
4.1	Form of Common Stock Certificate (incorporated by reference to the exhibit filed with the Registrant's Form S-1/A filed on May 6, 1998)
4.2	Master Note Purchase Agreement, dated July 15, 2008 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on July 18, 2008)
4.3	Amendment No. 1 to Master Note Purchase Agreement, dated as of July 20, 2009 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on August 5, 2009)
4.4	First Supplement to Master Note Purchase Agreement, dated as of October 26, 2009 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on October 27, 2009)
4.5	Amendment No. 2 to Master Note Purchase Agreement, dated as of November 24, 2010 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on November 26, 2010)
4.6	Second Supplement to Master Note Purchase Agreement, dated as of April 1, 2011 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on April 5, 2011)
4.7	Amendment No. 3 to Master Note Purchase Agreement, dated as of October 12, 2011 (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 8, 2012)
4.8	Amendment No. 4 to Master Note Purchase Agreement, dated August 9, 2013 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on August 14, 2013)
10.1 +	Employment Agreement between the Registrant and James M. Little, dated as of September 13, 1999 (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on March 13, 2000)
10.2 +	Employment Agreement between the Registrant and Eric O. Hansen, dated as of January 1, 2001 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on May 3, 2005)
10.3 +	First Amended and Restated Employment Agreement between the Registrant and David M. Hall, dated as of October 1, 2005 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on October 4, 2005)

Exhibit Number	Description of Exhibits
10.4 +	First Amended and Restated Employment Agreement between the Registrant and David G. Eddie, dated as of October 1, 2005 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on October 4, 2005)
10.5 +	Form of Indemnification Agreement between the Registrant and each of its directors and officers (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on July 31, 2006)
10.6 +	Employment Agreement between the Registrant and Patrick J. Shea, dated as of February 1, 2008 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on April 23, 2008)
10.7 +	2002 Senior Management Equity Incentive Plan (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 11, 2008)
10.8 +	Consultant Incentive Plan (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on April 23, 2008)
10.9 +	Form of Amendment to Employment Agreement between the Registrant and each of David G. Eddie, David M. Hall and Patrick J. Shea (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 10, 2009)
10.10 +	Form of Amendment to Employment Agreement between the Registrant and James M. Little (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 10, 2009)
10.11 +	Form of Amendment to Employment Agreement between the Registrant and Eric O. Hansen (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 10, 2009)
10.12 +	Employment Agreement between the Registrant and Rick Wojahn, dated as of February 9, 2009 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on May 8, 2009)
10.13 +	Employment Agreement between the Registrant and Scott Schreiber, dated as of February 9, 2009 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on May 8, 2009)
10.14 +	Amended and Restated Compensation Plan for Independent Directors, dated January 1, 2013 (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on March 1, 2013)
10.15 +	Employment Agreement between the Registrant and Greg Thibodeaux, dated as of July 1, 2000 (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 9, 2011)
10.16 +	Form of Amendment to Employment Agreement between the Registrant and Greg Thibodeaux (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 9, 2011)
10.17 + *	Nonqualified Deferred Compensation Plan, amended and restated as of December 1, 2014
10.18 +	Third Amended and Restated 2004 Equity Incentive Plan (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 8, 2012)

Exhibit Number	Description of Exhibits
10.19 +	Separation Benefits Plan and Employment Agreement by and between the Registrant and Ronald J. Mittelstaedt, effective February 13, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K/A filed on February 27, 2012)
10.20 +	Separation Benefits Plan, effective February 13, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K/A filed on February 27, 2012)
10.21 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Steven F. Bouck, effective February 13, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K/A filed on February 27, 2012)
10.22 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Worthing F. Jackman, effective February 13, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K/A filed on February 27, 2012)
10.23 +	Separation Benefits Plan Participation Letter Agreement by and between the Registrant and Darrell W. Chambliss, effective February 13, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K/A filed on February 27, 2012)
10.24 +	Employment Agreement between the Registrant and Matthew Black, dated as of March 1, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on April 26, 2012)
10.25 +	Employment Agreement between the Registrant and Mary Anne Whitney, dated as of March 1, 2012 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on April 26, 2012)
10.26 +	Employment Agreement between the Registrant and Susan Netherton, dated as of July 23, 2013 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on October 23, 2013)
10.27 +	2014 Incentive Award Plan (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on May 19, 2014)
10.28 +	Form Grant Agreement for Performance-Based Restricted Stock Units (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on May 19, 2014)
10.29 +	Form Warrant to Purchase Common Stock pursuant to 2014 Incentive Award Plan (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on July 21, 2014)
10.30 +	Form Grant Agreement for Restricted Stock Units pursuant to 2014 Incentive Award Plan (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on October 22, 2014)
10.31 +	Employment Agreement between the Registrant and Robert Cloninger, dated as of August 1, 2014 (incorporated by reference to the exhibit filed with the Registrant's Form 10-Q filed on October 22, 2014)
10.32	Term Loan Agreement, dated as of October 25, 2012 (incorporated by reference to the exhibit filed with the Registrant’s Form 10-K filed on March 1, 2013)
10.33	First Amendment to Term Loan Agreement, dated as of May 6, 2013 (incorporated by reference to the exhibit filed with the Registrant’s Form 10-Q filed on July 24, 2013)
10.34	Second Amended and Restated Credit Agreement, dated as of May 6, 2013 (incorporated by reference to the exhibit filed with the Registrant’s Form 10-Q filed on July 24, 2013)

Exhibit Number	Description of Exhibits
10.35	Revolving Credit and Term Loan Agreement, dated as of January 26, 2015 (incorporated by reference to the exhibit filed with the Registrant's Form 8-K filed on January 30, 2015)
12.1 *	Statement regarding Computation of Ratios
21.1 *	Subsidiaries of the Registrant
23.1 *	Consent of Independent Registered Public Accounting Firm
24.1 *	Power of Attorney (see signature page of this Annual Report on Form 10-K)
31.1 *	Certification of Chief Executive Officer
31.2 *	Certification of Chief Financial Officer
32.1 *	Certificate of Chief Executive Officer and Chief Financial Officer
101.INS *	XBRL Instance Document
101.SCH *	XBRL Taxonomy Extension Schema Document
101.CAL *	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB *	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE *	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF *	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith.
+ Management contract or compensatory plan, contract or arrangement.

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Attachment S—Reference Letters

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BOARD OF COUNTY COMMISSIONERS

511 Washington St, Ste. 101 • The Dalles, OR 97058
p: [541] 506-2520 • f: [541] 506-2551 • www.co.wasco.or.us

Pioneering pathways to prosperity.

December 6, 2017

Metro Procurement Services
Attn: Julie Hoffman RFP 3355
600 NE Grand Ave.
Portland, OR 97323-2736

RE: Metro MSW into Wasco County Landfill

Wasco County is pleased to submit this letter recommending Wasco County Landfill/Waste Connections for the attached bid to receive up to 265,000 tons of municipal solid waste (MSW) from Metro.

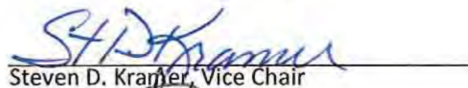
Accepting Metro MSW into Wasco County Landfill would have a notable impact for Wasco County. The increase in Host Fees would help build the County General Fund which supports a variety of County initiatives. The increase in tonnage would help create multiple Living Wage jobs.

Wasco County Landfill and Waste Connections have been actively involved in this community for decades. They have supported a variety of local causes including charities, parks, the Christmas Bike Build and local sports teams. When The Dalles was recently chosen as a Blue Zone city, Waste Connections did not hesitate to offer their support. We are proud to call Wasco County Landfill and Waste Connections friends of the community.

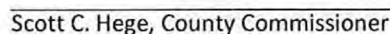
Wasco County supports accepting Metro MSW at Wasco County Landfill and fully recommends Waste Connections as a business partner.

Sincerely,
Wasco County Board of Commissioners

Rod L. Runyon, Chair



Steven D. Kramer, Vice Chair



Scott C. Hege, County Commissioner

Lewis County Department of Public Works

Erik P. Martin, PE, Director
Tim D. Fife, PE, County Engineer

January 3, 2018

Kevin Green District Manager
WASCO County Landfill
2550 Steele Rd. The Dalles OR 97058

RE: Reference Letter for Wasco County Landfill/Waste Connections

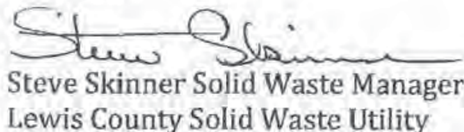
Kevin, I am with Lewis County Solid Waste Utility, a local government program that handles all of the Counties MSW & Recycling within Lewis County in South West Washington.

I would like to take a moment to commend Wasco County Landfill and Waste Connections. I have worked with Waste Connections staff in western WA. for many years. Most notably the Centralia WA. Division for the last 26 years. Lewis County recently entered into an agreement with Wasco County and LeMay Inc. (a subsidiary of Waste Connections) to provide transportation and disposal of Lewis Counties MSW.

The Transportation and Disposal agreement began on April 1, 2017 and is in place for three years with an option for 2 additional years. The service provided by Wasco and LeMay Inc. has been working very well for Lewis County. I am very happy to have such an agreement in place, I am looking forward too many more years of working together, with Wasco County and LeMay Inc.

I would be more than happy to answer any questions, that perspective clients may have regarding our agreement and how well things have been working. Please do not hesitate to forward my contact information if customers or clients have further questions.

Sincerely



Steve Skinner Solid Waste Manager
Lewis County Solid Waste Utility

Road Maintenance & Traffic
476 West Main St.
Chehalis, WA 98532
O 360.740.3380
F 360.740.2741

Administration, Engineering, Utilities & Real Estate Services
2025 NE Kresky Ave.
Chehalis, WA 98532
O 360.740.1123
F 360.740.1479

Solid Waste Services
Post Office Box 180
Centralia, WA 98531
O 360.740.1451
F 360.330.7805

Letter of Recommendation 1/16/2018

To whom it may concern:

It gives me great pleasure to write this letter of recommendation for LeMay, Inc. of Grays Harbor and Waste Connections, Inc. I have worked side-by-side with the Lemay Company for over 21 years as an employee of Grays Harbor County. During my time as the Solid Waste Manager for Grays Harbor County I've had the opportunity to work with LeMay's on cleanup projects, disaster relief projects, landfill management projects, recycling projects, and resolved countless customer service issues. The professionalism and responsiveness of LeMay has always been second to none and I consider them to be a top tier solid waste disposal company.

Since Lemay's acquisition by Waste Connections, Inc., I have continued to see the same quality of work and a willingness to work with my employer. The waste Connections staff has been pleasure to work with at every level and I am pleased to offer my personal recommendation.

Whatever the challenge or job I am confident the Waste Connections, Inc. and LeMay, Inc. is up to the task.

Sincerely,

Mark Cox
Community Development Director
Grays Harbor County

Skamania County

Department of Public Works

Solid Waste and Recycling Division

Skamania County Courthouse Annex
Post Office Box 1009
Stevenson, Washington 98648
(509) 427-3926 Fax (509) 427-8937

January 3, 2018

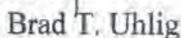
To Whom it may Concern –

Skamania County's Solid Waste and Recycling Division has utilized Wasco County Landfill's services for over two decades. The reasons are thus:

- Perfect Regulatory Compliance
- Well maintained and updated equipment
- Excellent waste tracking and account management system
- *Minimal tipping time turn around*
- Customer Service and Dependability

Skamania County's Solid Waste and Recycling Division, in the foreseeable future, will continue to utilize the services of Wasco County Landfill, with great satisfaction.

Regards,



Brad T. Uhlig

Skamania County Public Works
Solid Waste and Recycling Division Supervisor

Metro Procurement Services
Attn: Julie Hoffman

December 11, 2017

Dear Julie,

Columbia Gorge Community College Foundation is grateful for the generous support of Wasco County Landfill. The organization is a great community partner.

CGCC Foundation organizes an annual golf tournament that benefits its student scholarships fund. Each year, Wasco County Landfill supports the foundation by registering a team in the golf tournament. Wasco County Landfill has participated in the golf tournament every year since the inaugural tournament in 2000 at the Gold Team level. The organization has contributed $10,670 over the past 18 years.

Wasco County Landfill has positively affected CGCC and its students through its support of the student scholarships program. For the 2017-18 academic year, CGCC Foundation awarded 60 CGCC students more than $122,000 in scholarships. CGCC Foundation appreciates the continual partnership between the foundation and Wasco County Landfill.

Sincerely,

Stephanie Hoppe
Director of Foundation and Student Outreach
Columbia Gorge Community College

The Dalles Lions Club
P.O. Box 235
The Dalles, OR 97058

To whom it may concern;

Waste Connections has been an excellent Community Partner with The Dalles Lions Club over the years since they have been in The Dalles. They have partnered with us to do the annual Christmas Tree pickup, which is a major fundraiser for us. They supply the trucks, drivers, dumpsters and dump fees at no cost to us each year so that we can help our city out and make some money. They also donated some safety vests to our Club when we needed some extra ones for the traffic control that we do each year for numerous events. They also volunteered to help move a storage shed years ago when we lost space for it and had to move it to a new location. They supplied the fork lift and driver, which without we would not have been able to get the shed moved.
Waste Connections is a prime example of a Great Community Partner that would be a benefit to any community.

Sincerely

Mike Kilkenny,
Lions President
2015-2017

BLUE ZONES PROJECT®

January 3, 2018

Blue Zones Project – The Dalles
3591 Klindt Drive
Suite 120
The Dalles, OR 97058

Greetings,

As we launch into a new year, Blue Zones Project – The Dalles wanted to take this opportunity to wish you health and happiness in the new year and to provide you with an update on the work accomplished in 2017. This work would not be possible without the support of community leaders and members like yourself. Thank you for making this Project possible in The Dalles. Blue Zones Project is truly a community-led effort and we appreciate the valuable input and participation from everyone. It is truly a testament to the readiness of our community and the commitment we have made to improve health for all residents.

What we've accomplished so far:

ACTIVITY	DATE	COMPLETE?
Community Discovery Planning	May 2017	✓
Community Discovery Execution	May 22 – 26, 2017	✓
Built Environment Discovery	June 18-20, 2017	✓
Candidate Interviews and Selection	June – July 2017	✓ (July 31, 2017 hire date)
Gallup Sharecare Well Being Index Survey Period	June – July 2017	✓

Brought to Oregon by

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News and information from our partners

Christmas joy on wheels

Area disposal companies prepare fleet of bikes for holiday gifts

Photo by Jesse Burkhardt

A team of volunteers from the Wasco County Landfill displays some of the many bicycles they put together on Friday. Left to right are landfill employees Charles Van, Jeremy Fink, Norberto Barajas, Wesley Stuck, Bill Russell, Rodan Atchley, Micki Krueger, and John Parke.

By Jesse Burkhardt

As of Saturday, December 10, 2016

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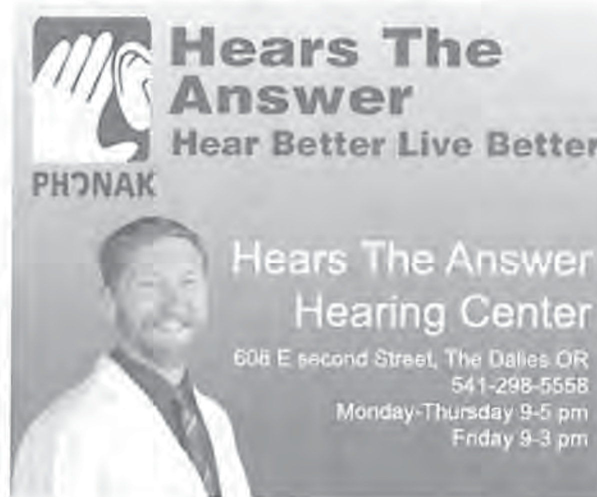


Photo by Jesse Burkhardt

Micki Krueger, scale attendant at the Wasco County Landfill, helps package bicycle helmets that will go for free along with the bicycles the landfill's parent company, Waste Connections, will be donating to local youngsters over the holidays.

Kevin Green, a district manager with The Dalles Disposal, is putting on a different hat this month. It's a Santa Claus hat because, with Christmas coming soon, Green is working to produce a big sack of goodies he plans to hand out to youngsters around the local community.

The sack will need to be an extra large one, as Green is helping to organize an operation that will make gifts of dozens of bicycles for boys and girls around the community.

"We've done this before here and there, but are ramping it up this year. We'll have a full-blown bike-build of 40-50 bikes," Green said.

Green said giving away bikes to make the holidays happier for some local kids is something The Dalles Disposal and Hood River Garbage Service are jointly coordinating this year.

"We have the same parent company, Waste Connections," Green said.

Waste Connections, based in Texas, has done bike giveaways before, but this December the company is taking it to a completely different level. According to Green, he and fellow district manager Jim Winterbottom of Hood River Garbage purchased

dozens of bikes through WalMart in Hood River. The bikes are a mix of boys' and girls' bikes in a variety of sizes.

According to Green, Waste Connections employees around the area made donations to purchase the bicycles. The company raised approximately $3,000, with 100 percent of the money going to buying bikes and bike helmets.

"We get employee donations, which are matched dollar for dollar by corporate," Green said. "We've raised enough for 40 to 50 bikes, and helmets also. We buy brand new bikes."

Photo by Jesse Burkhardt

Bill Russell, site supervisor at the Wasco County Landfill, puts together one of the bikes that will go to brighten the Christmas holiday for local youngsters.

Green pointed out that the bikes come unassembled, but he has an army of "elves" who will take care of that: about 40 employees from the area's disposal companies volunteered their time last Thursday evening to put all the bikes together at The Dalles Disposal facility on West First Street.

"We have been looking forward to it," Green said. "We do this company-wide, all over the country."

Linda Miller, who works for Wasco County Landfill — which is also under the Waste Connections corporate umbrella —stepped up to volunteer to help put together the bicycles.

Miller, who also serves as a member of The Dalles City Council, said she is proud of the company for being so generously involved with the bike giveaway.

"I have been proud and supportive of Waste Connections for more than just this event," Miller said. "The company is involved in community activities when employees ask for company involvement. The landfill has supported ball teams, the wrestling club, and fundraising drives such as Girl Scout cookies. An employee's daughter is raising funds now for the music department of the middle school, so we are selling candy bars and pepperoni sticks at the scale."

Miller pointed out that the company encourages its employees to get involved with community service.

"I can attest to that," Miller said. "I will be involved with bike assembly, as will most of the employees and some of their kids."

Once assembled, the bikes will be given to charities throughout Wasco and Hood River counties for distribution to families around the community. The Salvation Army

in The Dalles will distribute its share of the bikes in Wasco County, while United Way will do so for Hood River County.

"The bikes will stay in Wasco County or Hood River County," Green said. "That's important for us."

Maj. Elaine Wildman, a corps officer for Salvation Army in The Dalles, said this is the first time the Salvation Army has been the recipient of bikes from The Dalles Disposal. She pointed out that the children getting the bikes come from low-income families living in the area.

"We will receive the bicycles from The Dalles Disposal, assign them to specific children that requested them, and give them to the parents on Dec. 20, which is our 'Christmas Distribution Day,'" Wildman said. "We will make every attempt to match bicycles by size and gender."

Wildman added that the Salvation Army as an organization is deeply appreciative of the donations of bicycles.

"We are very grateful to The Dalles Disposal in selecting us as this year's recipient," Wildman said. "The generosity of others makes a lifelong impression on the children who receive these bikes. I believe it encourages them to become more compassionate and giving as adults."

Wildman said she has heard stories from many people about how the Salvation Army helped them when they were children.

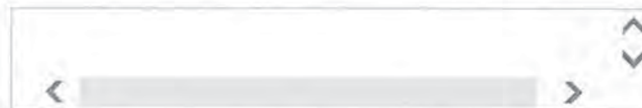
"And now they want to do the same for another needy child," she said.

Green said the program is very gratifying because it brings joy to the youngsters.

"You see some really happy kids," Green said. "If we can do that for kids in the local areas, I'm all for it."

45°

News and information from our partners



Bicycle Bonanza

Contributed photo

Folks from Wasco County Landfill, The Dalles Disposal and Hood River Garbage built 56 bikes that will be given to charities throughout the Gorge and turned over to young riders.

As of Friday, December 22, 2017

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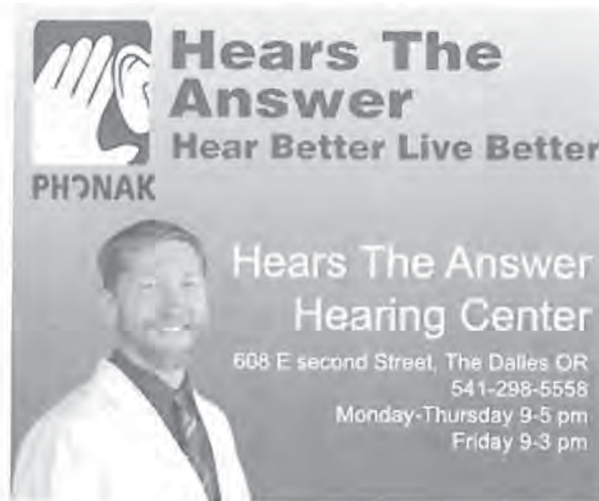

Folks from Wasco County Landfill, The Dalles Disposal and Hood River Garbage built 56 bikes that will be given to charities throughout the Gorge and turned over to young riders.

Kevin Green, district manager of the landfill, said, "I want to say thank you to everyone who donated and built bikes, and to the charities that are helping us distribute these bikes."

The assembly was Dec. 19 after bikes were purchased with employee and vendor donations. It is an annual event of the landfill, whose parent company, Waste Connections, conducts bike builds nationwide.

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Attachment T—Corporate Policy Manual Table of Contents

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WASTE CONNECTIONS INC.

Connect with the Future

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Attachment U—Employee Handbook, Including EEO and ADA Policies

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EMPLOYEE HANDBOOK

Waste Connections, Inc.

Revised January 2018

WASTE CONNECTIONS

Connect with the Future

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Welcome to Waste Connections, Inc.

The strength and success of any business depends upon the actions of its people. If the actions of those people are grounded in highly ethical business morals, our company is destined to be world class. We will provide you with the framework and environment to conduct business in an ethical manner. The following was prepared to help you understand the circumstances and situations that could compromise our reputation in the business community. It is expected that you will conduct our company's business in a way that will bring pride to you and Waste Connections, Inc. We are delighted to have you as part of our company.

Ron Mittelstaedt

Chairman and Chief Executive Officer

Waste Connections, Inc.

STATEMENT OF VALUES

Purpose

Honoring our commitments provides our stakeholders peace of mind and establishes us as the premier waste services company in the markets we serve. This creates a safe and rewarding environment for our employees while protecting the health and welfare of the communities we serve, thereby increasing value for our shareholders.

Statement of Operating Values

Safety. We strive to assure complete safety of our employees, our customers and the public in all of our operations. Protection from accident or injury is paramount in all we do.

Integrity. We define integrity as "saying what you will do and then doing it." We keep our promises to our customers, our employees and our stockholders. Do the right thing, at the right time, for the right reason.

Customer Service. We provide our customers the best possible service in a courteous, effective manner, showing respect for those we are fortunate to serve.

To Be a Great Place To Work. We maintain a growth culture where our employees can maximize their potential personally and professionally. Our objective is to provide an environment where people enjoy what they do and take pride in their work. We wish to embody a "work hard, play harder" culture.

To Be the Premier Waste Services Company in North America. We continue to provide superior returns, remain environmentally responsible, and continue to grow in a disciplined way, deploying resources intelligently and benefiting communities we live in. We remain a "different breed."

Vision of the Future

Our goal is to create an environment where self-directed, empowered employees strive to consistently fulfill our constituent commitments and seek to create positive impacts through interactions with customers, communities, and fellow employees, always relying on our Operating Values as the foundation for our existence.

I. OVERVIEW

INTRODUCTION

This Employee Handbook (the "Handbook") is applicable to all employees of Waste Connections, Inc. and all employees of its subsidiaries and affiliates throughout the United States. For ease of reference, the Handbook may refer to Waste Connections, Inc., its subsidiaries and affiliates collectively as "Waste Connections" or the "Company."

The Handbook provides a summary of the policies, practices, and benefits of employment with Waste Connections. It is intended to provide helpful guidance regarding various aspects of employment with the Company. Each employee is expected to read this Handbook carefully. Should an employee have any questions regarding the provisions of this Handbook, or if an employee becomes aware of a violation of any policy in this Handbook, he or she should contact his or her supervisor or manager, District Manager, or Regional Human Resources Manager.

While this Handbook addresses many aspects of the employment relationship, it cannot cover every issue and it should not be construed as creating a contract of employment between the Company and any employee. This Handbook supersedes all previously issued handbooks. No verbal statements or representations can change any of the provisions of this Handbook.

If any employee's employment relationship with the Company is governed by the terms of a Collective Bargaining Agreement ("CBA") with a labor union, and any conflict exists between the provisions found in this Handbook and the CBA, the CBA shall control.

Except for the Employment At Will Policy, which cannot be altered except as provided herein, or other policies required by applicable law, the Company reserves the right to revise, modify, amend, add to, delete, suspend, or discontinue any of the policies, practices, or benefits set forth in this Handbook, at the Company's sole discretion, with or without prior notice to the Company's employees. The Handbook should be construed to comply with all applicable federal, state, and local laws. Any inconsistencies should be resolved in favor of applicable law.

OPEN DOOR POLICY

Suggestions for improving Waste Connections are always welcome. Because we strive to be a Great Place to Work as one of our core operating values, the Company wants to hear about any complaints, suggestions, questions or concerns you may have about your job, your working conditions, or the treatment you are receiving. The Company hopes you will come to us with any issues, so we can work with you to help resolve them.

Should an employee have any questions about the contents of this Handbook, concerns or complaints about working conditions or other employment issues, or suggestions about how to improve the operations of and services provided by the Company, the employee should raise those issues with his or her direct supervisor or manager. If the supervisor or manager is unable to resolve the issue, the employee should contact his or her Divisional Vice President, Regional

Vice President, Regional Human Resources Manager, Director—Human Resources or the Vice President—People, Training and Development. A Human Resources Hotline (877-590-0083, Option 5) and an anonymous ethics hotline (http://www.wasteconnections.ethicspoint.com or 877-797-3674) are also available for reporting employee concerns. Employees are encouraged to use this Open Door Policy at any time. The Company will listen to any employee's concerns, encourage input, and seek resolution of any questions, issues, or concerns.

EMPLOYMENT AT WILL

All employees of the Company are employed "at will." This means that any employee may voluntarily leave employment with the Company at any time, for any or no reason, with or without notice, although two weeks' notice is requested. Similarly, the Company may terminate the employment of any employee at any time, for any or no reason, with or without notice, except as prohibited by law. No representative of the Company other than the Chief Executive Officer or his designee has the authority to modify this Employment At Will Policy or to enter into any agreement guaranteeing an employee continued employment or employment for any specific period of time. Any modification to an employee's "at will" status must be in writing and signed by the Company's Chief Executive Officer (or his designee) and the employee (or his or her representative).

CODE OF CONDUCT AND ETHICS

All directors, officers and employees of Waste Connections are expected to adhere to the Company's Code of Conduct and Ethics (the "Code"), which provides guidance on topics including, but not limited to: conflicts of interest, compliance with laws, rules and regulations, confidentiality, and protection and proper use of Company assets. The Code is updated periodically, and is available to all employees via the Company's website, https://www.wasteconnections.com/ie/home, or the Company's intranet site, The Can, at https://thecan.wcnx.org. If any employee has questions about compliance with the Code, or for help accessing the Code via the website or The Can, please contact a supervisor, manager or Regional Human Resources Manager.

Neither the Code, nor any other Company policy contained in this Handbook or otherwise, in any way prohibits employee affiliations or activities that are protected under applicable state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act, which includes the right of employees to organize collectively and to speak with others about their terms and conditions of employment.

II. EQUAL EMPLOYMENT OPPORTUNITY AND ANTI-DISCRIMINATION POLICIES

EQUAL EMPLOYMENT OPPORTUNITY

Waste Connections is an equal opportunity employer and makes all employment decisions on the basis of merit. The Company's goal is to have the best available person in every job.

Waste Connections is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of Waste Connections, including employees and applicants, and prohibits unlawful discrimination by any employee of Waste Connections, including supervisors and coworkers. This commitment further applies in all aspects of employment and employee relations, including recruitment, hiring, training and development, promotion, transfer, demotion, termination, layoff, compensation, benefits, and all other terms, conditions, and privileges of employment in accordance with applicable federal, state, and local laws.

Specifically, Waste Connections prohibits unlawful discrimination based on race, color, ethnicity, creed, sex (including pregnancy, childbirth or related medical conditions), sexual orientation, gender identity, religion, marital or familial status, age, national origin or ancestry, physical or mental disability, medical condition, genetic information, citizenship status (if authorized to work in the U.S.), veteran or uniformed service member status, filing a charge of discrimination, participating in an investigation or opposing discriminatory practices, or any other consideration made unlawful by federal, state, or local laws. All such discrimination is unacceptable and will not be tolerated. Where federal, state or local laws differ, the Company will provide the most generous protection required by applicable law to each employee or applicant.

ANTI-HARASSMENT AND ANTI-RETALIATION POLICY

Waste Connections is committed to providing a work environment that is free of illicit harassment. As a result, the Company maintains a strict policy prohibiting harassment against applicants and employees based on any legally-recognized basis, including, but not limited to, a person's actual or perceived race, color, ethnicity, creed, sex (including pregnancy, childbirth or related medical conditions), sexual orientation, gender identity, religion, marital or familial status, age, national origin or ancestry, physical or mental disability, medical condition, genetic information, citizenship status (if authorized to work in the U.S.), veteran or uniformed servicemember status, filing a charge of discrimination, participating in an investigation or opposing discriminatory practices, or any other consideration made unlawful by federal, state, or local laws.

Conduct will be considered harassment, and is strictly prohibited, if it is based on a legally protected classification such as those listed above, and it:

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
- has the purpose or effect of unreasonably interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment opportunities.

Our Anti-Harassment Policy applies to all persons involved in our operations and prohibits harassing conduct by any employee of Waste Connections, including nonsupervisory employees, supervisors and managers. This Policy also protects employees from prohibited harassment (as defined above) by third parties, such as vendors, customers, or temporary or seasonal workers. If such harassment occurs on the job by someone not employed by Waste Connections, the procedures in this Policy and the complaint procedure below should still be followed.

Sexual Harassment Defined

Sexual harassment includes unwanted sexual advances, requests for sexual favors, or visual, verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made a term or condition of employment;
- Submission to, or rejection of, such conduct is used as a basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment also includes various forms of offensive behavior based on sex. The following is a partial list:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, posters, websites, emails or text messages.
- Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, or sexually degrading, suggestive or obscene comments about an employee's body or dress.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
- Physical conduct: touching, assault, impeding or blocking movements.
- Retaliation for making reports or threatening to report sexual harassment.

Other Types of Harassment

Harassment on the basis of any legally protected classification (see partial list above) is prohibited. Harassment may include behavior similar to the illustrations above pertaining to sexual harassment. They include conduct such as:

- Verbal conduct including threats, epithets, derogatory comments or slurs based on an individual's protected classification;
- Visual conduct including derogatory posters, photography, cartoons, drawings or gestures based on protected classification; and
- Physical conduct including assault, unwanted touching or blocking normal movement because of an individual's protected status.

Retaliation

Waste Connections prohibits retaliation against any employee or applicant for good-faith reporting of harassment, discrimination, retaliation or other policy violations to the Company, or for filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by a governmental enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

COMPLAINT PROCEDURE REGARDING DISCRIMINATION, HARASSMENT AND RETALIATION

Any employee who believes that he or she has been harassed, discriminated against or subject to retaliation by a co-worker, supervisor, agent, client, vendor or customer of Waste Connections, in violation of the foregoing policies, or who is aware of such harassment, discrimination, or retaliation against others, should immediately provide a written or verbal report to his or her supervisor or manager; any other member of management; Regional or Corporate Human Resources personnel; or to the Company's Employee Relations/Human Resources Hotline (877-590-0083, Option 5). After a report is received, the Company will promptly conduct a thorough and objective investigation. The investigation will be completed and a determination made and communicated to the employee as soon as practical. The Company expects that all employees will fully cooperate with any investigation conducted by the Company into a complaint of harassment, discrimination or retaliation, or regarding the alleged violation of any other Company policies. The Company will handle all investigations as promptly, thoroughly, and confidentially as the situation allows, in order to protect any witnesses, preserve evidence, ensure truthful testimony, and prevent any cover-ups.

If the Company determines that any policy prohibiting discrimination, harassment, or retaliation has been violated, remedial action will be taken, commensurate with the severity of the offense. Appropriate action will also be taken to deter any future harassment, discrimination or retaliation prohibited by these policies. If a complaint of prohibited harassment, discrimination or retaliation is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken.

DISABILITY AND ACCOMMODATION

It is the policy of the Company to comply with all applicable provisions of the Americans with Disabilities Act (ADA), as amended, as well as state and local laws protecting qualified individuals with disabilities. The Company will not discriminate against any qualified employee or applicant with respect to any terms, conditions, or privileges of employment because of a person's physical or mental disability.

If an applicant or employee believes he or she requires a reasonable accommodation due to a disability, that individual should request such accommodation from his or her supervisor, manager and/or Regional Human Resources Manager. After an accommodation request is made, the Company will engage in a confidential, informal, interactive process with the employee to determine the nature of his or her disability and the employee's needs, and what, if any, reasonable accommodation(s) may be appropriate. In some cases, this interactive process may be triggered without a request from the employee, such as when the Company receives notice from its own observation or another source that a medical impairment may be impacting the employee's ability to perform his or her essential job functions.

The Company will consider accommodation requests on an individualized basis. Reasonable accommodations may take a variety of forms, including, but not limited to, leaves of absence, or adjustments to work areas, equipment, policies, duties, and schedules. Employees who believe they need an accommodation must specify, preferably in writing, what barriers or limitations prompted the request. The Company will evaluate information obtained from the employee, and possibly his or her health care provider or another appropriate health care provider, regarding any reported or apparent barriers or limitations, and will then work with the employee to identify possible accommodations, if any, that will help to eliminate or otherwise address the barrier(s) or limitation(s). If an identified accommodation is reasonable and will not impose an undue hardship on the Company and/or a direct threat to the health and/or safety of the individual or others, Waste Connections will generally make the accommodation, or it may propose another reasonable accommodation which may also be effective. Employees are required to cooperate with this interactive process by providing all necessary documentation supporting the need for accommodation, and being willing to consider alternative accommodations when applicable.

If any Company policy or practice conflicts with this Disability and Accommodation Policy, the Policy and the ADA will prevail.

III. EMPLOYMENT POLICIES AND PRACTICES

EMPLOYEE ELIGIBILITY AND WORK AUTHORIZATION

Waste Connections is committed to employing only individuals who are authorized to work in the United States and who comply with applicable immigration and employment laws. As a condition of employment, every individual must provide satisfactory evidence of his or her identity and legal authority to work in the United States within 72 hours of commencing employment. If the employee cannot verify his or her right to work in the United States within 72 hours of employment, the Company will be required to terminate his or her employment immediately.

JOB POSTINGS

Available positions within each District of the Company may be posted internally and/or advertised in the local newspaper or online. Exceptions may be made to internally posting a position if business reasons so require. If a current employee is interested in applying for an open position, he or she should submit a letter of interest to the hiring supervisor, and may be required to complete some or all of the Company's online job application process for the new position. The application will be reviewed by the hiring supervisor and the District Manager.

Interviews are given on a competitive basis, using job-related factors and consistent with the Company's Equal Employment Opportunity Policy, after written internal and external applications have been received and reviewed.

INTRODUCTORY PERIOD

Introductory periods are designed as a mutual assessment between new employees and Waste Connections' management team of initial performance and compatibility with the job. The introductory period is the first 90 days of employment with the Company. If either the employee or Company decides the employment relationship is unsatisfactory during this period, they may resign or be released, with or without notice. A supervisor may release an employee during the first 90-day introductory period of employment without pursuing a series of progressive disciplinary steps. However, the supervisor may, at his or her discretion, hold conferences with the employee and document the deficiencies that lead to dismissal. If there is a need for more development or assessment time, the introductory period may be extended by the supervisor. Extensions will be determined on an individual basis and should be discussed with the employee and put in writing. Throughout their employment, however, all employees shall remain "at-will" employees unless otherwise agreed in writing and signed by the Company's Chief Executive Officer (or his designee) and the employee (or his or her representative).

EMPLOYMENT CLASSIFICATIONS

Employees of Waste Connections are classified as either exempt or nonexempt under federal and state wage and hour laws, and are further classified as full-time, part-time or temporary for administrative purposes. The following designations are used throughout this Employee Handbook:

Exempt Employees

Exempt employees are employees who perform job duties meeting the executive, administrative, professional, computer and/or outside sales exemption tests established by the Federal Fair Labor Standards Act (FLSA) and/or state law, and who are generally paid on a salary basis. Exempt employees are not eligible for overtime pay. Exempt employees are expected to work as many hours per week as are needed to complete their duties in a timely fashion. Employees will be informed whether their status is exempt or nonexempt and should consult their supervisor, manager and/or Regional Human Resources Manager with any questions or concerns regarding this status.

Non-Exempt Employees

Non-exempt employees are employees whose job positions do not meet FLSA or applicable state exemption tests. Non-exempt employees will be paid for all time worked, and will receive overtime pay for hours worked in excess of 40 hours per week, or as required by applicable state law. Non-exempt employees are required to accurately record all time worked in the Company's time tracking system. These time records will be reviewed by the employee's supervisor each payroll period. Absent unforeseen or emergency circumstances, all overtime hours must be pre-approved by the supervisor. Employees will be paid for all hours and overtime worked, but if an employee has worked additional time that was not authorized by a supervisor, he or she may be subject to discipline.

Non-exempt employees may work a regularly scheduled or variable number of hours, and may be paid hourly, day rate, incentive rate, or under any other pay method that is allowable by law. Employees will be informed whether their status is exempt or non-exempt, and if non-exempt, will be informed as to their pay method (hourly, day rate, incentive rate, etc.). Employees should consult their supervisor, manager and/or Regional Human Resources Manager with any questions or concerns regarding their pay status, method, or any other pay-related issue.

Regular, Full-Time Employees

Regular, full-time employees are those who are normally scheduled to work and who do work a schedule of 30 hours per week or more. Full-time employees are generally eligible for employee benefits described in this Employee Handbook and are provided with benefits required by applicable law.

Regular, Part-Time Employees

Regular, part-time employees are those who are normally scheduled to work and who do work less than 30 hours per week. Part-time employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-time employees are eligible for some, but not all

employee benefits described in this Employee Handbook and are provided with benefits required by applicable law.

Temporary Employees

Temporary employees are those who are employed by the Company for short-term assignments. Temporary employees are generally hired to temporarily supplement the workforce or assist in the completion of a specific project. These temporary employment assignments are of limited duration. Temporary employees are not eligible for employee benefits, except as required by applicable law, and may be classified as exempt or nonexempt on the basis of job duties and compensation.

PUNCTUALITY AND ATTENDANCE

Employees are expected to be regular in attendance and to be punctual. Any tardiness or absence causes problems for fellow employees and supervisors, and affects the Company's ability to serve our customers. If employees are absent, their workload must be performed by others, just as they must assume the workload of others who are absent. To limit problems caused by absence or tardiness of employees, we have adopted the following policy that applies to absences not previously approved by the Company.

Employees are expected to report to work as scheduled, be on time and be prepared to start work. Employees are also expected to remain at work for their entire work schedule, except for meal or break periods, or when required to leave on authorized Company business or otherwise authorized to leave. Non-approved late arrivals, early departures or other absences from scheduled hours are disruptive and must be avoided.

If employees are unable to report for work on any particular day, they must call and speak to their supervisor or manager at least one hour before the start of the employee's scheduled shift. Voicemail messages and text messages are not sufficient. The Company may inquire about the general reason for an absence or tardiness. Unless extenuating circumstances exist, employees must call in on each and every day they are scheduled to work but will not report to work or will be late.

Excessive absenteeism or tardiness may result in disciplinary action, up to and including termination of employment, unless the absence or tardiness is legally protected. The following types of time off will not be considered grounds for disciplinary action under this Punctuality and Attendance Policy:

- Excused time off, including vacation and other forms of paid or unpaid time off that are approved in advance;
- Sick leave provided by law or Company policy;
- Approved leaves of absence, including jury duty leave, military leave, leave protected under the Family and Medical Leave Act or similar state laws, and time off or leave provided under the Americans with Disabilities Act or similar state laws; and/or
- Time off due to a work-related injury that is covered by workers' compensation.

Each situation of absenteeism or tardiness will be evaluated on a case-by-case basis. Even one unexcused absence or tardiness may be considered excessive, depending upon the circumstances. However, the Company will not subject employees to disciplinary action or retaliation for an absence or for tardiness that is legally protected. If the employee believes that his or her absence or lateness to work is legally protected, the employee should notify his or her supervisor/ manager of this fact at the time of the absence or tardiness. Employees will not be required to reveal the nature of any underlying medical condition. If an employee believes he or she has been mistakenly subject to disciplinary action for an absence or for tardiness that the employee believes is legally protected, the employee should promptly discuss the matter with his or her supervisor, manager or Regional Human Resources Manager. Nothing in this Punctuality and Attendance Policy should be construed, or will be applied, in a manner that interferes with employees' rights under the Americans with Disabilities Act, including the right of a disabled employee to receive a reasonable accommodation upon request.

Please see your District Manager for more specific requirements regarding attendance and punctuality policies for your District.

Job Abandonment
Absent extraordinary circumstances or a legally protected reason, if employees fail to report for work without any notification to their supervisor or manager (e.g., “no call, no show”), and their absence continues for a period of three consecutive workdays or more, the Company will consider that the employee has abandoned and voluntarily terminated his or her employment.

TIMEKEEPING AND PAYROLL REQUIREMENTS

Accurate Timekeeping Required
For purposes of processing payroll and calculating overtime pay, the Company’s workweek will be from 12:00 a.m. Monday through 11:59 p.m. the following Sunday.

All non-exempt employees are required to record all time worked for payroll purposes. Each employee will be informed by his or her supervisor or manager on how timeclocks are to be used at his or her District, and/or any other local timekeeping requirements.

It is Waste Connections’ policy that all employees are to be compensated for all work performed. It is each employee’s responsibility to comply with this Timekeeping Policy and to record all time worked. Work performed off the clock is not permitted for non-exempt employees. Failure to accurately record all working time may result in disciplinary action, up to and including termination. Similarly, altering another employee’s time, allowing another employee to record time for you, or inaccurately altering a timecard or other punch record is not permissible and is subject to disciplinary action, up to and including termination.

The Company strives to ensure that all employees are paid accurately and timely. To assist with this, employees must report any errors on their paychecks immediately to their supervisor or manager. This reporting duty includes *both underpayments*, which the Company will promptly pay upon confirmation of additional sums owed; *and any overpayment* that may inadvertently be made to the employee, which the Company will work with the employee to remedy.

Biometric Timeclocks

To facilitate the timekeeping process, the Company may use timeclocks that collect fingerprint information at some District locations ("biometric timeclocks"). This fingerprint information consists of a data set based on the distance between points on an image of the individual's fingerprint. The biometric timeclock does not collect or store an image of the fingerprint itself.

The biometric timeclock collects and stores the fingerprint information described above the first time an employee places a finger on the timeclock to create a unique identifier. On subsequent uses, the timeclock compares the data set generated from the finger placed on the timeclock against the unique identifier. The unique identifier can be used only in connection with the Company's timekeeping process. The Company does not have access to the unique identifier. Upon termination of the employment relationship, the fingerprint information will be permanently deleted from the timeclock.

Payment of Wages

Bi-weekly Payments

Employees of Waste Connections that are paid bi-weekly will be paid every other Friday for work performed during the previous two weeks. If a regular payday falls on a holiday, employees will be paid on the last day worked before the holiday.

Weekly Payments

Employees of Waste Connections that are paid weekly will be paid every Friday for work performed during the previous full and completed workweek (Monday through Sunday). If a regular payday falls on a holiday, employees will be paid on the last day worked before the holiday.

Other Payroll/Timekeeping Information

Overtime for Non-Exempt Employees

To provide a high level of customer service during peak times, the Company may require non-exempt employees to work overtime—that is, more than 40 hours in a workweek. Absent unforeseen or emergency circumstances, all overtime work must be pre-approved by a supervisor; and in cases of emergency, the employee must consult with his or her supervisor as soon as practicable to confirm that the overtime work is requested or required by the Company.

If the Company requests or requires an employee to work overtime, we will give the employee as much advance notice as possible. We will try to spread the overtime hours evenly among the work group and try to consider each individual's personal availability.

All time that employees work, including overtime, will be compensated. Failure to receive approval for working overtime in accordance with this Policy, however, may result in disciplinary action, up to and including termination, at the Company's discretion.

Overtime will be paid in accordance with state and federal laws. Only actual hours worked in a given workday or workweek will apply in calculating overtime. Vacation and other paid time off will not be considered as time worked for calculation of overtime pay.

Exempt Employees

Exempt employees may have to work hours beyond their normal schedules as work demands require. Exempt employees are not entitled to receive any overtime compensation for hours worked over forty (40) hours per workweek or otherwise. Exempt employees are generally paid on a salary basis, which means the employee is entitled to receive the same amount of compensation for any work week. The Company may make deductions from any accrued leave accounts such as paid vacation or sick leave, including deductions for partial-day absences, provided that the exempt employee receives his or her full salary for each week in which any work is performed by the employee. In addition, the Company is allowed to deduct from an exempt employee's salary for absences of a full day (but not for partial day absences) for the following reasons:

- Personal leave or vacation;
- Sickness or disability, if the employee is not yet eligible for or has exhausted any paid time off under the Company's policies;
- Unpaid disciplinary suspensions imposed in good faith for infractions of workplace conduct rules in accordance with a written policy applicable to all employees;
- Days missed in the first or last weeks of employment;
- Penalties imposed in good faith for infractions of safety rules of major significance; and
- To offset any amounts received by the exempt employee for jury duty, witness fees, or military pay against the salary due for a particular week.

An exempt employee is also not entitled to pay for any week in which he or she performs no work, although he or she may use paid vacation or sick leave for such weeks, as available and applicable.

The Company is committed to complying with the applicable legal requirements, and does not permit improper deductions from the pay of exempt employees as explained above. If an exempt employee believes that he or she has had amounts improperly deducted from pay, the employee should contact his or her supervisor, manager or Regional Human Resources Manager. The Company will promptly investigate any report of improper deductions and will reimburse the exempt employee for the amount of any confirmed improper deductions.

Meal and Rest Periods

Meal and rest periods are granted in accordance with applicable law. Because adequate opportunities to rest and eat or take care of other personal business during the workday are helpful to employees' safety, health and overall productivity, all employees are requested and encouraged to take their allotted meal and rest breaks.

Each employee's supervisor will advise the employee of his or her allotted meal and rest periods. Generally, employees are expected and encouraged to take brief paid rest breaks and longer (i.e., 30-minute) unpaid meal breaks during their workday, in accordance with applicable law.

Because the purpose of breaks is to promote employees' overall health, safety and well-being, Employees are expected to be completely relieved of duty and must not perform any work during their meal and rest periods. If an employee is unable to take an allotted meal or rest period in any given workday, he or she must promptly report this to his or her supervisor or manager, so that

the Company can ensure the employee is properly paid for all time worked that day, and/or allowed the opportunity to take an uninterrupted meal or rest break.

For more information on meal and rest periods, particularly for drivers or other employees whose daily work requires them to be away from Company facilities and timeclocks during meal/rest periods, please consult a supervisor, manager or Regional Human Resources Manager.

Pay Transparency Nondiscrimination Provision

The Company will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, except as expressly provided for by applicable law, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the Company, or (c) consistent with the Company's legal duty to furnish information. 41 CFR 60-1.35(c).

EMPLOYEE PERSONNEL FILE

In order to keep information in each employee's personnel file current, it is the employee's responsibility to submit updated information to his or her supervisor if he or she moves, changes a name or phone number, or changes his or her emergency contact.

Employees may inspect their own personnel files by appointment, on Company premises and in the presence of a Company representative. Employees should contact their supervisor, manager or Regional Human Resources Manager to request a review of their personnel file and schedule a time for such review. Employees and former employees will be provided access to personnel records in accordance with applicable state and local law. Employees may not be allowed to view certain records as provided by law, including investigation records or any reference letters prepared or collected by management.

Within the Company, only authorized members of management and corporate administrative staff (including Human Resources, Payroll and/or Legal on a need-to-know basis) have access to an employee's personnel file. However, the Company will cooperate and provide access to an employee's or former employee's personnel file when required by applicable law or a court order—including providing access to law enforcement officials; local, state or federal agencies; or in response to a valid subpoena.

IV. OPERATIONAL CONSIDERATIONS

COMPANY PROPERTY

Lockers, desks, computers, phones, vehicles, and all other Waste Connections property must be maintained according to Company rules and regulations. They must be kept clean and are to be used only for work-related purposes during scheduled working times. Waste Connections reserves the right to inspect all Company property to ensure compliance with its rules, policies and regulations, without notice to the employee and at any time, not necessarily in the employee's presence. For security reasons, employees should not leave personal belongings of value in the workplace.

All vehicles, bags, parcels, boxes, briefcases, purses and other containers brought onto or taken from Waste Connections' premises are subject to inspection. Personal items are subject to inspection and search, with or without notice, with or without the employee's prior consent. Additionally, Company vehicles, Company-provided lockers, Company owned desks, files, computers, telephone systems, voicemail, email accounts, etc., may be accessed at any time by the Company management or its designees. Therefore, if there is anything an employee considers private, it should not be brought to work, discussed on Company email, telephone systems, voicemail or other electronic resources, or kept on Company computers or on Company premises. Employees have no reasonable expectation of privacy from the Company in anything the Employee may possess on Company premises or in Company vehicles.

Employees and visitors may also be asked to consent to searches of their persons, personal effects, and private vehicles parked on Company premises as may be reasonable under the circumstances. Searches of the person shall include the emptying of pockets and the production of other items concealed in clothing. All searches will be performed with concern for the individual's dignity and confidentiality.

Illegal drugs, weapons or other items discovered through Company searches and inspections may result in notification to the proper law enforcement authorities. Failure to comply with the Company's request to conduct searches may lead to immediate termination of employment.

Video Surveillance

Company trucks and/or heavy equipment may be equipped with video surveillance technology to monitor driver safety and vigilance and to be used as a teaching tool. In office environments, for purposes of workplace safety and security and to prevent theft and other misconduct, the Company has installed video surveillance cameras in certain work areas.

If there is any reported incident of theft, trespass, workplace violence, employee misconduct or any type of safety violation (hereafter collectively referred to as "security incidents"), the Company will utilize its surveillance equipment as an investigatory tool. The Company will also make use of its surveillance equipment to deter any future security incidents. The Company also reserves the right to actively monitor, through its surveillance cameras, any areas for safety

reasons (to protect against equipment failure, breakage, or accident) or confidentiality reasons (to protect documents or other proprietary information).

Although the video surveillance described in this Policy is intended to monitor for security incidents and other safety reasons at the Company, it is possible that such surveillance may monitor activities not related to the Company's business. No video cameras will be installed in the Company's restrooms or in any lactation or changing areas.

The surveillance video cameras and any video footage from the surveillance are to be used solely for the purposes of this Video Surveillance Policy. Any unauthorized use of these video cameras and/or video recordings is strictly forbidden and may result in discipline, up to and including termination of employment.

ELECTRONIC RESOURCES

This Electronic Resources Policy describes the Company's general guidelines for using its electronic resources, including electronic mail (email), telephone systems, voicemail, internet access and computer systems. Employees should use the Company's electronic resources with the understanding that these resources are provided for the benefit of the Company's business.

Waste Connections electronic resources, including computers, internet access, telephone systems, voicemail and/or electronic mail (email) are to be used for business purposes only during working times. Employees may use Company electronic resources for personal use, during non-working time, as long as such use complies with Company rules and applicable laws. Employees should never use the Company's electronic resources for personal use in a manner that interferes with their work duties or any responsibilities to customers.

Waste Connections reserves the right to monitor computer or telephone usage, voicemail messages and email messages, without notice to the employee and at any time, not necessarily in the employee's presence. Further, the Company may periodically need to assign and/or change passwords and personal codes for voicemail, email, computers, or any other necessary items. These communication technologies and related storage media and databases remain the property of Waste Connections. The Company reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system. Prior authorization must be obtained before any Waste Connections property may be removed from the premises.

Sending, saving, accessing, or viewing obscene or similarly offensive material on the Company's electronic resources is prohibited. Messages accessed, stored and/or transmitted by the Company's electronic resources, including the computer, voicemail, email, or the telephone system, must not include content that may reasonably be considered to be obscene, or other objectively offensive material. Prohibited material includes, but is not limited to, sexual comments, jokes or images, racial slurs, gender-specific comments, or any comments, jokes or images that would discriminate against or harass someone on the basis of his or her race, color, sex, age, national origin or ancestry, disability, or any other category protected by federal, state or local law. Likewise, any use of the internet, email, or any other electronic resource to engage in harassment or discrimination prohibited by Company policies is unlawful and strictly

prohibited. Violators may be subject to discipline, up to and including termination of employment.

To ensure compliance with this Policy, use of Company computers, telephones, voicemail, email, and other resources may be monitored at any time. Employees have no expectation of privacy in data or communications accessed, stored and/or transmitted by the Company's electronic resources.

GUIDELINES FOR HANDLING RECORDS, TRANSACTIONS AND ASSETS

Employees at all levels are expected to maintain accessible and orderly records of their work, particularly in the area of financial transactions.

Confidentiality: In the course of their employment, all employees may be privy to confidential, proprietary or trade secret information of Waste Connections, or to other information that provides the Company with a competitive advantage in the industry. As such, all employees are required to sign an Employee Confidentiality Agreement as a condition of their employment, noting that the employees may not use or disclose Company information for the benefit of anyone other than the Company.

Unauthorized Access Prohibited
Unauthorized access to the Company's confidential, proprietary, financial and strategic information is prohibited. Employees shall not use a code, access a file, or retrieve any stored information unless authorized to do so based on a job-related need. Employees should not attempt to gain access to another employee's email, voicemail, program, password, text messages, or other data without authorization. All passwords to Company computers, cellular phones, voicemail boxes, tablets, and other devices, accounts or databases used by the employee for Company business must be provided to the Company upon request.

Company Records: Payroll, accounts payable vouchers and invoices, company invoices and general company work papers must be maintained in an orderly manner and must be kept secure.

Funds Transfer: Employees are required to honor all foreign and domestic laws pertaining to funds transfer and must not represent the Company in an unauthorized transaction. Employees responsible for assets and properties are required to maintain an orderly record of all Company transactions. Undisclosed transactions are not permitted by Waste Connections.

Company Property: If an employee is transferred, takes a leave of absence, or is terminated, he or she is required to return to the Company any office materials, computers, computer programs or other electronic devices or media, Company files (whether in hard copy or electronic form), passwords or access codes, and/or cabinet or office keys. Company property must be returned immediately upon termination, and upon Company's request if the employee is transferred or on leave.

Computers: Only software approved and purchased by the Company's IS Department will be installed on Company computers. Portable computers should be transported with appropriate care to avoid possible theft or damage. When traveling by air, computers should be carried on board and never checked as baggage.

CONFIDENTIAL INFORMATION

The protection of confidential and proprietary business information and trade secrets is vital to the interests and success of the Company. Any information about the Company's business and that of its customers, affiliates, subsidiaries, investors, principals, partners, suppliers, lenders, and vendors which the Company has not intentionally made publicly available is to be treated as confidential and proprietary and may not be discussed with anyone outside the Company unless necessary to carry out Company business or as required by law.

"Confidential Information" refers to an item of information, or a compilation of information, in any form (tangible or intangible, and whether or not marked "Confidential"), related to the business of the Company that the Company has not made public or authorized public disclosure of, and that is not generally known to the public through proper means. Confidential Information includes, but is not limited to, knowledge, information and materials about trade secrets, mailing lists, methods of operation, advertiser lists, advertisers, customer lists, customers or clients and their needs, preferences or use patterns, products, services, bids or proposals, contracts, know-how, techniques, processes, training, procedures, business plans and confidential information about finances, bid or contract terms, marketing, accounting, pricing, human resources information obtained from a confidential personnel file (such as internal evaluations of the performance, capability and potential of any Company employee) and other proprietary matters relating to the Company, all of which are highly valuable to the Company. Confidential Information does not include information lawfully acquired by a non-management employee about wages, hours or other terms and conditions of non-management employees if used by them for purposes protected by §7 of the National Labor Relations Act (the NLRA) such as joining or forming a union, engaging in collective bargaining, or engaging in other concerted activity for their mutual aid or protection.

Similarly, all work performed or gathered for the Company and its affiliates, subsidiaries, investors, partners, lenders, or customers remains the property of the Company and may not be reproduced, disclosed or used in any way, at any time either during or after employment with the Company, without the express written permission of the employee's Regional Vice President or an officer or executive of the Company. Any written material, technology, operation process or procedure developed by an employee during his or her employment including, but not limited to, patents, trademarks, copyrights, trade secrets and/or scientific data remains the property of the Company and may not be reproduced or used in any way without the express written permission of the employee's Regional Vice President or an officer or executive of the Company. Disclosure and/or removal of confidential, proprietary or trade secret information or materials to unauthorized persons is strictly prohibited. Employees must return all Confidential Information to the Company in unaltered form upon termination of employment for any reason, or upon request by the Company. This includes returning, and not retaining, any copies of the

Confidential Information which the employee may have, whether in hard copy, electronically, or otherwise.

Nothing in this Handbook is intended to interfere with or restrain any non-management employee's right to share information regarding his or her wages, hours, or other terms and conditions of employment in the exercise of any rights provided by the National Labor Relations Act. Further, this Handbook shall not interfere with or restrain any employee's right to report unlawful actions or violations of regulation to any law enforcement or administrative agency (including the Department of Justice, the Securities and Exchange Commission, Congress, any agency Inspectors General, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration and the Department of Labor, as well as comparable state or local agencies) or to participate in any such agency's investigation, or to make any other disclosures that are protected under the whistleblower provisions of federal law or regulation. Nothing herein shall be construed to prohibit a disclosure of information that is compelled by law; provided, however, that to the extent allowed by law, the employee must give the Company as much written notice as possible under the circumstances and must cooperate with the Company in any legal action undertaken to protect the confidentiality of the information.

Defend Trade Secrets Act Immunity Disclosure Notice
An employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An employee shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. In the event an employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the employee may disclose the trade secret to his or her attorney and use the trade secret information in the court proceeding, provided the employee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

PROVIDING INFORMATION TO THE MEDIA

It is essential to the well-being of the Company and its employees that only accurate, verified information is provided to the media on the Company's behalf. As such, the Company requires all employees' cooperation in support of this objective.

Confidential Information about Waste Connections (as defined in the Company's Confidential Information Policy) or information about the Company's customers should never be disclosed to the media. Only authorized employees may write or speak to the media, analysts or in public gatherings on the Company's behalf.

To ensure that the Company communicates with the media in a consistent, timely and professional manner about matters related to the Company, all national media inquiries, and inquiries concerning matters of Company policy or related to Company finances or legal affairs,

should be referred to the Company's Chief Executive Officer, President, Chief Financial Officer, Vice President—Finance or General Counsel in our corporate headquarters in The Woodlands, Texas. Media inquiries concerning local matters should be handled by the local District Manager or Divisional Vice President, who should then advise the appropriate Regional Vice President and either the Chief Executive Officer, President, Chief Financial Officer, Vice President—Finance or General Counsel, of the inquiry.

Contact by any media source for comment by the Company should be immediately brought to the attention of the employee's supervisor or manager, who should assist the employee in providing information about the media request to the appropriate corporate officer, District Manager or Divisional Vice President pursuant to this Policy. This will ensure that individual employees are not placed in a situation with the media where they appear to be commenting on behalf of the Company while not being authorized to do so. Unauthorized employees should never give the appearance that they are speaking for the Company in any communication and should disclaim such representation in any situation where it may be unclear. Violation of this Policy may result in disciplinary action, up to and including termination of employment.

INTERNET AND SOCIAL MEDIA USE

The Company understands that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines for all Company employees.

GUIDELINES

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web page, blog, journal or diary, social networking site, web bulletin board or chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication.

The same principles and guidelines found in the Company's policies apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved.

Know and follow the rules

Carefully read these guidelines and the Company's other policies (in this Handbook or otherwise), and ensure your postings are consistent with these policies. Improper postings, including discriminatory remarks, harassment, threats of violence or unlawful conduct, will not be tolerated and may subject you to disciplinary action, up to and including termination.

Be respectful

Keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing the Company's Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as

malicious, obscene, threatening or intimidating, that disparage customers or vendors, or that might constitute harassment in violation of Company policy. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation, or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or Company policy.

Be honest and accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false.

Maintain confidentiality

Maintain the confidentiality of the Company's trade secrets and private or other Confidential Information. This may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.

Identify yourself as an employee, particularly for endorsements

Unless you are authorized to speak on behalf of the Company, express only your personal opinions and never represent yourself as a spokesperson for the Company. If the Company is a subject of the content you are creating, and particularly if the content you are creating could be interpreted as an endorsement of the Company or its products or services, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the Company. Posting an endorsement of the Company without identifying yourself as an employee could subject you and/or the Company to potential liability. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of Waste Connections."

Using social media at work

Refrain from using social media while on work time or on Company equipment, unless it is work-related as authorized by your supervisor or manager. Do not use Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

To the extent you are authorized or instructed by the Company to use social media for work-related purposes, be aware that all accounts or content you create, and all business connections you make (e.g., "friends" or "followers"), while using such social media are considered Company property. You must disclose to the Company any passwords, access codes, or other information related to your business-related social media activity upon request. Should you separate from the Company for any reason, you will be required to turn over all access rights to any social media accounts or content you created at the Company's request, and to immediately stop accessing or using such accounts or content.

Retaliation is prohibited

The Company prohibits taking negative action against any employee for reporting a possible deviation from this Policy or for cooperating in an investigation. Any employee who retaliates

against another employee for reporting a possible deviation from this Policy or for cooperating in an investigation will be subject to disciplinary action.

For more information
If any employee has any questions about this Policy, he or she should contact a supervisor, manager or Regional Human Resources Manager.

ENVIRONMENTAL RESPONSIBILITY

Waste Connections believes that it is the responsibility of every person to protect the environment. Employees must comply with all state and federal laws and use their best judgment when a situation impacting the environment arises. These incidents could be minor (picking up loose paper) or major (rupturing a fuel tank on a Company truck). Environmental training will be provided for employees, as appropriate. Those who are responsible for activities or operations that might affect the environment are expected to be familiar with all laws and regulations that relate to those activities. Following are some examples of how Waste Connections would expect you to handle situations affecting the environment:

- Pick up waste paper or other materials that inadvertently fall out of a container or truck.
- Collect the used oil when servicing our rolling stock and recycle it.
- Drain and dispose of used oil filters in an approved manner.
- Repair oil or fluid leaks immediately when observed on rolling stock.
- Do not purchase products in connection with your employment at Waste Connections that are hazardous to the environment.
- In the event of a hazardous material spill, always ensure that the spill is blocked from running down a storm drain by placing a berm between the material spill and the drain opening.

PERSONAL APPEARANCE AND GROOMING

The image Waste Connections projects to the public is reflected in the appearance of our employees. Simply stated, employees should look neat, clean and well-groomed and should be dressed appropriately for the business environment. Employees are expected to use good judgment in their appearance and grooming, keeping in mind the nature of the work, their own safety and the safety of co-workers, and any need to interact with the public.

Below are a few guidelines for professional appearance:

- Clothing that constitutes a safety hazard should not be worn.
- If applicable, Company safety vests and/or proper PPE must be worn at all times.
- All employees should practice common sense rules of neatness, cleanliness and comfort.
- In an office environment, the appropriate dress is generally business casual. Some examples of clothing that is generally not permitted are: tank tops, jogging suits, slippers, garments that are unnecessarily revealing, sweat pants and other similar apparel.

- Personal appearance should include good personal hygiene, clean hair and facial hair. Any facial hair should be well-groomed.
- Jewelry may be restricted for safety reasons, based on the position. Similarly, long hair may be required to be tied back for safety, based upon the position.

Employees should seek the advice of their supervisor, manager or Regional Human Resources Manager if they have questions regarding appropriate dress or appearance at work. Employees who report to work improperly dressed or groomed may be instructed by their supervisor or manager to return home to change. The time that non-exempt employees are absent for this purpose will be unpaid unless state law requires otherwise.

HEALTH AND SAFETY

Waste Connections' #1 Operating Value, and first priority, is the safety of our employees, customers, and others in the communities we serve. In keeping with this value, all employees are required to conduct the Company's operations in a safe manner. The health and safety of every employee is a fundamental consideration in every business decision and plan, and all reasonable precautions will be taken to protect employees from illness and injuries. Each employee's supervisor or manager will provide additional information on District safety policies and procedures specific to the employee's job.

SMOKING

Waste Connections is concerned for the health and safety of all its employees. Therefore, smoking (including vaping with e-cigarettes or other electronic nicotine delivery systems) is not permitted except in designated areas within the business/office complex or outside. Smoking and vaping are strictly prohibited inside Company owned, leased or rented vehicles, equipment, offices, or other facilities.

Employees should see their supervisor or manager for more specific rules and regulations regarding designated smoking areas at their District location. When away from Company premises, employees should use common sense and courtesy in choosing an outside location to smoke, and must comply with any federal, state or local regulations relating to smoking within a certain distance of entrances to buildings. Employees are responsible for being familiar with requirements in their particular area, and if there is any doubt, they should consult their supervisor or manager.

Waste Connections considers providing a healthy working environment extremely important, and any infraction of this Policy may result in disciplinary action, up to and including termination.

DRIVING

Employees Who Drive on Company Business

All employees are expected to comply with all local, state, and federal laws while operating Company vehicles and other equipment or driving a personal vehicle for business purposes. Employees who drive their own vehicles on Waste Connections business will be required to show proof of current valid driver's licenses and to have current effective insurance coverage before the first day of employment. Waste Connections may periodically check state Department of Motor Vehicles (DMV) records of all employees who drive as part of their job.

Waste Connections retains the right to transfer to an alternative position, suspend, or terminate an employee whose driver's license is revoked, or who fails to maintain personal automobile insurance coverage on a personal vehicle used for work purposes, or who is uninsurable, if it adversely affects the employee's ability to perform his or her essential job functions. The Company may also discipline employees who engage in unlawful conduct while driving. For example, employees who are required to drive as part of their job duties are required to wear seat belts, travel at a safe speed, and follow all traffic laws and rules while driving. The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as severe, excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

Any accidents that occur in Company vehicles or equipment, or while driving a personal vehicle on Company business, regardless of severity, must be reported immediately to the employee's supervisor or manager, and to the police if applicable. Failing to stop after an accident and/or failure to timely report an accident may result in disciplinary action, up to and including termination of employment.

Employees in DOT-regulated driving positions, or who operate heavy equipment (e.g., yellow iron), are strictly prohibited from using any mobile phone or other handheld device while in motion—including talking, text messaging, emailing, and/or checking the time or other information on the device. If a handheld device is needed for work purposes, the employee should pull over and stop in a safe place (or stop equipment operation) before using the device.

Employees in other positions that may require travel by vehicle (e.g., sales professionals or managers) are similarly encouraged to pull over in a safe location if mobile phone use is needed. Where necessary, hands-free and other mobile phone use may be permitted, as allowed by state and local law; however, employees should keep in mind that safety is the Company's #1 Operating Value, and should avoid distracted driving at all times while conducting Company business.

Employees may be held responsible for all costs and fines resulting from a moving violation while driving for Waste Connections business, at the Company's sole discretion.

Compliance with DOT Regulations

Waste Connections is required to, and will at all times endeavor to, comply with all Department of Transportation (DOT) regulations currently in force or adopted in the future, including but not

limited to, those that mandate drug/alcohol testing, require the Company to obtain information from former employers, disclose information to future employers or prospective employers of our employees, detail qualification of drivers and other safety-sensitive positions, etc. Employees whose job duties are covered by DOT regulations will receive further information on DOT-compliant policies, procedures and requirements in their new hire packets and/or onboarding process, and should direct any further questions to their supervisor, manager and/or Regional Safety Team.

SOLICITATION AND DISTRIBUTION OF LITERATURE

The Company has established the following rules applicable to all employees and nonemployees that govern solicitation, distribution of written material and access to Company property:

- Employees may engage in solicitation activities only during nonworking times. No employee may engage in solicitation during his or her working time or during the working time of the employee or the employees at whom such activity is directed;

- Employees may distribute or circulate any written or printed material only in non-work areas, during nonworking times. No employee may distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed;

- Non-employees are not permitted to solicit or to distribute written material for any purpose on Company property; and

- Off-duty employees are not permitted in work areas.

Strict compliance with these rules is required. As used in this Policy, "working time" includes all time for which an employee is paid and/or is scheduled to be performing services for the Company. It does not include break periods, meal periods, or periods in which an employee is not performing and is not scheduled to be performing services or work for the Company.

RECREATIONAL ACTIVITIES AND PROGRAMS

Waste Connections or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

OUTSIDE EMPLOYMENT

The Company respects each employee's right to engage in activities outside of employment that are of a personal or private nature, to the extent that such activities do not create a conflict of interest as described in the Code of Conduct and Ethics or adversely affect the employee's ability to perform his or her job. Under certain circumstances, however, if an employee's personal

conduct adversely affects his or her performance on the job or makes it impossible for him or her to carry out any or all of his or her job duties while at work, appropriate disciplinary action, up to and including termination of employment may be appropriate.

An example of an activity that might adversely affect an employee’s ability to perform his or her job duties is having outside employment while also employed by the Company. While the Company does not prohibit employees from holding other jobs, the following types of outside employment are prohibited:

• Employment that conflicts with the employee's work schedule, duties and responsibilities or creates an actual conflict of interest;

• Employment that impairs or has a detrimental effect on the employee's work performance with the Company;

• Employment that requires employees to conduct work or related activities during working times or using any of the Company’s tools, materials or equipment; and

• Employment that directly or indirectly competes with the business or the interests of the Company.

The Company will not assume any responsibility for any employee’s outside employment. Specifically, the Company will not provide workers’ compensation coverage or any other benefit for injuries occurring from, or arising out of, such outside employment. For the purposes of this Policy, self-employment is considered outside employment.

ROMANTIC RELATIONSHIPS

The Company will not take any adverse employment action against any employee for engaging in romantic relationships during nonworking hours away from Company premises. However, we will consider such relationships when they affect an employee’s job performance, occur during working time or on Company premises, or pose a danger of a conflict of interest.

A romantic relationship between employees can create an actual, or at least potential or perceived, conflict of interest in the employment setting, especially where one member of such a relationship supervises the other member. To avoid this problem, the Company may refuse to hire or place an individual who is romantically linked to another employee in a position where the potential for favoritism or a conflict (real or perceived) exists.

If two employees enter into a romantic relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. In other cases where a conflict or the danger of a conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment, at the discretion of the Company.

V. STANDARDS OF CONDUCT

SUBSTANCE ABUSE POLICY

Waste Connections is committed to protecting the safety, health, and well-being of its employees, customers, and all people who come into contact with its employees, workplaces, and property, and/or use its products and services. Drug and alcohol abuse impair judgment, performance and health. Therefore, the Company has established a Substance Abuse Policy for all employees which strictly prohibits the illegal use, sale, attempted sale, conveyance, distribution, manufacture, purchase, attempted purchase, possession, cultivation, and/or transfer of drugs, drug paraphernalia, inhalants, and intoxicants. This prohibition includes the use of prescription and/or over-the-counter drugs in a way that is not prescribed for the employee and/or which may impair the employee's ability to perform his or her job; the use or possession of marijuana and/or medical marijuana (unless the Company is otherwise required by law to allow it); and the use or possession of alcohol while working. Compliance with this Policy is a condition of initial and continued employment with the Company.

The Substance Abuse Policy is updated periodically, and is available to all employees via The Can**.** If any conflict exists between this Handbook and the Substance Abuse Policy, the Substance Abuse Policy shall control. If any employee has questions about compliance with the Policy, or for help accessing the Policy via The Can, please contact a supervisor, manager or Regional Human Resources Manager.

As a summary overview of the Substance Abuse Policy, the following rules and standards of conduct apply to all employees either on Company property or during the workday (including meals and rest periods). Behavior that violates the Policy includes:

- Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on the job;
- Driving a Waste Connections vehicle or equipment while under the influence of alcohol; and
- Distribution, sale, or purchase of an illegal or controlled substance while on the job.

Violation of the Substance Abuse Policy will not be tolerated. Waste Connections also may bring any such violation to the attention of appropriate law enforcement authorities. In order to enforce this Policy, Waste Connections reserves the right to conduct searches of Company property or employees and/or their personal property, and to implement other measures necessary to deter and detect abuse of this Policy.

An employee's conviction on a charge of illegal sale, possession or transportation of any controlled substance, whether on or off Company property, may lead to discipline, up to and including termination.

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work.

Waste Connections will encourage and reasonably accommodate employees with alcohol or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave *before* a problem with work arises—e.g., before a drug/alcohol test is set to be administered, and before any accident caused by drug or alcohol use may occur. Waste Connections is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is the Company obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This Policy on treatment and rehabilitation is not intended to affect Waste Connections' treatment of employees who violate the Substance Abuse Policy described previously before seeking help. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

WORKPLACE SECURITY

Waste Connections has developed guidelines to help maintain a secure workplace. Employees should be aware of persons loitering for no apparent reason in parking areas, walkways, entrances and exits, and service areas, and report any suspicious persons or activities to management. Similarly, employees must notify their supervisor or manager immediately if keys, security passes, or identification badges are missing. Employees should also secure their desks or offices at the end of the day. When called away from the work area for an extended length of time, employees should not leave valuable and/or personal articles in or around their workstations that may be accessible to others.

Firearms and Weapons

All Company employees are prohibited from possessing, carrying, storing or using any prohibited weapon, including concealed handguns, while in the course and scope of performing their job for the Company or performing any task on the Company's behalf, whether or not they are on Company property, and whether or not they are licensed to carry a handgun. This Policy also prohibits weapons on Company premises, in Company vehicles, and at any Company-sponsored functions, including social events. The only exceptions to this Policy are for: (1) persons who have been given written consent by the Company to carry a weapon while performing specific tasks on the Company's behalf; and (2) as allowed by state law, employees who have a concealed handgun license or otherwise lawfully possess a firearm may store such firearm in their locked, personal vehicle in the Company's parking area. Where state law allows for storage of firearms in locked, personal vehicles on Company premises, employees are strictly prohibited from removing the firearm from their vehicle on Company premises, carrying it on their person or into a building, or possessing or transporting it in a Company vehicle.

Prohibited weapons include firearms, knives, explosives, or any weapon restricted under local, state, or federal law. If any employee has a question about whether an item is covered by this Policy, he or she should ask his or her supervisor or manager for approval prior to possessing the item while performing work for the Company or bringing the item onto Company property.

Any employee who witnesses the concealment or possession of a weapon or who witnesses a physical or verbal assault involving another person should report it to a supervisor, manager or the Regional Human Resources Manager immediately.

PROHIBITED CONDUCT

To assure Safety as our #1 Operating Value, and to provide a Great Place to Work for our employees and excellent service for our customers and communities, we expect employees to follow basic, common sense rules of conduct that will protect everyone's interests and safety. The following conduct is prohibited, will not be tolerated by Waste Connections, and may result in disciplinary action, up to and including termination. This list of prohibited conduct is illustrative only; other types of conduct that threaten security, personal safety, employee welfare and Waste Connections' operations also may be prohibited.

- Falsifying employment records, employment information, or other Company records;
- Recording the work time of another employee or allowing any other employee to record your work time, or falsifying any time card, whether your own or another employee's;
- Theft and deliberate or careless damage or destruction of any Waste Connections property, or the property of any employee, customer, supplier or visitor;
- Making untruthful statements in the course of your job duties, including as part of an internal investigation;
- Removing, using or borrowing Waste Connections property without prior authorization;
- Unauthorized use of Waste Connections equipment, time, materials, resources or facilities;
- Provoking a fight, threats of violence, abusive language or fighting during working hours or on Waste Connections property (note that Waste Connections takes a zero tolerance stance toward violence or threats of violence in the workplace);
- Participating in horseplay or practical jokes on Waste Connections time or on Waste Connections premises;
- Carrying or possessing firearms or any other dangerous weapons on Waste Connections premises at any time, including Waste Connections' parking lot (unless the possession of a licensed firearm in a locked vehicle in the parking lot is otherwise permitted by state law, in which case the employee is strictly prohibited from removing the firearm from his or her vehicle, carrying it on his or her person or into a building, or possessing or transporting it in a Company vehicle);
- Engaging in criminal conduct, whether or not related to job performance;
- Bullying, including any repeated behavior which is objectively offensive and meant to intimidate, humiliate or degrade another individual.
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management;

- Using abusive, violent, or threatening language at any time on Waste Connections' premises or while on duty as a Waste Connections employee;
- Failing to properly notify a supervisor or manager when unable to report to work;
- Disregard for environmental laws;
- Violation of the Company's Substance Abuse Policy;
- Absence of three consecutive scheduled workdays without the required prior notice to the Company;
- Failing to obtain permission to leave work for any reason during normal working hours;
- Failing to observe working schedules, including failing to take rest and meal breaks;
- Failing to provide a return-to-work slip or physician's certificate when requested or required to do so;
- Failing to timely report a vehicle accident or injury;
- Sleeping or malingering on the job;
- Salvaging for personal use or purpose;
- Making or accepting personal telephone calls excessive in duration or frequency during working hours, except in cases of emergency. This includes personal cell phones;
- Talking on a cell phone or other handheld device while operating a Company vehicle or equipment, when doing so is in violation of DOT regulations, federal, state or local law;
- Working overtime without authorization or refusing to work assigned overtime (note that employees *will be paid* for all hours and overtime worked, but may be disciplined for working unauthorized overtime);
- Violating any safety, health, security or Waste Connections policy, rule, or procedure;
- Committing a fraudulent act or a breach of trust under any circumstances; and
- Committing of or involvement in any act of unlawful harassment of another individual.

The above non-exhaustive list of prohibited conduct does not alter Waste Connections' Employment At Will Policy. Either the employee or the Company remains free to terminate the employment relationship at any time, with or without cause or advance notice, unless the at-will relationship has been otherwise modified in a writing signed by the Company's Chief Executive Officer (or his designee) and the employee (or his or her representative).

PERFORMANCE COUNSELING AND DISCIPLINARY ACTION

An employee's supervisor will decide how best to address concerns regarding an employee's performance or conduct, depending on the nature and severity of such concerns. The following steps are a guideline for performance counseling situations. Waste Connections may decide to use or not use any or all of these steps, at the Company's sole discretion and depending upon the nature and severity of the performance or other issue being addressed. Nothing in this Policy alters an employee's "at-will" relationship of employment.

- If a supervisor notes a concern, the supervisor may first meet with the employee to verbally discuss the situation and provide coaching/counseling. A time frame may be set during which the employee will need to meet performance standards. The supervisor may

record the verbal warning on an "Employee Meeting Notice" form and have a copy placed in the employee's file.

- If standards are not met after a verbal warning or coaching/counseling session, the employee may receive a written warning. The written warning may outline the performance standard and the time frame in which the employee must correct the concern. A copy of the warning may be placed in the employee's file. A written warning may be given without an oral warning depending on the severity of the offense or other relevant facts.

- If the standards outlined in the written warning are not met, the employee may be given a final written warning. The final written warning may outline the performance standard and the time frame in which the employee must correct the action. A copy of the warning may be placed in the employee file. If an employee does not meet outlined standards, the employee's employment may be terminated.

Notably, none of these steps must necessarily be followed before a termination. It is left to the judgment of the supervisor or manager as to whether to engage in any or all of these steps. The Prohibited Conduct section of this Handbook lists examples of behaviors that Waste Connections would define as severe and which could result in immediate termination. This list is not exhaustive and there may well be situations not listed to which the Company's response would be immediate termination.

TERMINATION FROM EMPLOYMENT

Involuntary Termination

An involuntary termination occurs when the Company decides to end the working relationship with an employee. Involuntary terminations may occur for cause or for reasons other than cause. Involuntary terminations for cause include, but are not limited to, terminations for violating Company policy, misuse or theft of resources, the falsification of information, excessive absence/tardiness or unsatisfactory work performance. Involuntary terminations for reasons other than cause include, but are not limited to, a reduction in workforce.

Voluntary Termination

A voluntary termination means an employee has made the decision to end the working relationship with the Company. Voluntary resignations include, but are not limited to, written or verbal resignation, retirement, and job abandonment. An employee is considered to have abandoned his or her job if he or she fails to report to work for three (3) consecutively scheduled workdays without notice to, or approval by, his or her supervisor or manager.

Employees who voluntarily leave the Company are encouraged to provide their supervisor with two weeks' written notice in order to allow a reasonable amount of time to transfer ongoing work. However, the Company may choose to waive any notice period and accept the employee's resignation immediately. Employees in good standing who retire or resign from their positions may be eligible for re-hire, at the Company's sole discretion.

Return of Company Property

Upon termination of employment for any reason, or at any time upon the Company's request, an employee must return all vehicles, keys, uniforms, phones, computers or other electronic equipment, files (whether in hard copy or electronic form), identification badges, credit cards or other Company-issued property.

When allowed by law, and in accordance with applicable law, the Company may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. No information belonging to the Company can be copied for the employee's use. The Company may also take all action deemed appropriate to recover or protect Company property.

Pay and Benefits Upon Termination

Final wages will be paid in accordance with applicable law. Whether earned but unused vacation and/or other paid leave is payable upon termination will be determined by local law and/or District policy at the employee's work location. Terminated employees should contact the Corporate Human Resources and/or Benefits departments at 877-590-0083, Option 4 for information on electing to continue benefits (if applicable), or for other post-employment questions.

Neutral Reference

So that the Company can handle requests for job references in a consistent, fair and lawful manner, all requests for official job references from a former employee should be forwarded to the Corporate Human Resources Department. Our general policy concerning references for former employees is to disclose only the dates of employment and the title of the last position held. If an employee authorizes disclosure in writing, we will also provide a prospective employer with information on the amount of the salary or wage last earned. For employees and former employees who are subject to Department of Transportation regulations, the Company will provide all information in compliance with DOT regulations.

VI. TIME OFF AND BENEFITS

TIME OFF / LEAVES OF ABSENCE

The Company recognizes that employees benefit from time away from work for a variety of reasons—all of which contribute towards a positive work-life balance for our employees. Therefore, the Company provides time off—both paid and unpaid—to eligible employees for the following situations:

Vacation / Sick Leave / Paid Time Off
Each District within the Company generally sets its own policies regarding paid vacation, sick leave, and/or paid time off, in compliance with all applicable federal, state and local laws. How paid time off is earned or accrued, how it must be requested or scheduled, and whether it will be paid out to employees upon separation from employment—all are determined by local District policy, and as required by law. If any employee has questions regarding paid vacation, sick leave, and/or other forms of paid time off, he or she should contact a supervisor or manager, the District Manager, or the Regional Human Resources Manager.

Holidays
Each District generally sets its own policies regarding paid holidays—including the number of holidays that will be recognized, the days on which they will be observed, and how employees will be compensated if they are scheduled to work on a holiday. Employees should check with their supervisors/managers with questions on the holidays observed at their District.

Notably, due to the nature of our business and our need to provide timely service to customers and the communities we serve, particularly during peak holiday times, some employees may be required to work on scheduled holidays. Employees will be compensated for work on a scheduled holiday per District policy, and in compliance with all applicable laws.

Jury/Witness Duty
All employees who are required to perform jury duty or who are subpoenaed to testify as a witness will be granted leave for the necessary time period. All leave for jury or witness duty will be unpaid unless otherwise required by applicable law. No employee will be retaliated against in any way as a result of receiving or responding to a summons for jury duty or subpoena as a witness.

The Company requires an employee to provide documentation of the call for jury or witness service to his or her supervisor or manager as soon as reasonably possible, and no less than one full work day prior to the day the employee is scheduled to report to court. If an employee is excused early from court or witness service, he or she should return to work whenever practical. Upon completion of jury or witness duty, an employee may be required to submit proper documentation from the court, specifying the length of time served and the time of dismissal from service.

Voting

All employees are encouraged to exercise their civic duty by voting in federal, state, and local elections. Most employees have adequate time to vote before or after work hours or during early voting periods. However, if polls are not open for at least two (2) consecutive hours outside of an employee's scheduled work shift, the employee will be given a reasonable amount of time off without pay to vote, unless otherwise required by applicable law. An eligible employee must make a request for time off to vote to his or her supervisor or manager, who will determine when the time off to vote will be given.

Family and Medical Leave

Waste Connections will grant leave for specified family and medical-related reasons in accordance with the requirements of applicable federal and state laws in effect at the time the leave is granted. Although the federal and state laws sometimes have different names, the Company refers to these types of leaves collectively here as "FMLA Leave." In any case, employees will be eligible for the most generous leave benefits available under applicable law.

A. Employee Eligibility

To be eligible for FMLA Leave benefits, you must: (1) have worked for the Company for a total of at least 12 months; and (2) have worked at least 1,250 hours over the previous 12 months as of the start of the leave. Key employees, as defined by the FMLA, may be subject to reinstatement limitations in some circumstances, and will be notified of their key employee status at the time a leave request is made.

B. Reasons for Leave

State and federal laws allow FMLA Leave for various reasons. Because an employee's rights and obligations may vary depending upon the reason for the FMLA Leave, it is important to identify the purpose or reason for the leave. FMLA Leave may be used for one of the following reasons, in addition to any reason covered by an applicable state family/medical leave law:

1) **Family and Medical Reasons:** Eligible employees may take up to 12 weeks of unpaid leave in a rolling 12-month period looking backward 12 months from the starting date of the requested leave for one or more of the following reasons. (The term "child" includes not only a biological or adopted child, but also a foster child, a stepchild, a legal ward, or a minor to whom the employee stands *in loco parentis*—that is, provides day to day support or financial support similar to that of a parent.)
    - Birth of a child and to care for the newborn child;
    - Placement with the employee of a child for adoption or foster care and to care for the newly placed child;
    - To care for a spouse, parent, or child, including step-relations ("covered relative"), due to a serious health condition;
    - Because the employee's own serious health condition makes him/her unable to perform an essential function of his or her job; or
    - Due to a qualifying exigency, when the employee's spouse, parent, or child is: (i) a member of the regular Armed Forces who is deployed to a foreign country; or (ii) a

member of the Reserves or National Guard who is deployed with the Armed Forces to a foreign country under a call or order to active duty ("qualifying exigency leave").

A "serious health condition" means *generally* an illness, injury, impairment, or physical or mental condition which:

- requires inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical-care facility or subsequent treatment in connection with or consequent to such inpatient care;
- creates incapacity of more than 3 consecutive, full calendar days and (i) requires in-person treatment by a health care provider two or more times within 30 days of the first day of incapacity, with the first visit occurring in the first 7 days of incapacity, unless extenuating circumstances exist, or (ii) requires one in-person treatment by a health care provider within the first 7 days of incapacity, resulting in a continuing regimen of treatment;
- is a chronic serious health condition which continues over an extended period of time, requires periodic visits (at least twice a year) to a health care provider, and may involve occasional episodes of incapacity (e.g., asthma, diabetes);
- is a permanent or long-term condition for which treatment may not be effective (e.g., Alzheimer's, a severe stroke, terminal stage of a disease);
- is a period of absence to receive multiple treatments for restorative surgery or for a condition which would likely result in a period of incapacity of more than three consecutive, full calendar days if not treated (e.g., chemotherapy or radiation treatments for cancer, kidney disease dialysis); or
- is a period of incapacity due to pregnancy or for prenatal care**.**

A "qualifying exigency" which could trigger an employee's entitlement to leave includes *generally*:

- short-notice deployment - notification of an impending call or order to active duty 7 or fewer calendar days prior to date of deployment, beginning on date notice is received;
- military events and related activities – attending official ceremonies, programs, events and/or family support and assistance programs and briefings;
- childcare and school activities - changes to regular childcare arrangements, urgent-need childcare, school enrollment, transfer, and/or parent-teacher conferences;
- financial and legal arrangements - preparing and executing powers of attorney, transferring bank account signature authority, representing military member regarding military benefits, preparing and updating wills and living trusts;
- counseling - for the employee, military member or the children of the military member;
- short-term rest and recuperation - up to 15 calendar days of leave for each instance of a military member's leave, for rest and recuperation with the military member;
- post-deployment activities - arrival ceremonies and programs for 90 days after active duty status, death-related issues;
- parental care – to care for a military member's parent, or someone who stood *in loco parentis* to the military member, who is incapable of self-care, when the care is necessitated by the military member's covered active duty; this may include

arranging for the parent's alternative care, providing care on an immediate need basis (but not on a routine, regular or everyday basis), admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility; and

- "additional activities" - other events which arise out of the military member's active duty or call to active duty, to be agreed upon by the Company and employee.

2) **Military Caregiver Leave:** Eligible employees may also take up to 26 weeks of unpaid leave in a single 12-month period (beginning on the first day such leave is taken) to care for a covered service member while he or she undergoes medical treatment, recuperation, or therapy for a serious injury or illness ("military caregiver leave").

A "covered service member" is defined as the employee's spouse, parent, child or next of kin who is:

- a current member of the Armed Forces (including the Reserves or National Guard) or on the temporary disability retired list, and who incurred a serious injury or illness (or aggravated a pre-existing injury or illness) in the line of duty on active duty; or
- a veteran who was a member of the Armed Forces (including the Reserves or National Guard), who incurred a serious injury or illness (or aggravated a pre-existing injury or illness) in the line of duty on active duty, and who was discharged or released from service under conditions other than dishonorable at any time during the 5 years prior to the first date an eligible employee takes FMLA leave to care for that veteran undergoing medical treatment, recuperation, or therapy. The time period between October 28, 2009 and March 8, 2013 is not counted in determining the five-year period for covered veteran status.

A "serious injury or illness" is defined as an injury or illness that was incurred or aggravated in the line of duty on active duty in the Armed Forces and:

- for *current* service members, the type of injury or illness that would render the service member medically unfit to perform the duties of his or her office, grade, rank, or rating; or
- for *veterans*, an injury or illness that manifested itself before or after the member became a veteran, and is: (1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered him/her unable to perform the duties of his or her office, grade, rank or rating; (2) a physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50% or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; (3) a physical or mental condition that substantially impairs the veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would do so absent treatment; or (4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

C. Amount and Timing of Leave

FMLA leave begins on the date of the first absence covered by FMLA and continues until the earlier of: (1) the 12- or 26-workweek leave allotment for that employee is exhausted; (2) the date on which the FMLA-qualifying reason ends, not to exceed 12 or 26 workweeks; or (3) the date the employee fails to provide any certification or recertification of the need for the FMLA leave as required by the Company in accordance with the FMLA.

For all types of FMLA leave besides military caregiver leave, the balance of the 12 weeks' leave available will be determined using a "rolling" 12-month period, measured backward from the starting date of each requested leave.

For military caregiver leave, which makes 26 weeks of leave available to eligible employees, the "single 12-month period" begins on the first day an employee takes such leave and will normally be calculated separately from the rolling 12-month period used for other types of FMLA leave. However, the two will be tracked concurrently. No employee may use more than 26 weeks of FMLA leave for *any reason* during the 12-month period that begins on the date military caregiver leave begins.

Military caregiver leave may be taken intermittently throughout the single 12-month period, and is applied on a per-covered-service member, per-injury basis, such that an eligible employee may be entitled to take multiple leaves if needed to care for a different service member or the same service member's subsequent injury or illness. However, no more than 26 weeks of leave may be taken in any single 12-month period, regardless of the number of bases for which it might be sought.

Leave taken because of the birth or placement of a child and to care for that child must be completed within the 12-month period beginning on the date of birth or placement. Nonetheless, such leave may begin before the birth or placement occurs.

Spouses employed by the Company are jointly entitled to a combined total of 12 weeks of leave for the birth and care of a healthy newborn child, for placement of a healthy child for adoption or foster care, and to care for a parent who has a serious health condition. However, each spouse will be entitled to take the full 12 weeks of leave because of a child's, spouse's, or their own serious health condition. Spouses employed by the Company are jointly entitled to a combined total of 26 weeks of military caregiver leave during the single 12-month period.

The Company will track each employee's FMLA leave usage in one-hour increments, unless otherwise required by law. Employees will not be required to take more FMLA leave than is necessary to address the circumstances that precipitated the need for leave, and any time spent working for the Company will not be counted against an employee's FMLA leave entitlement.

To the extent required by law, some extensions to leave beyond an employee's job-protected FMLA entitlement may be granted when the leave is necessitated by an employee's work-related injury/illness or a "disability" as defined under the Americans with Disabilities Act and/or applicable state or local law. Certain restrictions on these benefits may apply.

D. Compensation During Leave

Generally, FMLA leave is unpaid. However, an employee may be eligible to receive benefits through State-sponsored or Company-sponsored wage-replacement benefit programs. One example of such wage-replacement benefit programs is workers' compensation benefits. If an employee is eligible to receive wage-replacement benefits, depending on his or her work location, the employee may also choose to supplement these benefits with the use of accrued paid time off, to the extent permitted by law and Company policy. All such payments will be integrated so that the employee will receive no more than his or her regular compensation during the leave period.

If the employee is not eligible to receive any wage-replacement benefits while on FMLA leave, the employee will be required to use all accrued paid time off concurrent with his or her unpaid FMLA leave. This allows the employee to receive pay for the length of his or her FMLA leave coinciding with the accrued paid time off, but does not extend the employee's available FMLA leave time beyond the allotted 12 or 26 weeks.

E. Integration With Other Time Off

Any time off from work which qualifies for FMLA leave will be counted against the employee's FMLA allotment. If it is not immediately apparent that an employee's time off qualified as FMLA leave, but the Company subsequently learns that it did qualify, the Company may retroactively designate such time off as FMLA leave.

For purposes of determining the amount of leave used by an employee, the fact that a holiday may occur within the week taken as FMLA leave has no effect; the week is counted as a week of FMLA leave. However, if an employee is using FMLA leave in increments of less than one week, the holiday will not count against the employee's FMLA leave entitlement unless the employee was otherwise scheduled to work during the holiday. Employees will not accrue vacation, sick or other paid time off and are not eligible to receive holiday pay during FMLA leave.

F. Employee "Notice" Obligations

If FMLA leave is foreseeable, an employee must provide the Company with at least thirty (30) days' advance notice of the leave. When the need for FMLA leave is not foreseeable or if 30 days' notice cannot be given, notice as soon as practicable is required. ("As soon as practicable" generally means giving at least verbal notice to the Company the same or next business day after learning of the need to take FMLA leave.)

Notice of the need to be absent should be given according to the Company's normal absence call-in procedure. Employees who will be absent for any reason which may qualify for FMLA leave must also provide notice to the Company's Leave of Absence Administrator ("LOA Administrator"). Currently, the LOA Administrator is Cigna. You may contact Cigna via the Corporate Human Resources Department at 877-590-0083, Option 4. Failure to timely provide notice to the LOA Administrator may result in a delay or denial of FMLA benefits and protections.

G. Leave Certification and Recertification

If an employee is requesting leave because of his or her own or a covered relative's serious health condition, the individual's attending health care provider must supply appropriate medical certification before and throughout the leave, as requested by the Company. Appropriate certifications may also be required, as requested by the Company, for qualifying exigency leave and military caregiver leave.

When an employee requests leave, the LOA Administrator will notify him/her of any certification requirements and provide the appropriate forms to use. The employee shall return the completed certification form to the LOA Administrator within fifteen (15) calendar days after it is requested. If the employee fails to provide timely certification (unless it is not practicable to do so despite the employee's diligent, good faith efforts), the leave will not be considered FMLA leave. Instead, the employee's absence will be considered unexcused and the employee will be subject to discipline, up to and including termination, in accordance with the Company's general attendance policies.

For the initial certification of an employee's or a covered relative's serious health condition, the Company and/or the LOA Administrator may seek clarification or authentication from the employee's health care provider of the information provided on the certification form. The Company, at its sole expense, may also require an examination by a second health care provider, designated by the Company, if it reasonably doubts the medical certification an employee's health care provider initially provides. If the second health care provider's opinion conflicts with the original medical certification, the Company, at its sole expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion. To facilitate the second/third opinion process, an employee or covered relative must authorize the release of his or her medical information pertaining to the condition for which leave is being sought to the second/third health care provider.

The Company may also from time to time request recertification of the employee's or covered relative's serious health condition during the leave. Recertification may generally be required every six (6) months; though it may be required more often if: (i) a leave extension is requested, (ii) circumstances regarding the leave or need for leave significantly change, (iii) the Company receives information casting doubt on the employee's stated reason for his or her absence or the continuing validity of the employee's certification, or (iv) every 30 days for indefinite leaves. Failure to provide the information needed for recertification within the allotted time, absent extenuating circumstances, may result in a denial of continuation of FMLA benefits and protections.

An employee taking FMLA leave must promptly respond to all of the Company's and/or the LOA Administrator's phone calls and written correspondence. An employee on leave also must keep his or her supervisor and the LOA Administrator informed at all times of his or her intention to return to work upon completion of the leave. The employee is responsible for notifying his or her supervisor and the LOA Administrator of any changes accelerating or delaying his or her anticipated return date.

H. Intermittent Leave or Reduced Work Schedule

Leave because of a serious health condition and military caregiver leave may be taken intermittently (in separate blocks of time) or on a reduced work schedule (reducing the usual number of hours the employee works per workweek or workday) if medically necessary. When necessary, qualifying exigency leave may also be taken intermittently or on a reduced work schedule.

If a reduced work schedule is implemented, the Company will pay hourly employees only for the hours actually worked. For salaried employees, the Company will reduce employees' pay accordingly, through pro rata salary reductions based on the amount of FMLA time used. If an employee needs intermittent leave or a reduced work schedule that is foreseeable based on planned medical treatment for the employee, a covered relative, or a covered service member, the Company reserves the right to temporarily reassign the employee to another position within the Company with equivalent pay and benefits, to minimize the disruption to the Company.

I. Return to Work

An employee taking FMLA leave will be placed in the same or an equivalent position upon returning from leave, provided he or she meets eligibility requirements and complies with all notice and certification requirements, and unless he or she would not otherwise be employed at the time reinstatement is requested (e.g., because the employee's position was eliminated due to a reduction in force or restructuring during his or her FMLA leave).

If an employee takes FMLA leave because of his or her own serious health condition, he or she is required to provide a medical certification that he or she is fit to resume work before returning. For an employee on intermittent or reduced schedule leave, the Company may require a medical certification that he or she is fit to resume work as often as once every thirty (30) days if reasonable safety concerns exist regarding the employee's ability to perform his or her duties. Employees may obtain return-to-work medical certification forms from the Company's LOA Administrator, which is currently Cigna. You may contact Cigna via the Corporate Human Resources Department at 877-590-0083, Option 4. The Company will not permit the employee to return to work without the return-to-work medical certification form properly completed by the employee's health care provider.

Absences caused by an employee's failure to provide a return-to-work certification will not be entitled to FMLA protection and will be considered unexcused. Employees with unexcused absences will be subject to discipline, up to and including termination, in accordance with the Company's general attendance policies.

If an employee fails to return to work at the expiration of his or her FMLA leave and has not obtained an extension of the leave, the Company may presume that the employee does not plan to return to work, and that he or she has voluntarily terminated his or her employment.

J. <u>No Work While on Leave</u>

The taking of another job or working at another job while on FMLA leave or any other authorized leave of absence is strictly prohibited and is grounds for immediate termination, unless otherwise required by applicable law.

K. <u>Medical and Other Benefits</u>

During an approved FMLA leave, the Company will maintain an employee's health benefits as elected by the employee prior to the leave and as if he or she continued to be actively employed. If accrued paid time off is used during the unpaid FMLA leave, the Company will deduct the employee's portion of the health plan premium as a regular payroll deduction.

If an employee's leave is unpaid, the employee must pay his or her portion of the health benefits premium by a monthly check on same date payment would be due if made by payroll deduction. The employee's health care coverage will be subject to termination in accordance with the FMLA if his or her premium payment is more than 30 days late.

If an employee elects not to return to work for at least 30 days at the end of the leave period, he or she will generally be required to reimburse the Company for the cost of all of the health benefit premiums paid by the Company for maintaining coverage during his or her unpaid leave (including the Company's share of premiums), unless the employee cannot return to work because of: (i) his or her own or a covered relative's serious health condition; (ii) a serious injury or illness qualifying for military caregiver leave; or (iii) other circumstances beyond the employee's control.

Upon return from leave, all benefits will be resumed in the same manner as provided when the leave began, subject to any changes in the Company's benefit plans and programs that may have taken place during the leave period.

L. <u>Retaliation Prohibited</u>

Retaliation against an employee for taking or requesting FMLA leave is prohibited. Any employee experiencing or witnessing such retaliation must report it to a supervisor. If an employee is uncomfortable making such a report to a supervisor or is unsatisfied with how the report was handled, the employee should report the retaliation to Regional Human Resources Manager, Corporate Human Resources representative, or call the toll free Human Resources Hotline at (877) 590-0083, option 5.

M. <u>Questions About Employee Rights and Responsibilities Under the FMLA</u>

Linked here (https://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf) is a copy of the Department of Labor's Notice to Employees of Rights under the FMLA. Employees who have questions relating to their rights and responsibilities under the FMLA are advised to consult this Notice and/or to request additional information from Regional or Corporate Human Resources personnel, or to call the toll free Human Resources Hotline at (877) 590-0083, option 5.

Medical Leaves of Absence Other Than Family and Medical Leave

If an employee is not eligible for Family and Medical Leave or he or she has exhausted his or her right to Family and Medical Leave, or as otherwise required by law, the employee may be eligible for an unpaid medical leave of absence due to illness or injury (whether or not such illness or injury is work related). A leave of absence granted under this Policy will run concurrently with FMLA Leave and any other legally required time off.

Americans with Disabilities Act

It is the policy of the Company to comply with all applicable provisions of the Americans with Disabilities Act (ADA), as amended, as well as similar state laws. If an employee believes he or she requires a reasonable accommodation due to a disability, that employee should notify his or her supervisor, manager and/or Regional Human Resources Manager, or call the Company's toll free Human Resources Hotline at (877) 590-0083, option 5, immediately in order to request an accommodation. The Company will then engage the employee in a confidential, informal interactive process to determine the nature of the employee's disability and his or her needs. The Company will consider accommodation requests on an individualized basis. Reasonable accommodations may take a variety of forms, including, but not limited to, leaves of absence, or adjustments to work areas, equipment, policies, duties, and schedule.

If leave is requested by the employee, or is determined through the interactive process to be a reasonable accommodation option, the employee must obtain a certification from his or her health care provider stating the date on which the condition began, the probable duration of the leave needed, a statement that employee is unable to work at all or are unable to perform one or more of the essential functions of his or her position with or without reasonable accommodation, and the expected date of return to work. These certification forms are available from the Company's LOA Administrator, which is currently Cigna. You may contact Cigna via the Corporate Human Resources Department at 877-590-0083; Option 4. The amount of time off available to the employee will depend on the circumstances.

Guidelines for Leave

If an employee is eligible to receive wage-replacement benefits while on a non-FMLA medical leave of absence, depending on his or her work location, the employee may also choose to supplement these benefits with the use of accrued paid time off, to the extent permitted by law and Company policy. All such payments will be integrated so that the employee will receive no more than his or her regular compensation during the leave period.

If the employee is not eligible to receive any wage-replacement benefits while on leave, he or she will be required to use any accrued paid time off during a medical leave of absence under this Policy. The paid leave will run concurrently and will not extend the maximum duration of the employee's approved leave. The employee will not earn or accrue any additional paid time off during his or her leave, and he or she will not receive holiday pay for holidays occurring while he or she is on leave unless otherwise required by law or contract.

The employee may be eligible for continued health care benefits during his or her leave. To the extent the employee is not eligible for continued health care benefits during a leave, the

employee may be eligible to continue his or her health care coverage through COBRA. Please refer to the separate summary plan description for the Waste Connections medical benefits plan for specific policies on the continuation of insurance while on medical leave.

When the employee is able to return to work, he or she must give his or her supervisor and the Company's LOA Administrator prompt notice of his or her intent to return and must provide a certification from a health care provider stating that the employee is physically able to return to his or her duties with or without reasonable accommodation. These return-to-work forms are available from the Company's LOA Administrator, which is currently Cigna. You may contact Cigna via the Corporate Human Resources Department at 877-590-0083, Option 4.

The Company will make reasonable efforts to return the employee to his or her former position or a similar position upon a return from leave. However, unless otherwise required by law, and depending on the Company's business needs and circumstances, such a return to employee's former position may not be guaranteed.

If the employee does not return to work on the originally scheduled return date or request in advance an extension of the agreed upon leave with appropriate medical documentation, he or she may be deemed to have voluntarily resigned his or her employment. In addition, an employee's failure to notify the Company of his or her availability for work when it occurs; failure to communicate with the Company regarding leave status; or continued absence from work because employee's leave must extend beyond a reasonable period of time, or for an indefinite amount of time, may be deemed a voluntary resignation of employment, or may otherwise lead to termination of the employee's employment.

Employees with questions about medical leaves should contact the Corporate Human Resources Department, or call the toll free Human Resources Hotline at (877) 590-0083, option 4.

Military Leave

The Company will comply with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as amended, and any applicable state laws pertaining to military leave. Employees who serve in the uniformed services (as defined by USERRA) may be entitled to a military leave of absence, subject to the limitations and restrictions set forth in USERRA. USERRA also provides for the continuation of certain benefits and re-employment upon return from military leave under certain circumstances. Upon receiving an assignment for military service, an employee should promptly provide notice to his or her supervisor and the Company's LOA Administrator, unless precluded by military necessity or impossibility. The Company's LOA Administrator is currently Cigna. You may contact Cigna via the Corporate Human Resources Department at 877-590-0083, Option 4. An employee should inform his or her supervisor and the LOA Administrator of training or drill schedules as far in advance as possible. Military leave is unpaid; however, an employee may apply accrued but unused paid time off to the military leave if he or she chooses to do so.

Employees with questions about military leaves should contact the Corporate Human Resources Department or call the toll free Human Resources Hotline at (877) 590-0083, option 4.

Personal, Non-Medical Leave
All full-time employees may be eligible to take a personal leave without pay at the sole discretion of the Company, subject to the current status of the employee's workload and the Company's business needs. Personal leaves should be limited to personal needs requiring an extended absence from work that do not fall under any other leave policy or applicable law.

Employees must provide a return to work date in order to be considered for personal leave. If the employee does not return to work at the conclusion of an approved personal leave, the employee will be considered to have voluntarily resigned his or her employment, unless the reason for the failure to return is legally protected.

Personal leaves of absence may be approved by the employee's supervisor or manager on a case-by-case basis, as needed; but generally, such leaves will not be approved for a period of more than two (2) weeks. The employee must use all accrued paid time off available before taking the remainder of the personal leave unpaid.

The employee must ask for personal leave at least 30 days prior to the expected start date of the leave, by submitting a request to his or her supervisor or manager. If such an advance request is not possible, the employee should make his or her request with as much advance notice as is reasonably practicable.

The employee may be eligible for continued health care benefits during his or her leave. To the extent the employee is not eligible for continued health care benefits during a leave, the employee may be eligible to continue his or her health care coverage through COBRA.

The employee will not accrue paid time off while on personal leave and he or she will not be paid for any holidays that fall during the personal leave unless otherwise required by law or contract.

Reinstatement following Personal, Non-Medical Leave is not guaranteed.

Employees with questions about personal leave should contact the Corporate Human Resources Department or call the toll free Human Resources Hotline at (877) 590-0083, option 4.

Bereavement Leave
If an employee needs time off for the death of a family member or other close relationship, he or she should contact his or her supervisor or manager directly.

Other Federal and State Leave and Protected Time Off Laws
The Company complies with all state and local leave of absence laws, rules and regulations. To the extent any state or local leave of absence law is more generous to the employee than what is stated in this Handbook or in an employee's District policy, the state or local law shall control if applicable, and shall operate to provide the employee the maximum benefits or protections under the law. Where applicable, the Company will run all legally required leaves of absence concurrently.

Some examples of state- or locality-specific reasons for leave include, but are not limited to:

- Bone marrow, tissue, blood or organ donation
- To escape domestic abuse
- To act as a witness in court
- To attend a child's school activity

This list is not totally inclusive and not all states provide specific leave regulations for these types of leave. For more information regarding laws in a specific state or locality, please contact the Company's Regional Human Resources Manager, or call the Company's toll free Human Resources Hotline at (877) 590-0083, option 5.

EMPLOYEE BENEFITS

This section provides an overview of some of the benefits offered by the Company. Each of the benefits listed in this section are available only to regular full-time employees of the Company, unless otherwise required by law or noted in the policy.

Like other sections of this Handbook, the provisions describing insurance benefits below are not a contract, but merely provide a policy guideline. This section is simply designed to provide brief descriptions of the various benefits that are currently available to employees who meet the eligibility requirements. While the descriptions below in this Employee Benefits Policy are intended to be accurate, for answers to specific questions, please consult the applicable employee benefit plan documents. To the extent there is any conflict between the terms of this Policy and the terms of the respective plan documents, the terms of the applicable plan documents will control. Further, Waste Connections reserves the right, in its sole discretion, to modify, add, delete or interpret any benefit or terms under which it is offered at any time, as limited only by the restrictions in the Employee Retirement Income Security Act (ERISA).

Medical Insurance

Waste Connections provides a comprehensive health insurance program for regular full-time employees who are scheduled to work at least 30 hours or more per week. Employees will receive a separate Benefits Information Packet from the Corporate Human Resources Department describing the insurance programs provided and outlining the portion of the benefits costs to be covered by the Company. Benefits which can be elected by the employee include medical, dental and vision coverage for employee and family, life and long-term disability insurance, flexible spending plan, cafeteria plan and 401(k) plan for employee. (See below for 401(k) eligibility requirements.)

In compliance with the Consolidated Omnibus Budget Reconciliation Act (COBRA), if your participation in the medical plan ceases, you may have the right to continue your benefits following the occurrence of certain "qualifying events" that would otherwise result in loss of coverage in accordance with COBRA. Further details are located in the "Summary of Rights and Obligations Regarding Continuation of Group Health Plan Coverage" contained in the summary plan description(s) for Waste Connections' medical, dental, and vision benefit plans.

All benefits become "active" on the first day of the month following the completion of 60 calendar days of employment. For example, if an employee's hire date was July 10, benefit information should be submitted to the Corporate Human Resources Department on or around September 10, and the employee's benefits would begin on October 1. For more information on benefits, eligibility requirements, or for help with timely enrollment, please see the Benefits page on The Can or call the Corporate Benefits Department at (877) 590-0083, option 4.

Unemployment Compensation

Specific laws and regulations regarding unemployment compensation vary by state. Please see your District payroll representative for more information.

Social Security

Social Security is an important part of every employee's retirement benefit. Waste Connections pays a matching contribution to each employee's Social Security taxes, as required by law.

Workers' Compensation

All employees are protected by Waste Connections' workers' compensation insurance policy while employed by Waste Connections, at no cost to the employee and in accordance with applicable state law. The policy covers the employee in case of occupational injury or illness.
Employees who sustain a work-related injury or illness should inform their supervisor or manager immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for workers' compensation coverage.

Employees who need to take time off from work due to a work-related illness or injury may also be eligible for a leave of absence under the Company's leaves of absence or reasonable accommodation policies. Employees should consult with their supervisor, manager or Regional Human Resources Manager for additional information.

Employees who are ready to return to work following a work-related leave of absence must supply a certification from a health care provider confirming the employee's ability to safely return to work.

The Company will notify the workers' compensation insurance company if we have reason to believe an employee has supplied false or misleading information in connection with a claim and/or has filed a fraudulent claim. Workers' compensation fraud is a crime and may also be grounds for disciplinary action, up to and including termination of employment.

401(k)

Waste Connections provides a 401(k) plan for eligible employees in order to assist in planning for their retirement. Employees are eligible to participate in the plan on the first of the month after completing sixty (60) days of active, continuous employment. All eligible participants will receive a summary plan description. For more information regarding eligibility, contributions, benefits, and tax status, contact the Corporate Benefits Department at 877-590-0083, option 6, or visit the 401(k) tab under the Benefits section on The Can.

Employee Assistance Program

The Employee Assistance Program (EAP) is a confidential service designed to help employees and their eligible dependents address problems in everyday living that may affect their health, family life or job performance. Employees and their eligible dependents can have up to three pre-paid sessions with the EAP, at no cost to the employee, for evaluation, short-term counseling and/or referral for additional assistance.

EAP is available 24 hours a day, seven days a week. Employees and their dependents may call the EAP at 1-855-557-0676 anytime, day or night, and speak with a counselor. It is strictly confidential and no information about the employee or dependents will be released without the employee's written permission. EAP can help with family or marital concerns, workplace problems, drug or alcohol abuse, stress, anxiety, depression or other emotional problems.

EMPLOYEE HANDBOOK RECEIPT

I acknowledge that I have received a copy of the Employee Handbook (the "Handbook") of Waste Connections, Inc. (the "Company"), which is applicable to all subsidiaries and affiliates of the Company, including my employing entity. I have read the Handbook carefully and completely, and I have had ample opportunity to ask for any necessary clarification of its contents.

I understand that the policies and procedures set forth in this Handbook apply to me. In the event any conflict exists between the provisions found in this Handbook and any collective bargaining agreement which may govern my employment, the CBA shall control, to the extent allowed by law.

I understand that the Company's policies regarding Equal Employment Opportunity, anti-discrimination and anti-harassment, pay and timekeeping, leaves and attendance, as well as conduct-related information, are included in this Handbook.

If I have questions or concerns at any time about the contents of the Handbook, I may consult my supervisor, manager, or Regional or Corporate Human Resources representatives for clarification. At this time, I am not aware of any actual or potential violations of the policies contained in the Handbook; or if I am (or later become) aware of or concerned about any potential violations, I commit that I will promptly bring them to the attention of my supervisor, manager, or a Human Resources representative.

I understand that I do **not** have a reasonable expectation of privacy in my use of the Company computer or telephone systems, on Company premises or in Company vehicles or regarding any personal property on Company premises. I understand that the Company may monitor or intercept communications made on its Company systems per the policies in this Handbook.

I clearly understand that this Handbook does not create a contract for employment with the Company and that, unless restricted by contract or by law, the Company may modify, amend, delete, suspend or discontinue the policies and procedures found in this Handbook at any time, with or without prior notice and with or without cause.

I further understand that my employment is "at will," and that either the Company or I may end the employment relationship at any time, for any reason or for no reason, with or without notice, unless our at-will employment relationship has been modified in a writing signed by the Company's Chief Executive Officer (or his designee) and me (or my representative).

Additionally, I understand that the Company reserves the right to change my hours, wages and working conditions, absent a contrary agreement or as required by law.

By checking the below box, I acknowledge that I have read and understand the aforementioned policies, links, and/or documents. I also agree and authorize this electronic submittal to serve as my legal signature for these documents.

EMPLOYEE CONFIDENTIALITY AGREEMENT

In regard to my employment with Waste Connections, Inc. or one of its subsidiaries or affiliates (the "Company"), in which I may be privy to information pertaining to the Company's Competitive Advantage (as defined below), I agree on behalf of myself and my personal and legal representatives that:

- I will keep secret and retain in strictest confidence, and will not use or disclose for the benefit of any entity other than the Company, any sensitive business information (including, without limitation, Competitive Advantage), unless I am specifically authorized to do so in writing by my supervisor or an officer of the Company. I will not discuss sensitive information with a non-authorized Company employee, or with any non-employee, without written permission from my supervisor or an officer of the Company.

- I will, upon termination, deliver to the Company any Company objects or property in my possession, custody or control, including all originals or copies of written documents, computer files, programs, data or attachments, Company files, customer databases or lists, route sheets, pricing lists, bid or contract information, etc. that would contain information pertaining to the Company's Competitive Advantage. I will not copy or retain any access to any such items.

- I understand that the Company may reveal the existence of this document to my future employers.

- I understand that I may not reveal competitive advantage information of my former employers or any other company for Waste Connections' business use without written permission from the other company.

"Competitive Advantage" is defined as exclusive information that is a product of strategic planning or research, or is confidential, proprietary or trade secret information. Competitive Advantage may include but is not limited to the following:

- Present and future marketing plans
- Strategic business plans
- Pending and future market acquisitions
- Market pricing information, policies, plans and studies
- Customer information, lists, and route sheets
- Other information that is not generally known by the public but would be of potential business use.

I understand and agree that nothing in this Employee Confidentiality Agreement is intended to interfere with or restrain any non-management employee's right to share information regarding

his or her wages, hours, or other terms and conditions of employment in the exercise of any rights provided by the National Labor Relations Act.

Further, this Employee Confidentiality Agreement shall not interfere with or restrain my right as an employee to report unlawful actions or violations of regulation to any law enforcement or administrative agency (including the Department of Justice, the Securities and Exchange Commission, Congress, any agency Inspectors General, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration and the Department of Labor, as well as comparable state or local agencies) or to participate in any such agency's investigation, or to make any other disclosures that are protected under the whistleblower provisions of federal law or regulation.

Nothing in this Employee Confidentiality Agreement shall be construed to prohibit a disclosure of information that is compelled by law; provided, however, that to the extent allowed by law, I agree that I will give the Company as much written notice as possible under the circumstances and will cooperate with the Company in any legal action undertaken to protect the confidentiality of the information.

Finally, I, as an employee, shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. I shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. In the event that I may file a lawsuit alleging retaliation by the Company for my reporting a suspected violation of law, I understand that I may disclose the trade secret to my attorney and use the trade secret information in the court proceeding, provided that I file any document containing the trade secret under seal and I do not disclose the trade secret, except pursuant to court order.

By checking the below box, I acknowledge that I have read and understand the aforementioned policies, links, and/or documents. I also agree and authorize this electronic submittal to serve as my legal signature for these documents.

NOTICE CONCERNING COLLECTION OF FINGERPRINT INFORMATION AND CONSENT

To facilitate the timekeeping process, Waste Connections, Inc. and certain of its affiliates (the "Company") use timeclocks that collect fingerprint information ("Timeclock"). This fingerprint information consists of a data set based on the distance between points on an image of the individual's fingerprint. The Timeclock does not collect or store an image of the fingerprint itself.

The Timeclock collects and stores the fingerprint information described above the first time an employee places a finger on the Timeclock to create a unique identifier. On subsequent uses, the Timeclock compares the data set generated from the finger placed on the Timeclock against the unique identifier. The unique identifier can be used only in connection with the Company's timekeeping process. The Company does not have access to the unique identifier. Upon termination of the employment relationship, the fingerprint information will be permanently deleted from the Timeclock.

CONSENT CONCERNING COLLECTION OF FINGERPRINT INFORMATION

I have reviewed, and I understand, the Notice Concerning Collection of Fingerprint Information, above. I hereby consent to the collection, use, retention and destruction of my fingerprint information as described above.

By clicking "I Agree" below, you are (a) providing your consent as described above, and (b) agreeing to use an electronic signature, as represented by your click on the "I Agree" button to demonstrate your consent. Your electronic signature is as legally binding as an ink signature.

MANUAL DEL EMPLEADO

Waste Connections, Inc.

Revisado en Enero de 2018

WASTE CONNECTIONS

Connect with the Future

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Bienvenido a Waste Connections, Inc.

La fuerza y el éxito de cualquier negocio dependen de las acciones de su gente. Si las acciones de esas personas se basan en una moral comercial altamente ética, nuestra compañía está destinada a ser de clase mundial. Le proporcionaremos el marco y el entorno para realizar negocios de manera ética. Lo siguiente fue preparado para ayudarle a comprender las circunstancias y situaciones que podrían comprometer nuestra reputación en la comunidad empresarial. Se espera que realice los negocios de nuestra Compañía de forma que le dé orgullo a usted y a Waste Connections, Inc. Estamos encantados de tenerte como parte de nuestra compañía.

Ron Mittelstaedt

Presidente y Director Ejecutivo

Waste Connections, Inc.

Revisado en Enero de 2018

DECLARACIÓN DE VALORES

Propósito

Cumplir con nuestros compromisos proporciona tranquilidad a nuestros accionistas y nos establece como la principal compañía de servicios de residuos en los mercados en los que prestamos servicios. Esto crea un entorno seguro y gratificante para nuestros empleados a la vez que protege la salud y el bienestar de las comunidades a las que prestamos servicios, lo que aumenta el valor para nuestros accionistas.

Declaración de Valores de Operación

Seguridad. Nos esforzamos por garantizar la seguridad total de nuestros empleados, nuestros clientes y el público en todas nuestras operaciones. La protección contra accidentes o lesiones es primordial en todo lo que hacemos.

Integridad. Definimos integridad como "decir lo que harás y luego hacerlo". Mantenemos nuestras promesas con nuestros clientes, nuestros empleados y nuestros accionistas. Haga lo correcto, en el momento correcto, por la razón correcta.

Servicio al Cliente. Proporcionamos a nuestros clientes el mejor servicio posible de una manera cortés y efectiva, mostrando respeto por aquellos a quienes tenemos la suerte de servir.

Ser un Excelente Lugar para Trabajar. Mantenemos una cultura de crecimiento donde nuestros empleados pueden maximizar su potencial personal y profesionalmente. Nuestro objetivo es proporcionar un entorno donde las personas disfruten de lo que hacen y se enorgullezcan de su trabajo. Queremos incorporar una cultura de "trabajar duro, jugar más duro".

Ser la primer Compañía de Servicios de Residuos en América del Norte. Seguimos brindando rendimientos superiores, somos responsables con el medio ambiente y seguimos creciendo de forma disciplinada, desplegando recursos de forma inteligente y beneficiando a las comunidades en las que vivimos. Seguimos siendo una "raza diferente".

Visión del Futuro

Nuestro objetivo es crear un entorno donde empleados auto-dirigidos y con poder se esfuercen por cumplir consistentemente nuestros compromisos constitutivos y busquen crear un impacto positivo a través de interacciones con clientes, comunidades y compañeros de trabajo, siempre confiando en nuestros valores operativos como la base de nuestra existencia.

I. VISIÓN GENERAL

INTRODUCCIÓN

Este Manual del Empleado (el "Manual") es aplicable a todos los empleados de Waste Connections, Inc., y a todos los empleados de sus subsidiarias y afiliadas en todos los Estados Unidos. Como una facilidad de referencia, el Manual puede referirse a Waste Connections, Inc., sus subsidiarias y afiliadas colectivamente como "Waste Connections" o "la Compañía".

El Manual proporciona un resumen de las políticas, prácticas y beneficios de empleo de Waste Connections. Su objetivo es proporcionar una guía útil sobre diversos aspectos del empleo en la Compañía. Se espera que cada empleado lea este Manual cuidadosamente. Si un empleado tiene alguna pregunta sobre las disposiciones de este Manual, o si algún empleado tiene conocimiento de una violación a cualquier política contenida en este Manual, debe comunicarse con su gerente o supervisor, el Gerente de Distrito o el Gerente de Recursos Humanos.

Si bien este Manual aborda muchos aspectos de la relación de trabajo, no puede abarcar todos los temas y no debe interpretarse como que crea un contrato de empleo entre la Compañía y cualquier empleado. Este Manual reemplaza a todos los manuales publicados anteriormente. Ninguna declaración o manifestación verbal puede cambiar ninguna de las disposiciones de este Manual.

Si la relación de trabajo de un empleado con la Compañía se rige por los términos de un Contrato Colectivo de Trabajo ("CBA" por sus siglas en inglés) con una unión, y existe un conflicto entre las disposiciones que se encuentran en este Manual y el CBA, el CBA prevalecerá.

Excepto por la Política de Empleo A Voluntad, que no puede modificarse salvo lo dispuesto en este documento, u otras políticas requeridas por la ley aplicable, la Compañía se reserva el derecho de revisar, modificar, enmendar, agregar, eliminar, suspender o descontinuar cualquiera de las políticas, prácticas o beneficios establecidos en este Manual, a la entera discreción de la Compañía, con o sin previo aviso de la Compañía a los empleados. El Manual debe interpretarse en cumplimiento con todas las leyes federales, estatales y locales aplicables. Cualquier inconsistencia debe ser resuelta a favor de la ley aplicable.

POLÍTICA DE PUERTAS ABIERTAS

Las sugerencias para mejorar Waste Connections son siempre bienvenidas. Debido a que nos esforzamos por ser un Gran Lugar para Trabajar como uno de nuestros principales valores operativos, la Compañía desea escuchar cualquier queja, sugerencia, pregunta o inquietud que pueda tener sobre su trabajo, sus condiciones de trabajo o el tratamiento que está recibiendo. La Compañía espera que acuda a nosotros con cualquier problema, para que podemos trabajar con usted en resolverlos.

En caso de que un empleado tenga alguna pregunta sobre el contenido de este Manual, inquietudes o quejas sobre las condiciones de trabajo u otros problemas de empleo, o sugerencias sobre cómo mejorar las operaciones y los servicios prestados por la Compañía, el empleado debe plantear esos problemas a su supervisor o gerente directo. Si el supervisor o gerente no pueden resolver el problema, el empleado debe comunicarse con su Vicepresidente Divisional, Vicepresidente Regional, Gerente Regional de Recursos Humanos, Director de Recursos Humanos o Vicepresidente de Gente, Entrenamiento y Desempeño. También hay disponible una línea directa de Recursos Humanos (877-590-0083, opción 5) y una línea directa de ética anónima (http://www.wasteconnections.ethicspoint.com u 877-797-3674) para que los empleados informen sus inquietudes. Se alienta a los empleados a usar esta política de Puertas Abiertas en cualquier momento. La Compañía escuchará las inquietudes de cualquier empleado, alentará su opinión y buscará resolución de cualquier pregunta, problema o inquietud.

EMPLEO A VOLUNTAD

Todos los empleados de la Compañía están empleados "a voluntad". Esto significa que cualquier empleado puede dejar voluntariamente el empleo con la Compañía en cualquier momento, por cualquier motivo o sin motivo, con o sin previo aviso, aunque se solicita un aviso de dos semanas. De manera similar, la Compañía puede terminar el empleo de cualquier empleado en cualquier momento, por cualquier motivo o sin motivo, con o sin aviso, excepto cuando lo prohíba la ley. Ningún representante de la Compañía que no sea el Director Ejecutivo o su designado tienen la autoridad para modificar esta Política A Voluntad o para celebrar un contrato que garantice la continuidad de un empleo o que garantice empleo durante un período de tiempo específico a un empleado. Cualquier modificación al estado de "a voluntad" de un empleado debe hacerse por escrito y debe estar firmada por el Director Ejecutivo de la Compañía (o su designado) y el empleado (o su representante).

CÓDIGO DE CONDUCTA Y ÉTICA

Se espera que todos los directores, funcionarios y empleados de Waste Connections cumplan con el Código de Conducta y Ética de la Compañía (el "Código"), que brinda orientación sobre temas que incluyen, entre otros: conflictos de intereses, cumplimiento de leyes, normas y reglamentos, confidencialidad y protección y el uso adecuado de los activos de la Compañía. El Código se actualiza periódicamente y está disponible para todos los empleados a través del sitio web de la Compañía, https://www.wasteconnections.com/ie/home , o el sitio de intranet de la Compañía, The Can, en https://thecan.wcnx.org . Si algún empleado tiene preguntas sobre el cumplimiento del Código o necesita obtener ayuda para acceder al Código a través del sitio web o The Can, comuníquese con un supervisor, gerente o con el Gerente Regional de Recursos Humanos.

Ni el Código, ni ninguna otra política de la Compañía contenida en este Manual, prohíben de ninguna forma las afiliaciones de los empleados o actividades que estén protegidas por las leyes estatales y federales aplicables, incluidas, entre otras, cualquier actividad que esté protegida por la Sección 7 de la Ley Nacional de Relaciones Laborales, que incluye el derecho de los empleados a organizarse colectivamente y hablar con otros sobre sus términos y condiciones de empleo.

II. IGUALDAD DE OPORTUNIDADES EN EL EMPLEO Y POLÍTICAS ANTIDISCRIMINACIÓN

IGUALDAD DE OPORTUNIDADES EN EL EMPLEO

Waste Connections es un empleador que ofrece igualdad de oportunidades y toma todas las decisiones laborales sobre la base del mérito. Es objetivo de la Compañía el tener la mejor persona disponible en cada trabajo.

Waste Connections se compromete a cumplir con todas las leyes aplicables que brindan oportunidades de empleo equitativas. Este compromiso se aplica a todas las personas involucradas en las operaciones de Waste Connections, incluidos empleados y solicitantes de empleo, y prohíbe la discriminación ilegal por parte de cualquier empleado de Waste Connections, incluidos los supervisores y compañeros de trabajo. Este compromiso también se aplica en todos los aspectos del empleo y las relaciones con los empleados, incluyendo el reclutamiento, la contratación, capacitación y desarrollo, promoción, transferencia, degradación, despido, baja, compensación, beneficios y todos los demás términos, condiciones y privilegios de empleo de conformidad con las leyes federales, estatales y locales aplicables.

Específicamente, Waste Connections prohíbe discriminación ilegal basada en la raza, color, origen étnico, credo, sexo (incluido el embarazo, parto o condiciones médicas relacionadas), orientación sexual, identidad de género, religión, estado civil o familiar, edad, origen nacional o ascendencia nacional, discapacidad física o discapacidad mental, condición médica, información genética, estado de ciudadanía (si está autorizado para trabajar en los EE.UU.), condición de veterano o de miembro de los servicio uniformados, por presentar una acusación de discriminación, por participar en una investigación o por oponerse a prácticas discriminatorias, o cualquier otra consideración hecha ilegal por las leyes federales, estatales o locales. Toda discriminación de este tipo es inaceptable y no será tolerada. Donde difieran las leyes federales, estatales o locales, la Compañía otorgará la protección más generosa que se requiera por ley a cada empleo o solicitante de empleo.

POLÍTICA ANTI-ACOSO Y ANTI-REPRESALIAS

Waste Connections se compromete a proporcionar un ambiente de trabajo libre de acoso ilícito. Como resultado, la Compañía mantiene una política estricta que prohíbe el acoso contra los solicitantes y empleados sobre bases legalmente reconocidas, que incluyen, entre otras, la raza, color, origen étnico, credo, sexo (incluido el embarazo, parto o condiciones médicas relacionadas), orientación sexual, identidad de género, religión, estado civil o familiar, edad, origen nacional o ascendencia nacional, discapacidad física o discapacidad mental, condición médica, información genética, estado de ciudadanía (si está autorizado para trabajar en los EE.UU.), condición de veterano o de miembro de los servicio uniformados, por presentar una acusación de discriminación, por participar en una investigación o por oponerse a prácticas

discriminatorias, o cualquier otra consideración hecha ilegal por las leyes federales, estatales o locales.

La conducta se considerará acosadora, y está estrictamente prohibida, si se basa en una clasificación legalmente protegida como las enumeradas anteriormente, y:

- tiene el propósito o efecto de crear un ambiente de trabajo intimidante, hostil u ofensivo;
- tiene el propósito o el efecto de interferir irracionalmente con el rendimiento laboral de un individuo; o
- de cualquier otra forma afecta negativamente las oportunidades de empleo de una persona.

Nuestra Política Contra el Acoso se aplica a todas las personas involucradas en nuestras operaciones y prohíbe cualquier conducta acosadora por parte de cualquier empleado de Waste Connections, incluidos los empleados no supervisores, supervisores y gerentes. Esta Política también protege a los empleados contra acoso prohibido (como se define anteriormente) por parte de terceros, como proveedores, clientes o trabajadores temporales o estacionales. Si ocurre este tipo de acoso en el trabajo por alguna persona que no sea un empleado de Waste Connections, se deben seguir los procedimientos señalados en esta Política y el procedimiento de queja que se describe a continuación.

Definición de Acoso Sexual

El acoso sexual incluye avances sexuales no deseados, solicitudes de favores sexuales o conducta visual, verbal o física de naturaleza sexual cuando:

- el someterse a tal conducta se hace un término o condición de empleo;
- el someterse a o el rechazo de tal conducta se usa como base para decisiones de empleo que afecten al individuo; o
- dicha conducta tiene el propósito o efecto de interferir sin razón con el desempeño laboral de un empleado o crear un ambiente de trabajo intimidante, hostil u ofensivo.

El acoso sexual también incluye varias formas de comportamiento ofensivo basado en el sexo. La siguiente es una lista parcial:

- Avances sexuales no deseados.
- Ofrecer beneficios de empleo a cambio de favores sexuales.
- Tomar o amenazar con tomar represalias después de una respuesta negativa a avances sexuales.
- Conducta visual: mirar con lascivia, hacer gestos sexuales, exhibir objetos o imágenes, dibujos animados, carteles, sitios web, correos electrónicos o mensajes de texto sexualmente sugerentes.
- Conducta verbal: hacer o usar comentarios despectivos, epítetos, calumnias, bromas o comentarios sexualmente degradantes, sugestivos u obscenos sobre el cuerpo o el vestido de un empleado sexualmente explícitas.
- Avances o proposiciones sexuales verbales.

- Abuso verbal de naturaleza sexual, comentarios verbales gráficos sobre el cuerpo de un individuo, palabras sexualmente degradantes para describir a un individuo, cartas, notas o invitaciones sugestivas u obscenas.
- Conducta física: tocar, asaltar, obstaculizar o bloquear movimientos.
- Represalias por denunciar o amenazar con denunciar acoso sexual.

Otros tipos de acoso

Se prohíbe el acoso en base a cualquier clasificación legalmente protegida (ver la lista parcial que se detalla más arriba). El acoso puede incluir un comportamiento similar a las ilustraciones anteriores relacionadas con el acoso sexual. Incluyen conducta como:

- Conducta verbal que incluye amenazas, epítetos, comentarios despectivos o insultos basados en la clasificación protegida de un individuo;
- Conducta visual incluyendo carteles, fotografía, dibujos animados, dibujos o gestos degradantes basados en la clasificación protegida; y
- Conducta física que incluye asalto, toqueteo no deseado o el bloquear el movimiento normal de una persona debido a su estado protegido.

Represalias

Waste Connections prohíbe que se tomen represalias contra cualquier empleado o solicitante de empleo por hacer denuncias de buena fe a la Compañía de acoso, discriminación, represalias u otras infracciones a las políticas, o por presentar, testificar, asistir o participar de cualquier manera en cualquier investigación, procedimiento o audiencia conducida por una agencia de cumplimiento gubernamental. Las conductas que son consideradas como represalias prohibidas incluyen, pero no se limitan a la terminación, degradación, suspensión, el no contratar o no considerar a una persona para ser contratada, no otorgar la misma consideración al tomar decisiones de empleo, no hacer recomendaciones de empleo de manera imparcial, afectar negativamente las condiciones de trabajo o negar cualquier beneficio de empleo a una persona.

PROCEDIMIENTO DE QUEJA CON RESPECTO A DISCRIMINACIÓN, ACOSO Y REPRESALIAS

Cualquier empleado que crea que ha sido acosado, discriminado o sujeto a represalias por parte de un compañero de trabajo, supervisor, agente, cliente, o proveedor de Waste Connections, en violación a las políticas antes descritas, o que tenga conocimiento de tales actos de acoso, discriminación o represalias contra otros, debe proporcionar inmediatamente un informe escrito o verbal a su supervisor o gerente; a cualquier otro miembro de la gerencia; personal regional o corporativo de Recursos Humanos; o a la Línea de Relaciones con los Empleados/Recursos Humanos de la Compañía (877-590-0083, Opción 5). Después de recibir un informe, la Compañía llevará a cabo una investigación minuciosa y objetiva. Se completará la investigación y se tomará una determinación que se le comunicará al empleado tan pronto como sea posible. La Compañía espera que todos los empleados cooperen completamente con cualquier investigación conducida por la Compañía en una queja de acoso, discriminación o represalias, o

con respecto a la supuesta violación de cualquier otra política de la Compañía. La Compañía se encargará de todas las investigaciones tan rápido, de forma exhaustiva y tan confidencialmente como lo permita la situación, con el fin de proteger a los testigos, preservar las evidencias, garantizar el testimonio veraz y evitar encubrimientos.

Si la Compañía determina que cualquier política que prohíbe la discriminación, acoso o represalias ha sido violada, se tomarán medidas correctivas, proporcionales a la gravedad de la ofensa. También se tomarán medidas apropiadas para disuadir cualquier acto futuro de acoso, discriminación o represalia prohibidos por estas políticas. Si se confirma una queja de acoso, discriminación o represalias prohibidas, se tomarán medidas disciplinarias apropiadas, que pueden incluir la terminación del empleo.

DISCAPACIDAD Y ADAPTACIONES

Es política de la Compañía cumplir con todas las disposiciones aplicables de la Ley de Estadounidenses con Discapacidades (ADA por sus siglas en inglés), en vigor, así como con las leyes estatales y locales que protegen a las personas calificadas con discapacidades. La Compañía no discriminará a ningún empleado o solicitante de empleo calificado con respecto a ningún término, condición o privilegio de empleo debido a la discapacidad física o mental de una persona.

Si un solicitante o empleado cree que necesita una adaptación razonable debido a una discapacidad, esa persona debe solicitar dicha adaptación a su supervisor, gerente o a Gerente Regional de Recursos Humanos. Después de realizar una solicitud de adaptación, la Compañía participará en un proceso interactivo informal confidencial con el empleado para determinar la naturaleza de su discapacidad y las necesidades del empleado, y qué adaptaciones razonables, si corresponden, pueden ser apropiadas. En algunos casos, este proceso interactivo puede desencadenarse sin una solicitud del empleado, como cuando la Compañía reciba notificación de su propia observación u otra fuente de que un impedimento médico puede estar afectando la capacidad del empleado para realizar sus funciones esenciales del trabajo.

La Compañía considerará las solicitudes de adaptación de forma individualizada. Las adaptaciones razonables se pueden dar en una variedad de formas, que incluyen, entre otras, ausencias o ajustes a las áreas de trabajo, equipos, políticas, tareas y horarios .Los empleados que crean que necesitan una adaptación deben especificar, preferiblemente por escrito, qué barreras o limitaciones provocaron la solicitud. La Compañía evaluará la información obtenida del empleado, y posiblemente de su proveedor de atención médica u otro proveedor de atención médica apropiado, con respecto a cualquier barrera o limitación aparente, y luego trabajará con el empleado para identificar las posibles adaptaciones, si las hubiera, que ayudarán a eliminar o abordar las barreras o limitaciones. Si una adaptación identificada es razonable y no impondrá una dificultad excesiva a la Compañía y/o una amenaza directa a la salud y/o seguridad de la persona u otras personas, Waste Connections generalmente hará la adaptación, o puede proponer otra adaptación razonable que también pueda ser efectiva. Se requiere que los empleados cooperen con este proceso interactivo al proporcionar toda la documentación necesaria que

respalde la necesidad de la adaptación y que estén dispuestos a considerar adaptaciones alternativas cuando corresponda.

Si alguna política o práctica de la Compañía entra en conflicto con esta Política de Discapacidad y Adaptaciones, prevalecerán la Política y la ADA.

III. POLÍTICAS Y PRÁCTICAS DE EMPLEO

ELEGIBILIDAD DE EMPLEADOS Y AUTORIZACIÓN DE TRABAJO

Waste Connections se compromete a emplear solo personas que estén autorizadas a trabajar en los Estados Unidos y que cumplan con las leyes de inmigración y empleo aplicables. Como condición de empleo, cada individuo debe proporcionar evidencia satisfactoria de su identidad y facultad legal para trabajar en los Estados Unidos dentro de las 72 horas de haber comenzado a trabajar. Si el empleado no puede verificar su derecho a trabajar en los Estados Unidos dentro de las 72 horas de su empleo, se le exigirá a la Compañía que rescinda su empleo de inmediato.

OFERTAS DE TRABAJO

Los puestos disponibles dentro de cada Distrito de la Compañía pueden publicarse internamente y/o anunciarse en el periódico local o en línea. Pueden haber excepciones a la publicación interna de un puesto si existen razones comerciales que lo requieran. Si un empleado actual está interesado en postularse para un puesto vacante, debe enviar una carta de interés al supervisor de contratación y se le puede solicitar que complete parte o todo el proceso de solicitud de trabajo en línea de la Compañía para el nuevo puesto. La solicitud será revisada por el supervisor de contratación y el gerente del distrito.

Las entrevistas se realizan sobre una base competitiva, utilizando factores relacionados con el trabajo y consistentes con la Política de Igualdad de Oportunidades en el Empleo de la Compañía, luego de que se hayan recibido y revisado las solicitudes escritas internas y externas.

PERÍODO INTRODUCTORIO

Los períodos introductorios están diseñados como una evaluación mutua entre los nuevos empleados y el equipo de gestión de Waste Connections sobre el rendimiento inicial y la compatibilidad con el trabajo. El período introductorio son los primeros 90 días de empleo en la Compañía. Si el empleado o la Compañía deciden que la relación laboral no es satisfactoria durante este periodo, pueden renunciar o ser despedidos, con o sin previo aviso. Un supervisor puede despedir a un empleado durante el primer período introductorio de 90 días de empleo sin seguir ninguna serie de pasos de medidas disciplinarias progresivas. Sin embargo, el supervisor puede, a su discreción, mantener conferencias con el empleado y documentar las deficiencias que conducen al despido. Si existe la necesidad de más tiempo de desarrollo o evaluación, el supervisor puede ampliar el período introductorio. Las extensiones se determinarán de forma individual y se deberán analizar con el empleado y poner por escrito. No obstante lo anterior, a lo largo de su empleo todos los empleados deberán seguir siendo empleados "a voluntad" a menos

que se haya convenido de otra forma por escrito firmado por el Director Ejecutivo de la Compañía (o su designado) y el empleado (o su representante).

CLASIFICACIONES DE EMPLEO

Los empleados de Waste Connections se clasifican como exentos o no exentos según las leyes federales y estatales de salarios y horas, y se clasifican además como a tiempo completo, a tiempo parcial o temporales para fines administrativos. Las siguientes designaciones se utilizan a lo largo de este Manual del empleado:

Empleados exentos

Los empleados exentos son empleados que realizan tareas laborales que cumplen con las pruebas ejecutivas, administrativas, profesionales, de computación y/o de ventas externas establecidas por la Ley Federal de Normas Justas de Trabajo (FLSA por sus siglas en inglés) y/o la ley estatal, y que generalmente se les paga en base a un salario. Los empleados exentos no son elegibles para el pago de horas extras. Se espera que los empleados exentos trabajen tantas horas por semana como sea necesario para completar sus tareas de manera oportuna. Los empleados serán informados si su estado está exento o no exento y deben consultar a su supervisor, gerente y/o al Gerente Regional de Recursos Humanos si tienen preguntas o inquietudes con respecto a este estado.

Empleados no exentos

Los empleados no exentos son empleados cuyas posiciones de trabajo no cumplen con las pruebas de exención de la FLSA o estatales aplicables. A los empleados no exentos se les pagará por todo el tiempo trabajado, y recibirán pago de horas extras por horas trabajadas que superen las 40 horas por semana o según lo exijan las leyes estatales aplicables. Los empleados no exentos deben registrar con precisión todo el tiempo trabajado en el sistema de seguimiento de tiempo de la Compañía. Estos registros de tiempo serán revisados por el supervisor del empleado en cada período de nómina. En ausencia de circunstancias imprevistas o de emergencia, todas las horas extraordinarias deben ser aprobadas previamente por el supervisor. A los empleados se les pagará por todas las horas y horas extras trabajadas, pero si un empleado ha trabajado tiempo adicional que no fue autorizado por un supervisor, el empleado puede estar sujeto a medidas disciplinarias.

Los empleados no exentos pueden trabajar un número regular programado o variable de horas, y pueden pagarse por hora, por día, por incentivo o por cualquier otro método de pago permitido por la ley. Se informará a los empleados si su estado está exento o no, y si no están exentos, se les informará sobre su método de pago (por hora, por día, por incentivo, etc.). Los empleados deben consultar a su supervisor, gerente y/o al Gerente Regional de Recursos Humanos cualquier pregunta o inquietud con respecto a su estado de pago, método o cualquier otro problema relacionado con el pago.

Empleados regulares a tiempo completo
Los empleados regulares y a tiempo completo son aquellos que normalmente están programados para trabajar y que trabajan un horario de 30 horas por semana o más. Los empleados a tiempo completo generalmente son elegibles para los beneficios para empleados descritos en este Manual del empleado y reciben los beneficios requeridos por la ley aplicable.

Empleados regulares a tiempo parcial
Los empleados regulares a tiempo parcial son aquellos que normalmente están programados para trabajar y que trabajan menos de 30 horas por semana. A los empleados a tiempo parcial se les puede asignar un horario de trabajo por adelantado o pueden trabajar según sea necesario. Los empleados a tiempo parcial son elegibles para algunos, pero no todos, los beneficios para empleados descritos en este Manual del Empleado y se les proporcionan los beneficios requeridos por la ley aplicable.

Empleados temporales
Los empleados temporales son aquellos empleados por la Compañía para asignaciones a corto plazo. Los empleados temporales generalmente son contratados para complementar temporalmente la fuerza de trabajo o ayudar a completar un proyecto específico. Estas asignaciones de empleo temporal son de duración limitada. Los empleados temporales no son elegibles para los beneficios de empleo, excepto según lo exija la ley aplicable, y pueden clasificarse como exentos o no exentos dependiendo de sus deberes laborales y de la compensación.

PUNTUALIDAD Y ASISTENCIA

Se espera que los empleados asistan regularmente y sean puntuales. Cualquier impuntualidad o ausencia causa problemas a los compañeros empleados y supervisores, y afecta la capacidad de la Compañía de servir a nuestros clientes. Si los empleados faltan, su carga de trabajo debe ser realizada por otros, del mismo modo que deben asumir la carga de trabajo de los demás que están ausentes. Para limitar los problemas causados por la ausencia o impuntualidad de los empleados, hemos adoptado la siguiente política que se aplica a las ausencias no aprobadas previamente por la Compañía.

Se espera que los empleados se reporten a trabajar según lo programado, lleguen a tiempo y estén preparados para comenzar a trabajar. También se espera que los empleados permanezcan en el trabajo durante todo su horario de trabajo, a excepción de los períodos de comida o descanso, o cuando se les solicite que salgan de la Compañía para asuntos de negocios autorizados por la Compañía o que tengan autorización para salir. Las impuntualidades no aprobadas, las salidas anticipadas u otras ausencias de las horas programadas son perjudiciales y deben evitarse.

Si los empleados no pueden presentarse para un trabajo en un día determinado, deben llamar y hablar con su supervisor o gerente al menos una hora antes del inicio del turno programado del empleado. Los mensajes de correo de voz y mensajes de texto no son suficientes. La Compañía

puede preguntar sobre el motivo general de una ausencia o impuntualidad. A menos que existan circunstancias atenuantes, los empleados deben llamar cada día para el que están programados a trabajar, pero no se presentarán a trabajar o si llegarán tarde.

El ausentismo excesivo o la impuntualidad excesiva pueden resultar en una acción disciplinaria que puede incluir la terminación del empleo, a menos que la ausencia o impuntualidad esté legalmente protegida. Los siguientes tipos de tiempo libre no se considerarán motivo de acción disciplinaria bajo esta Política de Puntualidad y Asistencia:

- Tiempo libre autorizado, que incluye vacaciones y otras formas de tiempo libre pagado o no remunerado, que se apruebe por adelantado;
- Licencia por enfermedad estipulada por la ley o la política de la Compañía;
- Permiso de ausencia aprobado, incluyendo licencia de jurado, licencia militar, permiso protegido bajo la Ley de Ausencia Familiar y Médica o leyes estatales similares, y tiempo libre o licencia estipulados en la Ley de Estadounidenses con Discapacidades o leyes estatales similares; y/o
- Tiempo libre debido a una lesión relacionada con el trabajo que esté cubierta por el seguro de Compensación a Trabajadores.

Cada situación de ausentismo o impuntualidad se evaluará caso por caso. Incluso una ausencia o impuntualidad injustificada puede considerarse excesiva, según las circunstancias. Sin embargo, la Compañía no someterá a los empleados a medidas disciplinarias o represalias por una ausencia o impuntualidad que esté legalmente protegida. Si el empleado cree que su ausencia o impuntualidad en el trabajo está legalmente protegida, el empleado debe notificar a su supervisor/gerente de este hecho al momento de la ausencia o impuntualidad. No se requerirá que los empleados revelen la naturaleza de ninguna condición médica subyacente. Si un empleado cree que ha sido erróneamente sujeto a una acción disciplinaria por una ausencia o impuntualidad que el empleado cree que está legalmente protegido, el empleado debe analizar el asunto con su supervisor, gerente y/o al Gerente Regional de Recursos Humanos. Nada en esta Política de Puntualidad y Asistencia se debe interpretar, o se aplicará, de manera que interfiera con los derechos de los empleados según la Ley de Estadounidenses con Discapacidades, incluido el derecho de un empleado discapacitado a recibir adaptaciones razonables cuando lo solicite.

Consulte a su Gerente de Distrito para conocer los requisitos más específicos con respecto a las políticas de asistencia y puntualidad para su Distrito.

Abandono del Trabajo

En ausencia de circunstancias extraordinarias o de una razón legalmente protegida, si los empleados no se presentan al trabajo sin notificación a su supervisor o gerente (por ejemplo, “no llamar, no presentarse”), y su ausencia continúa por un período de tres días laborables consecutivos o más, la Compañía considerará que el empleado ha abandonado y terminado voluntariamente su empleo.

REQUISITOS DE REGISTRO DE TIEMPO Y PAGO

Requerimiento de Registro de Tiempos Exactos

Con el propósito de procesar la nómina y calcular el pago de horas extras, la semana laboral de la Compañía será desde las 12:00 a.m. del lunes hasta las 11:59 p.m. del siguiente domingo.

Todos los empleados no exentos deben registrar todo el tiempo trabajado para fines de nómina. Cada empleado será informado por su gerente o supervisor sobre cómo se usarán los relojes checadores en su distrito, y/o cualquier otro requisito de control del tiempo local.

Es política de Waste Connections que todos los empleados sean compensados por todo el trabajo realizado. Es responsabilidad de cada empleado cumplir con esta Política de Registro de Tiempo y registrar todo el tiempo trabajado. El trabajo realizado fuera del horario no está permitido para empleados no exentos. La falta de precisión para registrar todo el tiempo de trabajo puede resultar en una acción disciplinaria, hasta e incluyendo la terminación. Del mismo modo, no se permite alterar el horario de otro empleado, permitir que otro empleado registre la hora por usted, o alterar de manera imprecisa una tarjeta de tiempo u otros registros de tiempo y lo anterior lo sujetará a medidas disciplinarias, que pueden incluir el despido.

La Compañía se esfuerza por garantizar que todos los empleados sean pagados de manera precisa y oportuna. Para ayudar con esto, los empleados deben informar cualquier error en sus cheques de pago inmediatamente a su supervisor o gerente. Este deber de informar incluye *tanto pagos insuficientes*, que la Compañía le pagará puntualmente una vez confirmadas las sumas adeudadas; *y cualquier sobrepago* que se pueda haber hecho inadvertidamente al empleado, hecho sobre el que la Compañía trabajará con el empleado para remediarlo.

Reloj Checador Biométrico

Para facilitar el proceso de registro de tiempos, la Compañía puede usar relojes que recopilan información de huellas dactilares en algunas ubicaciones del Distrito ("relojes biométricos"). Esta información de huellas digitales consiste en un conjunto de datos basado en la distancia entre puntos en una imagen de la huella digital del individuo. El reloj biométrico no recopila ni almacena una imagen de la huella dactilar.

El reloj biométrico recopila y almacena la información de la huella digital descrita anteriormente la primera vez que un empleado coloca un dedo en el reloj checador para crear un identificador único. En usos posteriores, el teléc electrónico compara el conjunto de datos generado desde el dedo colocado en el reloj horario contra el identificador único. El identificador único puede usarse solo en conexión con el proceso de cronometraje o registro de tiempo de la Compañía. La Compañía no tiene acceso al identificador único. Una vez terminada la relación laboral, la información de la huella digital se borrará permanentemente del reloj checador.

Pago de Salarios

Pagos catorcenales
A los empleados de Waste Connections que se les paga catorcenalmente se les pagará cada dos viernes por el trabajo realizado durante las dos semanas anteriores. Si un día de pago regular cae en un día feriado, se les pagará a los empleados el último día trabajado antes del día feriado.

Pagos semanales
A los empleados de Waste Connections que se les paga semanalmente se les pagará cada viernes por el trabajo realizado durante la semana anterior completa y totalmente trabajada (de lunes a domingo). Si un día de pago normal cae en un día feriado, los empleados recibirán su pago el último día laborable antes del feriado.

Otra Información de Nómina/Registros de Tiempo

Horas Extras para Empleados No Exentos
Para proporcionar un alto nivel de servicio al cliente durante las horas pico, la Compañía puede exigir que los empleados no exentos trabajen horas extras, es decir, más de 40 horas en una semana laboral. En ausencia de circunstancias imprevistas o de emergencia, todo el tiempo extra de trabajo debe ser preaprobado por un supervisor; y en casos de emergencia, el empleado debe consultar con su supervisor tan pronto como sea posible para confirmar que la Compañía solicita o requiere el trabajo de horas extras.

Si la Compañía solicita o requiere que un empleado trabaje horas extras, le daremos al empleado aviso con la mayor anticipación posible. Trataremos de distribuir las horas extraordinarias equitativamente entre el grupo de trabajo y trataremos de considerar la disponibilidad personal de cada individuo.

Todo el tiempo que trabajen los empleados, incluidas las horas extraordinarias, será compensado. Sin embargo, la falta de aprobación para trabajar horas extras de acuerdo con esta Política puede dar como resultado una acción disciplinaria hasta e incluyendo la terminación a discreción de la Compañía.

El tiempo extra se pagará de acuerdo con las leyes estatales y federales. Solo se aplicarán las horas reales trabajadas en un día de trabajo determinado o semana laboral en el cálculo de horas extras. Las vacaciones y otro tiempo libre pagado no se considerarán como tiempo trabajado para calcular el pago de horas extras.

Empleados Exentos
Los empleados exentos pueden tener que trabajar más horas de sus horarios normales según lo exija la demanda de trabajo. Los empleados exentos no tienen derecho a recibir ninguna compensación por horas extras trabajadas más allá de cuarenta (40) horas por semana laboral o de otro tipo. A los empleados exentos generalmente se les paga en base a un salario, lo que significa que el empleado tiene derecho a recibir la misma cantidad de compensación por cualquier semana de trabajo. La Compañía puede hacer deducciones de las cuentas de tiempo libre pagado acumulado, como vacaciones pagadas o licencia por enfermedad, incluyendo deducciones por ausencias parciales, siempre que el empleado exento reciba su salario completo por cada semana en que el empleado realice cualquier trabajo. En adición, la Compañía puede

hacer deducciones del salario de un empleado exento por ausencias de un día completo (pero no por ausencias parciales de día) por las siguientes razones:

- Días personales o vacaciones;
- Días por enfermedad o discapacidad, si el empleado aún no es elegible o no ha agotado el tiempo libre remunerado según las políticas de la Compañía;
- Suspensiones disciplinarias no pagadas impuestas de buena fe por infracciones a las normas de conducta en el lugar de trabajo de acuerdo con una política escrita aplicable a todos los empleados;
- Días no trabajados en la primera o última semana de empleo;
- Sanciones impuestas de buena fe por infracciones a las reglas de seguridad de mayor importancia; y
- Para compensar cualquier cantidad recibida por el empleado exento por servicio de jurado, honorarios de testigos o pago militar contra el salario adeudado por una semana en particular.

Un empleado exento tampoco tiene derecho a pago por cualquier semana en la que no realice ningún trabajo pero puede usar vacaciones pagadas o licencia por enfermedad en esa semana como sea aplicable y si tiene disponible.

La Compañía se compromete a cumplir con los requisitos legales aplicables, y no permite deducciones indebidas del pago de los empleados exentos como se explicó anteriormente. Si un empleado exento cree que se le han deducido cantidades indebidamente del salario, el empleado debe contactar a su supervisor, gerente y/o al Gerente Regional de Recursos Humanos. La Compañía investigará inmediatamente cualquier informe de deducciones indebidas y reembolsará al empleado exento la cantidad de cualquier deducción incorrecta confirmada.

Períodos de Comida y Descanso

Los períodos de comida y descanso se otorgan de acuerdo con la ley aplicable. Debido a que tener oportunidades adecuadas para descansar y comer u ocuparse de otros asuntos personales durante la jornada laboral son útiles para la seguridad, la salud y la productividad general de los empleados, se solicita y se alienta a todos los empleados a tomar sus periodos de comidas y descansos asignados.

El supervisor de cada empleado le informará al empleado la cantidad de periodos de comida y de descanso asignados. En general, se espera y se alienta a los empleados a tomar descansos pagados breves y descansos no remuneradas más largos (es decir, 30 minutos) durante su jornada laboral, de acuerdo con la ley aplicable.

Debido a que el propósito de los periodos de descanso y comida es promover la salud, la seguridad y el bienestar general de los empleados, se espera que los empleados estén liberados por completo de sus obligaciones y no realicen ningún trabajo durante sus pausas para comer y descansos. Si un empleado no puede tomar un periodo de comida asignado o un período de descanso en un día de trabajo, debe informarlo inmediatamente a su supervisor o gerente, para que la Compañía pueda garantizar que el empleado reciba el pago correcto por todo el tiempo

trabajado ese día, y/o que se le permita la oportunidad de tomar un periodo de comida o descanso ininterrumpido.

Para obtener más información sobre los periodos de comidas y de descanso, en particular para conductores u otros empleados cuyo trabajo diario les exija estar fuera de las instalaciones de la Compañía y durante las horas de comida/descanso, consulte a su supervisor, gerente y/o al Gerente Regional de Recursos Humanos.

Disposición de No Discriminación Transparencia en el Pago

La Compañía no despedirá ni discriminará de ninguna forma a empleados o solicitantes por consultar, discutir o divulgar su propio salario o el pago de otro empleado o solicitante. Sin embargo, salvo que la ley aplicable estipule expresamente lo contrario, los empleados que tengan acceso a la información de compensación de otros empleados o solicitantes como parte de sus funciones laborales esenciales no pueden divulgar el pago de otros empleados o solicitantes a personas que de otro modo no tendrían acceso a información de compensación, a menos que la divulgación sea (a) en respuesta a una queja o cargo formal, (b) en cumplimiento de una investigación, procedimiento, audiencia o acción, incluida una investigación realizada por la Compañía, o (c) en consonancia con el deber legal de la Compañía de proporcionar información. 41 CFR 60-1.35 (c).

EXPEDIENTE DE PERSONAL DE LOS EMPLEADOS

Para mantener actualizada la información del expediente de personal de cada empleado, es responsabilidad del empleado enviar información actualizada a su supervisor si se muda, cambia un nombre o número de teléfono o si cambia su contacto de emergencia.

Los empleados pueden revisar su propio expediente de personal haciendo una cita, en las instalaciones de la Compañía y en presencia de un representante de la Compañía. Los empleados deben contactar a su supervisor, gerente y/o al Gerente Regional de Recursos Humanos para solicitar una revisión de su expediente de personal y programar un horario para dicha revisión. Los empleados y ex empleados tendrán acceso a los expedientes de personal de acuerdo con las leyes estatales y locales aplicables. Los empleados no pueden ver ciertos registros según lo dispuesto por la ley, incluidos registros de investigación o cualquier carta de referencia preparada o recopilada por la administración.

Dentro de la Compañía, solo los miembros autorizados de la administración y el personal administrativo corporativo (incluidos recursos humanos, nómina y/o legal según tengan la necesidad) tienen acceso al expediente de personal de un empleado. Sin embargo, la Compañía cooperará y proporcionará acceso al expediente de personal de un empleado o ex empleado cuando lo exijan las leyes aplicables o una orden judicial, incluyendo dar acceso a los agentes del orden público; agencias locales, estatales o federales; o en respuesta a una citación válida.

IV. CONSIDERACIONES OPERACIONALES

PROPIEDAD DE LA COMPAÑIA

Los casilleros, escritorios, computadoras, teléfonos, vehículos y todos los demás bienes propiedad de Waste Connections deben mantenerse de acuerdo con las reglas y regulaciones de la Compañía. Deben mantenerse limpios y deben usarse solo para fines relacionados con el trabajo durante los horarios de trabajo programados. Waste Connections se reserva el derecho de inspeccionar todos los bienes propiedad de la Compañía para garantizar el cumplimiento de sus reglas, políticas y regulaciones, sin previo aviso al empleado y en cualquier momento, no necesariamente en presencia del empleado. Por razones de seguridad, los empleados no deben dejar pertenencias personales de valor en el lugar de trabajo.

Todos los vehículos, bolsas, paquetes, cajas, maletines, carteras y otros contenedores traídos o tomados de las instalaciones de Waste Connections están sujetos a inspección. Los artículos personales están sujetos a inspección y búsqueda, con o sin aviso, con o sin el consentimiento previo del empleado. Además, los vehículos de la Compañía, los casilleros proporcionados por la Compañía, los escritorios, archivos, computadoras, sistemas telefónicos, correo de voz, cuentas de correo electrónico, etc. de la Compañía pueden ser accedidos en cualquier momento por la gerencia de la Compañía o sus representantes. Por lo tanto, si hay algo que un empleado considere privado, no debe ponerse en funcionamiento, discutirse en el correo electrónico de la Compañía, sistemas telefónicos, correo de voz u otros recursos electrónicos, o mantenerse en las computadoras de la Compañía o en las instalaciones de la Compañía. Los empleados no tienen ninguna expectativa razonable de privacidad por parte de la Compañía en cualquier cosa que pueda poseer el empleado en las instalaciones de la Compañía o en los vehículos de la Compañía.

También se les puede solicitar a los empleados y visitantes que den su consentimiento para realizar búsquedas de sus personas, efectos personales y vehículos privados estacionados en las instalaciones de la Compañía, según las circunstancias. El registro de la persona incluirá el vaciado de bolsillos y que enseñe otros artículos ocultos en la ropa. Todas las búsquedas se realizarán con preocupación por la dignidad y confidencialidad de la persona.

Si se encuentran drogas ilegales, armas u otros artículos en los registros e inspecciones de la Compañía pueden dar como resultado que se notifique a las autoridades policiales apropiadas. El incumplimiento de la solicitud de la Compañía para realizar búsquedas puede conducir a la terminación inmediata del empleo.

Video vigilancia

Los camiones y/o equipos pesados de la Compañía pueden estar equipados con tecnología de video-vigilancia para monitorear la seguridad y vigilancia del conductor y para ser utilizados como una herramienta de enseñanza. En entornos de oficina, para propósitos de seguridad y protección laboral y para evitar robos y otras conductas indebidas, la Compañía ha instalado cámaras de video-vigilancia en ciertas áreas de trabajo.

Si se reporta algún incidente de robo, entrada ilegal, violencia en el lugar de trabajo, mala conducta de los empleados o cualquier tipo de violación de seguridad (en lo sucesivo, "incidentes de seguridad"), la Compañía utilizará su equipo de vigilancia como una herramienta de investigación. La Compañía también hará uso de su equipo de vigilancia para evitar incidentes de seguridad en el futuro. La Compañía también se reserva el derecho de monitorear activamente, a través de sus cámaras de vigilancia, cualquier área por razones de seguridad (para proteger contra fallas, roturas o accidentes) o razones de confidencialidad (para proteger documentos u otra información de propiedad).

Aunque la video-vigilancia descrita en esta Política tiene la intención de monitorear los incidentes de seguridad y otras razones de seguridad en la Compañía, es posible que dicha vigilancia pueda monitorear actividades no relacionadas con los negocios de la Compañía. No se instalarán cámaras de video en los baños de la Compañía ni en las áreas de lactancia o áreas de cambio.

Las cámaras de video de vigilancia y cualquier grabación de video vigilancia se utilizarán únicamente para los fines de esta Política de Video-vigilancia. Cualquier uso no autorizado de estas cámaras de video y/o grabaciones de video está estrictamente prohibido y puede dar lugar a medidas disciplinarias, que pueden incluir la terminación del empleo.

RECURSOS ELECTRÓNICOS

Esta Política de Recursos Electrónicos describe las pautas generales de la Compañía para el uso de sus recursos electrónicos, incluidos el correo electrónico (email), los sistemas telefónicos, el correo de voz, el acceso a Internet y los sistemas informáticos. Los empleados deben usar los recursos electrónicos de la Compañía en el entendimiento de que estos recursos se proporcionan para el beneficio de los negocios de la Compañía.

Los recursos electrónicos de Waste Connections, que incluyen computadoras, acceso a Internet, sistemas telefónicos, correo de voz y/o correo electrónico (email) se deben utilizar con fines comerciales solo durante el horario de trabajo. Los empleados pueden usar los recursos electrónicos de la Compañía para uso personal, durante el tiempo no laborable, siempre que tal uso cumpla con las reglas de la Compañía y las leyes aplicables. Los empleados nunca deben usar los recursos electrónicos de la Compañía para uso personal de manera que interfiera con sus deberes de trabajo o cualquier responsabilidad con los clientes.

Waste Connections se reserva el derecho de controlar el uso de la computadora o teléfono, mensajes de correo de voz y mensajes de correo electrónico, sin previo aviso al empleado y en cualquier momento, no necesariamente en presencia del empleado. Además, la Compañía puede necesitar periódicamente asignar y/o cambiar contraseñas y códigos personales para correo de voz, correo electrónico, computadoras o cualquier otro elemento necesario. Estas tecnologías de comunicación y los medios de almacenamiento y bases de datos relacionados siguen siendo propiedad de Waste Connections. La Compañía se reserva el derecho de mantener un registro de todas las contraseñas y códigos utilizados y/o puede anular cualquier sistema de contraseñas. Se

debe obtener autorización previa antes de que cualquier bien de Waste Connections pueda ser sacada de las instalaciones.

Está prohibido enviar, guardar, acceder o ver material obsceno o similarmente ofensivo en los recursos electrónicos de la Compañía. Los mensajes accedidos, almacenados y/o transmitidos mediante los recursos electrónicos de la Compañía, incluyendo la computadora, el correo de voz, el correo electrónico o el sistema telefónico, no deben incluir contenido que razonablemente pueda considerarse como obsceno u otro material objetivamente ofensivo. El material prohibido incluye, entre otros, comentarios sexuales, bromas o imágenes, insultos raciales, comentarios específicos de género, o cualquier comentario, broma o imágenes que discriminarían o acosarían a alguien en función de su raza, color, sexo, edad, origen nacional o ascendencia nacional, discapacidad o cualquier otra categoría protegida por la ley federal, estatal o local. Del mismo modo, cualquier uso de Internet, correo electrónico o cualquier otro recurso electrónico para participar en actos de acoso o discriminación prohibidos por las políticas de la Compañía es ilegal y está estrictamente prohibido. Los infractores pueden estar sujetos a medidas disciplinarias, que pueden incluir la terminación del empleo.

Para garantizar el cumplimiento de esta Política, el uso de las computadoras de la Compañía, teléfonos celulares, correo de voz, correo electrónico y otros recursos pueden ser monitoreados en cualquier momento. Los empleados no tienen ninguna expectativa de privacidad en los datos o las comunicaciones a las que acceden, almacenan y/o transmitan los recursos electrónicos de la Compañía.

DIRECTRICES PARA EL MANEJO DE REGISTROS, TRANSACCIONES Y ACTIVOS

Se espera que los empleados de todos los niveles mantengan registros accesibles y ordenados de su trabajo, particularmente en el área de transacciones financieras.

Confidencialidad: en el transcurso de su empleo, todos los empleados pueden tener acceso a información confidencial, de propiedad exclusiva o secretos comerciales de Waste Connections u otra información que proporcione a la Compañía una ventaja competitiva en la industria. Como tal, se requiere que todos los empleados firmen un Acuerdo de Confidencialidad del Empleado como condición de empleo, señalando que los empleados no pueden usar ni divulgar la información de la Compañía para el beneficio de otra persona que no sea la Compañía.

Acceso No Autorizado Prohibido

Está prohibido el acceso no autorizado a información confidencial, de propiedad, financiera y estratégica de la Compañía. Los empleados no deben usar un código, acceder a un archivo o recuperar cualquier información almacenada a menos que estén autorizados para hacerlo en función de una necesidad relacionada con el trabajo. Los empleados no deben intentar obtener acceso al correo electrónico, correo de voz, programa, contraseña, mensajes de texto u otros datos de otro empleado sin autorización. Todas las contraseñas de las computadoras, teléfonos celulares, buzones de correo de voz, tabletas, y otros equipos de la Compañía, cuentas o bases de datos usados para negocios de la Compañía deben ser entregadas a la Compañía si lo solicita.

Registros de la Compañía: la nómina, los comprobantes y registros de cuentas por pagar, las facturas de la Compañía y los documentos de trabajo generales de la Compañía deben mantenerse de manera ordenada y deben mantenerse seguros.

Transferencia de Fondos: los empleados deben respetar todas las leyes nacionales y extranjeras relacionadas con la transferencia de fondos y no deben representar a la Compañía en una transacción no autorizada. Los empleados responsables de los activos y propiedades deben mantener un registro ordenado de todas las transacciones de la Compañía. Las transacciones no divulgadas no están permitidas por Waste Connections.

Propiedad de la Compañía: si un empleado es transferido, toma un permiso de ausencia o es terminado, se le requiere devolver a la Compañía cualquier material de oficina, computadoras, programas de computadora u otros dispositivos electrónicos o medios, archivos de la Compañía (ya sea en copia impresa o forma electrónica), contraseñas o códigos de acceso, y/o llaves de cajones u oficina. Los bienes de la Compañía se deben devolver de forma inmediata y a la solicitud de la compañía si el empleado es transferido o está en licencia.

Computadoras: solo el software aprobado y comprado por el Departamento de IT de la Compañía se instalará en las computadoras de la Compañía. Las computadoras portátiles deben transportarse con el cuidado apropiado para evitar posibles robos o daños. Cuando se viaja por avión, se deben llevar las computadoras a bordo y nunca deben registrarse como equipaje.

INFORMACIÓN CONFIDENCIAL

La protección de la información comercial confidencial y patentada y los secretos comerciales es vital para los intereses y el éxito de la Compañía. Cualquier información sobre el negocio de la Compañía y la de sus clientes, afiliadas, subsidiarias, inversionistas, representantes, socios, proveedores, prestamistas y proveedores que la Compañía no haya puesto a disposición pública debe ser tratada como confidencial y patentada, y no puede discutirse con ninguna persona ajena a la Compañía a menos que sea necesario para llevar a cabo los negocios de la Compañía o según lo exija la ley.

"Información Confidencial" se refiere a un elemento de información, o una compilación de información, en cualquier forma (tangible o intangible, y si está o no marcada como "Confidencial"), relacionada con el negocio de la Compañía que la Compañía no ha hecho pública o que no ha autorizado su divulgación pública, y que generalmente no es conocida por el público a través de los medios adecuados. La información confidencial incluye, entre otros, conocimiento, información y materiales sobre secretos comerciales, listas de correo, métodos de operación, listas de anunciantes, anunciantes, listas de clientes, y sus necesidades, preferencias o patrones de uso, productos, servicios, ofertas o propuestas, contratos, know-how, técnicas, procesos, capacitación, procedimientos, planes comerciales e información confidencial sobre finanzas, términos de la oferta o del contrato, mercadotecnia, contabilidad, precios, información de recursos humanos obtenida de un archivo personal confidencial (como evaluaciones de desempeño, capacidad y potencial de cualquier empleado de la Compañía) y otros asuntos de propiedad relacionados con la Compañía, todos los cuales son altamente valiosos para la Compañía. La información confidencial no incluye información legalmente adquirida por un

empleado no gerencial sobre salarios, horas u otros términos y condiciones de empleados que no pertenecen a la administración si la utilizan para fines protegidos por la §7 de la Ley Nacional de Relaciones Laborales (NLRA por sus siglas en inglés), como unirse o formar una unión, participar en negociaciones colectivas o participar en otra actividad concertada para su ayuda o protección mutua.

Del mismo modo, todo el trabajo realizado o acumulado para la Compañía y sus filiales, subsidiarias, inversionistas, socios, prestamistas o clientes sigue siendo propiedad de la Compañía y no puede reproducirse, divulgarse ni utilizarse de ninguna manera, en ningún momento durante ni después de empleo con la Compañía, sin el permiso expreso por escrito del Vicepresidente Regional del empleado o un funcionario o ejecutivo de la Compañía. Cualquier material escrito, tecnología, proceso o procedimiento de operación desarrollado por un empleado durante su empleo, que incluye, entre otros, patentes, marcas comerciales, derechos de autor, secretos comerciales y/o datos científicos sigue siendo propiedad de la Compañía y no puede reproducirse o utilizado en ninguna forma sin el permiso expreso por escrito del Vicepresidente Regional del empleado o un funcionario o ejecutivo de la Compañía. La divulgación y/o eliminación de información o materiales confidenciales, de propiedad exclusiva o secretos comerciales a personas no autorizadas está estrictamente prohibida. Los empleados deben devolver toda la Información Confidencial a la Compañía en forma inalterada al finalizar el empleo por cualquier motivo, o a petición de la Compañía. Esto incluye devolver, y no conservar, cualquier copia de la Información Confidencial que el empleado pueda tener, ya sea en forma impresa, electrónica o de cualquier otra forma.

Nada en este Manual tiene la intención de interferir o restringir el derecho de ningún empleado ajeno a la administración a compartir información sobre sus salarios, horas u otros términos y condiciones de empleo en el ejercicio de los derechos previstos por la Ley Nacional de Relaciones Laborales. Además, este Manual no interferirá ni restringirá el derecho de ningún empleado a denunciar acciones ilegales o infracciones de la regulación a ninguna agencia policial o administrativa (incluidos el Departamento de Justicia, la Comisión de Bolsa y Valores, el Congreso, cualquier agencia, Inspectores Generales, la Comisión de Oportunidades de Empleo, la Junta Nacional de Relaciones Laborales, la Administración de Seguridad y Salud Ocupacional y el Departamento de Trabajo, así como agencias estatales o locales comparables) o participar en la investigación de cualquier agencia de ese tipo, o hacer cualquier otra divulgación que esté protegida bajo las disposiciones sobre denuncias de la ley o regulación federal. Nada de lo aquí contenido se interpretará como que prohíbe la divulgación de información cuya divulgación sea obligatoria por ley; siempre que en la medida permitida por la ley, el empleado debe darle a la Compañía aviso con la mayor antelación posible por escrito bajo las circunstancias y debe cooperar con la Compañía en cualquier acción legal emprendida para proteger la confidencialidad de la información.

Defensa de la Ley de Secretos Comerciales Aviso de Divulgación de Inmunidad

Un empleado no será responsable ni penal ni civilmente bajo ninguna ley de secreto comercial federal o estatal por la revelación de un secreto comercial que se haga en confianza a un funcionario del gobierno federal, estatal o local o a un abogado con el único fin de informar o investigar una presunta violación de la ley. Un empleado no será responsable ni penal ni civilmente bajo ninguna ley de secreto comercial federal o estatal por la divulgación de un secreto comercial que se presente en una denuncia u otro documento presentado en una demanda

u otro procedimiento, siempre que dicha presentación se realice sellada. En caso de que un empleado presente una demanda por represalias de la Compañía por informar una sospecha de violación a la ley, el empleado puede divulgar el secreto comercial a su abogado y utilizar la información comercial secreta en el procedimiento judicial, siempre que el empleado archive cualquier documento que contenga el secreto comercial bajo sello y no divulgue el secreto comercial, excepto de conformidad con una orden judicial.

PROPORCIONAR INFORMACIÓN A LOS MEDIOS

Es esencial para el bienestar de la Compañía y sus empleados que solo se proporcione información precisa y verificada a los medios en nombre de la Compañía. Como tal, la Compañía requiere la cooperación de todos los empleados en apoyo de este objetivo.

La Información Confidencial sobre Waste Connections (tal como se define en la "Política de Información Confidencial" de la Compañía) o la información sobre los clientes de la Compañía nunca se debe divulgar a los medios. Solo los empleados autorizados pueden escribir o hablar a los medios, a los analistas o en reuniones públicas en nombre de la Compañía.

Para garantizar que la Compañía se comunique con los medios de manera coherente, oportuna y profesional sobre asuntos relacionados con la Compañía, todas las consultas de medios nacionales y las consultas sobre asuntos de las políticas de la Compañía o relacionadas con las finanzas o asuntos legales de la Compañía deben remitirse al Director Ejecutivo Presidente, Director de Finanzas, Vicepresidente de Finanzas o Abogado General de la Compañía en nuestra sede corporativa en The Woodlands, Texas. Las preguntas de los medios sobre asuntos locales deben ser manejadas por el Gerente de Distrito local o el Vicepresidente Divisional, quien luego debe asesorar sobre la pregunta al Vicepresidente Regional apropiado y al Director Ejecutivo, Presidente, Director de Finanzas, Vicepresidente de Finanzas o Abogado General.

El contacto de cualquier medio para que la Compañía haga comentarios debe ser inmediatamente señalado al gerente o supervisor del empleado, quien debe ayudar al empleado a proporcionar información sobre la solicitud de los medios al funcionario corporativo apropiado, Gerente Distrital o Vicepresidente Divisional de acuerdo a esta Política. Esto asegurará que los empleados no se encuentren en una situación con los medios en los que parezca que están comentando en nombre de la Compañía, cuando no estén autorizados a hacerlo. Los empleados no autorizados nunca deben dar la impresión de que están hablando en nombre de la Compañía en ninguna comunicación y deben negar dicha representación en cualquier situación en la que no esté claro lo anterior. La violación de esta Política puede resultar en una acción disciplinaria, que puede incluir la terminación del empleo.

USO DE INTERNET Y REDES SOCIALES

La compañía entiende que las redes sociales pueden ser una forma divertida y gratificante de compartir su vida y sus opiniones con familiares, amigos y compañeros de trabajo de todo el mundo. Sin embargo, el uso de las redes sociales también presenta ciertos riesgos y conlleva

ciertas responsabilidades. Para ayudarlo a tomar decisiones responsables sobre su uso de las redes sociales, hemos establecido estas pautas para todos los empleados de la compañía.

DIRECTRICES

En el mundo en rápida expansión de la comunicación electrónica, las redes sociales pueden significar muchas cosas. Las redes sociales incluyen todos los medios para comunicar o publicar información o contenido de cualquier tipo en Internet, incluyendo su propia página web o la de otra persona, blog, diario o revista, sitio de redes sociales, boletín electrónico o sala de chat, ya sea asociado o no o afiliado a la Compañía, así como a cualquier otra forma de comunicación electrónica.

Los mismos principios y pautas que se encuentran en las políticas de la Compañía se aplican a sus actividades en línea. En última instancia, usted es el único responsable de lo que publica en línea. Antes de crear contenido en línea, considere algunos de los riesgos y recompensas que están involucrados.

Conoce y Sigue las Reglas

Lea cuidadosamente estas pautas y las demás políticas de la Compañía (en este Manual o cualquier otra forma) y asegúrese de que sus publicaciones sean consistentes con estas políticas. No se tolerarán publicaciones inapropiadas, incluyendo comentarios discriminatorios, acoso, amenazas de violencia o conducta ilegal, y pueden estar sujetos a medidas disciplinarias que pueden incluir el despido.

Sea Respetuoso

Tenga en cuenta que es más probable que resuelva las quejas relacionadas con el trabajo al hablar directamente con sus compañeros de trabajo o al utilizar la Política de puertas abiertas de la Compañía que al publicar quejas en un medio de redes sociales. Sin embargo, si decide publicar quejas o críticas, evite utilizar declaraciones, fotografías, videos o audio que razonablemente puedan ser considerados maliciosos, obscenos, amenazantes o intimidatorios, que denigren a los clientes o proveedores, o que puedan constituir acoso en violación de la política de la Compañía. Ejemplos de tal conducta pueden incluir publicaciones ofensivas destinadas a dañar intencionalmente la reputación de alguien, o publicaciones que podrían contribuir a un ambiente de trabajo hostil por motivos de raza, sexo, discapacidad, religión o cualquier otro estado protegido por la ley o la política de la Compañía.

Sea Honesto y Preciso

Asegúrese de ser siempre honesto y preciso al publicar información o noticias, y si comete un error, corríjalo rápidamente. Sea abierto sobre cualquier publicación anterior que haya alterado. Recuerde que Internet archiva casi todo; por lo tanto, incluso las publicaciones eliminadas se pueden buscar. Nunca publique información o rumores que sepa que son falsos.

Mantener la Confidencialidad

Mantener la confidencialidad de los secretos comerciales de la Compañía y de la información privada u otra información confidencial. Esto puede incluir información sobre el desarrollo de sistemas, procesos, productos, conocimientos técnicos y tecnología. No publique informes internos, políticas, procedimientos u otras comunicaciones confidenciales internas relacionadas con el negocio.

Identifíquese como Empleado, Especialmente para Recomendaciones
A menos que esté autorizado para hablar en nombre de la Compañía, exprese solo sus opiniones personales y nunca se represente como vocero de la Compañía. Si la Compañía es un sujeto del contenido que está creando, y particularmente si el contenido que está creando podría interpretarse como un respaldo de la Compañía o sus productos o servicios, sea claro y abierto sobre el hecho de que usted es un empleado y hace es claro que sus puntos de vista no representan los de la Compañía. Publicar un endoso de la Compañía sin identificarse como empleado podría exponerlo a usted y/o a la Compañía a una posible responsabilidad. Lo mejor es incluir una liberación de responsabilidades tal como "Las publicaciones en este sitio son mías y no reflejan necesariamente las opiniones de Waste Connections".

Usar las Redes Sociales en el Trabajo
Absténgase de usar las redes sociales mientras esté en el trabajo o en el equipo de la Compañía, a menos que esté relacionado con el trabajo según lo autorizado por su gerente o supervisor. No use direcciones de correo electrónico de la Compañía para registrarse en redes sociales, blogs u otras herramientas en línea utilizadas para uso personal.

En la medida en que esté autorizado o instruido por la Compañía para usar las redes sociales para fines relacionados con el trabajo, tenga en cuenta que todas las cuentas o contenido que cree y todas las conexiones comerciales que realice (por ejemplo, "amigos" o "seguidores"), el uso de tales redes sociales se considera propiedad de la Compañía. Debe divulgar a la Compañía cualquier contraseña, código de acceso u otra información relacionada con su actividad de redes sociales relacionada con la Compañía que lo solicite. En caso de que se separe de la Compañía por algún motivo, se le solicitará que entregue todos los derechos de acceso a cualquier cuenta de redes sociales o contenido que haya creado a petición de la Compañía, y que deje de acceder o usar dichas cuentas o contenido inmediatamente.

Represalias Prohibidas
La Compañía prohíbe tomar medidas negativas contra cualquier empleado por informar una posible desviación de esta Política o por cooperar en una investigación. Cualquier empleado que tome represalias contra otro empleado por informar una posible desviación de esta Política o por cooperar en una investigación estará sujeto a medidas disciplinarias.

Para más información
Si algún empleado tiene alguna pregunta sobre esta Política, debe ponerse en contacto con un supervisor, gerente o el Gerente Regional de Recursos Humanos.

RESPONSABILIDAD AMBIENTAL

Waste Connections cree que es responsabilidad de cada persona proteger el medio ambiente. Los empleados deben cumplir con todas las leyes estatales y federales y usar su mejor juicio cuando surja una situación que afecte el medio ambiente. Estos incidentes pueden ser menores (recoger

papel suelto) o grandes (romper un tanque de combustible en una camioneta de la Compañía). Se brindará capacitación ambiental a los empleados, según corresponda. Se espera que aquellos que son responsables de las actividades u operaciones que puedan afectar el medio ambiente estén familiarizados con todas las leyes y regulaciones relacionadas con esas actividades. Los siguientes son algunos ejemplos de cómo Waste Connections espera que maneje situaciones que afectan el medio ambiente:

- Recoja el papel usado u otros materiales que inadvertidamente se caigan de un contenedor o camión.
- Recoja el aceite usado cuando realice el mantenimiento de nuestro material rodante y recíclelo.
- Drene y deseche los filtros de aceite usados de manera aprobada.
- Repare las fugas de aceite o fluido inmediatamente cuando se observen en el material rodante.
- No compre productos en relación con su empleo en Waste Connections que sean peligrosos para el medioambiente.
- En el caso de un derrame de material peligroso, asegúrese siempre de que el derrame no se deslice por un desagüe al colocar una berma entre el derrame de material y la abertura de drenaje.

APARIENCIA PERSONAL Y ASEO

La imagen de los proyectos de Waste Connections para el público se refleja en la apariencia de nuestros empleados. En pocas palabras, los empleados deben verse prolijos, limpios y bien arreglados, y deben vestirse adecuadamente para el entorno empresarial. Se espera que los empleados utilicen su buen criterio en su aspecto y apariencia, teniendo en cuenta la naturaleza del trabajo, su propia seguridad y la de sus compañeros de trabajo, y cualquier necesidad de interactuar con el público.

A continuación hay algunas pautas para la apariencia profesional:

- La ropa que constituya un peligro para la seguridad no se debe usar.
- Si corresponde, los chalecos de seguridad de la Compañía y/o el equipo de protección personal (EPP por sus siglas en inglés) deben llevarse en todo momento.
- Todos los empleados deben practicar reglas de sentido común de pulcritud, limpieza y comodidad.
- En un entorno de oficina, la vestimenta adecuada generalmente es informal. Algunos ejemplos de ropa que generalmente no está permitida son: tops de tirantes, trajes para correr, pantuflas, prendas innecesariamente reveladoras, pantalones deportivos y otras prendas similares.
- La apariencia personal debe incluir buena higiene personal, cabello y vello facial limpio. Cualquier vello facial debe estar bien arreglado.

- Las joyas pueden estar restringidas por razones de seguridad, según el puesto. De manera similar, se puede requerir que el cabello largo esté atado para mayor seguridad, según la posición.

Los empleados deben buscar el consejo de su supervisor, gerente y/o al Gerente Regional de Recursos Humanos si tienen preguntas con respecto a la vestimenta o apariencia apropiada en el trabajo. Los empleados que se presenten a trabajar impropiamente vestidos o arreglados pueden ser instruidos por su supervisor o gerente para que regresen a casa a cambiarse. El tiempo que los empleados no exentos estén ausentes para este propósito no será pagado a menos que la ley estatal lo requiera.

SALUD Y SEGURIDAD

El Valor Operativo # 1 de Waste Connections, y la primera prioridad, es la seguridad de nuestros empleados, clientes y otras personas en las comunidades a las que servimos. De acuerdo con este valor, todos los empleados deben realizar todas las operaciones de la Compañía de manera segura. La salud y seguridad de cada empleado es una consideración fundamental en cada decisión y plan comercial, y se tomarán todas las precauciones razonables para proteger a los empleados de enfermedades y lesiones. El supervisor o gerente de cada empleado proporcionará información adicional sobre las políticas y procedimientos de seguridad específicos del Distrito para el trabajo del empleado.

FUMAR

Waste Connections se preocupa por la salud y la seguridad de todos sus empleados. Por lo tanto, fumar (incluyendo vapear con cigarrillos electrónicos u otros sistemas electrónicos de nicotina) no está permitido, excepto en áreas designadas dentro del complejo comercial/de oficinas o fuera de este. Fumar y "vapear" (uso de cigarros electrónicos) están estrictamente prohibidos dentro de vehículos, equipos, oficinas u oficinas privadas, rentadas, usadas o propiedad de la Compañía.

Los empleados deben ver a su supervisor o gerente para obtener reglas y reglamentos más específicas con respecto a las áreas de fumadores designadas en su ubicación del Distrito. Cuando se encuentren lejos de las instalaciones de la Compañía, los empleados deben usar el sentido común y la cortesía al elegir un lugar externo para fumar, y deben cumplir con las reglamentaciones federales, estatales o locales relacionadas con fumar dentro de una cierta distancia de las entradas a los edificios. Los empleados son responsables de estar familiarizados con los requisitos en su área particular, y si existe alguna duda, deben consultar a su supervisor o gerente.

Waste Connections considera que proporcionar un ambiente de trabajo saludable es extremadamente importante, y cualquier infracción de esta Política puede dar como resultado una acción disciplinaria, que puede incluir el despido.

CONDUCCIÓN DE VEHÍCULOS

Empleados que Manejan como parte de los Negocios de la Compañía

Se espera que todos los empleados cumplan con todas las leyes locales, estatales y federales mientras operan vehículos de la Compañía y otros equipos o manejan un vehículo personal para fines comerciales. Los empleados que conduzcan sus propios vehículos en el negocio de Waste Connections deberán presentar un comprobante de la licencias de conducir válida vigente y contar con una cobertura de seguro vigente antes del primer día de empleo. Waste Connections puede verificar periódicamente los registros del Departamento de Vehículos Motorizados (DMV por sus siglas en inglés) de todos los empleados que conducen como parte de su trabajo.

Waste Connections retiene el derecho de transferir a una posición alternativa, suspender o terminar a un empleado cuya licencia de conducir sea revocada, o que no mantengan la cobertura de seguro de automóvil personal en un vehículo personal utilizado para fines laborales, o que no sea asegurable, si esto afecta de forma adversa la capacidad del empleado para realizar sus funciones de trabajo esenciales. La Compañía también puede disciplinar a los empleados que incurran en conductas ilegales mientras conducen. Por ejemplo, los empleados que deben conducir como parte de sus tareas laborales deben usar cinturones de seguridad, viajar a una velocidad segura y cumplir con todas las leyes y normas de tránsito mientras conducen. El uso o la operación inapropiada, descuidada, negligente, destructiva o insegura de equipos o vehículos, así como las infracciones de tráfico y estacionamientos severas, excesivas o evitables, pueden dar lugar a medidas disciplinarias, que pueden incluir la terminación del empleo.

Cualquier accidente que ocurra en los vehículos o equipos de la Compañía, o mientras conduce un vehículo personal en el negocio de la Compañía, independientemente de su gravedad, se debe informar inmediatamente al supervisor o gerente del empleado, y a la policía, si corresponde. Si no se detiene después de un accidente y/o no informa oportunamente de un accidente, se pueden tomar medidas disciplinarias que pueden incluir el despido.

Los empleados en puestos de conducción regulados por DOT (por sus siglas en inglés), o que operen equipos pesados (por ejemplo, hierro amarillo), tienen estrictamente prohibido el uso de cualquier teléfono móvil u otro dispositivo portátil mientras están en movimiento, incluyendo hablar, enviar mensajes de texto, enviar correos electrónicos o verificar la hora u otra información en el dispositivo. Si se necesita un dispositivo de mano para fines de trabajo, el empleado debe orillarse y detenerse en un lugar seguro (o detener el funcionamiento del equipo) antes de usar el dispositivo.

Se anima a los empleados en otros puestos que puedan requerir viajar en un vehículo (p. ej. profesionales de ventas o gerentes) a detenerse en un lugar seguro si se necesita el uso de un teléfono móvil. Donde sea necesario, se puede permitir el uso de equipos de manos libres y dispositivos móviles, según lo permitan las leyes estatales y locales; sin embargo, los empleados deben tener en cuenta que la seguridad es el Valor Operativo # 1 de la Compañía y deben evitar manejar de forma distraída en todo momento mientras lleven a cabo negocios de la Compañía.

Los empleados pueden ser responsables de todos los costos y multas que resulten de una infracción de tránsito mientras conducen para negocios de Waste Connections, a la entera discreción de la Compañía.

Cumplimiento de las Reglamentaciones del DOT
Se requiere que Waste Connections se comprometa, en todo momento, a cumplir con todas las reglamentaciones del Departamento de Transporte (DOT por sus siglas en inglés) actualmente vigentes o adoptadas en el futuro, incluidas, entre otras, las que exigen pruebas de drogas/alcohol, las que requieren que la Compañía obtenga información de empleadores anteriores, divulgar información a futuros empleadores o posibles empleadores de nuestros empleados, calificación detallada de conductores y otros puestos sensibles a la seguridad, etc. Los empleados cuyas obligaciones laborales estén cubiertas por las reglamentaciones del DOT recibirán más información sobre las políticas que cumplen con el DOT, procedimientos y requisitos en sus nuevos paquetes de contratación y/o proceso de incorporación, y debe dirigir cualquier otra pregunta a su supervisor/gerente y/o Equipo Regional de Seguridad.

SOLICITUD Y DISTRIBUCIÓN DE LITERATURA

La Compañía ha establecido las siguientes reglas aplicables a todos los empleados y no empleados que rigen la solicitud, la distribución de material escrito y el acceso a la propiedad de la Compañía:

- Los empleados pueden participar en actividades de solicitud solo durante el horario no laborable. Ningún empleado puede participar en actividades de solicitud durante su tiempo de trabajo o durante el tiempo de trabajo del empleado o los empleados a los que se dirige dicha actividad;

- Los empleados pueden distribuir o circular cualquier material escrito o impreso solo en áreas que no sean de trabajo, durante los momentos no laborables. Ningún empleado puede distribuir o circular cualquier material escrito o impreso en áreas de trabajo en cualquier momento, o durante su tiempo de trabajo o durante el tiempo de trabajo del empleado o empleados a quienes se dirige dicha actividad;

- Los no empleados no tienen permitido solicitar o distribuir material escrito para ningún propósito en la propiedad de la Compañía; y

- Los empleados fuera de servicio no están permitidos en las áreas de trabajo.

Se requiere un estricto cumplimiento de estas reglas. Tal como se utiliza en esta Política, el "tiempo de trabajo" incluye todo el tiempo por el cual un empleado recibe un pago y/o está programado para realizar servicios para la Compañía. No incluye periodos de descanso, períodos de comida o períodos en los que un empleado no está funcionando y no está programado para prestar servicios o trabajar para la Compañía.

ACTIVIDADES Y PROGRAMAS RECREATIVOS

Waste Connections o su aseguradora no serán responsables del pago de los beneficios de compensación a trabajadores por cualquier lesión que surja de la participación voluntaria de un empleado en cualquier actividad recreativa, social o atlética fuera del trabajo que no forme parte de los deberes relacionados con el trabajo del empleado.

EMPLEO EXTERNO

La Compañía respeta el derecho de cada empleado de participar en actividades fuera del empleo que sean de naturaleza personal o privada, en la medida en que dichas actividades no generen un conflicto de intereses según lo descrito en el Código de Conducta y Ética o afecte negativamente la capacidad del empleado para realizar su trabajo. Sin embargo, bajo ciertas circunstancias, si la conducta personal de un empleado afecta negativamente su desempeño en el trabajo o hace que sea imposible para él o para ella llevar a cabo todas o algunas de sus tareas laborales en el trabajo, puede ser apropiada una acción disciplinaria hasta e incluyendo la terminación del empleo.

Un ejemplo de una actividad que podría afectar negativamente la capacidad de un empleado para realizar sus deberes laborales es tener un empleo externo mientras que también es empleado de la Compañía. Si bien la Compañía no prohíbe a los empleados realizar otros trabajos, los siguientes tipos de empleo externo están prohibidos:

- Empleo que entre en conflicto con el horario de trabajo, deberes y responsabilidades del empleado o cree un conflicto de intereses real;
- Empleo que deteriore o tenga un efecto perjudicial en el desempeño laboral del empleado con la Compañía;
- Empleo que requiera que los empleados realicen trabajo o actividades relacionadas durante los horarios de trabajo o que utilicen cualquiera de las herramientas, materiales o equipos de la Compañía; y
- Empleo que compita directa o indirectamente con el negocio o los intereses de la Compañía.

La Compañía no asumirá ninguna responsabilidad por el empleo externo de ningún empleado. Específicamente, la Compañía no proporcionará cobertura de seguro de compensación a trabajadores ni ningún otro beneficio por lesiones que surjan o se deriven de dicho empleo externo. Para los fines de esta Política, el trabajo por cuenta propia se considera empleo externo.

RELACIONES ROMÁNTICAS

La Compañía no tomará ninguna acción adversa de empleo contra ningún empleado por comprometerse en relaciones románticas durante horas no laborables fuera de las instalaciones de la Compañía. Sin embargo, consideraremos dichas relaciones cuando afecten el desempeño

laboral de un empleado, cuando ocurran durante el horario de trabajo o en las instalaciones de la Compañía, o cuando representen un peligro de conflicto de interés.

Una relación romántica entre empleados puede crear un conflicto de intereses real, o al menos potencial o percibido en el entorno de empleo, especialmente cuando un miembro de dicha relación supervisa al otro miembro. Para evitar este problema, la Compañía puede negarse a contratar o colocar a una persona que esté vinculada sentimentalmente con otro empleado en una posición donde exista la posibilidad de favoritismo o un conflicto (real o percibido).

Si dos empleados entran en una relación romántica , no pueden permanecer en una relación de reporte o en puestos en los que una persona pueda afectar la compensación u otros términos o condiciones de empleo de la otra persona. En otros casos donde surja un conflicto o el peligro de un conflicto, incluso si no hay una relación de supervisión involucrada, las partes pueden separarse por reasignación o terminar su empleo, a discreción de la Compañía.

V. NORMAS DE CONDUCTA

POLÍTICA DE ABUSO DE SUSTANCIAS

Waste Connections se compromete a proteger la seguridad, la salud y el bienestar de sus empleados, clientes y todas las personas que entran en contacto con sus empleados, lugares de trabajo y propiedad, y/o utilizan sus productos y servicios. El abuso de drogas y alcohol afecta el juicio, el rendimiento y la salud. Por lo tanto, la Compañía ha establecido una Política de Abuso de Sustancias para todos los empleados que prohíbe estrictamente el uso, venta, intento de compra, transferencia, distribución, fabricación, compra, intento de compra, posesión, cultivo y/o transferencia de drogas, parafernalia de drogas, uso ilegal, inhalantes e intoxicantes. Esta prohibición incluye el uso de medicamentos recetados y/o de venta libre de una manera que no esté prescrita para el empleado y/o que puede perjudicar la capacidad del empleado para realizar su trabajo; el uso o la posesión de marihuana y/o marihuana medicinal (a menos que la ley requiera a la Compañía el permitirlo); y el uso o posesión de alcohol mientras se trabaja. El cumplimiento de esta Política es una condición de empleo inicial y continuo con la Compañía.

La Política de Abuso de Sustancias se actualiza periódicamente y está disponible para todos los empleados a través de The Can**.** Si existe algún conflicto entre este Manual y la Política de Abuso de Sustancias, la Política de Abuso de Sustancias prevalecerá. Si algún empleado tiene preguntas sobre el cumplimiento de la Política, o para obtener ayuda para acceder a la Política a través de The Can, comuníquese con un supervisor, gerente y/o al Gerente Regional de Recursos Humanos.

Como resumen general de la Política de Abuso de Sustancias, las siguientes normas y estándares de conducta se aplican a todos los empleados, ya sea en la propiedad de la Compañía o durante la jornada laboral (incluyendo las comidas y los períodos de descanso). Comportamiento que viole la Política de la Compañía incluye:

- Posesión o uso de alguna sustancia ilegal o controlada, o estar bajo la influencia de una sustancia ilegal o controlada mientras esté en el trabajo;
- Conducir un vehículo o equipo de Waste Connections bajo la influencia del alcohol; y
- Distribución, venta o compra de una sustancia ilegal o controlada mientras esté en el trabajo.

La violación de la Política de Abuso de Sustancias no será tolerada. Waste Connections también puede llevar dicha violación a la atención de las autoridades policiales correspondientes. Para hacer cumplir esta Política, Waste Connections se reserva el derecho de realizar registros a los bienes o empleados de la Compañía y/o sus bienes personales, y de implementar otras medidas necesarias para disuadir y detectar el abuso de esta Política.

La condena de un empleado por un cargo de venta ilegal, posesión o transporte de cualquier sustancia controlada, ya sea dentro o fuera de la propiedad de la Compañía podrá dar lugar a medidas disciplinarias hasta e incluyendo la terminación.

Cualquier empleado que esté usando medicamentos recetados o de venta libre que puedan perjudicar la capacidad del empleado para realizar el trabajo de manera segura, o que afecte la seguridad o el bienestar de otros, debe notificar a dicho supervisor inmediatamente antes de comenzar o reanudar el trabajo.

Waste Connections alentará y hará adaptaciones razonables para los empleados con dependencia de alcohol o drogas para que busquen tratamiento y/o rehabilitación. Los empleados que deseen tal asistencia deben solicitar un permiso de tratamiento o rehabilitación *antes de que* surja un problema con el trabajo, por ejemplo, antes de que se ordene una prueba de drogas/alcohol, y antes de que ocurra un accidente causado por el uso de drogas o alcohol. Sin embargo, Waste Connections no está obligado a continuar empleando a ninguna persona cuya ejecución de tareas esenciales se vea afectada debido al consumo de drogas o alcohol, ni está obligada a volver a emplear a ninguna persona que haya participado en tratamiento y/o rehabilitación si el desempeño laboral de esa persona sigue afectado como resultado de la dependencia. Además, los empleados que tienen la oportunidad de buscar tratamiento y/o rehabilitación, pero que no superen con éxito su dependencia o problema, no recibirán automáticamente una segunda oportunidad para buscar tratamiento y/o rehabilitación. Esta Política sobre tratamiento y rehabilitación no tiene la intención de afectar el tratamiento que dé Waste Connections a los empleados que violen la Política de Abuso de Sustancias descrita anteriormente antes de buscar ayuda. Más bien, la rehabilitación es una opción para un empleado que reconozca una dependencia química y voluntariamente busque un tratamiento para terminar con esa dependencia.

SEGURIDAD EN EL LUGAR DE TRABAJO

Waste Connections ha desarrollado pautas para ayudar a mantener un lugar de trabajo seguro. Los empleados deben estar atentos a las personas que merodeen sin motivo aparente en áreas de estacionamiento, pasillos, entradas y salidas y áreas de servicio, e informar a la gerencia acerca de cualquier persona o actividad sospechosa. De manera similar, los empleados deben notificar a su supervisor o gerente inmediatamente si faltan claves, pases de seguridad o credenciales de identificación. Los empleados también deben asegurar sus escritorios u oficinas al final del día. Cuando se les llame fuera del área de trabajo por un período de tiempo prolongado, los empleados no deben dejar artículos valiosos y/o personales dentro o cerca de sus estaciones de trabajo que puedan ser accesibles para otros.

Armas de Fuego y Armas

Se prohíbe a todos los empleados de la Compañía poseer, transportar, almacenar o usar cualquier arma prohibida, incluidas las pistolas ocultas, durante el curso y al realizar su trabajo para la Compañía o realizar cualquier tarea en nombre de la Compañía, estén o no en propiedad de la Compañía, y ya sea si tienen o no licencia para portar una pistola. Esta Política también prohíbe las armas en las instalaciones de la Compañía, en vehículos de la Compañía y en cualquier función patrocinada por la Compañía, incluidos los eventos sociales. Las únicas excepciones a esta Política son para: (1) personas a las que la Compañía haya otorgado un consentimiento por escrito para portar un arma mientras realizan tareas específicas en nombre de la Compañía, y (2) según lo permita la ley estatal, empleados que tengan una licencia de arma de fuego oculta

pueden poseer legalmente un arma de fuego en su vehículo personal cerrado en el área de estacionamiento de la Compañía. Donde la ley estatal permita el almacenamiento de armas de fuego en vehículos personales cerrados en las instalaciones de la Compañía, se prohíbe estrictamente a los empleados retirar el arma de fuego de su vehículo en las instalaciones de la Compañía, transportarla en su persona o en un edificio, o poseerla o transportarla en un vehículo de la Compañía.

Las armas prohibidas incluyen armas de fuego, cuchillos, explosivos o cualquier arma restringida según las leyes locales, estatales o federales. Si algún empleado tiene una pregunta sobre si un artículo está cubierto por esta Política, debe solicitar su aprobación a su supervisor o gerente antes de poseer el artículo mientras realiza trabajo para la Compañía o antes de traer el artículo a la propiedad de la Compañía.

Cualquier empleado que sea testigo de la ocultación o posesión de un arma o que sea testigo de un asalto físico o verbal que involucre a otra persona deberá informarlo inmediatamente a un supervisor, gerente y/o al Gerente Regional de Recursos Humanos.

CONDUCTA PROHIBIDA

Para garantizar la seguridad como nuestro valor operativo # 1 y proporcionar un excelente lugar para trabajar para nuestros empleados y un excelente servicio para nuestros clientes y comunidades, esperamos que los empleados sigan reglas de conducta básicas y de sentido común que protegerán los intereses y la seguridad de todos. La siguiente conducta está prohibida, Waste Connections no la tolerará y puede dar lugar a medidas disciplinarias, que pueden incluir el despido. Esta lista de conductas prohibidas es solo ilustrativa; otros tipos de conducta que amenazan la seguridad, la seguridad personal, el bienestar de los empleados y las operaciones de Waste Connections también pueden estar prohibidos.

- Falsificación de registros de empleo, información de empleo u otros registros de la Compañía;
- Registrar el tiempo de trabajo de otro empleado o permitir que cualquier otro empleado registre su tiempo de trabajo, o falsifique cualquier tarjeta de tiempo, ya sea suya o de otro empleado;
- Robo y daño deliberado o descuidado o destrucción de cualquier propiedad de Waste Connections, o la propiedad de cualquier empleado, cliente, proveedor o visitante;
- Hacer declaraciones falsas en el curso de sus deberes laborales, incluso como parte de una investigación interna;
- Quitar, usar o tomar prestada la propiedad de Waste Connections sin autorización previa;
- Uso no autorizado de equipos, tiempo, materiales, recursos o instalaciones de Waste Connections;
- Provocar una pelea, amenazas de violencia, lenguaje abusivo o peleas durante el horario de trabajo o en la propiedad de Waste Connections (<u>tenga en cuenta que Waste Connections tiene una postura de cero tolerancia hacia la violencia o las amenazas de violencia en el lugar de trabajo)</u>;

- Participar en payasadas o bromas pesadas en el tiempo de Waste Connections o las instalaciones de Waste Connections;
- Llevar o poseer armas de fuego o cualquier otra arma peligrosa en las instalaciones de Waste Connections en cualquier momento, incluido el estacionamiento de Waste Connections (a menos que la ley estatal permita la posesión de armas de fuego con licencia en un vehículo cerrado en el estacionamiento, en cuyo caso se les prohíbe estrictamente a los empleados retirar el arma de fuego de su vehículo, transportarla en su persona o hacia un edificio, o poseerla o transportarla en un vehículo de la Compañía);
- Participar en conducta criminal, relacionada o no con el desempeño laboral;
- Intimidación, incluida cualquier conducta reiterada que sea objetivamente ofensiva y que tenga la intención de intimidar, humillar o degradar a otra persona.
- Insubordinación, que incluye pero no se limita a la falla o negativa a obedecer las órdenes o instrucciones de un supervisor o miembro de la gerencia, o el uso de lenguaje abusivo o amenazante hacia un supervisor o miembro de la gerencia;
- Usar lenguaje abusivo, violento o amenazante en cualquier momento en las instalaciones de Waste Connections o mientras esté de servicio como empleado de Waste Connections;
- No notificar debidamente a un supervisor o gerente cuando no pueda presentarse al trabajo;
- Ignorar las leyes ambientales;
- Violación de la Política de Abuso de Sustancias de la Compañía;
- Ausencia de tres días hábiles programados consecutivos sin el debido previo aviso a la Compañía;
- No obtener permiso para dejar el trabajo por cualquier motivo durante el horario normal de trabajo;
- No cumplir con los horarios de trabajo, lo que incluye no tomarse periodos de descanso y comida;
- No proporcionar un comprobante de regreso al trabajo o certificado médico cuando se solicite o se le requiera;
- No informar oportunamente un accidente o lesión vehicular;
- Dormir o simular que trabaja en el trabajo;
- Usar bienes de la Compañía para uso o propósito personal;
- Hacer o aceptar llamadas telefónicas personales de duración o frecuencia excesivas durante el horario de trabajo, excepto en casos de emergencia. Esto incluye teléfonos celulares personales;
- Hablar con un teléfono celular u otro dispositivo de mano mientras opera un vehículo o equipo de la Compañía, al hacerlo, infringe las reglamentaciones del DOT, las leyes federales, estatales o locales;
- Trabajar horas extras sin autorización o negarse a trabajar horas extraordinarias asignadas (tenga en cuenta que a los empleados *se les pagará* por todas las horas y horas extras trabajadas, pero que pueden ser sancionados por trabajar tiempo extra no autorizado);
- Violar cualquier política, norma o procedimiento de seguridad, salud, seguridad de Waste Connections;

- Cometer un acto fraudulento o un abuso de confianza bajo cualquier circunstancia; y
- Comprometerse o participar en cualquier acto de acoso ilegal de otra persona.

La lista anterior de conductas prohibidas no es exhaustiva y no altera la Política de Empleo a Voluntad de Waste Connections por lo que el empleado o la Compañía siguen siendo libres de rescindir la relación laboral en cualquier momento, con o sin causa o aviso previo, a menos que la relación a voluntad se haya modificado de otra forma mediante escrito firmado por el Director Ejecutivo (o su designado) y el empleado (o su representante).

ASESORAMIENTO DE DESEMPEÑO Y ACCIÓN DISCIPLINARIA

El supervisor de un empleado decidirá la mejor forma de abordar las inquietudes relacionadas con el desempeño o la conducta de un empleado dependiendo de la naturaleza y severidad de las preocupaciones. Los siguientes pasos son una guía para las situaciones de asesoramiento de desempeño. Waste Connections puede decidir utilizar o no usar todos o algunos de estos pasos, a exclusivo criterio de la Compañía y según la naturaleza y la gravedad del rendimiento u otro problema que se trate. Nada de lo incluido en esta Política altera la relación del empleado de empleo "a voluntad".

- Si un supervisor nota una preocupación, el supervisor puede primero reunirse con el empleado para hablar verbalmente de la situación y proporcionar orientación/asesoramiento. Se puede establecer un marco de tiempo durante el cual el empleado deberá cumplir con los estándares de rendimiento. El supervisor puede registrar la advertencia verbal en un formulario de "Aviso de reunión con el empleado" y hacer que se incluya una copia en el expediente del empleado.

- Si no se cumplen los estándares después de una advertencia verbal o una sesión de orientación/asesoramiento, el empleado puede recibir una advertencia por escrito. La advertencia por escrito puede delinear el estándar de desempeño y el marco de tiempo en el que el empleado debe corregir la inquietud. Una copia de la advertencia se puede colocar en el expediente del empleado. Se puede dar una advertencia por escrito sin una advertencia oral dependiendo de la gravedad de la ofensa u otros hechos relevantes.

- Si no se cumplen los estándares descritos en la advertencia escrita, el empleado puede recibir una advertencia final por escrito. La advertencia final escrita puede delinear el estándar de desempeño y el marco de tiempo en el cual el empleado debe corregir la acción. Se puede colocar una copia de la advertencia en el expediente del empleado. Si un empleado no cumple con los estándares establecidos, el empleo del empleado puede ser terminado.

En particular, ninguno de estos pasos debe seguirse necesariamente antes de una terminación. Se deja a criterio del supervisor o gerente la decisión de participar en alguno o todos estos pasos. La sección de Conducta Prohibida de este Manual enumera ejemplos de comportamientos que Waste Connections definiría como graves y que podrían dar lugar a la terminación inmediata. Esta lista no es exhaustiva y es posible que existan situaciones no enumeradas en las que la respuesta de la Compañía sea la terminación inmediata.

TERMINACIÓN DEL EMPLEO

Terminación Involuntaria

Una terminación involuntaria ocurre cuando la Compañía decide terminar la relación de trabajo con un empleado. Las terminaciones involuntarias pueden ocurrir por una causa o por razones distintas a la causa.

Las terminaciones involuntarias por causa incluyen, entre otras, rescisión por incumplimiento de alguna de las políticas de la Compañía, uso indebido o robo de recursos, falsificación de información, ausencia/impuntualidad excesiva o desempeño laboral insatisfactorio. Las terminaciones involuntarias por razones distintas a la causa incluyen, pero no se limitan a, una reducción en la fuerza de trabajo.

Terminación voluntaria

Una terminación voluntaria significa que un empleado ha tomado la decisión de terminar la relación de trabajo con la Compañía. Bajas voluntarias incluyen, pero no se limitan a, renuncia por escrito o verbal, jubilación y abandono de trabajo. Se considera que un empleado ha abandonado su trabajo si no se presenta a trabajar durante tres (3) días hábiles consecutivos sin aviso o aprobación por parte de su supervisor o gerente.

Se alienta a los empleados que voluntariamente abandonan la Compañía a que envíen a su supervisor un aviso por escrito con dos semanas de anticipación para permitir a la Compañía una cantidad razonable de tiempo para transferir el trabajo en curso. Sin embargo, la Compañía puede optar por renunciar a cualquier período de pre aviso y aceptar la renuncia del empleado de inmediato. Los empleados con buena reputación que se jubilen o renuncien a sus puestos pueden ser elegibles para volver a ser contratados, a exclusivo criterio de la Compañía.

Devolución de Propiedad de la Compañía

Al finalizar el empleo por cualquier motivo, o en cualquier momento a solicitud de la Compañía, un empleado debe devolver todos los vehículos, llaves, uniformes, teléfonos, computadoras u otros equipos electrónicos, archivos (ya sea en forma impresa o electrónica), tarjetas de identificación, tarjetas de crédito u otra propiedad emitida por la Compañía.

Cuando lo permita la ley, y de acuerdo con la ley aplicable, la Compañía puede retener del cheque del empleado o del cheque de pago final el costo de cualquier artículo que no se devuelva cuando sea requerido. No se puede copiar ninguna información perteneciente a la Compañía para uso del empleado. La Compañía también puede tomar todas las medidas que considere apropiadas para recuperar o proteger los bienes de la Compañía.

Pago y Beneficios a la Terminación
Se pagarán los salarios finales de acuerdo con la ley aplicable. Si las vacaciones ganadas pero no usadas y/u otras vacaciones pagadas se pagan a la terminación del empleo o no, será determinado por la ley local y/o la política del Distrito en el lugar de trabajo del empleado. Los empleados despedidos deben comunicarse con los departamentos de Recursos Humanos Corporativos y/o de Beneficios al 877-590-0083, Opción 4 para obtener información sobre cómo elegir continuar con los beneficios (si les corresponde) o sobre otras preguntas posteriores al empleo.

Referencia Neutra
Para que la Compañía pueda manejar las solicitudes de referencias laborales de manera consistente, justa y legal, todas las solicitudes de referencias laborales oficiales de un ex empleado deben enviarse a Recursos Humanos Corporativos. Nuestra política general con respecto a las referencias para los ex empleados es divulgar solo las fechas de empleo y el título del último puesto ocupado por el empleado. Si un empleado autoriza la divulgación por escrito de dicha información, también proporcionaremos a un posible empleador información sobre el monto del salario que ganó por última vez. Para los empleados y ex empleados que estén sujetos a las regulaciones del Departamento de Transporte, la Compañía proporcionará toda la información de conformidad con las reglamentaciones del DOT.

VI. TIEMPO LIBRE Y BENEFICIOS

TIEMPO LIBRE/LICENCIAS

La Compañía reconoce que los empleados se benefician del tiempo fuera del trabajo por una variedad de razones, todo lo cual contribuye a un balance positivo de trabajo y vida para nuestros empleados. Por lo tanto, la Compañía ofrece tiempo libre, tanto remunerado como no remunerado, a los empleados elegibles por las siguientes situaciones:

Vacaciones/Licencia por Enfermedad/Tiempo Libre Pagado

Cada Distrito dentro de la Compañía generalmente establece sus propias políticas con respecto a vacaciones pagadas, licencia por enfermedad y/o tiempo libre remunerado, de conformidad con todas las leyes federales, estatales y locales aplicables. Cómo se gana o se acumula el tiempo libre remunerado, cómo se debe solicitar o programar, y si se pagará a los empleados al separarse del empleo, todo ello estará determinado por la política del Distrito local y según lo exige la ley. Si algún empleado tiene preguntas sobre vacaciones pagadas, ausencias por enfermedad y/u otras formas de tiempo libre remunerado, debe contactarse con un supervisor o gerente, el Gerente del Distrito o con el Gerente Regional de Recursos Humanos.

Días Festivos

Cada distrito generalmente establece sus propias políticas con respecto a los días festivos pagados, incluida la cantidad de días feriados que se reconocerán, los días en que serán observados y cómo se compensará a los empleados si están programados para trabajar en días festivos. Los empleados deben consultar con sus supervisores/gerentes con preguntas sobre los días festivos observados en su distrito.

En particular, debido a la naturaleza de nuestro negocio y nuestra necesidad de brindar un servicio oportuno a los clientes y a las comunidades a las que servimos, particularmente durante las horas pico de los días festivos, algunos empleados pueden verse obligados a trabajar en días feriados programados. Los empleados serán compensados por el trabajo en un día feriado programado de acuerdo con la política del Distrito y en cumplimiento con todas las leyes aplicables.

Jurado/Testigo

Todos los empleados a los que se requiera que realicen labores de jurado o que sean citados para testificar como testigos recibirán una licencia por el período de tiempo necesario. Todos los permisos de jurado o testigo no serán pagados a menos que así lo exija la ley aplicable. No se tomarán represalias contra ningún empleado de ninguna manera como resultado por recibir o responder a una citación por jurado o citación como testigo.

La Compañía requiere que un empleado proporcione documentos sobre la citación para deber de jurado o el servicio de testigo a su supervisor o gerente tan pronto como sea razonablemente posible, y no menos de un día completo de trabajo antes del día en que el empleado deba comparecer ante el tribunal. Si un empleado es excusado temprano del servicio de corte o testigo,

debe regresar al trabajo siempre que sea práctico. Al completar el deber de jurado o testigo, se le puede solicitar a un empleado que presente la documentación adecuada del tribunal, especificando el período de tiempo cumplido y el momento en que fue liberado del servicio.

Votación

Se alienta a todos los empleados a ejercer su deber cívico votando en las elecciones federales, estatales y locales. La mayoría de los empleados tienen tiempo suficiente para votar antes o después del horario de trabajo o durante los períodos de votación anticipada. Sin embargo, si las urnas no están abiertas durante al menos dos (2) horas consecutivas fuera del turno de trabajo programado de un empleado, al empleado se le otorgará un tiempo razonable no pagado para votar, a menos que la ley aplicable exija lo contrario. Un empleado elegible debe hacer una solicitud de tiempo libre para votar a su supervisor o gerente, quien determinará cuándo se otorgará el tiempo libre para votar.

Licencia Familiar y Médica

Waste Connections otorgará licencia por razones familiares y médicas específicas de acuerdo con los requisitos de las leyes federales y estatales aplicables vigentes en el momento en que se otorgue la licencia. Aunque las leyes federales y estatales a veces tienen diferentes nombres, la Compañía se refiere a este tipo de permisos colectivamente aquí como "Licencia FMLA". En cualquier caso, los empleados serán elegibles para los beneficios de licencia más generosos disponibles según la ley aplicable.

A. Elegibilidad del Empleado

Para ser elegible para los beneficios de Licencia FMLA, usted debe: (1) haber trabajado para la Compañía por un total de al menos 12 meses; y (2) haber trabajado al menos 1,250 horas durante los 12 meses anteriores al inicio de la licencia. Los empleados clave, según la definición de la FMLA, pueden estar sujetos a limitaciones de reincorporación en algunas circunstancias, y se les notificará de su estado de empleado clave en el momento en que se realice la solicitud de ausencia.

B. Razones para la Licencia

Las leyes estatales y federales permiten el permiso FMLA por varias razones. Debido a que los derechos y obligaciones de un empleado pueden variar dependiendo de la razón de la Licencia FMLA, es importante identificar el propósito o el motivo del permiso. La Licencia de FMLA se puede utilizar por una de las siguientes razones, además de por cualquier razón cubierta por una ley estatal de licencia familiar/médica aplicable:

1) Razones Familiares y Médicas: los empleados elegibles pueden tomar hasta 12 semanas de licencia sin sueldo en un período de 12 meses mirando hacia atrás 12 meses desde la fecha de la licencia solicitada por una o más de las siguientes razones. (El término "Niño" o "Hijo" incluye no solo a un niño biológico o adoptado, sino también a un niño adoptivo, un hijastro, un pupilo legal o un menor respecto del que el empleado se quede *in loco parentis*, es decir, proporciona apoyo diario o apoyo financiero similar a la de un padre.)

- Nacimiento de un niño y cuidar del recién nacido;
- Colocación con el empleado de un niño para adopción o cuidado de crianza y para cuidar al niño recién colocado;
- Cuidar a un cónyuge, padre o hijo, incluidos los padrastros ("familiar cubierto"), debido a una condición de salud grave;
- Debido a que la propia condición de salud grave del empleado lo incapacite para realizar una función esencial de su trabajo; o
- Debido a una exigencia calificada, cuando el cónyuge, padre o hijo del empleado sea: (i) un miembro de las Fuerzas Armadas regulares que esté desplegado en un país extranjero; o (ii) un miembro de la Reserva o Guardia Nacional que se despliegue con las Fuerzas Armadas a un país extranjero bajo una llamada u orden al servicio activo ("Licencia de Exigencia Calificada").

Una "condición de salud grave" significa *generalmente* una enfermedad, lesión, impedimento o condición física o mental que:

- requiera atención hospitalaria (es decir, una estadía de una noche) en un hospital, un hospicio o un centro de atención médica residencial o un tratamiento posterior relacionado con o como consecuencia de dicha atención para pacientes internados;
- implique incapacidad de más de 3 días calendario consecutivos y (i) requiere tratamiento en persona por parte de un proveedor de atención médica dos o más veces dentro de los 30 días posteriores al primer día de incapacidad, y la primera visita ocurra en los primeros 7 días de la incapacidad, a menos que existan circunstancias atenuantes, o (ii) requiera un tratamiento en persona por parte de un proveedor de atención médica dentro de los primeros 7 días de incapacidad, lo que resulte en un régimen continuo de tratamiento;
- sea una condición de salud grave crónica que continúe durante un período prolongado de tiempo, requiera visitas periódicas (al menos dos veces al año) a un proveedor de atención médica, y puede incluir episodios ocasionales de incapacidad (por ejemplo, asma, diabetes);
- es una condición permanente o a largo plazo para la cual el tratamiento pueda no ser efectivo (p.ej., Alzheimer, un derrame cerebral grave, etapa terminal de una enfermedad);
- sea un período de ausencia para recibir tratamientos múltiples para cirugía reparadora o para una afección que probablemente resultaría en un período de incapacidad de más de tres días calendario consecutivos completos si no se trata (por ejemplo, quimioterapia o tratamientos de radiación para cáncer, diálisis por enfermedad renal); o
- sea un período de incapacidad por embarazo o por cuidado prenatal**.**

Una "exigencia calificada" que podría desencadenar el derecho del empleado a licencia incluye *generalmente*:

- despliegue a corto plazo: notificación de una llamada u orden inminente al servicio activo con aviso de 7 o menos días calendario anteriores a la fecha de implementación, comenzando en la fecha en que se recibe la notificación;

- eventos militares y actividades relacionadas: asistencia a ceremonias oficiales, programas, eventos y/o apoyo familiar y programas de asistencia e información;
- cuidado de niños y actividades escolares: cambios en los arreglos de cuidado de niños regulares, cuidado de niños de necesidad urgente, inscripción en la escuela, traslado y/o conferencias de padres y maestros;
- arreglos financieros y legales: preparación y ejecución de poderes, transferencia de la autoridad de firma de la cuenta bancaria, representación del miembro militar en relación con los beneficios militares, preparación y actualización de testamentos y fideicomisos en vida;
- asesoría - para el empleado, miembro militar o los hijos del miembro militar;
- descanso y recuperación a corto plazo: hasta 15 días de licencia por cada instancia de licencia del miembro militar, para descanso y recuperación con el miembro militar;
- actividades posteriores al despliegue: ceremonias de llegada y programas durante 90 días después del estado de servicio activo, problemas relacionados con la muerte;
- cuidado parental - para cuidar a los padres de un miembro militar, o alguien que haya estado *in loco parentis* para el miembro militar, que sea incapaz de cuidarse a sí mismo, cuando el cuidado obligatorio sea requerido por el servicio activo cubierto del miembro militar; esto puede incluir coordinar la atención alternativa de los padres, proporcionar atención según las necesidades inmediatas (pero no de forma rutinaria, regular o diaria), admitir o transferir al padre a un centro de atención o asistir a reuniones con el personal de un centro de atención; y
- "Actividades adicionales": otros eventos que surgen del servicio activo del miembro militar o del llamado al servicio activo, que serán acordados por la Compañía y el empleado.

2) Licencia de Cuidador Militar: los empleados elegibles también pueden tomar hasta 26 semanas de licencia sin sueldo en un solo período de 12 meses (comenzando el primer día que se tome dicha licencia) para cuidar a un miembro del servicio cubierto mientras se someta a tratamiento médico, recuperación o terapia por una lesión o enfermedad grave ("Licencia del Cuidador Militar").

Un "miembro del servicio cubierto" se define como el cónyuge, padre, hijo o familiar más cercano del empleado que sea:

- un miembro actual de las Fuerzas Armadas (incluidas las Reservas o la Guardia Nacional) o en la lista de incapacitados temporales retirados, y que haya incurrido en una lesión o enfermedad grave (o que se le haya agravado una lesión o enfermedad preexistente) en el cumplimiento del deber en servicio activo ; o
- un veterano que haya sido miembro de las Fuerzas Armadas (incluidas las Reservas o la Guardia Nacional), que haya sufrido una lesión o enfermedad grave (o que se le haya agravado una lesión o enfermedad preexistente) en el cumplimiento del deber en servicio activo, y que haya sido dado de alta o liberado del servicio bajo condiciones que no sean deshonrosas en cualquier momento

durante los 5 años anteriores a la primera fecha en que un empleado elegible tome el permiso FMLA para cuidar a ese veterano que se someta a tratamiento médico, recuperación o terapia. El período de tiempo entre el 28 de octubre de 2009 y el 8 de marzo de 2013 no se cuenta para determinar el período de cinco años para el estado de veterano cubierto.

Una "lesión o enfermedad grave" se define como una lesión o enfermedad incurrida o agravada en el cumplimiento del deber en servicio activo en las Fuerzas Armadas y:

- para los miembros del servicio *actual* , el tipo de lesión o enfermedad que haría que el miembro del servicio no sea médicamente apto para realizar las tareas de su oficina, grado, rango o clasificación; o
- para los *veteranos*, una lesión o enfermedad que se haya manifestado antes o después de que el miembro se convirtiera en veterano, y sea: (1) una continuación de una lesión o enfermedad grave incurrida o agravada cuando el veterano cubierto era miembro de las Fuerzas Armadas y lo haya hecho incapaz de realizar los deberes de su oficina, grado, rango o calificación; (2) una condición física o mental por la cual el veterano cubierto haya recibido una Calificación de discapacidad relacionada con el servicio VA (VASRD por sus siglas en inglés) del 50% o superior y dicha calificación VASRD se base, en todo o en parte, en la condición que precipita la necesidad de la licencia; (3) una condición física o mental que afecte sustancialmente la capacidad del veterano para asegurar o seguir una ocupación sustancialmente remunerada por una discapacidad relacionada con el servicio militar o que lo haría de no haber tratamiento; o (4) una lesión, incluida una lesión psicológica, sobre la base de la cual el veterano cubierto ha sido inscrito en el Programa de Asistencia Integral para Cuidadores de Familia del Departamento de Asuntos de Veteranos.

C. Cantidad y Tiempo de la Licencia

La Licencia FMLA comienza en la fecha de la primera ausencia cubierta por FMLA y continúa hasta lo que suceda primero: (1) se agote la asignación de licencia de 12 o 26 semanas laborales para el empleado; (2) la fecha en que finalice el motivo de calificación de FMLA, que no debe exceder de 12 o 26 semanas de trabajo; o (3) la fecha en que el empleado no proporcione alguna certificación o recertificación de la necesidad de la Licencia FMLA según lo requiera la Compañía de acuerdo con FMLA.

Para todos los tipos de Licencia FMLA además del permiso de Cuidador Militar, el saldo de las 12 semanas de licencia disponible se determinará utilizando un período "continuo" de 12 meses, medido hacia atrás desde la fecha de inicio de cada licencia solicitada.

Para la Licencia de Cuidador Militar, que otorga 26 semanas de licencia a los empleados elegibles, el "período único de 12 meses" comienza el primer día que un empleado tome dicha licencia y normalmente se calculará por separado del período de 12 meses consecutivos utilizado para otros tipos de licencia FMLA. Sin embargo, los dos correrán concurrentemente. Ningún empleado puede usar más de 26 semanas de Licencia de FMLA por *ningún motivo* durante el período de 12 meses que comienza en la fecha en que comience la Licencia de Cuidador Militar.

La Licencia de Cuidador Militar se puede tomar intermitentemente durante el período de 12 meses, y se aplica por miembro del servicio cubierto por lesión, de tal manera que un empleado elegible puede tener derecho a tomar múltiples licencias si es necesario para cuidar diferentes miembros del servicio o la lesión o enfermedad posterior del mismo miembro del servicio. Sin embargo, no se pueden tomar más de 26 semanas de licencia en un solo período de 12 meses, independientemente de la cantidad de bases para las que se solicite.

La licencia tomada por el nacimiento o la colocación de un niño y para cuidar a ese niño debe completarse dentro del período de 12 meses que comienza en la fecha de nacimiento o colocación. No obstante, tal permiso puede comenzar antes de que ocurra el nacimiento o la colocación.

Los cónyuges empleados por la Compañía tienen conjuntamente derecho a un total combinado de 12 semanas de licencia por el nacimiento y cuidado de un recién nacido sano, por la colocación de un niño sano para adopción o cuidado de crianza, y para cuidar a un padre que tenga un problema de estado de salud grave. Sin embargo, cada cónyuge tendrá derecho a tomar las 12 semanas de licencia debido a la condición grave de salud de un niño, cónyuge o su propia condición de salud. Los cónyuges empleados por la Compañía tienen derecho conjuntamente a un total combinado de 26 semanas de Licencia de Cuidador Militar durante el período único de 12 meses.

La Compañía monitoreará el uso de Licencia FMLA de cada empleado en incrementos de una hora, a menos que la ley requiera otra cosa. No se requerirá que los empleados tomen más Licencia de FMLA de lo necesario para abordar las circunstancias que causaron la necesidad de la licencia, y cualquier tiempo de trabajo para la Compañía no contará contra el derecho de Licencia FMLA de un empleado.

En la medida requerida por la ley se podrán otorgar algunas extensiones para licencia más allá del derecho de Licencia FMLA con trabajo protegido de un empleado cuando el permiso sea necesario por una lesión o enfermedad relacionada con el trabajo del empleado o una "discapacidad" según lo define la Ley de Estadounidenses con Discapacidades y/o ley estatal o local aplicable. Se pueden aplicar ciertas restricciones sobre estos beneficios.

D. Compensación Durante la Licencia

Generalmente, la Licencia FMLA no es pagada. Sin embargo, un empleado puede ser elegible para recibir beneficios a través de programas de beneficios de reemplazo de salario patrocinados por el estado o patrocinados por la Compañía. Un ejemplo de dichos programas de beneficios de reemplazo de salarios son los beneficios de compensación a trabajadores. Si un empleado es elegible para recibir beneficios de reemplazo de salario, dependiendo de su ubicación de trabajo, el empleado también puede optar por complementar estos beneficios con el uso del tiempo libre pagado acumulado, en la medida permitida por la ley y la política de la Compañía. Todos estos pagos se integrarán para que el empleado no reciba más que su compensación regular durante el período de licencia.

Si el empleado no es elegible para recibir ningún beneficio de reemplazo de salario mientras esté bajo la licencia de FMLA, se requerirá que el empleado use todo el tiempo libre pagado

acumulado de forma concurrente con su Licencia FMLA no pagada. Esto le permite al empleado recibir el pago por la duración de su Licencia FMLA coincidiendo con el tiempo libre pagado acumulado, pero no extiende el tiempo de Licencia FMLA disponible del empleado más allá de las 12 o 26 semanas asignadas.

E. Integración con Otro Tiempo Libre

Cualquier ausencia del trabajo que califique para una Licencia FMLA será contada en contra de la asignación de FMLA del empleado. Si no es inmediatamente evidente que el tiempo libre de un empleado califica como FMLA, pero la Compañía posteriormente se entera que calificó así, la Compañía puede designar retroactivamente dicho tiempo libre como Licencia de FMLA.

Para los efectos de determinar el monto de la licencia utilizada por un empleado, el hecho de que un día festivo pueda ocurrir dentro de la semana tomada como Licencia FMLA no tiene ningún efecto; la semana se cuenta como una semana de licencia FMLA. Sin embargo, si un empleado usa la Licencia FMLA en incrementos de menos de una semana, el día festivo no contará en contra del derecho a licencia FMLA del empleado, a menos que el empleado estuviera programado para trabajar durante el día festivo. Los empleados no acumularán vacaciones, días por enfermedad u otro tiempo libre pagado y no son elegibles para recibir el pago de vacaciones durante el permiso FMLA.

F. Obligaciones de "Notificación" del Empleado

Si el permiso FMLA es previsible, un empleado debe proporcionar a la Compañía un aviso con al menos treinta (30) días de anticipación. Cuando la necesidad de la licencia FMLA no sea previsible o si no se puede dar un aviso de 30 días, se requiere notificación tan pronto como sea posible. ("tan pronto como sea posible" generalmente significa dar aviso verbal a la Compañía al menos el mismo o el siguiente día hábil después de enterarse de la necesidad de tomar una Licencia FMLA.)

La notificación de la necesidad de ausentarse debe realizarse de acuerdo con el procedimiento de llamadas de ausencia normal de la Compañía. Los empleados que se ausentarán por cualquier motivo que pueda calificar para la licencia FMLA también deben proporcionar una notificación al Administrador de Licencias de la Compañía ("Administrador de LOA"). Actualmente, el Administrador de LOA es Cigna. Puede comunicarse con Cigna a través del Departamento de Recursos Humanos Corporativos al 877-590-0083, Opción 4. La falta de notificación oportuna al Administrador de LOA puede resultar en un retraso o denegación de los beneficios y protecciones de FMLA.

G. Certificación y Recertificación de la Licencia

Si un empleado solicita un permiso debido a su propia condición de salud grave o la de un familiar cubierto, el proveedor de atención médica del individuo que lo atiende debe proporcionar la certificación médica adecuada antes y durante la licencia, según lo solicite la Compañía. También se pueden requerir certificaciones apropiadas, según lo solicite la Compañía, para la licencia de exigencia calificada y la licencia de Cuidador Militar.

Cuando un empleado solicita una licencia, el Administrador de LOA le notificará cualquier requisito de certificación y le proporcionará los formularios adecuados que debe usar. El empleado deberá devolver el formulario de certificación completo al Administrador de LOA dentro de los quince (15) días calendario posteriores a su solicitud. Si el empleado no proporciona la certificación oportuna (a menos que no sea posible hacerlo a pesar de los esfuerzos diligentes y de buena fe del empleado), la licencia no se considerará licencia de FMLA. En cambio, la ausencia del empleado se considerará injustificada y el empleado estará sujeto a medidas disciplinarias, que pueden incluir el despido, de acuerdo con las políticas generales de asistencia de la Compañía.

Para la certificación inicial del estado de salud grave de un empleado o familiar cubierto, la Compañía y/o el Administrador de LOA pueden solicitar al proveedor de atención médica del empleado la aclaración o autenticación de la información provista en el formulario de certificación. La Compañía, a su propio costo, también puede requerir un examen por parte de un segundo proveedor de atención médica, designado por la Compañía, si existe duda razonable de la certificación médica que el proveedor de atención médica de un empleado proporcione inicialmente. Si la opinión del segundo proveedor de salud entra en conflicto con la certificación médica original, la Compañía, a su exclusivo costo, puede requerir un tercer proveedor de atención médica de mutuo acuerdo para realizar un examen y proporcionar una opinión final y vinculante. Para facilitar el proceso de segunda/tercera opinión, un empleado o familiar cubierto debe autorizar la divulgación de su información médica relacionada con la afección por la cual se solicita el permiso al segundo/tercer proveedor de atención médica.

La Compañía también puede solicitar de vez en cuando la recertificación de la condición de salud grave del empleado o del familiar cubierto durante el permiso. Se puede pedir generalmente recertificación cada seis (6) meses; aunque puede requerirse más a menudo si: (i) se solicita una extensión de licencia, (ii) las circunstancias con respecto a la licencia o necesidad de licencia cambian significativamente, (iii) la Compañía recibe información que pone en duda la razón declarada por el empleado para la licencia o la validez continua de la certificación del empleado, o (iv) cada 30 días para permisos indefinidos. Si no se proporciona la información necesaria para la recertificación dentro del tiempo asignado, en ausencia de circunstancias atenuantes, se puede negar la continuación de los beneficios y las protecciones de FMLA.

Un empleado que tome licencia FMLA debe responder inmediatamente a todas las llamadas telefónicas y la correspondencia escrita de la Compañía y/o el Administrador de LOA. Un empleado de licencia también debe mantener a su supervisor y al Administrador de LOA informado en todo momento de su intención de regresar al trabajo una vez que finalice la licencia. El empleado es responsable de notificar a su supervisor y al Administrador de LOA de cualquier cambio que acelere o retrase su fecha de regreso anticipada.

H. <u>Licencia Intermitente u Horario de Trabajo Reducido</u>

La Licencia debido a una condición de salud grave y la Licencia de Cuidador Militar puede tomarse intermitentemente (en bloques de tiempo separados) o en un horario de trabajo reducido (reduciendo el número habitual de horas que el empleado trabaja por semana laboral o por semana) si es médicamente necesario. Cuando sea necesario, la licencia de exigencia calificada también se puede tomar de forma intermitente o en un horario de trabajo reducido.

Si se implementa un horario de trabajo reducido, la Compañía pagará a los empleados por hora solo por las horas realmente trabajadas. Para los empleados asalariados, la Compañía reducirá los salarios de los empleados en consecuencia, a través de reducciones salariales proporcionales basadas en la cantidad de tiempo de FMLA utilizado. Si la necesidad de un empleado de ausentarse intermitentemente o de tener un horario de trabajo reducido es previsible basado en un tratamiento médico planificado para el empleado, un familiar cubierto o un miembro del servicio cubierto, la Compañía se reserva el derecho de reasignar temporalmente al empleado a otro puesto dentro de la Compañía con pago y beneficios equivalentes, para minimizar la interrupción de la Compañía.

I. <u>Volver al Trabajo</u>

Un empleado que tome licencia FMLA se colocará en el mismo puesto o en un puesto equivalente al regresar de la licencia, siempre que cumpla con los requisitos de elegibilidad y cumpla con todos los requisitos de notificación y certificación, a menos que no fuera empleado en el momento en que se solicite la reinstalación (por ejemplo, porque la posición del empleado haya sido eliminada debido a una reducción en la fuerza o reestructuración durante su Licencia FMLA).

Si un empleado pide Licencia FMLA debido a su propia condición de salud grave, se le exige que presente una certificación médica de que está en condiciones de reanudar el trabajo antes de regresar .Para un empleado con licencia intermitente o reducida, la Compañía puede requerir una certificación médica de que está en condiciones de reanudar el trabajo una vez cada treinta (30) días si existen preocupaciones de seguridad razonables con respecto a la capacidad del empleado para realizar su trabajo. Los empleados pueden obtener formularios de certificación médica de regreso al trabajo del Administrador de LOA de la Compañía, que actualmente es Cigna. Puede comunicarse con Cigna a través del Departamento de Recursos Humanos Corporativos al 877-590-0083, Opción 4. La Compañía no permitirá que el empleado regrese a trabajar sin el formulario de certificación médica de regreso al trabajo debidamente completado por el proveedor de atención médica del empleado.

Las ausencias causadas por la falta de un empleado para proporcionar una certificación de regreso al trabajo no tendrán derecho a la protección de FMLA y se considerarán injustificadas. Los empleados con ausencias injustificadas estarán sujetos a medidas disciplinarias, que pueden incluir el despido, de acuerdo con las políticas generales de asistencia de la Compañía.

Si un empleado no regresa al trabajo al vencimiento de su licencia FMLA y no ha obtenido una extensión de la licencia, la Compañía puede presumir que el empleado no planea regresar al trabajo, y que ha terminado voluntariamente su empleo.

J. <u>No Trabajo Mientras esté en Licencia</u>

Tomar otro trabajo o trabajar en otro trabajo mientras esté bajo licencia FMLA o cualquier otra licencia autorizada está estrictamente prohibido y es motivo de terminación inmediata, a menos que la ley aplicable exija lo contrario.

K. <u>Beneficios Médicos y Otros</u>

Durante un permiso FMLA aprobado, la Compañía mantendrá los beneficios de salud del empleado elegidos por el empleado antes de la licencia y como si continuara trabajando activamente. Si se usa el tiempo libre remunerado acumulado durante la Licencia FMLA no pagada, la Compañía deducirá la porción del empleado de la prima del plan de salud como una deducción normal de nómina.

Si la licencia de un empleado no se paga, el empleado debe pagar su parte de la prima de los beneficios de salud mediante un cheque mensual en la misma fecha en que se efectúa el pago si se realiza mediante la deducción de nómina. La cobertura de atención médica del empleado estará sujeta a terminación de acuerdo con FMLA si su pago de la prima tiene más de 30 días de retraso.

Si un empleado decide no regresar al trabajo durante al menos 30 días al final del período de licencia, generalmente se le requerirá que reembolse a la Compañía el costo de todas las primas de beneficios de salud pagados por la Compañía para mantener la cobertura durante su licencia no pagada (incluida la cuota de primas de la Compañía), a menos que el empleado no pueda regresar al trabajo debido a: (i) su propia condición de salud o la de un familiar cubierto; (ii) una lesión o enfermedad grave que califique para la Licencia de Cuidador Militar; o (iii) otras circunstancias más allá del control del empleado.

A su regreso de la licencia, todos los beneficios se reanudarán de la misma manera que se estipuló cuando comenzó la licencia, sujeto a cualquier cambio en los planes y programas de beneficios de la Compañía que puedan haber tenido lugar durante el período de licencia.

L. Represalias prohibidas

Las represalias contra un empleado por tomar o solicitar licencia FMLA están prohibidas. Cualquier empleado que experimente o sea testigo de tal represalia debe informarlo a un supervisor. Si un empleado no se siente cómodo haciendo tal reporte a un supervisor o no está satisfecho con la forma en que se manejó el informe , el empleado debe informar de las represalias a un Gerente Regional de Recursos Humanos, Recursos Humanos Corporativos o llamar a la línea gratuita de Recursos Humanos al (877) 590-0083, opción 5.

M. Preguntas sobre los Derechos y las Responsabilidades de los Empleados bajo FMLA

En este vínculo (https://www.dol.gov/whd/regs/compliance/posters/fmlasp.pdf) hay una copia de la Notificación de los Derechos del Empleado del Departamento de Trabajo bajo la FMLA. Se aconseja a los empleados que tengan preguntas relacionadas con sus derechos y responsabilidades bajo FMLA que consulten esta Notificación y/o que soliciten información adicional de personal de Recursos Humanos Regional o Corporativo o que llamen a la línea gratuita de Recursos Humanos al (877) 590-0083, opción 5.

Otras Licencias Médicas que no son Familiar y Médica

Si un empleado no es elegible para la Licencia Familiar y Médica o ha agotado su derecho a Licencia Familiar y Médica, o según lo requiera la ley, el empleado puede ser elegible para un permiso médico no pagado debido a una enfermedad o lesión (ya sea que tal enfermedad o lesión esté relacionada con el trabajo o no). Un permiso de ausencia otorgado bajo esta Política se ejecutará concurrentemente con la licencia FMLA y cualquier otro tiempo libre legalmente requerido.

A. Ley de Estadounidenses con Discapacidades

Es política de la Compañía cumplir con todas las disposiciones aplicables de la Ley de Estadounidenses con Discapacidades (ADA por sus siglas en inglés), en vigor, así como con leyes estatales similares. Si un empleado cree que necesita una adaptación razonable debido a una discapacidad, ese empleado debe notificar a su supervisor, gerente y/o a un Gerente Regional de Recursos Humanos, o llamar a la línea gratuita de Recursos Humanos de la Compañía al (877) 590-0083, opción 5, inmediatamente para solicitar una adaptación. Luego, la Compañía involucrará al empleado en un proceso confidencial e informal para determinar la naturaleza de la discapacidad del empleado y sus necesidades. La Compañía considerará las solicitudes de adaptaciones de forma individualizada. Las adaptaciones razonables pueden tomar una variedad de formas, que incluyen, entre otras, ausencias o ajustes a las áreas de trabajo, el equipo, las políticas, los deberes y el horario.

Si el empleado solicita una licencia, o se determina mediante el proceso interactivo que es una opción de adaptación razonable, el empleado debe obtener una certificación de su proveedor de atención médica que indique la fecha en que comenzó la condición, la duración probable de la licencia necesaria, una declaración de que el empleado no puede trabajar o no puede realizar una o más de las funciones esenciales de su puesto con o sin ajustes razonables, y la fecha prevista de regreso al trabajo. Estos formularios de certificación están disponibles en el Administrador de LOA de la Compañía, que actualmente es Cigna. Puede comunicarse con Cigna a través del Departamento de Recursos Humanos Corporativos al 877-590-0083; Opción 4. La cantidad de tiempo libre disponible para el empleado dependerá de las circunstancias.

B. Pautas para la Licencia

Si un empleado es elegible para recibir beneficios de reemplazo de salario mientras esté en un permiso de ausencia médica no FMLA, dependiendo de su ubicación de trabajo, el empleado también puede optar por complementar estos beneficios con el uso de tiempo libre acumulado pagado, en la medida permitida por la ley y la política de la Compañía. Todos estos pagos se integrarán para que el empleado no reciba más que su compensación regular durante el período de licencia.

Si el empleado no es elegible para recibir ningún beneficio de reemplazo de salario mientras esté de licencia, se le requerirá que use cualquier tiempo libre pagado acumulado durante una licencia médica bajo esta Política. El tiempo libre pagado se ejecutará concurrentemente y no extenderá

la duración máxima de la licencia aprobada del empleado. El empleado no ganará ni acumulará ningún tiempo libre remunerado adicional durante su ausencia, y no recibirá el pago de días festivos por los días festivos que coincidan mientras esté de licencia, a menos que así lo exija la ley o el contrato.

El empleado puede ser elegible para beneficios continuos de atención médica durante su licencia. En la medida en que el empleado no sea elegible para beneficios continuos de atención médica durante una licencia, el empleado puede ser elegible para continuar su cobertura de atención médica a través de COBRA. Consulte la descripción separada del resumen del plan para el plan de beneficios médicos de Waste Connections para ver las políticas específicas sobre la continuación del seguro durante la licencia médica.

Cuando el empleado pueda regresar al trabajo, debe informar a su supervisor y al Administrador de LOA de la Compañía de su intención de regresar y debe proporcionar una certificación de un proveedor de servicios de salud que indique que el empleado está físicamente capacitado para volver a sus deberes con o sin ajustes razonables. Estos formularios de regreso al trabajo están disponibles a través del Administrador de LOA de la Compañía, que actualmente es Cigna. Puede comunicarse con Cigna a través del Departamento de Recursos Humanos Corporativos al 877-590-0083, Opción 4.

La Compañía hará todos los esfuerzos razonables para devolver al empleado a su posición anterior o una similar una vez que regrese de la licencia. Sin embargo, a menos que la ley lo exija de otro modo, y dependiendo de las necesidades y circunstancias comerciales de la Compañía, tal retorno a la posición anterior del empleado puede no estar garantizada.

Si el empleado no regresa a trabajar en la fecha de regreso programada originalmente o si no solicita con anticipación una extensión de la licencia acordada con la documentación médica correspondiente, se puede considerar que ha renunciado voluntariamente a su empleo. Además si el empleado no notifica a la Compañía sobre su disponibilidad para regresar al trabajo cuando ocurra; la falta de comunicación con la Compañía con respecto al estado de la licencia; o la ausencia continuada del trabajo porque la licencia del empleado deba extenderse más allá de un período de tiempo razonable, o por un período de tiempo indefinido, puede considerarse una renuncia voluntaria de empleo, o puede dar lugar a la terminación del empleo del empleado.

Los empleados que tengan preguntas sobre permisos médicos deben comunicarse con el Departamento de Recursos Humanos Corporativos o llamar a la línea gratuita de Recursos Humanos al (877) 590-0083, opción 4.

Licencia militar

La Compañía cumplirá con la Ley de Derechos de Empleo y Reempleo de los Servicios Uniformados de 1994 (USERRA por sus siglas en inglés), en vigor, y cualquier ley estatal aplicable relacionada con la licencia militar. Los empleados que prestan servicios uniformados (según la definición de USERRA) pueden tener derecho a una Licencia Militar, sujeta a las limitaciones y restricciones establecidas en USERRA. USERRA también prevé la continuación de ciertos beneficios y el reempleo al regresar de la licencia militar bajo ciertas circunstancias.

Al recibir una asignación para el servicio militar, un empleado debe notificar de inmediato a su supervisor y al Administrador de LOA de la Compañía, a menos que se lo impida una necesidad o imposibilidad militar. El Administrador de LOA de la Compañía es actualmente Cigna. Puede comunicarse con Cigna a través del Departamento de Recursos Humanos Corporativos al 877-590-0083, Opción 4. Un empleado debe informar a su supervisor y al Administrador de LOA de entrenamientos o calendarios de simulacros con la mayor anticipación posible. La Licencia Militar no se paga; sin embargo, un empleado puede aplicar el tiempo libre pagado acumulado pero no utilizado para la Licencia Militar si así lo desea.

Los empleados que tengan preguntas sobre Licencias Militares deben comunicarse con el Departamento de Recursos Humanos Corporativos o llamar a la línea gratuita de Recursos Humanos al (877) 590-0083, opción 4.

Licencia Personal, no Médica

Todos los empleados a tiempo completo pueden ser elegibles para tomar un permiso personal sin pago a discreción exclusiva de la Compañía, sujeto al estado actual de la carga de trabajo del empleado y las necesidades comerciales de la Compañía. Las licencias personales deben limitarse a las necesidades personales que requieran una ausencia prolongada del trabajo que no esté bajo ninguna otra política de licencia o leyes aplicables.

Los empleados deben proporcionar una fecha de regreso al trabajo para ser considerados para un permiso personal. Si el empleado no regresa al trabajo al concluir un permiso personal aprobado, se considerará que el empleado ha renunciado voluntariamente a su empleo, a menos que el motivo para no regresar esté legalmente protegido.

Las licencias personales pueden ser aprobadas por el supervisor o gerente del empleado caso por caso, según sea necesario; pero en general, tales permisos no serán aprobados por un período de más de dos (2) semanas. El empleado debe usar todo el tiempo libre pagado acumulado disponible antes de tomar el resto de la ausencia personal no pagada.

El empleado debe solicitar un permiso personal con al menos 30 días de anticipación de la fecha de inicio prevista de la licencia, presentando una solicitud a su supervisor o gerente. Si tal solicitud anticipada no es posible, el empleado debe hacer su solicitud con tanta anticipación como sea razonablemente posible.

El empleado puede ser elegible para continuación de beneficios de atención médica durante su licencia. En la medida en que el empleado no sea elegible para beneficios continuos de atención médica durante un permiso, el empleado puede ser elegible para continuar su cobertura de atención médica a través de COBRA.

El empleado no acumulará tiempo libre remunerado durante un permiso personal y no se le pagarán los días feriados que coincidan durante la licencia personal, a menos que la ley o el contrato así lo requiera.

No se garantiza la reincorporación después de una licencia personal/no médica.

Los empleados con preguntas sobre licencias o permisos personales deben contactarse con el Departamento de Recursos Humanos Corporativos o llamar a la línea gratuita de Recursos Humanos de la Compañía al (877) 590-0083, opción 4.

Licencia por Duelo

Si un empleado necesita tiempo libre por la muerte de un familiar u otro pariente cercana, debe comunicarse directamente con su Supervisor/Gerente.

Otras Licencias Federales y Estatales y Leyes de Tiempo Libre Protegido

La Compañía cumple con todas las leyes, reglas y regulaciones estatales y locales de licencias. En la medida en que cualquier ley de licencia estatal o local sea más generosa para el empleado de lo que se establece en este Manual o en la política del Distrito del empleado, la ley estatal o local deberá controlar si es aplicable, y deberá operar para brindar al empleado los máximos beneficios o protecciones bajo la Ley. Cuando corresponda, la Compañía ejecutará todos los permisos de ausencia requeridos por ley.

Algunos ejemplos de motivos de licencia específicos del estado o localidad incluyen, entre otros:

- Donación de médula ósea, tejido, sangre u órgano
- Para escapar del abuso doméstico
- Para aparecer como testigo en la corte
- Para asistir a la actividad escolar de un niño

Esta lista no es totalmente inclusiva y no todos los estados proporcionan regulaciones de permisos específicos para este tipo de permisos. Para obtener más información sobre las leyes en un estado o localidad específica, comuníquese con el Gerente Regional de Recursos Humanos de la Compañía o llame a la línea gratuita de Recursos Humanos al (877) 590-0083, opción 5.

BENEFICIOS PARA EMPLEADOS

Esta sección proporciona una descripción general de algunos de los beneficios ofrecidos por la Compañía. Cada uno de los beneficios enumerados en esta sección están disponibles solo para empleados regulares a tiempo completo de la Compañía, a menos que la ley exija lo contrario o que se indique otra cosa en la política.

Al igual que otras secciones de este Manual, las disposiciones que describen los beneficios del seguro a continuación no son un contrato, sino simplemente proporcionan una guía de política. Esta sección está diseñada simplemente para proporcionar descripciones breves de los diversos beneficios que están actualmente disponibles para los empleados que cumplen con los requisitos de elegibilidad. Si bien las descripciones a continuación en esta Política de Beneficios para Empleados tienen la intención de ser precisas, para obtener respuestas a preguntas específicas, consulte los documentos correspondientes del plan de beneficios para empleados. En la medida en que exista algún conflicto entre los términos de esta Política y los términos de los respectivos documentos del plan, prevalecerán los términos de los documentos del plan aplicables. Además, Waste Connections se reserva el derecho, a su sola discreción, de modificar, añadir, eliminar o interpretar cualquier beneficio o condiciones en las que se ofrece en cualquier momento, limitado únicamente por las restricciones de la Ley de Seguridad de Ingreso de los Empleados en el Retiro (ERISA por sus siglas en inglés.)

Seguro Médico

Waste Connections ofrece un programa integral de seguro de salud para empleados regulares de tiempo completo que están programados para trabajar al menos 30 horas o más por semana. Los empleados recibirán un Paquete de Información de Beneficios por separado del Departamento de Recursos Humanos Corporativos describiendo los programas de seguro proporcionados y delineando la porción de los costos de los beneficios que cubrirá la Compañía. Los beneficios que puede elegir el empleado incluyen cobertura médica, dental y de visión para empleados y familiares, seguro de vida y discapacidad a largo plazo, plan de gastos flexible, plan de cafetería y plan 401(k) para empleados. (Consulte a continuación los requisitos de elegibilidad 401(k)).

En cumplimiento de la Ley Ómnibus Consolidada de Reconciliación Presupuestaria (COBRA por sus siglas en inglés), si su participación en el plan médico cesa, usted puede tener derecho a continuar sus beneficios luego de la ocurrencia de ciertos “eventos calificados” que de lo contrario resultarían en la pérdida de la cobertura de acuerdo con COBRA. Encontrará más detalles en el “Resumen de Derechos y Obligaciones con respecto a la Continuación de la Cobertura Grupal del Plan de Salud” que se incluye en la descripción resumida del plan de los beneficios médicos, dentales y de visión de Waste Connections.

Todos los beneficios se vuelven “activos” el primer día del mes siguiente a la finalización de 60 días calendario de empleo. Por ejemplo, si la fecha de contratación de un empleado fue el 10 de julio, la información de beneficios debe enviarse al Departamento de Recursos Humanos Corporativos alrededor del 10 de septiembre y los beneficios del empleado comenzarían el 1 de octubre. Para obtener más información sobre beneficios, requisitos de elegibilidad o ayuda con la

inscripción oportuna, consulte la página de beneficios en The Can o llame al Departamento de beneficios corporativos al (877) 590-0083, opción 4.

Compensación por Desempleo
Las leyes y regulaciones específicas con respecto a la compensación por desempleo varían según el estado. Consulte a su representante de nóminas de Distrito para obtener más información.

Seguridad Social
La Seguridad Social es una parte importante del beneficio de jubilación de cada empleado. Waste Connections paga una contribución equivalente a los impuestos de Seguridad Social de cada empleado, según lo exige la ley.

Compensación a Trabajadores (Workers Compensation)
Todos los empleados están protegidos por la política de seguro de compensación a trabajadores de Waste Connections mientras estén empleados por Waste Connections, sin costo alguno para el empleado y de acuerdo con la ley estatal aplicable. La política cubre al empleado en caso de lesión o enfermedad ocupacional.

Los empleados que sufren una lesión o enfermedad relacionada con el trabajo deben informar a su supervisor o gerente de inmediato. No importa qué tan pequeña pueda aparecer una lesión en el trabajo, es importante que se informe de inmediato. Esto permitirá que un empleado elegible califique para la cobertura de compensación a trabajadores.

Los empleados que necesiten ausentarse del trabajo debido a una enfermedad o lesión relacionada con el trabajo también pueden ser elegibles para una licencia de acuerdo a las políticas de licencias de la Compañía o de las políticas de adaptaciones razonables. Los empleados deben consultar con su supervisor, gerente y/o al Gerente Regional de Recursos Humanos para obtener información adicional.

Los empleados que estén listos para regresar al trabajo después de una licencia relacionada con el trabajo deben proporcionar una certificación de un proveedor de atención médica que confirme la capacidad del empleado para regresar al trabajo de manera segura.

La Compañía notificará a la compañía de seguros de compensación a trabajadores si tenemos motivos para creer que un empleado ha proporcionado información falsa o engañosa en relación con un reclamo y/o ha presentado un reclamo fraudulento. El fraude de compensación a trabajadores es un delito y también puede ser motivo de acción disciplinaria, que puede incluir el despido.

401 (k)
Waste Connections proporciona un plan 401 (k) para empleados elegibles a fin de ayudarles a planificar su jubilación. Los empleados son elegibles para participar en el plan el primer día del mes después de completar sesenta (60) días de empleo activo y continuo. Todos los participantes elegibles recibirán una descripción resumida del plan. Para obtener más información sobre la elegibilidad, las contribuciones, los beneficios y el estado fiscal, comuníquese con el

Departamento Corporativo de Beneficios al 877-590-0083, opción 6, o visite la pestaña 401 (k) en la sección Beneficios en The Can.

Programa de Asistencia al Empleado

El Programa de Asistencia al Empleado (EAP por sus siglas en inglés) es un servicio confidencial diseñado para ayudar a los empleados y sus dependientes elegibles a abordar problemas de la vida diaria que pueden afectar la salud, la vida familiar o el desempeño laboral. Los empleados y sus dependientes elegibles pueden tener hasta tres sesiones prepagas con el EAP, sin costo alguno para el empleado, para evaluación, asesoramiento a corto plazo y/o derivación para asistencia adicional.

EAP está disponible las 24 horas del día, los siete días de la semana. Los empleados y sus dependientes pueden llamar al EAP al 1-855-557-0676 en cualquier momento, de día o de noche, y hablar con un consejero. Es estrictamente confidencial y no se divulgará información sobre el empleado o sus dependientes sin el permiso por escrito del empleado. EAP puede ayudar con problemas familiares o maritales, problemas en el lugar de trabajo, abuso de drogas o alcohol, estrés, ansiedad, depresión u otros problemas emocionales.

RECIBO DEL MANUAL DEL EMPLEADO

Reconozco que he recibido una copia del Manual del Empleado (el "Manual") de Waste Connections, Inc. ("la Compañía")), que se aplica a todas las subsidiarias y afiliadas de la Compañía, incluida mi entidad empleadora. He leído el Manual con cuidado y completamente, y he tenido amplias oportunidades de solicitar cualquier aclaración necesaria de su contenido.

Entiendo que las políticas y procedimientos establecidos en este Manual me son aplicables. En caso de que exista un conflicto entre las disposiciones que se encuentran en este Manual y cualquier acuerdo de negociación colectiva que pueda regir mi empleo, el contrato colectivo deberá controlar, en la medida en que lo permita la ley.

Entiendo que las políticas de la Compañía con respecto a la Igualdad de Oportunidades en el Empleo, antidiscriminación y anti acoso, pago y registro de horas, permisos y asistencia, así como también información relacionada con la conducta, están incluidas en este Manual.

Si tengo preguntas o inquietudes en cualquier momento sobre el contenido del Manual, puedo consultar a mi supervisor, gerente o representantes Regional o Corporativo de Recursos Humanos para aclararlas. En este momento, no estoy al tanto de ninguna violación real o potencial de las políticas contenidas en el Manual; o si estoy (o llego a estar en el futuro) consciente o preocupado por posibles infracciones, me comprometo a informarlo sin demora a mi supervisor, Gerente o representante de Recursos Humanos.

Entiendo que **no** tengo una expectativa razonable de privacidad en mi uso de la computadora de la Compañía o de los sistemas telefónicos, en las instalaciones de la Compañía o en los vehículos de la Compañía o con respecto a cualquier propiedad personal en las instalaciones de la Compañía. Entiendo que la Compañía puede monitorear o interceptar comunicaciones hechas en sus sistemas de la Compañía de acuerdo con las políticas de este Manual.

Comprendo claramente que este Manual no crea un contrato de empleo con la Compañía y que, a menos que esté restringido por contrato o por ley, la Compañía puede modificar, enmendar, eliminar, suspender o descontinuar las políticas y procedimientos que se encuentran en este Manual en cualquier momento, con o sin aviso previo y con o sin causa.

Además, entiendo que mi empleo es "a voluntad", y que la Compañía o yo podemos terminar la relación laboral en cualquier momento, por cualquier motivo o sin motivo, con o sin aviso, a menos que la relación a voluntad se haya modificad por escrito firmado por el Director ejecutivo (o su designado) y por mí (o mi representante).

Además, entiendo que la Compañía se reserva el derecho de cambiar mis horarios, salarios y condiciones de trabajo, en ausencia de un acuerdo en contrario o según lo exija la ley.

ACUERDO DE CONFIDENCIALIDAD DE EMPLEADOS

Con respecto a mi empleo en Waste Connections, Inc. o en una de sus subsidiarias o afiliadas (la "Compañía"), en la cual puedo tener acceso a la información relativa a la Ventaja Competitiva de la Compañía (como se define a continuación), acepto en mi nombre y el de mis representantes personales y legales que:

- Mantendré en secreto y retendré la más estricta confidencialidad, y no utilizaré ni divulgaré en beneficio de ninguna entidad que no sea la Compañía ninguna información sensible del negocio (incluida, sin limitación, Ventaja Competitiva), a menos que esté específicamente autorizado para hacerlo en escrito por mi supervisor o un funcionario de la Compañía. No discutiré información delicada con un empleado no autorizado de la Compañía, o con ninguna persona que no sea empleado, sin el permiso por escrito de mi supervisor o de un funcionario de la Compañía.
- Tras mi terminación, entregaré a la Compañía cualquier objeto o propiedad de la Compañía en mi posesión, custodia o control, incluidos todos los originales o copias de documentos escritos, archivos de computadora, programas, datos o archivos adjuntos, archivos de la Compañía, bases de datos o listas de clientes, hojas de rutas, listas de precios, información sobre ofertas o contratos, etc. que contendrían información relativa a la Ventaja Competitiva de la Compañía. No copiaré ni retendré ningún acceso a tales artículos.
- Entiendo que la Compañía puede revelar la existencia de este documento a mis futuros empleadores.
- Entiendo que no puedo revelar la información de Ventaja Competitiva de mis antiguos empleadores o cualquier otra compañía para el uso comercial de Waste Connections sin el permiso por escrito de la otra Compañía.

La "Ventaja Competitiva" se define como información exclusiva que es un producto de planificación o investigación estratégica, o es información confidencial, de propiedad exclusiva o secreto comercial. La Ventaja Competitiva puede incluir, pero no se limita a lo siguiente:

- Planes de mercadeo actuales y futuros
- Planes estratégicos de negocios
- Adquisiciones de mercado pendientes y futuras
- Información, políticas, planes y estudios de precios de mercado
- Información del cliente, listas y hojas de ruta
- Otra información que generalmente no es conocida por el público pero que podría ser de uso comercial.

Entiendo y acepto que nada en este Acuerdo de Confidencialidad del Empleado tiene la intención de interferir o restringir el derecho de cualquier empleado no administrativo de compartir información con respecto a sus salarios, horas u otros términos y condiciones de empleo en el ejercicio de los derechos provistos por la Ley Nacional de Relaciones Laborales.

Además, este Acuerdo de Confidencialidad del Empleado no interferirá ni restringirá mi derecho como empleado de informar acciones ilegales o infracciones a la regulación a ninguna agencia policial o administrativa (incluido el Departamento de Justicia, la Comisión de Bolsa y Valores, el Congreso, cualquier agencia General de Inspectores, la Comisión de Igualdad de Oportunidades en el Empleo, la Junta Nacional de Relaciones Laborales, la Administración de Seguridad y Salud Ocupacional y el Departamento de Trabajo, así como agencias estatales o locales comparables) o participar en la investigación de cualquier agencia de ese tipo, o hacer cualquier otra divulgación que esté protegida por las disposiciones de denuncia de la ley o regulación federal.

Nada en este Acuerdo de Confidencialidad del Empleado se interpretará como que prohíbe la divulgación de información que esté obligado por la ley a divulgar; siempre que, en la medida permitida por la ley, acepto que le daré a la Compañía aviso con la mayor cantidad de tiempo por escrito posible bajo las circunstancias y cooperaré con la Compañía en cualquier acción legal emprendida para proteger la confidencialidad de la información.

Finalmente, yo, como empleado, no seré responsable penal ni civilmente bajo ninguna ley de secreto comercial federal o estatal por la revelación de un secreto comercial que se haga de manera confidencial a un funcionario del gobierno federal, estatal o local o a un abogado únicamente con el propósito de informar o investigar una presunta violación de la ley. No se me considerará penal ni civilmente responsable bajo ninguna ley de secreto comercial federal o estatal por la divulgación de un secreto comercial que se presente en una queja u otro documento presentado en una demanda u otro procedimiento, siempre que dicha presentación se realice bajo sello. En el caso de que pueda presentar una demanda alegando represalias por parte de la Compañía por informar una presunta violación de la ley, entiendo que puedo divulgar el secreto comercial a mi abogado y utilizar la información comercial secreta en el procedimiento judicial, siempre que presente cualquier documento que contenga un secreto comercial bajo sello y no divulgue el secreto comercial, excepto de conformidad con una orden judicial.

AVISO Y CONSENTIMIENTO SOBRE LA RECOLECCIÓN DE INFORMACIÓN DE HUELLAS DACTILARES

Para facilitar el proceso de registro de tiempos, Waste Connections, Inc. y algunos de sus afiliados (la "Compañía") usan relojes que recopilan información de huellas dactilares ("Timeclock"). Esta información de huellas digitales consiste en un conjunto de datos basado en la distancia entre puntos en una imagen de la huella digital del individuo. Timeclock no recopila ni almacena una imagen de la huella dactilar.

Timeclock recopila y almacena la información de la huella digital descrita anteriormente la primera vez que un empleado coloca un dedo en el reloj checador para crear un identificador único. En usos posteriores, Timeclock compara el conjunto de datos generado a partir del dedo colocado en el reloj checador con el identificador único. El identificador único puede usarse solo en conexión con el proceso de control de tiempo de la Compañía. La Compañía no tiene acceso al identificador único. Tras la finalización de la relación laboral, la información de la huella digital se eliminará permanentemente de Timeclock.

CONSENTIMIENTO RELATIVO A LA RECOPILACIÓN DE INFORMACIÓN DE HUELLA

He revisado, y entiendo, el Aviso sobre la Recopilación de Información sobre Huellas Dactilares, más arriba. Por la presente doy mi consentimiento para recopilación, uso, retención y destrucción de mi información de huellas dactilares como se describe arriba.

Al hacer clic en "Acepto" a continuación, está (a) proporcionando su consentimiento según lo descrito anteriormente, y (b) está de acuerdo con utilizar una firma electrónica, tal como lo representa su clic en el botón "Acepto" para demostrar su consentimiento. Su firma electrónica es tan vinculante como una firma autógrafa (de tinta).

Wasco
County Landfill

Attachment V—Overview of Employee Benefits

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WCI Benefits Overview

WASTE CONNECTIONS, INC.
Connect with the Future

Waste Connections, Inc. (WCI) offers a benefits program that meets a wide variety of employee needs.

- Employees are eligible for benefit plans the first day of the month following 60 days of continuous, active employment. Enrollment packets are sent to eligible employees' home address.
- Employees can select one of 3 medical plan options within the comprehensive package.
  - High PPO
  - Low PPO
  - HDPD
- The comprehensive package also includes the follow coverages:
  - Prescription
  - Dental
  - Vision

Medical & Prescription Drug Coverage Summary –Administered by Cigna

High PPO Plan	
Plan Year Medical Deductible	$750 Individual / $2,250 Family
Out-of-Pocket Maximum	$5,000 Individual / $10,000 Family
Physician Office Visit / Specialty Visit	$20 per visit / $40 per visit
Coinsurance	20% after deductible
Prescription Drug Coverage	
Deductible	$75 Individual / $225 Family
Generic (30 Day Supply)	$10 (no deductible)
Brand name	$35 (after deductible)
Mail Order (90 Day Supply)	Generic $20; Brand Name Formulary $70

Low PPO Plan	
Plan Year Medical Deductible	$1,500 Individual / $4,500 Family
Out-of-Pocket Maximum	$7,000 Individual / $14,000 Family
Physician Office Visit / Specialty Visit	$40 per visit / $60 per visit
Coinsurance	20% after deductible
Prescription Drug Coverage	
Deductible	$75 Individual / $225 Family
Generic (30 Day Supply)	$20 (no deductible)
Brand Name	$50 (after deductible)
Mail Order (90 Day Supply)	Generic $40; Brand Name Formulary $145

High Deductible Health Plan (HDHP)	
Plan Year Medical Deductible	$4,000 Individual / $8,000 Family
Out-of-Pocket Maximum	$4,000 Individual / $8,000 Family
Physician Office Visit / Specialty Visit	You pay 0% after deductible is met
Coinsurance	You pay 0% after deductible is met
Prescription Drug Coverage	
Deductible	No separate deductible; medical plan deductible applies
Generic (30 Day Supply)	Plan pays 100% after deductible /out-of-pocket are met
Brand Name	
Mail Order (90 Day Supply)	

This document is meant only to serve as a reference and in no way represents a contract of employment between the employee and the company. If there are any discrepancies in benefits between this overview and the Summary Plan Descriptions (SPD), the SPD will govern.

Dental Coverage Summary – Administered by Cigna

Dental Plan	
Deductible - *One per person, per plan year; waived for diagnostic and preventative care.*	$50 individual / $150 Family
Annual Maximum Benefit - *One per person, per calendar year*	$1,500
Diagnostic / Preventative Care	100%, no deductible
Basic Services - *Simple restorations and extractions, sealants, root canals, periodontics (gum treatment), tissue removal (biopsy), oral surgery (extractions)*	80%
Major Services - *Crowns, other Cast Restorations, Prosthodontics*	50%

Orthodontia Buy-Up Option	
Child Orthodontia Coverage – *Children up to age 19*	Plan pays 50%, $1,000 lifetime max per person

Vision Coverage Summary – Administered by VSP

Vision Plan	
Routine Vision Exam	100% - Every 12 months
Material Allowance $250-Lenses/Frames/Contacts	$250 – Per person, every 24 months
Laser Vision Correction	15% off regular price

Health Care Flexible Spending Account (FSA) and Dependent Day Care FSA

- **Health Care FSA** - Employees can elect to contribute up to $2,600 to the Health Care FSA on a pre-tax basis. Eligible expenses include deductibles, coinsurance, many over-the-counter medications and supplies with a written doctor's prescription.
- **Dependent Day Care FSA** – Employees can elect to contribute up to $5,000, pre-tax, to the Dependent Day Care FSA. Eligible expenses include child day care or daycare for a physically disabled dependent of any age.

Health Savings Account (If enrolled in the HDHP only)

- Employees can use pretax dollars to pay for qualified health expenses.
- This account is yours to keep even if you leave the company.
- This benefit earns interest and rolls over from year to year.

Short Term Disability

- **Base Short Term Disability**
  - The Base STD benefit is paid for by WCI. There is no cost to the employee.
  - Begins after 14 consecutive day of absence. Benefits may last up to 90 days or until you are no longer disabled.
  - Plan pays 40% of weekly base earnings, up to $500. (Reduced if employee receives any state disability)
- **Voluntary Short Term Disability**
  - Employee may buy up the STD benefit to 66.67% of weekly base earnings, up to $1,250 per week. (Reduced if employee receives any state disability)

This document is meant only to serve as a reference and in no way represents a contract of employment between the employee and the company. If there are any discrepancies in benefits between this overview and the Summary Plan Descriptions (SPD), the SPD will govern.

Long Term Disability

- **Base Long Term Disability**
  - The Base LTD benefit is paid for by WCI. There is no cost to the employee.
  - The plan pays 50% of the employee's base earnings (up to $2500 a month) after 90 days of continuous disability.
- **Voluntary Long Term Disability**
  - The Buy Up plan pays at 60% of the employee's base earnings (up to a maximum of $10,000 a month) after 90 days of continuous disability.

Life and Accidental Death & Dismemberment (AD&D) Insurance

- **Base Life and AD&D**
  - The Base Life benefit is paid for by WCI. There is no cost to the employee.
  - Coverage amount is one and a half times the employee's basic annual earnings, up to $100,000.
- **Additional Life Insurance**
  - Additional life insurance can be purchased by an employee in increments of $10,000, up to $500,000.
  - Additional life insurance is also available for spouses and children.

Prepaid Legal Plan

- You may purchase coverage for prepaid legal services for a variety of different legal matters. The plan offers fully covered and discounted costs for serviced such as but not limited to:
  - Wills & Estate Planning
  - Legal Documentation & Review
  - Small Claims Representation
  - Immigration
  - Identity Theft

Employee Assistance Plan

- The EAP is a confidential counseling service to help address any personal issue you may be experiencing.
- The service is staffed with experienced clinicians and counselors and is available any day at any time.
- Services include, but are not limited to:
  - Relationships
  - Marital Conflicts
  - Grief & Loss
  - Problems with Children
  - Job Pressure
  - Substance Abuse

Emergency Travel Assistance

- This program protects you whenever you travel more than 100-miles from your home.
- The program connects you with doctors, hospitals and pharmacies if you are faced with a medical related emergency while traveling anywhere in the world.

401(k) Retirement Savings Plan – Administered by Voya

- Employees are able to enroll in 401k the first of the month following 60 days of service.
- WCI matches the employee's contributions $.50 for every $1.00, up to 6% of their salary.
- Employees are fully vested in the plan after 4-years.

This document is meant only to serve as a reference and in no way represents a contract of employment between the employee and the company. If there are any discrepancies in benefits between this overview and the Summary Plan Descriptions (SPD), the SPD will govern.

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Wasco
County Landfill

Attachment W—Operator Training Program

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Document	Wasco County Landfill SOP-004	Original Date	6/1/2017
Version	001	Author	Kevin Green
Description	Operator Trainee Training		
Management Review		Facility Management Review	

Purpose	
	To assure that Apprentice Level Operator Trainees that are new to the position or new to a specific piece of equipment receive consistent, appropriate training, and that this training is properly documented.

Scope	
	This procedure applies to all employees that are new to the Apprentice Level Operator Trainee position, or experienced operators that are new to a specific type of equipment. This SOP does not represent a comprehensive program with all materials; rather it references appropriate materials and training guidelines.

General Requirements	
	The following procedures/requirements must be met.

Procedures	
1	Operator Selection – Management will strive to hire individuals who have either demonstrated operating experience, or have proven that they likely have the skills necessary to become an operator with proper training.
2	Operator Coach/Mentor – The Site Manager will assign a senior operator as a coach or mentor to assist with the training process. This individual will provide hands on, in the cab training to the Operator Trainee and assist them with gaining the knowledge required to safely and properly operate the specified equipment. They will also assist with training documentation and review the progress of the

	individual with the Site Manager on a routine basis. The Site Manager and the operator mentor will communicate to establish appropriate tasks for the new operator to help assure safe operations and successful training.
3	Mentor – The Site Manager will assign a mentor to assist with the training process. This individual will be responsible for the following:
4	Training – Becoming an experienced operator requires that individuals fully understand the equipment they will be operating and that they can demonstrate that knowledge. At a minimum training will include the following:
4a	Review company health and safety standards and site specific Operations Plan.
4b	Review operating handbook for specific equipment being trained on.
4c	Review and complete other training material including videos or online activities as may be appropriate and available for specific equipment.
5	Practical Training – All initial operations will only be conducted under the supervision of a qualified Manager or operator with five years or more experience operating heavy equipment that have demonstrated a complete understanding of the equipment operations and specific site knowledge. Practical training will include the following:
5a	Instruction for properly completing Daily Inspection Reports (DIR) prior to equipment startup.
5b	Instruction for proper methods for fueling, adding oil, adding coolant, operation of battery disconnect, and proper lubrication for the machine.
5c	Instruction for proper pre-trip safety inspections.
5d	Instruction for properly warming up the machine prior to operations.
5e	Instruction on proper use of all controls and demonstration of travel maneuvers necessary for the types of terrain that the operator will encounter.
5f	Instruction for proper safe operations around general public and customers. Importance of appropriate spacing and speed.
5g	Instruction on operation of the equipment with various attachments or accessories and how to identify appropriate rated and manufacture-authorized attachments and accessories.
5h	Instruction on how to operate the equipment with various loads and appropriate tasks.
5i	Instruction on proper equipment shut down procedures.
5j	Instruction for properly completing post-trip DIR.
6	Performance Evaluation – Routine and constructive discussion related to operating performance is critical for improvement of skills. Performance evaluation will include the following:
6a	Operator Trainee Check List – Review daily operator training check lists. The facility manager and the designated coaches will meet and review the daily evaluation on a regular basis (recommended a minimum of weekly). Results of these review documents will be discussed with the operator and input will be provided to guide them on areas where improvement may be needed. This discussion will be documented.
6b	Work Observations – Mentor will complete specific machine observations for new equipment operators once per week for a minimum of 90-days. The results

	of this review should be discussed with the individual and the discussion should be documented with the operator's signature on the form. These observations are not useful if they are not shared with the operator.
7	Recommendations – Based on review discussed above, recommendations regarding the trainee progress and ability needs to be discussed and reviewed on a routine basis.
8	Pending positive training results on each machine, 9 weeks per machine (one year total), Operator Trainee will be promoted to an Operator position, assuming open positions

Responsibilities	
District Manager	Provide resources necessary to allow successful implementation of the program.
Site Management	Review and approve that the provided instructions are adequate, assure proper training prior to allowing employees to complete task, assure that specified procedures are followed and update procedures as may be required based on current operations or input.
Employees	Comply and follow specified procedures, inform management if changes to the procedures are required for safe operations and participate actively in the training process.

References	
1	Wasco County Landfill LO/TO Procedures
2	Wasco County Landfill Confined Space Program
3	WC HSP - 11 Heavy Equipment
4	WC HSP - 6 Seat Belts
6	Equipment Operators Manual

Documentation/Forms	
Daily Operator Training Review	Completed Daily by Mentor
Work Observation Landfill	Completed weekly by Site Manager

Contact Information – Direct questions regarding this document and procedures to the District

Manager or Site Manager.

Training Summary Log

Initial Orientation	Signature and Date
Review Equipment Operations Manual	
Review Equipment Safety Manual	
Complete available on-line training	

Week – 1 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 2 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 3 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 4 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 5 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 6 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 7 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 8 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Week – 9 Review	Signature and Date
Daily Operator Training	
Worker Observation	

Operator Tracking Log

Unit	Date	Hours	Task/Comments

Discussion Log

Date	Discussion Summary

Operations and Maintenance Manual

Operator Training Review Form (Daily)

WC Work Observation Form – Landfill (Weekly)

Operator Tracking Log (Ongoing)

Training Summary Log (Weekly)

Discussion Log (Ongoing)

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Wasco
County Landfill

Attachment X—Preventative Maintenance Mechanic Training Checklist

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WCI PM Mechanic Training Program

Code = trucks

Revised 3/2017

PM Mechanic Name	Tom Jones	Last Update
PM Mechanic District Name	ABC Waste	
PM Mechanic Student Contact Information (cell)	916-222-4455	
Mentor Responsible	Mentor at Shop	
Maintenance Manager Responsible	Maint. Manager	
Training Start Date		
Training Facility PM Tech Name	PM Tech	

All potential PM Mechanic trainees must go through the training program outlined below by completing a 14 - Day Training Program

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
First week of employment - Train at DTL location - (Working with PM Tech on site)				
Lock Out Tag Out Training		1/1/11		
PM Schedule / Program		1/1/11		
Castrol Oil Sampling Program		1/1/11		
How to take a good Oil Sample		1/1/11		
What Items should be checked before moving the truck.		1/1/11		
Ride along to bring Truck into shop		1/1/11		
Review all PM Forms		1/1/11		
What Types of Fluids are used		1/1/11		
Review Repair Order Procedure		1/1/11		
Review Brake Inspection Form		1/1/11		
Review PM Follow-Up Form		1/1/11		
Review Alarm Inspection Form		1/1/11		
How to check FEL Arm / Fork Alarm		1/1/11		
How to check ASL Arm Alarm		1/1/11		
How to check RO Hoist Alarm		1/1/11		
How to check All Body Up Alarms		1/1/11		
How to check All Tailgate Alarms		1/1/11		
Perform B PM On a FEL W/ Trainer		1/1/11		
Perform B PM On a REL W/ Trainer		1/1/11		
Perform B PM On a ASL / Man side loader W/ Trainer		1/1/11		
Perform B PM On a Roll Off W/ Trainer		1/1/11		
Perform C PM W/ Trainer		1/1/11		
Perform D-2 PM W/ Trainer		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
Second Week at Home District - To be completed with Mentor or Maintenance Manager				
Verify LOTO Procedures		1/1/11		
Review Castrol Oil Sampling Program		1/1/11		
What Items should be checked before moving the truck.		1/1/11		
MM to ride and verify moving equipment into shop safely.		1/1/11		
Verify use of all Forms.		1/1/11		
Qualified Brake Inspector - fill out Form		1/1/11		
Review Brake components training process.		1/1/11		
What is a leaking Brake Chamber.		1/1/11		
What is Shaft Phase.		1/1/11		
How to check Stroke.		1/1/11		
Check Brake Thickness.		1/1/11		
TO BE COMPLETED - AN INSPECTION PROCESS WITH AT LEAST 2-System Types				
Cab / Drive - To be completed with Mentor or Maintenance Manager				
Look for Leaks on the Ground		1/1/11		
Door Hinges / Latches		1/1/11		
Seat Belts Condition.		1/1/11		
Torn Seat Cushion		1/1/11		
Check Clutch adjustment - how / Freeplay		1/1/11		
Clutch Pedal Pad / Debris under Pedal		1/1/11		
Air leak loss rate not greater than 3 psi / minute		1/1/11		
Low air pressure alarm @ 60 psi		1/1/11		
Air governor cut off @ 125 psi		1/1/11		
Dash lights working		1/1/11		
Check Engine Oil Pressure		1/1/11		
Check Engine RPM		1/1/11		
Check Engine for unusual noises		1/1/11		
Check Heater / AC / Defroster		1/1/11		
Check Radio / Scale / Accessory		1/1/11		
Check Horns (Air / Elect)		1/1/11		
Parking Brake - Truck to move @ 700 RPM		1/1/11		
Check Speedometer / Tachometer		1/1/11		
Operation of Transmission		1/1/11		
Raise / Lower Tag Axle - Check for		1/1/11		
Operate Wipers / Washers		1/1/11		
Steering wheel Play - Excessive @ 30 Degrees		1/1/11		
Condition of Dash Wiring		1/1/11		
Broken Glass		1/1/11		
Check Mirrors		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
Sun Visor		1/1/11		
Emergency Triangles		1/1/11		
Inspect Spill Kit		1/1/11		
Fire Extinguishers - tag / charged / brackets		1/1/11		
Brake Pedal Pad / Debris under Pedal		1/1/11		
Inspect Floor Mats		1/1/11		
Head Liner in Cab Condition		1/1/11		
Broken / missing gauges		1/1/11		
High / low beam lights working		1/1/11		
Vehicle Registration & **Insurance Card Current**		1/1/11		
DOT Inspection Compliance / Decals.		1/1/11		
ABS warning light - what is ABS		1/1/11		
CARB - Inspect emission Control System Lights. **CA ONLY Districts**		1/1/11		
CARB - door label pre 2007 model. **CA ONLY Districts**		1/1/11		
UREA - Proper Handling & Storage		1/1/11		
Tires - To be completed with Mentor or Maintenance Manager				
Tire Inflation / Safety Precautions		1/1/11		
Tire Loose Lug Nuts		1/1/11		
Mismatched tires		1/1/11		
V2B Caps - All wheel positions		1/1/11		
Check Steering Axle Toe - In		1/1/11		
Walk Around - To be completed with Mentor or Maintenance Manager				
Worn Hyd lines		1/1/11		
Hanging wires / hoses		1/1/11		
Cab Steps		1/1/11		
Body Damage		1/1/11		
Steer Axle Grease Seal - L/R		1/1/11		
PTO Shaft Loose or out of Phase		1/1/11		
Check all exterior lights		1/1/11		
Check Back Up Alarm		1/1/11		
Check Back Up Camera		1/1/11		
Check Drive Cam		1/1/11		
Clean Batteries		1/1/11		
Battery Safety		1/1/11		
Battery Load Test / Charging		1/1/11		
What / where is Battery Disconnect		1/1/11		
Fuel Tank - Mounting / Lines		1/1/11		
Drain Air Tanks		1/1/11		
Check Steering shaft / Column Components		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
How to check King Pins - Process		1/1/11		
Discuss - Signs of worn King Pins		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
How to check Tie Rod Ends		1/1/11		
How to check Wheel Bearings		1/1/11		
Front Brakes / Wheel Seals		1/1/11		
Inspect - Front Springs & Mounts Broken / loose		1/1/11		
Check Bell Housing / Engine Mounts & Bolts		1/1/11		
Check Manual Transmission Fluid Level		1/1/11		
Check Automatic Transmission Fluid Level		1/1/11		
Check Transmission Filter.		1/1/11		
Clean Manual Transmission Vent		1/1/11		
Transmission seals leaking		1/1/11		
Drive line u-joints / yokes / **timing**		1/1/11		
Drive line Carrier Bearings		1/1/11		
Check Telma - If Applicable		1/1/11		
Exhaust / Mufflers / Leaks		1/1/11		
Check Brake lines - Rubbing		1/1/11		
Rear springs / Trunion / U-Bolts / Air Bags		1/1/11		
Axle Flange Leaks		1/1/11		
Frame Rails / Cross Members		1/1/11		
Check Rear- End Grease		1/1/11		
Check Mud Flaps		1/1/11		
Inspect rear brakes / Wheel Seals		1/1/11		
Check License Plate - Current		1/1/11		
Engine - To be completed with Mentor or Maintenance Manager				
Check Hood / Cab Mounting		1/1/11		
How to Check Engine Oil		1/1/11		
Change Oil, Fuel & Coolant Filters		1/1/11		
How to Check Anti-Freeze		1/1/11		
Pressure test Radiator & Cap		1/1/11		
Check Radiator for Leaks		1/1/11		
Radiator Cap Marked with Coolant Type		1/1/11		
Test Coolant Conditioner / PH & attach results to Repair Order.		1/1/11		
Check Fan Belts & Tensioners		1/1/11		
How to Check Power Steering Fluid		1/1/11		
How to change Power Steering Filter		1/1/11		
Service Emission Systems - Process		1/1/11		
CARB - Inspect & Clean OEM engine & DECS tags on Engines. **CA ONLY Districts**		1/1/11		
CARB - Inspect & Clean DECS tags on emissions control device. **CA ONLY Districts**		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
Check Air Compressor Mounting		1/1/11		
Check Air Compressor Filter		1/1/11		
Check Water Pump wear / Leaks		1/1/11		
Check Air Induction		1/1/11		
Check / change Air Filter - If needed.		1/1/11		
Clean / Blow out Radiator		1/1/11		
Inspect for - Worn Hyd lines		1/1/11		
Body - To be completed with Mentor or Maintenance Manager				
Hyd Tank mounts		1/1/11		
Hyd Tank Vent		1/1/11		
Check Body Mounts - Broken or Loose.		1/1/11		
Check all Container Hold Downs & Ratchets		1/1/11		
Roll Off - To be completed with Mentor or Maintenance Manager				
Inspect Hoist Alarm		1/1/11		
Lubricate Rollers & Sheaves		1/1/11		
Cable / Hook / **Chain**		1/1/11		
Cylinders leaking		1/1/11		
Hoist Pivot Point at Rear		1/1/11		
Auto Tarper Condition		1/1/11		
Frame Rails / Stops		1/1/11		
Steel lines / Hoses		1/1/11		
Box Tie Downs / Security Straps		1/1/11		
Tractor - To be completed with Mentor or Maintenance Manager				
Inspect Operation of Tractor Protection valve		1/1/11		
Air Lines / Glad Hands		1/1/11		
Trailer Cords / Sockets		1/1/11		
Fifth Wheel - Operation		1/1/11		
Pintal Hook - If Applicable		1/1/11		
Inside Body - To be completed with Mentor or Maintenance Manager				
Access Door Safety		1/1/11		
Access Door Ladder		1/1/11		
Body Floor		1/1/11		
Wear Strips / Blocks		1/1/11		
Push Out Blade		1/1/11		
Cylinders leaking		1/1/11		
Blade Follower		1/1/11		
Trash behind blade		1/1/11		
Auto Pak if equipped		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor
Tailgate - To be completed with Mentor or Maintenance Manager				
Check Tailgate Alarm		1/1/11		
Inspect Steps / Grab handles		1/1/11		
Cylinders leaking		1/1/11		
Pivot points		1/1/11		
Winch Cable		1/1/11		
Check that - Tailgate fits square		1/1/11		
Check System Cycle-Time		1/1/11		
Blades & Rollers		1/1/11		
Hoses / Steel Lines		1/1/11		
Check Tailgate Seal		1/1/11		
Cart Tipper Operation		1/1/11		
Front Load - To be completed with Mentor or Maintenance Manager				
Arm / Fork Alarm		1/1/11		
Body Raise Alarm		1/1/11		
Fork / Cross Tube		1/1/11		
Arm / Cross Tube		1/1/11		
Cylinders Leaking		1/1/11		
Inspect Ladders		1/1/11		
Arm Stop Pads		1/1/11		
Inspect Work Lights		1/1/11		
Condition of Cab Guard		1/1/11		
Man / ASL Side Loader - To be completed with Mentor or Maintenance Manager				
Container Arm-Alarm		1/1/11		
Body Raise Alarm		1/1/11		
Gripper Belt / Bearings		1/1/11		
Arm Tube		1/1/11		
Check - Cylinders for leaks		1/1/11		
Ladders		1/1/11		
Final Exam - To be completed with Mentor or Maintenance Manager				
Lock Out Tag Out		1/1/11		
All Paper Work Completed Correctly		1/1/11		

Task	Assigned To	Training Date	Date Completed	Walk around final exam with Maintenance Manager / Supervisor

Evaluation by Mentor

DATE	Comments

Evaluation by Maintenance Manager

DATE	Comments

Other notes or recommendations by Maintenance Manager:

Attachment Y—Scale Attendant Training Program

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WASCO COUNTY LANDFILL - SCALE HOUSE/ADMIN. TRAINING		
Employee Name:	**Position: Scale Attendant/Office Admin.**	
Initial Training	**DATE COMPLETED**	**EMPLOYEE INITIALS**
Safety Training		
Employee Handbook		
Policy Manual/Permit Training		
Company		
Keys		
Company attire		
Workday/WasteWorks/Citrix login		

SKILL	PERFORMED (P) OBSERVED (O)	DATE COMPLETED	OBSERVED BY
Scale House			
Site Safety Procedures			
Permit/Paperwork Requirements – Special Waste			
DEQ/Metro Rules and Regulations			
Material Indentification/Inspections			
WasteWorks login			
WasteWorks – Weigh trucks in/out			
WasteWorks – Complete Transaction/ Print Tickets			
WasteWorks – Add and edit customers			
WasteWorks – Rates and Credit Limits			
WasteWorks – Closing for day/month			
WCI Customer Service excellence			
Office			
Equipment Management System			
Collections			
AR/AP Procedures			
Document Filing			
Compliance Team			
Equipment			
Computer			
Telephone System			
Copier			
Scanner			
Time clock			
Fire Extinguishers			
Alarm system			

____________________________________ Signature

________________________ Date

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Attachment Z—Cost Forms (Appendix G)

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Wasco
County Landfill

C—Exceptions to Standard Agreement and RFP

[Finley-Buttes Limited Partnership/Wasco County Landfill, Inc.] ("Proposer") offers the following items to be incorporated in the Landfill Disposal Agreement (the "Agreement") and as exceptions to the Agreement and/or Request for Proposals No. 3355 (the "RFP"), issued by Metro, an Oregon metropolitan service district organized under the laws of the State of Oregon and the Metro Charter ("Metro"). These items are intended to identify areas of concern and remain negotiable. We appreciate your consideration and welcome the opportunity to work with you on reaching agreeable terms. Unless defined herein, capitalized terms shall have the meanings set forth in the Agreement and/or the RFP, as applicable.

EXCEPTION #1 – Proposer takes exception to the definition of "Acceptable Solid Waste" in Section 1.2 (Definitions) of the Agreement and requests the addition of the following exceptions to the definition of "Acceptable Solid Waste":

3. Prohibited from disposal at the Landfill by conditions of the Landfill's operating permit;

4. Hazardous Waste; or

5. contains Free Liquid without an approved special waste permit.

Explanatory Comments: This change is necessary to conform the Agreement to the reality of what types of waste materials the landfills are permitted to accept.

EXCEPTION #2 – Proposer takes exception to Section 1.2 (Definitions) of the Agreement and requests the addition of the following defined terms:

"Free Liquid" means liquid in excess of 25 gallons per contained load of waste which readily separates from the solid portions of such waste on delivery to the Landfill under ambient temperature and pressure; i.e., liquid in the waste load that causes the waste to fail the "paint filter test" prescribed by the Environmental Protection Agency in its "Method 9095."

"Special Waste" means any waste which presents personnel safety hazards, creates odor and vector problems, generates excessive leachate, leads to excessive settlement, punctures or tears the landfill liner, poses a fire hazard or increases the toxicity of landfill leachate.

Special Waste includes any waste which:

1. requires special handling or management practices (OAR 340-93-190);

2. may be contaminated with hazardous substances (OAR 340-93-170);

3. includes large dead animals, sewage sludge and grit, septage, industrial solid wastes and other materials which may be hazardous or difficult to manage by virtue of its character or volume; or

4. must be managed in accordance with the provisions described in an approved Special Waste Permit.

"Special Waste Permit" means the form used by Contractor to gather information about the proposed Special Waste to be delivered to the Landfill. In order to be "approved" the Special Waste Permit must be executed by Contractor's Environmental Manager, or authorized representative, who thereby approves the waste as Acceptable Waste.

Explanatory Comments: These changes are necessitated by the changes proposed to the definition of "Acceptable Waste."

EXCEPTION #3 – Proposer takes exception to the definition of "Force Majeure" in Section 1.2 (Definitions) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

"Force Majeure" means riots, wars, civil disturbances, insurrections, acts of terrorism, epidemics, acts of nature, changes in laws or regulations and federal or state government orders, and any other event which is beyond the reasonable anticipation of the applicable party and which prevents performance of this Agreement, but only to the extent that the applicable party is exerting due diligence to resume performance at the earliest possible time. Both parties agree that the following events shall not be considered force majeure: strikes, lockouts, other labor disturbances, breakage or accidents to machinery, equipment or plants or scheduled lock closures.

Explanatory Comments: This change is necessary for changes in laws that may restrict the landfills' abilities to accept waste in the future. Furthermore, the definition of "Force Majeure" should not just be limited to the events listed. The whole point of a force majeure provision is to include catastrophic and uncontrollable events that are unforeseeable at the time an agreement is entered into.

EXCEPTION #4 – Proposer takes exception to the definition of "Hazardous Waste" in Section 1.2 (Definitions) of the Agreement and requests replacing it in its entirety with the following provision or alternate language mutually agreeable to both parties:

"Hazardous Waste" means any waste which:

1. is required to be accompanied by a written manifest or shipping document describing the waste as "hazardous waste" or "dangerous waste," pursuant to the generator's state, Oregon or federal law, including, but not limited to, the Resource Conservation and Recovery Act, 40 CFR, Part 260-272, et seq. as amended, and all regulations promulgated thereunder and any such state equivalent or similar law;

2. contains polychlorinated biphenyl or any other substance the storage, treatment or disposal of which is subject to regulation under the Toxic Substances Control Act, 40 CFR, Part 761, et seq. as amended, and all regulations promulgated thereunder and any such state equivalent or similar law;

3. contains a radioactive material the storage or disposal of which is subject to state or federal regulation; or

4. is designated under the generator's state, Oregon or federal law or regulation as a "dangerous waste," "toxic waste, "hazardous waste," "extremely hazardous waste" or "acutely hazardous waste."

Explanatory Comments: This change is necessary to conform the Agreement to the reality of what types of waste materials the landfills are not permitted to accept.

EXCEPTION #5 – Proposer takes exception to the lack of a definition of "Unacceptable Waste" in Section 1.2 (Definitions) of the Agreement and requests the insertion of the following provision or alternate language mutually agreeable to both parties:

"Unacceptable Waste" means any and all waste:

i) the disposal of which at the Landfill would violate any applicable local, state, or federal laws, regulations, or orders, or conditions of the Landfill's operating permit;

ii) which constitutes Hazardous Waste;

iii) which constitutes Special Waste without an approved Special Waste Permit; or

iv) containing Free Liquid without an approved Special Waste Permit.

Explanatory Comments: This change is necessary to conform the Agreement to the reality of what types of waste materials the landfills are not permitted to accept.

EXCEPTION #6 – Proposer takes exception to Section 3.6.2 (Contractor must retain correspondence) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

3.6.2. Contractor must retain correspondence. Contractor must retain hard or electronic copies of all correspondence or any other documents sent from, or received by, the Contractor, its officers, employees, agents or subcontractors to any federal, state, regional, county or local government agency, to the extent such correspondence or documents (A) directly relate to Contractor's performance of its obligations under this Agreement, and (B) are relative to any and all of the requirements of law referred to by this Article. Contractor shall retain such correspondence and documents for a period of two years and make them available for inspection by Metro when requested. All agreements between Contractor and persons, firms, and corporations employed for this Agreement must contain this Article's requirements. The requirements of this section survive the expiration of this Agreement for a period of two years.

Explanatory Comments: Proposer believes that the conditions of this section, as originally drafted, are unreasonable and extremely burdensome.

EXCEPTION #7 – Proposer takes exception to the third paragraph of Section 3.4.2 (Monthly coordination meetings) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

The monthly summary report must include, without limitation:

1. Complaint forms and recommended actions;

2. Any extraordinary occurrences affecting the Contractor and/or Metro;

3. The status of operating equipment;

4. Any correspondence between Contractor and any governmental body concerning in any way the performance of this Agreement;

5. Any major accidents and incidents at the disposal site;

6. The total solid waste tonnage amount delivered to Contractor from Metro's transfer stations;

7. Summaries of and correspondence related to any inspection reports by any governmental agency, including but not limited to the DEQ or its equivalent non-Oregon counterpart. Contractor must make the full report available to Metro upon request.

Explanatory Comments: Proposer requests this change because Proposer believes that the information requested in Subparts 7., 8. and 9. of Section 3.4.2 is not relevant to Proposer's performance under the Agreement.

EXCEPTION #8 – Proposer takes exception to Subpart 7 of Section 3.6.3 (Yearly reports required by Contractor) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

7. Total tons or cubic yards of solid waste delivered to Landfill from:

a. Metro Transfer Stations and from Region; and

b. Non-Metro region in aggregate.

Explanatory Comments: Proposer requests this change because Proposer believes that the information requested in Subpart 7 of Section 3.6.3 is not relevant to Proposer's performance under the Agreement.

EXCEPTION #9 – Proposer takes exception to Section 3.7 (Acceptance of Waste) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

3.7 Acceptance of waste.

Contractor has the affirmative duty to accept at its Landfill (or cause to be accepted) all Acceptable Solid Waste generated from Metro's transfer stations that is delivered to Contractor by Metro's solid waste transportation contractor, subject to payment to Contractor of the Fees provided for under this Agreement. This section does not bar Contractor from setting reasonable rates and terms for services not covered by this Agreement that the Contractor may provide to other parties.

Contractor agrees to accept Metro's scale weights from Metro's transfer stations when Contractor is determining the weight of Acceptable Solid Waste delivered to Contractor's landfill.

Explanatory Comments: This change is necessary to conform the Agreement to the reality of what types of waste materials the landfills are permitted to accept.

EXCEPTION #10 – Proposer takes exception to Article 5 (Title to Solid Waste) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

ARTICLE 5

TITLE TO SOLID WASTE

5.1 Title to solid waste.

Title to, and risk of loss and responsibility for Acceptable Solid Waste delivered to the Landfill shall pass to Contractor at the time such Acceptable Solid Waste is removed from the delivery vehicle at the Landfill. Title to and liability for Unacceptable Waste shall remain with the generator of such Unacceptable Waste and shall not be deemed to pass to Contractor.

5.2 Title after testing of waste.

After any testing is performed on suspicious waste, title to the waste passes to Contractor when such testing confirms that the suspicious waste is Acceptable Solid Waste. Title to and liability for suspicious waste that testing reveals to be Unacceptable Waste shall remain with the generator of such Unacceptable Waste and shall not be deemed to pass to Contractor.

Explanatory Comments: Proposer is not willing to take title to waste that is not Acceptable Solid Waste.

EXCEPTION #11 – Proposer takes exception to Section 6.2 (Capacity.) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

6.2 Capacity.

Contractor must provide queuing areas available to accommodate a minimum of eight vehicles or containers of Metro-directed solid waste per hour. Further, to ensure adequate capacity, access to the tipping pad should remain hazard free during all weather conditions including, but not limited to, mud, snow, ice and other road hazards.

Explanatory Comments: Proposer cannot guarantee the safe tipping of eight vehicles/containers per hour. However, Proposer has adequate space at the landfill to queue eight vehicles/container per hour prior to the tipping of such vehicles/containers.

EXCEPTION #12 – Proposer takes exception to the first paragraph of Section 6.3 (Hazardous Waste.) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

6.3 Hazardous Waste.

The Contractor must use reasonable efforts to ensure that only Acceptable Solid Waste is accepted from Metro at the Landfill. The Contractor agrees to use reasonable efforts to identify and remove from the waste stream Unacceptable Waste it may receive from Metro at the Landfill. “Reasonable efforts” include, but are not limited to, employee training and inspection by qualified personnel.

Explanatory Comments: Proposer’s landfill is not permitted to accept any Hazardous Waste.

EXCEPTION #13 – Proposer takes exception to subparts a. and b. of Section 9.2.1 (Petition for increased costs due to change in law.) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

a. Federal, State, Local and county law. Metro will reimburse Contractor, subject to the terms and conditions of this Article, for reasonable, actual increased costs and expenses due to changes in Federal, state, local and county laws.

b. Federal, state or local taxes, fees or surcharges. Metro will reimburse Contractor, subject to the terms and conditions of this Article, for reasonable, actual cost increases or expenses Contractor may incur due to increase in the rates of federal, state or local taxes, fees or surcharges.

Explanatory Comments: Proposer it is reasonable for it to recover any increased costs or expenses as a result of changes in laws or taxes that occur after the Agreement is entered into. Proposer’s pricing quote was provided based on a known universe of laws and taxes. Asking Proposer to absorb future increases in costs and expenses relating to new laws and taxes is unreasonable.

EXCEPTION #14 – Proposer takes exception to Section 12.2.1 (Metro owns work products) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

12.2.1. Ownership of work products. Except for the reports provided to Metro pursuant to Sections 3.4.2 and 3.6.3, all documents, instruments and media of any nature produced by Contractor pursuant to this Agreement shall remain the property of Metro, including, but not limited to, drawings, specifications, reports, scientific or theoretical modeling, electronic media, computer software created or altered specifically for the purpose of completing the Scope of Work, works of art and photographs.

Explanatory Comments: Any records prepared or maintained by Proposer pursuant to the Agreement, other than reports provided pursuant to Sections 3.4.2 and 3.6.3 shall remain the property of Proposer.

EXCEPTION #15 – Proposer takes exception to Section 12.2.5 (Metro’s right to inspect, examine, copy and audit books and records) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

12.2.5. Metro’s right to inspect, examine, copy and audit books and records. Contractor and subcontractors authorize and permit the staff of the Metro Auditor, to inspect, examine, copy and audit the books and records of Contractor or subcontractor, but only to the extent such books and records relate the Contractor’s performance of its obligations in this Agreement.

Explanatory Comments: Proposer believes that the conditions of this section, as originally drafted, are unreasonably broad and should be limited to Contractor's performance of its obligations under the Agreement. If Metro is concerned about the financial wherewithal of Proposer, it is welcome to review the periodic reports filed with the U.S. Securities and Exchange Commission by Proposer's parent company, Waste Connections, Inc.

EXCEPTION #16 – Proposer takes exception to the title and first paragraph of Section 12.2.6 (Financial records are confidential) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

12.2.6. Contractor's records are confidential. Metro acknowledges that Contractor's records are confidential information and obligates itself not to disclose those documents unless compelled to do so by an order of any Oregon District Attorney or by any court or competent judicial authority. Upon receipt by Metro of any requests for disclosure of Contractor's confidential information or any document otherwise exempt from disclosure under Oregon Public Records Law, Metro will notify Contractor of the request. Contractor must respond in writing within seven days of Metro's notice to advise Metro of whether Metro should release the requested information or defend against its release. Metro may shorten this seven-day period if necessary to provide a timely response to the District Attorney or a court order.

Explanatory Comments: Proposer believes that all records it provides to Metro should be treated as confidential information.

EXCEPTION #17 – Proposer takes exception to Sections 13.2, 13.2 and 13.3 (Indemnification) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

ARTICLE 13

INDEMNIFICATION

13.1 Contractor is not a Metro agent. Contractor agrees that for purposes of the Oregon Tort Claims Act (ORS 30.260 through 30.300) neither Contractor, nor its officers, agents and employees, nor any of Contractor's subcontractors of any tier or their officers, agents and employees are agents of Metro.

13.2 Contractor agrees to indemnify Metro.

Contractor must indemnify and hold Metro harmless from and against any and all claims, causes of action, demands, suits, damages, penalties, charges, judgments, liabilities, or losses of whatsoever character (all hereinafter referred to as "claims"). Contractor must also indemnify and hold Metro harmless from all expenses and costs arising from these claims including, but not limited to, reasonable attorneys' fees upon trial and upon appeal. These requirements only apply to any and all claims or expenses to the extent actually resulting result from (whether directly or indirectly):

1. Negligence or willful misconduct in the performance or nonperformance of any provision or requirement of this Agreement by Contractor, its officers, employees, subcontractors, agents or servants;

2. Any of the negligent acts or omissions or willful misconduct of Contractor, its officers, employees, subcontractors, agents or servants at any Metro transfer station or disposal site;

3. The failure of Contractor, its officers, employees, subcontractors, agents, or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes, orders and all other legal requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the relevant activities as is required by this Agreement; or

4. Any release or emission, or threatened release or emission related to the Acceptable Solid Waste occurring from the point in time that each load of Acceptable Solid Waste is unloaded at the disposal site.

13.3 Contractor agrees to defend Metro.

In addition, Contractor will, upon demand of Metro, and at Contractor's sole cost and expense, defend and provide qualified attorneys acceptable to Metro in its sole, reasonable discretion under service contracts acceptable to Metro to defend Metro, its officers, employees, agents and servants against any and all claims, causes of actions, suits, demands, damages, penalties, charges, liabilities, losses, awards of damages, or judgments, of whatsoever character or kind, to the extent arising or resulting from, directly or indirectly, or in any way connected with:

1. Negligence or willful misconduct in the performance or nonperformance of any provision or requirement of this Agreement by Contractor, its officers, employees, subcontractors, agents or servants;

2. Any of the negligent acts or omissions or willful misconduct of Contractor, its officers, employees, subcontractors, agents or servants at any Metro transfer station or disposal site;

3. The failure of Contractor, its officers, employees, subcontractors, agents, or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes orders and all other legal requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the relevant activities as is required by this Agreement; or

4. Any release(s) or emission(s), or threatened release(s) or emission(s) related to Acceptable Solid occurring from the point in time that each load of Acceptable Solid Waste unloaded at the disposal site.

Explanatory Comments: Proposer is willing to indemnify and defend Metro for actual damages suffered by Metro to the extent caused by the negligence or willful misconduct of Proposer and its employees, agents, etc.

EXCEPTION #18 – Proposer takes exception to Section 14.1.1.1 (General) of the Agreement and requests replacing it in its entirety with the following provision or alternate language mutually agreeable to both parties:

2. The policy (or policies) will not be cancelled until after written notice has been delivered to Metro in accordance with the applicable policy provisions.

Explanatory Comments: Proposer's insurers will only agree to provide the type of notice that is called for in the policies. This is standard practice and in accordance with the ACORD Forms Notice dated June 28, 2010.

EXCEPTION #19 – Proposer takes exception to the first paragraph Section 14.1.2 (General) of the Agreement and requests deleting it in its entirety.

Explanatory Comments: Proposer will not agree to pay for separate insurance policies for Metro.

EXCEPTION #20 – Proposer takes exception to Section 14.5 (Metro may require master policy) of the Agreement and requests deleting it in its entirety.

Explanatory Comments: Proposer is not able change its national insurance program to accommodate one disposal agreement.

EXCEPTION #21 – Proposer takes exception to Section 15.4 (Contractor agreement with surety) of the Agreement and requests deleting it in its entirety.

Explanatory Comments: Proposer's sureties will not agree to enter into such an agreement.

EXCEPTION #22 – Proposer takes exception to the 24-hour cure period in Section 16.1.1 (Default events) of the Agreement and requests a cure period of at least 10 business days or some longer, alternate period of time mutually agreeable to both parties.

Explanatory Comments: 24 hours is an unreasonably short period of time in which to cure alleged defaults. The industry standard is typically 30 days.

EXCEPTION #23 – Proposer takes exception to Section 17.1 (Liquidated damages for disposal delays at Landfill) of the Agreement and requests alternate language mutually agreeable to both parties.

Explanatory Comments: Proposer believe that $411 is too high of a penalty. Proposer further believes that certain exceptions are necessary. For example, liquidated damages should not be assessed against Proposer if delays are caused by the transportation contractor.

EXCEPTION #24 – Proposer takes exception to Section 18.5 (Procedures and remedies for Metro termination for the convenience of Metro) of the Agreement and requests deleting it in its entirety.

Explanatory Comments: Metro should not have the right to terminate the Agreement for convenience. If a termination for convenience right is permitted, it should be mutual to both parties.

EXCEPTION #25 – Proposer takes exception to Section 19.1 (Contractor termination rights) of the Agreement and requests the addition of a right to terminate the Agreement in the event that Metro is not timely paying Proposer for the disposal services provided pursuant to the Agreement.

Explanatory Comments: Proposer should have the right to terminate the Agreement in the event that Metro is not timely paying Proposer for the disposal services provided pursuant to the Agreement

EXCEPTION #26 – Proposer takes exception to Subpart 1. of Section 28.4 (Contractor's notice to employees regarding work hours required) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

1. Contractor shall ensure that persons employed by Contractor under this Agreement do not work more hours than permitted by applicable federal law or other state statutes or regulations. Contractor shall pay overtime to its employees in accordance with applicable federal law or other state statutes or regulations.

Explanatory Comments: Proposer will employ and pay its employees in accordance with all applicable laws.

EXCEPTION #27 – Proposer takes exception to Section 30.1 (Metro to conduct all news releases and interviews) of the Agreement and requests the following revisions or alternate language mutually agreeable to both parties:

30.1 Metro to conduct all news releases and interviews.

Metro will schedule and conduct any news releases and interviews with news media representatives concerning the operations or facilities at MSS or MCS or any operations at the Landfill that relate to Metro's Agreement with Contractor for waste disposal; provided, however, that Metro shall not make any public statements about the Landfill without Contractor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

Explanatory Comments: Proposer requests that Metro not be able to make public statements about Proposer's landfill without Proposer's prior consent.

D—Surety Company Letter

Metro
Property & Environmental Services Department
600 NE Grand Avenue
Portland, OR 97232-2736

RE: RFP 3355, Solid Waste Disposal Services
(MSS or MCS only)

January 15, 2018

We, Travelers Casualty and Surety Company of America as the Surety Company for Wasco County Landfill, Inc. are familiar with the above referenced Request for Proposals as provided by our Principal. Having reviewed the submittal we could provide the indicated option for:

1. Performance bond in the amount of $2,000,000 on the required forms
    a. Bond limits for single projects in excess of $30,000,000
    b. Aggregate bond program in excess of $100,000,000
    c. Surety AM Best Rating A++ XV
    d. Broker contact information Excel Bonds & Insurance Services, Inc. 3620 American River Drive, Suite 125, Sacramento, CA 95864
    e. Length of time with this Surety Company 15+ yrs.

Final decision to provide above secutiy is conditioned upon review of offered contract and is a matter between us and our client.

Sincerely,

Travelers Causlaty and Surety Company of America January 15, 2018

By: A Catherine Skeen
A. Catherine Skeen, Attorney-In-Fact

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 231929

Certificate No. 007322998

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

David W. Garese, A. Catherine Skeen, Brooke A. Skeen, Lisa Betancur, and Robert Garese

of the City of Sacramento, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 7th day of August, 2017.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: [signature]
Robert L. Raney, Senior Vice President

On this the 7th day of August, 2017, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2021.

Marie C. Tetreault
Marie C. Tetreault, Notary Public

58440-5-16 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Sacramento)

On January 15, 2018 before me, Lisa Betancur, Notary Public
(insert name and title of the officer)

personally appeared A. Catherine Skeen,
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity~~(ies)~~, and that by ~~his~~/her/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

RFP 3355 WASTE DISPOSAL SERVICES

PROPOSAL TAB

Enter data into the Pricing Input Form under the Proposal tab below.
Input data into yellow highlighted cells based on your proposal.

Cost Calculations.
Cost and present value calculations are made in columns J through Z, and rows 2 through 65.

Calculations are provided for information purposes only and are not intended or implied to be used by the proposers for the purpose of making decisions.

ASSUMPTIONS

A. CPI Assumptions:
Inflation starts Calendar Year 2021.

An annual inflation rate of 2.30% for the disposal price per ton.

To calculate Present Value:
B. Used expected rate on Solid Waste Revenue Bond projects: 3.5%

Redacted

RFP 3355 Solid Waste Disposal
Follow-Up Questions to Waste Connections/Wasco County

1. A transportation proposer indicated that you will shuttle trailers from a trailer storage yard at your landfill site to the tipper and back. Provide a typical one-way distance and fuel use estimate (in miles per gallon) to shuttle a trailer from the storage yard to the tipper for this shuttle operation.

   The trailer storage area at Wasco County Landfill (WCL) is roughly 0.5 miles from the tipper. We have estimated fuel use at roughly 2.5-3 miles per gallon to shuttle a trailer from the storage area to the tipper.

2. Metro's RFP requires: *Contractors will work with, coordinate and accommodate preferred transportation company or companies. Contractors will have operating hours or, in the case of containers, staging space to accommodate waste coming from Metro transfer stations during compaction hours. Currently, operating hours are Monday through Saturday, 5 a.m. to 5 p.m.*

   Explain how your proposal for operation and staging will meet these standards for each mode of transportation including but not limited to capacity, and movement of trailers or containers.

   WCL's current staging area can accommodate 20 trailers or containers. However, the area can be extended to accommodate the needs of the transportation company. WCL will come to an agreement with the transportation company on the movement of trailers or containers to and from the staging area. If necessary, WCL will allow the transportation company 24/7 access to the site to stage trailers.

3. Confirm the following fees that Metro will be expected to pay at your landfill.

   WCL removed the DEQ Disposal Fees and Orphan Site Account fee from the total price to match the fee structure requirement listed in Question 4.

Tipping Fee	Redact
County Host Fee	Redact
Solid Waste Permit Fee	Redact

4. DEQ Fees consist of:

   1. Disposal Fees - $1.11/ton
   2. Orphan Site Account fee - $0.13/ton
   3. Solid Waste Permit fee - $0.58/ton

   Metro currently pays the Solid Waste Permit Fee directly to Columbia Ridge and the other two directly to DEQ. Confirm your understanding of this fee structure requirement and make any changes to the fees you propose based on this.

   WCL has reviewed this fee structure and reduced the fees that Metro will be expected to pay directly to WCL in Question 3 under the assumption that Metro would continue to remit payment directly to DEQ consistent with current practice.

February 23, 2018