

June 27, 2007

Executive Board
LASWA
76460 Hwy 21
Lexington, NE 68850

RE: Sale of City of Lexington Property and C&D Site Considerations

Dear Board:

After further discussion, the City of Lexington (City) offers the following terms in an effort to work towards expansion of landfill capacity to a new site for LASWA membership use:

1. The City would deed 330 acres of property to LASWA for the construction and operation of a new landfill; at a price of _____ per acre, for a total of _____. Geological characterization on the land has been completed, with no abnormalities identified. The analysis would be given to LASWA to use in the permitting process; saving an estimated 15-18 months of landfill permitting time, and _____.
2. LASWA would sign a ten (10) year service contract to accept City C&D waste to be deposited in the LASWA C&D site at a rate of \$10.00 per ton.

The City maintains its position that it is important for LASWA to complete the following activities prior to landfill expansion to determine financial assurance and operational needs:

1. Conduct a third party solid waste flow analysis to determine the current solid waste volume originating in member jurisdictions; including all residential, governmental, commercial, agriculture, and industrial wastes.
2. Determine future intent of member jurisdictions (and haulers) to deliver solid waste to LASWA; including the development and execution of new service agreements for ten (10) year increments to guarantee solid waste flow to the facility.

3. Adopt a policy related to necessary cash reserves for future operations, as well as a policy to distribute excess revenue (reserves) to member jurisdictions on a pro rata basis to offset local solid waste collection and recycling activities.

As a member of LASWA, the City has concern that expansion activities are planned in an efficient, effective, and responsible manner to ensure Agency sustainability into the future. Please direct all correspondence to Joe Pepplitsch, Lexington City Manager. Thank you for your time and consideration.

Sincerely,

The City Council
City of Lexington, Nebraska

John Fagot, President

Steve Tomasek, Vice President

Linda Miller

Joni Bennett

John Salem