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PERKINS & TROTTER PLLC

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Attorneys and Counselors

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November 23, 2010

Mr. Bryan Leamons, P.E.
Solid Waste Management Division
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72218-5317

RECEIVED
NOV 23 2010
KW 3:30

Re: **Requests for Name Change**
Waste Corporation of Arkansas, Inc.
Permit No. 0253-S1-R5 (Rolling Meadows Landfill – Class 1)
Permit No. 0248-S1-R4 (Union County Landfill – Class 1)
Permit No. 0175-SG-WTX (Union County Landfill – Tire Collection)
Permit No. 0022-STSW-SC (Wynne Transfer Station – General Transfer)

Dear Mr. Leamons:

Our law firm represents Waste Corporation of Arkansas, Inc., the permittee under each of the above-referenced solid waste permits. I write to tell you that it is changing to Waste Corporation of Arkansas, LLC sometime after December 15, 2010, but no later than December 31, 2010.

Waste Corporation of Arkansas, LLC's ownership will be the same as Waste Corporation of Arkansas, Inc.'s. The Directors will be called the Managers. The officers will be the same. When the changes are registered with the Arkansas Secretary of State, I will provide you with copies of the documentation.

Please change the name of the permittee under each of these solid waste permits. It is my understanding that such a name change is considered an administrative permit amendment pursuant to Regulation 9.608 and that no fee is due. I have enclosed WCA Waste Corporation's most recent 10-Q and 10-K filings at the SEC, in lieu of a disclosure statement. Each entity is (or will be, in the case of the LLC) a wholly owned subsidiary.

It is my understanding that such a name changes are considered administrative permit amendments pursuant to Regulation 9.608 and that no fees are due. Similar requests will be submitted to the Air and Water Divisions.

Thank you for your assistance. Please call if I can be of help.

Sincerely,

PERKINS & TROTTER, PLLC

Matthew N. Miller

MNM/mrh

cc: Teresa Marks
Dawn Guthrie
Michael Roy, esq.

ADEQ has removed the submitted disclosure statement, to protect confidential information.

It has been scanned into a secure location.

A redacted copy will be added as a separate document by Legal Division.

WCA WASTE CORP (WCAA)

NOV 23 2010

4.05 KW

10-Q

Quarterly report pursuant to sections 13 or 15(d)
Filed on 10/29/2010
Filed Period 10/29/2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2010

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 Number: 000-50808

WCA Waste Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	20-0829917 (I.R.S. Employer Identification No.)
One Riverway, Suite 1400 Houston, Texas 77056 (Address of principal executive offices)	77056 (Zip Code)

(713) 292-2400
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition 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 ○ (Do not check if a smaller reporting company)	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 October 26, 2010, there were 20,504,097 shares of WCA Waste Corporation's common stock, par value $0.01 per share, outstanding, excluding 1,073,957 shares of treasury stock.

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RISK FACTORS AND
CAUTIONARY STATEMENT ABOUT FORWARD–LOOKING STATEMENTS

Some of the statements contained in this report are forward–looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. From time to time, our public filings, press releases and other communications (such as conference calls and presentations) will contain forward–looking statements. These forward–looking statements can generally be identified as such because the context of the statement will include words such as "may," "should," "outlook," "project," "intend," "seek," "plan," "believe," "anticipate," "expect," "estimate," "potential," "continue," or "opportunity," the negatives of these words, or similar words or expressions. Similarly, statements that describe our future plans, objectives or goals are also forward–looking statements.

We caution that forward–looking statements are not guarantees and are subject to known and unknown risks and uncertainties. Since our business, operations and strategies are subject to a number of risks, uncertainties and other factors, actual results may differ materially from those described in the forward–looking statements.

Our business is subject to a number of operational risks and uncertainties that could cause our actual results of operations or our financial condition to differ from any forward–looking statements. These include, but are not limited to, the following:

- prevailing U.S. economic conditions over the last two years and the related decline in construction activity, as well as any future downturns, has reduced and may continue to reduce our volume and/or pricing on our services, resulting in decreases in our revenue, profitability and cash flows;
- increases in the costs of fuel may reduce our operating margins;
- changes in interest rates may affect our profitability;
- we may not be successful in expanding the permitted capacity of our current or future landfills, which could restrict our growth, increase our disposal costs, and reduce our operating margins;
- we are subject to environmental and safety laws, which restrict our operations and increase our costs;
- we may become subject to environmental clean–up costs or litigation that could curtail our business operations and materially decrease our earnings;
- our accruals for landfill closure and post–closure costs may be inadequate, and our earnings would be lower if we are required to pay or accrue additional amounts;
- we may be unable to obtain financial assurances necessary for our operations, which could result in the closure of landfills or the termination of collection contracts;
- our business is capital intensive, requiring ongoing cash outlays that may strain or consume our available capital and force us to sell assets, incur debt, or sell equity on unfavorable terms;
- governmental authorities may enact climate change regulations that could increase our costs to operate;
- increases in the costs of disposal, labor and insurance may reduce our operating margins;
- we may not be able to maintain sufficient insurance coverage to cover the risks associated with our operations, which could result in uninsured losses that would adversely affect our financial condition;

- our failure to remain competitive with our numerous competitors, some of which have greater resources, could adversely affect our ability to retain existing customers and obtain future business;
- we may lose contracts through competitive bidding, early termination or governmental action, or we may have to substantially lower prices in order to retain certain contracts, any of which would cause our revenue to decline;
- comprehensive waste planning programs and initiatives required by state and local governments may reduce demand for our services, which could adversely affect our waste volumes and the price of our landfill disposal services;
- efforts by labor unions to organize our employees could divert management attention and increase our operating expenses;
- current and proposed laws may restrict our ability to operate across local borders which could affect our manner, cost and feasibility of doing business;
- poor decisions by our regional and local managers could result in the loss of customers or an increase in costs, or adversely affect our ability to obtain future business;
- we are vulnerable to factors affecting our local markets, which could adversely affect our stock price relative to our competitors; and
- seasonal fluctuations will cause our business and results of operations to vary among quarters, which could adversely affect our stock price.

Our future financial performance may also depend on our ability to execute our acquisition strategy, which will be subject to many risks and uncertainties including, but not limited to, the following:

- on December 31, 2009, we consummated the acquisition of the Live Earth Companies with cash and the issuance of our common stock. The acquisition of the Live Earth Companies is subject to various risks;
- we may be unable to identify, complete or integrate future acquisitions, which may harm our prospects;
- we compete for acquisition candidates with other purchasers, some of which have greater financial resources and may be able to offer more favorable terms, thus limiting our ability to grow through acquisitions;
- in connection with financing acquisitions, we may incur additional indebtedness, or may issue additional equity including common stock or preferred stock which would dilute the ownership percentage of existing stockholders;
- businesses that we acquire may have unknown liabilities and require unforeseen capital expenditures, which would adversely affect our financial results;
- rapid growth may strain our management, operational, financial and other resources, which would adversely affect our financial results;
- our acquisitions have resulted and future acquisitions we make may continue to result in significant goodwill and other intangible assets, which may need to be written down if performance is not as expected; and
- we may incur charges and other unforeseen expenses related to acquisitions, which could lower our earnings.

Our business and the performance of our stock price are subject to risks related to our management, governance and capital structure. They include, but are not limited to, the following:

- our success depends on key members of our senior management, the loss of any of whom could disrupt our customer and business relationships and our operations;
- a controlling interest in our voting stock is held by one fund and a small number of individuals (including management), which when combined with various agreements and rights of the fund, may discourage a change of control transaction and may exert control over our strategic direction;
- provisions in our amended and restated certificate of incorporation, our amended and restated bylaws and Delaware law could preclude a change of control that our stockholders may favor and which could negatively affect our stock price;
- we do not anticipate paying cash dividends on our common stock in the foreseeable future, so you can only realize a return on your investment by selling your shares of our common stock; and
- we may issue preferred stock that has a liquidation or other preference over our common stock without the approval of the holders of our common stock, which may affect those holders rights or the market price of our common stock.

Our business is capital intensive and depends on our ability to generate sufficient cash flow from operations and, from time to time, to access our credit facility or other capital sources, each of which are subject to various risks and uncertainties including, but not limited to, the following:

- adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, access to capital and cost of capital;
- the inability or failure of any syndicate bank to meet its obligations under our senior credit facility could adversely impact our short–term and/or long–term capital or cash needs by limiting our access to swing–line loans, increasing the cost of issuing letters of credit, or reducing the total capacity available under the revolving credit facility;
- we have a substantial amount of debt which could adversely affect our operations and financial performance; and
- the provisions in our debt instruments impose restrictions on us that may limit the discretion of management in operating our business.

We describe these and other risks in greater detail in the section entitled "Risk Factors" in our annual report on Form 10–K for the year ended December 31, 2009 (sometimes referred to in this report, including the notes to our financial statements, as the "10–K").

The forward–looking statements included in this report are only made as of the date of this report and we undertake no obligation to publicly update forward–looking statements to reflect subsequent events or circumstances.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

WCA WASTE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	September 30, 2010 (Unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 4,105	$ 4,329
Accounts receivable, net of allowance for doubtful accounts of $588 (unaudited) and $318, respectively	26,115	21,767
Deferred tax assets	1,452	1,452
Prepaid expenses and other	3,138	4,575
Total current assets	34,810	32,123
Property and equipment, net of accumulated depreciation and amortization of $152,678 (unaudited) and $135,286, respectively	317,759	320,724
Goodwill, net	67,460	65,318
Intangible assets, net	7,196	7,051
Deferred financing costs, net	3,566	3,628
Deferred tax assets	454	2,385
Other assets	160	145
Total assets	$ 431,405	$ 431,374
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 13,260	$ 10,013
Accrued liabilities and other	19,455	17,290
Interest rate swap	713	6,489
Note payable	—	1,231
Current maturities of long-term debt	500	500
Total current liabilities	33,928	35,523
Long-term debt, less current maturities and discount	219,059	219,516
Accrued closure and post-closure liabilities	13,921	13,993
Other long-term liabilities	1,815	1,813
Total liabilities	268,723	270,845
Commitments and contingencies		
Stockholders' equity:		
Series A convertible preferred stock, $0.01 par value per share. Authorized 8,000 shares; issued and outstanding 914 shares and 870 shares, respectively (liquidation preference $96,006)	9	9
Common stock, $0.01 par value per share. Authorized 50,000 shares; issued 21,578 shares and 21,121 shares, respectively	216	211
Treasury stock, 1,074 shares and 1,074 shares, respectively	(5,322)	(5,322)
Additional paid-in capital	197,970	193,821
Contingent considerations	3,225	3,225
Retained earnings (deficit)	(33,416)	(31,415)
Total stockholders' equity	162,682	160,529
Total liabilities and stockholders' equity	$ 431,405	$ 431,374

The accompanying notes are an integral part of these condensed consolidated financial statements.

WCA WASTE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(In thousands, except per share data)

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Revenue	$ 59,279	$ 49,546	$ 171,881	$ 147,910
Expenses:				
Cost of services	42,055	32,786	123,458	97,907
Depreciation and amortization	7,623	6,714	22,682	20,087
General and administrative (including stock-based compensation of $312, $438, $1,038 and $1,338, respectively)	2,925	3,060	8,743	9,714
Gain on sale of assets	(7)	(46)	(896)	(91)
	52,596	42,514	153,987	127,617
Operating income	6,683	7,032	17,894	20,293
Other income (expense):				
Interest expense, net	(4,811)	(4,511)	(14,190)	(13,525)
Write-off of deferred financing costs	—	—	(184)	—
Impact of interest rate swap	(47)	(905)	(231)	(1,748)
	(4,858)	(5,416)	(14,605)	(15,273)
Income before income taxes	1,825	1,616	3,289	5,020
Income tax provision	(1,042)	(790)	(1,932)	(2,797)
Net income	783	826	1,357	2,223
Accrued payment-in-kind dividend on preferred stock	(1,138)	(1,076)	(3,358)	(3,192)
Net loss available to common stockholders	$ (355)	$ (250)	$ (2,001)	$ (969)
Net loss available to common stockholders:				
Earnings per share — basic	$ (0.02)	$ (0.02)	$ (0.10)	$ (0.06)
Earnings per share — diluted	$ (0.02)	$ (0.02)	$ (0.10)	$ (0.06)
Weighted average shares outstanding — basic	19,635	15,850	19,580	15,801
Weighted average shares outstanding — diluted	19,635	15,850	19,580	15,801

The accompanying notes are an integral part of these condensed consolidated financial statements.

WCA WASTE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Nine Months Ended September 30, 2010	2009
Cash flows from operating activities:		
Net income	$ 1,357	$ 2,223
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,682	20,087
Non–cash compensation charge	1,038	1,338
Amortization of deferred financing costs	1,011	931
Write–off of deferred financing costs	184	—
Deferred tax provision	1,932	2,797
Accretion expense for closure and post–closure obligations	828	469
Gain on sale of assets	(896)	(91)
Unrealized gain on interest rate swap	(5,776)	(3,429)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	(4,306)	5,745
Prepaid expenses and other	917	(1,353)
Accounts payable and other liabilities	3,937	2,342
Net cash provided by operating activities	22,908	31,059
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(3,407)	(3,689)
Proceeds from sale of assets	2,327	146
Capital expenditures	(20,419)	(20,501)
Net cash used in investing activities	(21,499)	(24,044)
Cash flows from financing activities:		
Principal payments on long–term debt	(500)	(167)
Net change in revolving line of credit	—	(117)
Deferred financing costs	(1,133)	(221)
Net cash used in financing activities	(1,633)	(505)
Net change in cash and cash equivalents	(224)	6,510
Cash and cash equivalents at beginning of period	4,329	955
Cash and cash equivalents at end of period	$ 4,105	$ 7,465

Supplemental cash flow information:		
Interest paid	$ 9,635	$ 9,267
Interest rate swap paid	6,103	3,964
Income taxes paid	515	509

The accompanying notes are an integral part of these condensed consolidated financial statements.

WCA WASTE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(All tables in thousands, except per share data)

1. BASIS OF PRESENTATION AND NEW ACCOUNTING PRONOUNCEMENTS

Basis of Presentation

WCA Waste Corporation (WCA or the Company) is a vertically integrated, non–hazardous solid waste collection and disposal company.

The unaudited condensed consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for quarterly reports on Form 10–Q. Certain information relating to the Company's organization and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (GAAP) has been condensed or omitted pursuant to such rules and regulations. The Company believes that the presentations and disclosures herein are adequate to make the information presented herein not misleading when read in conjunction with its annual report on Form 10–K filed with the SEC on March 9, 2010 which contains the Company's audited consolidated financial statements as of and for the year ended December 31, 2009. The unaudited condensed consolidated financial statements as of September 30, 2010 and for the three and nine months ended September 30, 2010 and 2009 reflect, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the financial position and results of operations for such periods. Certain reclassifications have been made to the prior period financial statements to conform to the current presentation. Please note, however, operating results for interim periods are not necessarily indicative of the results for full years. For the description of the Company's significant accounting policies, see note 1 to Notes to Consolidated Financial Statements included in the annual report on Form 10–K.

In preparing its financial statements, the Company makes numerous estimates and assumptions affecting the accounting for, and recognition and disclosure of, assets, liabilities, stockholders' equity, revenues and expenses. The most difficult, uncertain and subjective estimates and assumptions that the Company makes relate to accounting for landfills, asset impairments, and self–insurance reserves and recoveries. The Company makes estimates and assumptions because some of the information that it uses in accounting, recognition and disclosure depends upon future events and other information cannot be precisely determined based on available data or based on generally accepted methodologies. Actual results could differ materially from the estimates and assumptions that the Company uses in the preparation of its financial statements.

The accompanying unaudited condensed consolidated financial statements include the accounts of WCA Waste Corporation and its majority–owned and controlled subsidiaries after elimination of all material intercompany balances and transactions.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company does not expect that the impact of these recently issued accounting standards that are not yet effective will have a material impact on the Company's financial condition, results of operations or cash flows upon adoption.

In January 2010, the FASB issued Accounting Standards Update 2010–06 (ASU 2010–06), "Fair Value Measurements and Disclosures (Topic 820)—Improving Disclosures about Fair Value Measurements." This update requires an entity to disclose separately the amounts of significant transfers in and out of Level 1 and 2 fair value measurements and to describe the reasons for the transfers. It also requires additional disclosure regarding purchases, sales, issuances and settlements of Level 3 measurements. ASU 2010–06 is effective for interim and annual periods beginning after December 15, 2009, except for the additional disclosure of Level 3 measurements, which is effective for fiscal years beginning after December 15, 2010. The adoption of this standard is not expected to have a material impact on the Company's financial condition, results of operations or cash flows.

2. ACQUISITIONS

The Company completed two acquisitions during the nine months ended September 30, 2010. On August 1, 2010, the Company acquired the customer base of Washita Disposal located near Oklahoma City, Oklahoma. On September 1, 2010, the Company purchased certain residential collection routes and assets from Five JAB Environmental Services, LLC near Houston, Texas. Total consideration of these two acquisitions consisted of $3.4 million in cash and 20,492 shares of the Company's common stock valued at $0.1 million.

The purchase price for these transactions has been allocated to the identifiable tangible and intangible assets acquired based on their estimated fair values at the time of acquisitions. The purchase price allocations are considered preliminary until the Company is no longer waiting for information that it has arranged to obtain and that is known to be available or obtainable. The time required to obtain the necessary information will vary with specific acquisitions, however, the final purchase price allocation will not exceed one year from the consummation of the acquisition.

The Company's condensed consolidated financial statements include the results of operations of the acquired businesses from their acquisition date. The acquisitions were not significant within the meaning of Regulation S–X to the Company as a whole.

Based on the preliminary assessments of values for these acquisitions, the Company reflected fixed assets of $0.5 million, intangible assets of $0.8 million, goodwill of $2.5 million and net working capital of $(0.3) million.

Subsequently, on October 1, 2010, the Company completed two acquisitions. The Company acquired certain assets of Sprint Waste Services, L.P. and DINA Industries, Inc., two collection operations in the greater Houston area. The consideration for the Sprint acquisition was $3.6 million which included $3.5 million of cash and $0.1 million of the Company's common stock. The Company purchased DINA Industries, Inc. for $0.5 million in cash.

3. STOCK–BASED COMPENSATION

The Company established the 2004 WCA Waste Corporation Incentive Plan which has been amended and restated from time to time to comply with applicable federal law. On September 28, 2010, the stockholders of the Company approved the Fourth Amended and Restated 2004 WCA Waste Corporation Incentive Plan. This amendment (1) increased the Company's common stock authorized for issuance under the plan from 2,250,000 shares to 2,900,000 shares, (2) established an "evergreen" provision to increase the number of shares available for awards and grants on January 1 of each year by the lesser of (i) 500,000 additional shares or (ii) a number of shares such that the total authorized shares under the plan following such increase would be equal to 9% of the fully–diluted common shares issued and outstanding as of December 31 of the preceding year, and (3) made the shares surrendered by participants to satisfy tax withholding obligations available for future issuance. As of September 30, 2010, there were approximately 739,000 remaining shares of the Company's common stock authorized for issuance.

During the three and nine months ended September 30, 2010, 296,484 and 520,444 restricted shares of the Company's common stock were granted to certain of the Company's officers and directors with an aggregate market value of $1.4 million and $2.3 million on the grant dates, respectively. The unearned compensation is being amortized to expense on a straight–line basis over the required employment period, or the vesting period, as the restrictions lapse at the end of each anniversary after the date of grant.

The following table reflects the Company's restricted share activity for the three and nine months ended September 30, 2010:

	Three Months Ended September 30, 2010			Nine Months Ended September 30, 2010		
	Shares	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (years)	Shares	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (years)
Unvested at beginning of period	561	$ 4.54		638	$ 5.10	
Granted	296	4.76		520	4.50	
Vested	(1)	7.31		(297)	5.46	
Forfeited	(1)	5.11		(6)	5.45	
Unvested at September 30, 2010	855	$ 4.61	2.08	855	$ 4.61	2.08

The Company has not granted any stock options since February 2005. The following table reflects the Company's option activity for the three and nine months ended September 30, 2010:

	Three Months Ended September 30, 2010			Nine Months Ended September 30, 2010		
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)
Outstanding at beginning of period	511	$ 9.52		525	$ 9.52	
Grants	—	—		—	—	
Forfeitures	(20)	9.50		(34)	9.50	
Outstanding at September 30, 2010	491	$ 9.52	3.74	491	$ 9.52	3.74

As the exercise prices of all outstanding options were greater than the Company's common stock share price as of September 30, 2010, there was no intrinsic value as of September 30, 2010. In addition, no compensation expense remains to be recognized as all stock options outstanding are vested.

4. EARNINGS PER SHARE

Basic earnings (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed using the treasury stock method for options and restricted shares and the if-converted method for convertible preferred stock and convertible debt.

The detail of the earnings (loss) per share calculations for net loss available to common stockholders for the three and nine months ended September 30, 2010 and 2009 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Numerator:				
Net income	$ 783	$ 826	$ 1,357	$ 2,223
Accrued payment-in-kind dividend on preferred stock	(1,138)	(1,076)	(3,358)	(3,192)
Net loss available to common stockholders	$ (355)	$ (250)	$ (2,001)	$ (969)
Denominator:				
Weighted average basic shares outstanding	19,635	15,850	19,580	15,801
Weighted average diluted shares outstanding	19,635	15,850	19,580	15,801
Earnings (loss) per share:				
Basic	$ (0.02)	$ (0.02)	$ (0.10)	$ (0.06)
Diluted	$ (0.02)	$ (0.02)	$ (0.10)	$ (0.06)

Due to their antidilutive effect, the following potential common shares have been excluded from the computation of diluted earnings (loss) per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Stock options	491	534	491	534
Restricted shares	855	652	855	652
Convertible preferred stock	9,519	9,117	9,470	9,014
Convertible debt	154	790	154	790
	11,019	11,093	10,970	10,990

5. LONG-TERM DEBT

Long-term debt consists of the following:

	September 30, 2010	December 31, 2009
Senior Notes, with interest rate of 9.25%, due in June 2014	$ 150,000	$ 150,000
Revolving note payable with financial institutions, variable interest rate based on LIBOR plus a margin (2.89% and 3.24% at September 30, 2010 and December 31, 2009, respectively)	67,500	67,500
Seller note, with two installments of $500 due on January 15, 2010 and 2011	484	941
Seller convertible notes, with interest rate of 5.5%, due in October 2012	1,575	1,575
	219,559	220,016
Less current maturities	500	500
	$ 219,059	$ 219,516

The 9.25% Senior Notes due 2014 are guaranteed by all of the Company's current and future subsidiaries as of September 30, 2010. These guarantees are full, unconditional and joint and several. In addition, the Company has no non-guarantor subsidiaries and no independent assets or operations outside of its ownership of the subsidiaries. There are no restrictions on the subsidiaries to transfer funds through dividends or otherwise. As of September 30, 2010, the fair value of these notes, based on quoted market prices, was approximately $156 million compared to a carrying amount of $150 million.

On June 30, 2010, the Company, Comerica Bank, in its capacity as Administrative Agent, together with BBVA Compass Bank as Documentation Agent, and in each of those bank's capacities as Co-Lead Arrangers, along with Regions Bank, in its capacity as Syndication Agent, and certain other lenders, entered into the Twelfth Amendment to Revolving Credit Agreement (the "Amendment") to amend the Revolving Credit Agreement dated July 5, 2006 (the "Credit Agreement"), by and between the Company, Comerica Bank as administrative agent and certain other lenders set forth therein, as previously amended. Regions Bank, Branch Banking and Trust Company, and CoBank have become new participating lenders under the Credit Agreement.

The Amendment extended the term of the Credit Agreement and the revolving credit facility, which would have expired on July 5, 2011, to January 31, 2014. The Amendment also increased the total revolving credit commitments available to the Company from the participating lenders under the Credit Agreement to $200 million from $175 million. The Company incurred $1.0 million of financing costs associated with the Amendment. In addition, the Company wrote off $0.2 million of deferred financing costs in proportion to reduced commitments from the original participating lenders.

The Amendment modified some of the pricing terms and conditions of the Credit Agreement; however, such modifications will not significantly increase the Company's borrowing costs at current borrowing levels. In lieu of an unused commitment fee, the Company is required to pay, quarterly in arrears, an annual facility fee in an amount ranging from 0.375% to 0.875% of the total revolving credit commitments of $200 million available under the Credit Agreement (the "Facility Fee"). The Company is also obligated to pay an annual letter of credit fee in an amount ranging from 2.125% to 2.625% of the letter of credit obligations outstanding under the Credit Agreement (the "L/C Fee"). Any borrowings under the Credit Agreement will bear interest at either (x) the Eurodollar London Interbank Offered Rate ("LIBOR") for the applicable interest period, plus a spread ranging from 2.125% to 2.625% per annum (a "LIBOR Loan") or (y) a base rate equal to the greater of (1) the Federal Funds Rate plus 1%, (2) the Prime Rate as published by Comerica Bank from time to time, or (3) one−month LIBOR plus 1.00%, plus a spread ranging from 1.625% to 2.125% (a "Base Rate Loan"). The Facility Fee, the L/C Fee and the applicable spread on a LIBOR Loan and a Base Rate Loan depends on the Company's Leverage Ratio (as such term is defined in the Credit Agreement as previously amended). From the date of the Amendment until the Company's Compliance Certificate is delivered to the administrative agent for the fiscal quarter ended June 30, 2010, the Facility Fee will be 0.625%, the L/C Fee will be 2.625% and the spreads applicable to LIBOR Loans and Base Rate Loans will be 2.625% and 2.125%, respectively. The Amendment did not result in any material modifications to the representations and warranties, covenants or other terms and provisions of the Credit Agreement.

As of September 30, 2010, there were $67.5 million outstanding under the Credit Agreement and approximately $12.6 million in letters of credit that serve as collateral for insurance claims and bonding, leaving $119.9 million in available capacity. With $4.1 million cash on hand at September 30, 2010, the total capacity was approximately $124 million. The carrying amount of our revolving credit facility approximates its fair value based on estimated future cash flows discounted at rates currently quoted. The fair value of our debt is determined as of our balance sheet date and is subject to change.

6. INTEREST RATE SWAP

On July 7, 2006, the Company entered into an interest rate swap agreement effective July 11, 2006, where it agreed to pay a fixed−rate of 5.64% in exchange for three−month floating rate LIBOR that was 5.51% at the time the swap was entered. The Company did not enter into the interest rate swap agreements for trading purposes. The swap agreement was intended to limit the Company's exposure to a rising interest rate environment. This interest rate swap expires on November 1, 2010. At September 30, 2010, the related floating rate was 0.26%. Considering the rates in effect at September 30, 2010, the impact of the swap agreement is estimated to result in a $0.7 million loss related to the realized portion of the interest rate swap over the next 12 months.

At the time the swap was entered, there was no offsetting floating rate LIBOR debt and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction and any changes in the unrealized fair value of the swap are recognized in the statement of operations as a non−cash gain or loss. During the nine months ended September 30, 2010, the Company reflected -----approximately $0.2 million net loss related to the impact of interest rate swap in the accompanying condensed consolidated statements of operations. The realized loss portion of this swap was $1.9 million and $6.0 million, respectively, and the unrealized gain in the mark to market of the swap was $1.9 million and $5.8 million, respectively, for the three and nine months ended September 30, 2010. During the three and nine months ended September 30, 2009, the Company reflected -----$0.9 million and $1.7 million net loss related to the impact of interest rate swap, respectively, in the accompanying condensed consolidated statements of operations. The realized loss portion of this swap was $1.9 million and $5.1 million, respectively, and the unrealized gain in the mark to market of the swap was $1.0 million and $3.4 million, respectively, for the three and nine months ended September 30, 2009.

7. FAIR VALUE MEASUREMENTS

The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2010 by level within the fair value hierarchy. For assets and liabilities that are measured using quoted prices in active markets, the total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs are primarily valued by reference to quoted prices of similar assets or liabilities in active markets, adjusted for any terms specific to that asset or liability. For all other assets and liabilities for which observable inputs are used, fair value is derived through the use of fair value models, such as a discounted cash flow model or other standard pricing models.

Recurring fair value measurements	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:				
Interest rate swap	$ —	$ 713	$ —	$ 713
Total liabilities	$ —	$ 713	$ —	$ 713

8. LANDFILL ACCOUNTING

Capitalized Landfill Costs

At September 30, 2010, the Company owned 25 landfills. Two of these landfills are fully permitted but not constructed and had not yet commenced operations as of September 30, 2010.

Capitalized landfill costs include expenditures for the acquisition of land and related airspace, engineering and permitting costs, cell construction costs and direct site improvement costs. At September 30, 2010, no capitalized interest had been included in capitalized landfill costs, however, in the future interest could be capitalized on landfill construction projects but only during the period the assets are undergoing activities to ready them for their intended use. Capitalized landfill costs are amortized ratably using the units-of-production method over the estimated useful life of the site as airspace of the landfill is consumed. Landfill amortization rates are determined periodically (not less than annually) based on aerial and ground surveys and other density measures and estimates made by the Company's engineers, outside engineers, management and financial personnel.

Total available airspace includes the total of estimated permitted airspace plus an estimate of probable expansion airspace that the Company believes is likely to be permitted. Where the Company believes permit expansions are probable, the expansion airspace, and the projected costs related to developing the expansion airspace are included in the airspace amortization rate calculation. The criteria the Company uses to determine if permit expansion is probable include but are not limited to whether: (i) the Company believes the project has fatal flaws; (ii) the land is owned or controlled by the Company, or under option agreement; (iii) the Company has committed to the expansion; (iv) financial analysis has been completed and the results indicate that the expansion has the prospect of a positive financial and operational impact; (v) personnel are actively working to obtain land use, local and state approvals for an expansion; (vi) the Company believes that the permit is likely to be received; and (vii) the Company believes that the timeframe to complete the permitting is reasonable.

The Company may not be successful in obtaining expansion permits for airspace that has been considered probable. If not successful in obtaining these permits, certain previously capitalized costs will be charged to expense.

Closure and Post–Closure Obligations

The Company has material financial commitments for the costs associated with its future obligations for final closure, which is the closure of a landfill, the capping of the final uncapped areas of a landfill and post–closure maintenance of those facilities, which is generally expected to be for a period between 5 and 30 years depending on type and location.

The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. The Company's ultimate liability for such costs may increase in the future as a result of changes in estimates, legislation, or regulations.

The following table rolls forward the net landfill assets and closure and post–closure liabilities from December 31, 2009 to September 30, 2010:

	Landfill Assets, Net	Closure and Post–closure Liabilities
December 31, 2009	$ 218,252	$ 13,993
Capital expenditures	9,582	—
Amortization expense	(9,600)	—
Obligations incurred and capitalized	530	530
Revisions to estimates of closure and post–closure activities	(1,430)	(1,430)
Interest accretion	—	828
September 30, 2010	$ 217,334	$ 13,921

The Company's liabilities for closure and post–closure costs are as follows:

	September 30, 2010	December 31, 2009
Recorded amounts:		
Current portion	$ —	$ —
Noncurrent portion	13,921	13,993
Total recorded	$ 13,921	$ 13,993

The Company's total anticipated cost for future closure and post–closure activities is $183.6 million, as measured in current dollars. The Company believes the amount and timing of these activities are reasonably estimable. Where the Company believes that both the amount of a particular closure and post–closure liability and the timing of the payments are reliably determinable, the cost, in current dollars, is inflated 2.5% until expected time of payment and then discounted to present value at the Company's credit–adjusted risk–free rate, which is estimated to be 8.5%. Accretion expense is applied to the closure and post–closure liability based on the effective interest method and is included in cost of services. Had the Company not discounted any portion of its liability based on the amount of landfill airspace utilized to date, the closure and post–closure liability recorded would have been $39.3 million and $39.4 million at September 30, 2010 and December 31, 2009, respectively.

9. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, where deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases based on enacted tax rates. The Company provides a valuation allowance when, based on management's estimates, it is more likely than not that a deferred tax asset will not be realized in future periods. Income tax provision for the nine months ended September 30, 2010 as a percentage of pre–tax income was 58.7% as compared to 55.7% for the nine months ended September 30, 2009. The rate in the current period is based on the Company's anticipated 2010 annual effective income tax rate of 54.6% as compared to 46.1% for the nine months ended September 30, 2009. Such rate differs from the federal statutory rate of 35% due to state income taxes, valuation allowances associated with state net operating loss carryforwards and estimates of non–deductible expenses. In addition to the anticipated 2010 annual effective income tax rate of 54.6%, the Company reflected an additional 4.1% of income taxes in the nine months ended September 30, 2010 for discrete items within the period mainly related to stock–based compensation expense.

The Company is subject to federal income tax in the United States and to state taxes in the various states in which it operates within the United States. With few exceptions, the Company remains subject to both U.S federal income tax and to state and local income tax examinations by taxing authorities for tax years through 2001. Currently, the Company is not involved in any income tax examinations for any year.

Under the provision of ASC Subtopic 740-10-25, the Company recorded approximately $1.8 million in other long-term liabilities for unrecognized tax benefits, which was accounted for as a reduction to the January 1, 2007 balance of retained earnings. As of January 1, 2010, the Company had unrecognized tax benefits of $1.8 million, all of which would have an impact on the annual effective tax rate upon recognition.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. This is an accounting policy election made by the Company that is a continuation of the Company's historical policy and will continue to be consistently applied in the future. During the nine months ended September 30, 2010, the Company accrued approximately $1.9 thousand of interest and penalties.

Within the next 12 months, the Company anticipates a reduction of approximately $26.3 thousand in the balance of unrecognized tax benefits for a tax position related to prior years.

10. STOCKHOLDERS' EQUITY

During the nine months ended September 30, 2010, the Company issued 513,927 restricted shares, net of forfeitures, under the 2004 WCA Waste Corporation Incentive Plan, as amended and restated. These shares vest over periods ranging from one to three years from the grant date. The following table reflects the changes in stockholders' equity from December 31, 2009 to September 30, 2010:

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Contingent Considerations	Retained Earnings (Deficit)	Total
December 31, 2009	$ 9	$ 211	$ (5,322)	$ 193,821	$ 3,225	$ (31,415)	$ 160,529
Net income	—	—	—	—	—	1,357	1,357
Accrued payment-in-kind dividend on preferred stock	—	—	—	3,358	—	(3,358)	—
Issuance of common shares	—	—	—	100	—	—	100
Issuance of restricted shares	—	5	—	(5)	—	—	—
Accretion of unearned compensation		—	—	1,023	—	—	1,023
Restricted shares withheld	—	—	—	(327)	—	—	(327)
September 30, 2010	$ 9	$ 216	$ (5,322)	$ 197,970	$ 3,225	$ (33,416)	$ 162,682

Preferred Stock

On July 13, 2006, the Company's shareholders approved the issuance of 750,000 shares of convertible preferred stock at $100.00 per share in the private placement with Ares Corporate Opportunities Fund II L.P. (Ares). The shares were issued on July 27, 2006 and a portion of the net proceeds were used to completely repay the amounts outstanding under the credit facility. Issuance costs, including a 1% discount to Ares and other transaction costs, totaled approximately $3.1 million. The preferred stock is convertible into shares of the Company's common stock at a price of $9.60 per share and carries a 5% payment-in-kind (PIK) dividend payable semi-annually.

The preferred shares were convertible into 7,812,500 shares of the Company's common stock on the issuance date and with the effect of the cumulative PIK dividends at the end of five years would be convertible into 10,000,661 shares of common stock. Under the terms of the preferred agreement, under certain circumstances, all five years' worth of cumulative PIK dividends would accelerate and become payable to the preferred holder. The preferred shareholder holds certain preferential rights, including the right to appoint two directors. The Company can force a conversion into its common stock following either (i) the average of the closing price of the common stock for each of 20 consecutive trading days exceeding $14.40 per share or (ii) a fundamental transaction that Ares does not treat as a liquidation. After the fifth anniversary of issuance, the Company can, at its discretion, redeem for cash equal to the liquidation preference, which is approximately $96.0 million. After the fifth anniversary of issuance, the Company can pay dividends in cash at its discretion. The original issuance date for the preferred stock is the commitment date for both the preferred stock and the initial five years worth of dividends as the payment of the dividends through in-kind payments is non-discretionary for that initial five-year period. Based on the fair value of the Company's underlying common stock on the issuance date and the stated conversion date, there is no beneficial conversion feature associated with the issuance of the preferred stock.

11. SEGMENT INFORMATION

The Company's operations consist of the collection, transfer, processing and disposal of non-hazardous solid waste. Revenues are generated primarily from the Company's collection operations to residential, commercial and roll-off customers and landfill disposal services. The following table reflects total revenue by source for the three and nine months ended September 30, 2010 and 2009:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Collection:				
Residential	$ 13,582	$ 13,953	$ 39,891	$ 41,218
Commercial	6,268	6,307	18,856	18,698
Roll-off	11,561	11,633	33,126	35,402
Total collection	31,411	31,893	91,873	95,318
Disposal	25,905	17,648	74,184	53,203
Less Intercompany	7,704	6,443	21,505	19,212
Disposal, net	18,201	11,205	52,679	33,991
Transfer and other	12,716	9,315	36,149	27,343
Less Intercompany	3,049	2,867	8,820	8,742
Transfer and other, net	9,667	6,448	27,329	18,601
Total revenue	$ 59,279	$ 49,546	$ 171,881	$ 147,910

The table below reflects major operating segments (Region I: Kansas, Missouri; Region II: Colorado, Florida, New Mexico, Oklahoma, Texas; Region III: Alabama, Arkansas, North Carolina, South Carolina, Tennessee; Region IV: Massachusetts, Ohio) for the three and nine months ended September 30, 2010 and 2009:

	Region I	Region II	Region III	Region IV	Corporate (1)	Total
Three months ended September 30, 2010:						
Revenue	$ 12,908	$ 24,641	$ 11,757	$ 9,973	$ —	$ 59,279
Depreciation and amortization	1,365	3,334	1,654	1,156	114	7,623
Operating income	1,797	2,239	2,227	253	167	6,683
Capital expenditures	1,934	5,383	1,666	1,185	3	10,171
Capital expenditures (Acquisitions) (2)	—	470	—	—	—	470
Three months ended September 30, 2009:						
Revenue	$ 13,193	$ 25,517	$ 10,836	$ —	$ —	$ 49,546
Depreciation and amortization	1,490	3,236	1,868	—	120	6,714
Operating income (loss)	1,728	4,384	1,139	—	(219)	7,032
Capital expenditures	1,047	2,552	796	—	7	4,402
Capital expenditures (Acquisitions) (2)	—	1,027	—	—	—	1,027
Nine months ended September 30, 2010:						
Revenue	$ 38,084	$ 72,413	$ 33,045	$ 28,339	$ —	$ 171,881
Depreciation and amortization	4,049	9,922	4,987	3,383	341	22,682
Operating income	4,768	6,628	5,882	43	573	17,894
Capital expenditures	2,505	11,614	4,451	1,837	12	20,419
Capital expenditures (Acquisitions) (2)	—	470	—	—	—	470
Nine months ended September 30, 2009:						
Revenue	$ 38,481	$ 77,453	$ 31,976	$ —	$ —	$ 147,910
Depreciation and amortization	4,421	9,736	5,564	—	366	20,087
Operating income (loss)	4,719	13,696	3,077	—	(1,199)	20,293
Capital expenditures	5,602	13,001	1,871	—	27	20,501
Capital expenditures (Acquisitions) (2)	—	1,027	1,872	—	—	2,899
Total assets:						
September 30, 2010	$ 80,035	$ 182,153	$ 100,707	$ 46,314	$ 22,196	$ 431,405
December 31, 2009	81,983	176,913	101,304	45,122	26,052	431,374

(1) Total assets for Corporate include cash, certain permitted but unopened landfills and corporate airplane.

(2) Capital expenditures (Acquisitions) represent the fixed assets portion of the purchase prices of acquisitions.

12. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is a party to various legal proceedings that have arisen in the ordinary course of business. While the results of these matters cannot be predicted with certainty, the Company believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, unfavorable resolution could affect the consolidated financial position, results of operations or cash flows for the quarterly period in which they are resolved.

Other than routine litigation incidental to the Company's business, which is not currently expected to have a material adverse effect upon its financial condition, results of operations or prospects, there are no pending material legal proceedings to which the Company is a party or to which any of its property is subject.

Other Potential Proceedings

In the normal course of business and as a result of the extensive governmental regulation of the solid waste industry, the Company may periodically become 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 it holds. From time to time, the Company may also be subject to actions brought by citizens' groups or adjacent landowners or residents in connection with the permitting and licensing of landfills and transfer stations the Company owns or operates or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates. Moreover, the Company may become 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 a waste management business.

No assurance can be given with respect to the outcome of any such proceedings or the effect such outcomes may have on the Company, or that the Company's insurance coverage would be adequate. The Company is self–insured for a portion of its general liability, workers' compensation and automobile liability. The Company's excess loss limits related to its self–insured portion of general liability, workers' compensation and automobile liability are $100,000, $250,000 and $250,000, respectively. The frequency and amount of claims or incidents could vary significantly from quarter–to–quarter and/or year–to–year, resulting in increased volatility of its costs of services.

13. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date the financial statements were issued.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this quarterly report on Form 10–Q. In addition, reference should be made to our audited consolidated financial statements and notes thereto and related "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our annual report on Form 10–K for the year ended December 31, 2009 as filed with the SEC on March 9, 2010. The discussion below contains forward–looking statements that involve risks and uncertainties. For additional information regarding some of these risks and uncertainties, please read "Risk Factors and Cautionary Statement About Forward–Looking Statements" included elsewhere in this quarterly report on Form 10–Q. Unless the context requires otherwise, references in this quarterly report on Form 10–Q to "WCA Waste," "we," "us" or "our" refer to WCA Waste Corporation on a consolidated basis.

Overview

We are a vertically integrated, non–hazardous solid waste management company providing non–hazardous solid waste collection, transfer, processing, and disposal services in the United States. As of September 30, 2010, we served approximately 340,000 commercial, industrial and residential collection customers and 6,000 landfill and transfer station customers in Alabama, Arkansas, Colorado, Florida, Kansas, Massachusetts, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas. As of September 30, 2010, we owned and/or operated 25 landfills, 26 collection operations and 24 transfer stations/materials recovery facilities (MRFs). Of these facilities, two transfer stations and two landfills are fully permitted but not yet opened, one transfer station is idle, and we operate but do not own three of the transfer stations.

General Review of Results for the Three and Nine Months Ended September 30, 2010

Our operations consist of the collection, transfer, processing and disposal of non–hazardous solid waste. Our revenue is generated primarily from our landfill disposal services and our collection operations provided to residential, commercial and roll–off customers. Internalization refers to the disposal of collected waste into the landfills we own. All collected waste must ultimately be processed or disposed of, with landfills being the main depository for such waste. Generally, the most cost efficient collection services occur within a 35–mile operating radius from the disposal site (up to 100 miles if a transfer station is used). Collection companies that do not own a landfill within such range from their collection routes will usually have to dispose of the waste they collect in landfills owned by third parties. Thus, owning a landfill in a market area provides substantial leverage in the waste management business. Our internalization for the three and nine months ended September 30, 2010 was 73.2% and 71.7%, respectively.

The following table reflects our revenue segmentation (before elimination of intercompany revenue) for the three and nine months ended September 30, 2010 and 2009:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Collection	44.9%	54.2%	45.4%	54.2%
Disposal	37.0%	30.0%	36.7%	30.3%
Transfer and other	18.1%	15.8%	17.9%	15.5%
Total revenue before intercompany elimination	100.0%	100.0%	100.0%	100.0%

The following table reflects our total revenue by source for the three and nine months ended September 30, 2010 and 2009 (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Collection:				
Residential	$ 13,582	$ 13,953	$ 39,891	$ 41,218
Commercial	6,268	6,307	18,856	18,698
Roll-off	11,561	11,633	33,126	35,402
Total collection	31,411	31,893	91,873	95,318
Disposal	25,905	17,648	74,184	53,203
Less Intercompany	7,704	6,443	21,505	19,212
Disposal, net	18,201	11,205	52,679	33,991
Transfer and other	12,716	9,315	36,149	27,343
Less Intercompany	3,049	2,867	8,820	8,742
Transfer and other, net	9,667	6,448	27,329	18,601
Total revenue	$ 59,279	$ 49,546	$ 171,881	$ 147,910

Please read note 11 to our condensed consolidated financial statements included in Item 1 of this report for certain geographic information related to our operations.

Costs of services include, but are not limited to, labor, fuel and other operating expenses, equipment maintenance, disposal fees paid to third-party disposal facilities, insurance premiums and claims expense, selling expenses, wages and salaries of field personnel located at operating facilities, third-party transportation expense and state and local waste taxes. We are self-insured for up to $100,000, $250,000 and $250,000 of our general liability, workers' compensation and automobile liability per claim, respectively. The frequency and amount of claims or incidents could vary significantly from quarter-to-quarter and/or year-to-year, resulting in increased volatility of our costs of services.

General and administrative expenses include the salaries and benefits of our corporate management, certain centralized reporting, information technology and cash management costs and other overhead costs associated with our corporate office.

Depreciation and amortization expense includes depreciation of fixed assets over their estimated useful lives using the straight-line method and amortization of landfill costs and asset retirement costs based on the consumption of airspace.

All acquisition-related transaction and restructuring costs are expensed as incurred. Acquisition-related costs that were previously capitalized include third-party expenditures related to acquisitions, such as legal, engineering, and accounting expenses, and direct expenditures such as travel costs. Acquisition-related costs also include indirect expenditures, such as salaries, commissions and other corporate services.

After an acquisition is completed, we incur integration expenses related to (i) incorporating newly-acquired truck fleets into our preventative maintenance program, (ii) testing new employees to comply with Department of Transportation regulations, (iii) implementing our safety program, (iv) re-routing trucks and equipment to assure maximization of routing efficiencies and disposal internalization, and (v) converting customers to our billing system. We generally expect that the costs of acquiring and integrating an acquired business will be incurred primarily during the first 12 months after acquisition. Synergies from tuck-in acquisitions can also take as long as 12 months to be realized.

Goodwill represents the excess of the purchase price over the fair value of the net assets of the acquired operations. In allocating the purchase price of an acquired company among its assets, we first assign value to the tangible assets, followed by intangible assets such as covenants not-to-compete, and any remaining amounts are then allocated to goodwill.

Forward–Looking Statements and Non–GAAP Measures

As indicated in "Risk Factors and Cautionary Statement About Forward–Looking Statements" above, this report contains forward–looking statements, all of which are qualified by the risk factors and other statements set forth in that section.

Our management evaluates our performance based on non–GAAP measures, of which the primary performance measure is adjusted EBITDA. EBITDA, as commonly defined, refers to earnings before interest, taxes, depreciation and amortization. Our adjusted EBITDA consists of earnings (net income or loss) available to common stockholders before preferred stock dividend, interest expense (including write–off of deferred financing costs and debt discount), impact of interest rate swap agreements, income tax expense, depreciation and amortization, impairment of goodwill, net loss on early disposition of notes receivable/payable, and merger and acquisition related expenses. We also use these same measures when evaluating potential acquisition candidates.

We believe adjusted EBITDA is useful to an investor in evaluating our operating performance because:

- it is widely used by investors in our industry to measure a company's operating performance without regard to items such as interest expense, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, financing methods, capital structure and the method by which assets were acquired;

- it helps investors more meaningfully evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest charges from our outstanding debt and the impact of our interest rate swap agreements and payment–in–kind (PIK) dividend) and asset base (primarily depreciation and amortization of our landfills and vehicles) from our operating results; and

- it helps investors identify items that are within our operational control. Depreciation charges, while a component of operating income, are fixed at the time of the asset purchase in accordance with the depreciable lives of the related asset and as such are not a directly controllable period operating charge.

Our management uses adjusted EBITDA:

- as a measure of operating performance because it assists us in comparing our performance on a consistent basis as it removes the impact of our capital structure and asset base from our operating results;

- as one method to estimate a purchase price (often expressed as a multiple of EBITDA or adjusted EBITDA) for solid waste companies we intend to acquire. The appropriate EBITDA or adjusted EBITDA multiple will vary from acquisition to acquisition depending on factors such as the size of the operation, the type of operation, the anticipated growth in the market, the strategic location of the operation in its market as well as other considerations;

- in presentations to our board of directors to enable them to have the same consistent measurement basis of operating performance used by management;

- as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations;

- in evaluations of field operations since it represents operational performance and takes into account financial measures within the control of the field operating units;

- as a component of incentive cash and stock bonuses paid to our executive officers and other employees;

- to assess compliance with financial ratios and covenants included in our credit agreements; and
- in communications with investors, lenders, and others, concerning our financial performance.

The following presents a reconciliation of our adjusted EBITDA to net loss available to common stockholders (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Adjusted EBITDA	$ 14,344	$ 13,746	$ 40,748	$ 40,639
Depreciation and amortization	(7,623)	(6,714)	(22,682)	(20,087)
Merger and acquisition related expenses	(38)	—	(172)	(259)
Interest expense, net	(4,811)	(4,511)	(14,190)	(13,525)
Write-off of deferred financing costs	—	—	(184)	—
Impact of interest rate swap	(47)	(905)	(231)	(1,748)
Income tax provision	(1,042)	(790)	(1,932)	(2,797)
Accrued payment-in-kind dividend on preferred stock	(1,138)	(1,076)	(3,358)	(3,192)
Net loss available to common stockholders	$ (355)	$ (250)	$ (2,001)	$ (969)

Our adjusted EBITDA, as we define it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as substitutes for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP.

Acquisitions

We continue to seek acquisition opportunities that enable us to effectively leverage our existing infrastructure. In markets where we already own a landfill, we still intend to focus on expanding our presence by acquiring companies that also operate in that market or in adjacent markets ("tuck-in" acquisitions). Tuck-in acquisitions are sought to provide growth in revenue and increase market share and enable disposal internalization and consolidation of duplicative facilities and functions to maximize cost efficiencies and economies of scale. We also continue evaluating opportunistic potential acquisitions outside our existing footprint where we feel we can generate meaningful revenue and EBITDA growth.

Any acquisition we make would be financed by cash on hand and available capacity under our revolving credit facility, and through additional debt, and/or additional equity, including common stock or preferred stock.

Since completing our initial public offering in June 2004 through the nine months ended September 30, 2010, we have completed 39 acquisitions. The purchase price for these acquisitions consisted of approximately $260.0 million of cash and accrued future payments, $1.3 million of prepaid airspace, $6.1 million of convertible debt, a seller note valued at $0.9 million, $11.9 million of assumed debt (net of $0.5 million of debt discount), $4.4 million of assumed deferred tax liabilities, 5,302,384 shares of our common stock and 2,000,000 contingent earn-out shares, less a note receivable valued at $7.2 million.

We completed two acquisitions during the nine months ended September 30, 2010. Total consideration for these acquisitions included $3.4 million of cash and 20,492 shares of our common stock valued at $0.1 million. Additionally, on October 1, 2010, we acquired certain assets of Sprint Waste Services, L.P. and DINA Industries, Inc., two collection operations in the greater Houston area. The consideration for the Sprint acquisition was $3.6 million, which included $3.5 million of cash and $0.1 million of our common stock. We purchased DINA Industries, Inc. for $0.5 million in cash. Information concerning our acquisitions may be found in our previously filed periodic and current reports and in note 2 to the condensed consolidated financial statements included in Item 1 of this report.

The following sets forth additional information regarding our acquisitions since our initial public offering:

Company	Location	Region	Completion Date	Operations
Texas Environmental Waste	Houston, TX	II	July 13, 2004	Collection
Ashley Trash Service	Springfield, MO	I	August 17, 2004	Collection
Power Waste	Birmingham, AL	III	August 31, 2004	Collection
Blount Recycling	Birmingham, AL	III	September 3, 2004	Collection, Landfill & Transfer Station
Translift, Inc.	Little Rock, AR	III	September 17, 2004	Collection
Rural Disposal, Inc.	Willow Springs, MO	I	November 12, 2004	Collection
Trash Away, Inc.	Piedmont, SC	III	November 30, 2004	Collection & Transfer Station
Gecko Investments (Eagle Ridge)	St. Louis, MO	I	January 11, 2005	Collection & Landfill
MRR Southern, LLC	High Point/Raleigh, NC	III	April 1, 2005	Landfill, Transfer Station & MRF
Triangle Environmental	Raleigh, NC	III	May 16, 2005	Collection
Foster Ferguson	El Dorado Springs, MO	I	May 16, 2005	Collection
Triad Waste	High Point, NC	III	May 31, 2005	Collection
Proper Disposal	Chanute, KS	I	May 31, 2005	Collection
Fort Meade Landfill	Fort Meade, FL	II	October 3, 2005	Landfill
Meyer & Gabbert	Sarasota/Arcadia, FL	II	October 3, 2005	Collection, Landfill & Transfer Station
Pendergrass Refuse	Springfield, MO	I	October 4, 2005	Collection
Andy's Hauling	Sarasota, FL	II	October 21, 2005	Collection
Transit Waste	Durango, CO/Bloomfield, NM	II	February 10, 2006	Collection & Landfill
Fort Myers Transfer Station (*)	Fort Myers, FL	II	August 10, 2006	Transfer Station
WCA of St. Lucie, LLC	St. Lucie, FL	II	October 2, 2006	Transfer Station
Sunrise Disposal, LLC	Springfield, MO	I	December 28, 2006	Collection
Southwest Dumpster, Inc. (*)	Fort Myers, FL	II	January 3, 2007	Collection
American Waste, Inc.	Oklahoma City, OK	II	February 21, 2007	Collection & Landfill
Klean Way Disposal, Inc.	Springfield, MO	I	March 30, 2007	Collection
Carpenter Waste Systems, LLC	Oklahoma City, OK	II	May 31, 2007	Collection
Fort Bend Regional Landfill	Houston, TX	II	June 29, 2007	Collection, Landfill & Transfer Station
Big Red Containers, Inc.	Ardmore, OK	II	August 14, 2007	Collection
Roll–Off Rentals	Huntsville, AL	III	September 4, 2007	Collection
Waste Pro Services, LLC	Houston, TX	II	October 1, 2007	Collection
DH Griffin Container Services, LLC	Greensboro, NC	III	October 1, 2007	Collection
DH Griffin Container of Raleigh, LLC	Raleigh, NC	III	October 1, 2007	Collection
Maguire Disposal, Inc.	Oklahoma City, OK	II	January 2, 2008	Collection
Advantage Waste Services	Springfield/Verona, MO	I	October 1, 2008	Collection & Transfer Station
Advanced Waste Services	Houston, TX	II	October 31, 2008	Collection
MRR Southern, LLC	Greensboro, NC	III	January 15, 2009	Transfer Station
Disposal Doctor, Inc.	Houston, TX	II	August 21, 2009	Collection
Live Earth, LLC	Fostoria, OH/Brockton, MA	IV	December 31, 2009	Landfill & Transfer Station
Washita Disposal	Oklahoma City, OK	II	August 1, 2010	Collection
Five JAB Environmental Services, LLC	Houston, TX	II	September 1, 2010	Collection
Sprint Waste Services, L.P.	Houston, TX	II	October 1, 2010	Collection
DINA Industries, Inc.	Houston, TX	II	October 1, 2010	Collection

(*) These assets were exchanged as part of the consideration for the acquisition of Fort Bend Regional Landfill.

Results of Operations

Three Months Ended September 30, 2010 Compared to Three Months Ended September 30, 2009

The following table sets forth the components of operating income (loss) by major operating segments (Region I: Kansas, Missouri; Region II: Colorado, Florida, New Mexico, Oklahoma, Texas; Region III: Alabama, Arkansas, North Carolina, South Carolina, Tennessee; Region IV: Massachusetts, Ohio) for the three months ended September 30, 2010 and 2009 and the changes between the segments for each category (dollars in thousands):

	Region I	Region II	Region III	Region IV	Corporate	Total	% of Revenue
Three months ended September 30, 2010:							
Revenue	$ 12,908	$ 24,641	$ 11,757	$ 9,973	$ —	$ 59,279	100.0
Cost of services	8,872	17,354	7,265	8,564	—	42,055	70.9
Depreciation and amortization	1,365	3,334	1,654	1,156	114	7,623	12.9
General and administrative	874	1,714	618	—	(281)	2,925	4.9
Gain on sale of assets	—	—	(7)	—	—	(7)	(0.0)
Operating income	$ 1,797	$ 2,239	$ 2,227	$ 253	$ 167	$ 6,683	11.3
Three months ended September 30, 2009:							
Revenue	$ 13,193	$ 25,517	$ 10,836	$ —	$ —	$ 49,546	100.0
Cost of services	9,174	16,415	7,197	—	—	32,786	66.2
Depreciation and amortization	1,490	3,236	1,868	—	120	6,714	13.5
General and administrative	801	1,482	678	—	99	3,060	6.2
Gain on sale of assets	—	—	(46)	—	—	(46)	(0.1)
Operating income (loss)	$ 1,728	$ 4,384	$ 1,139	$ —	$ (219)	$ 7,032	14.2
Increase/(decrease) in 2010 compared to 2009:							
Revenue	$ (285)	$ (876)	$ 921	$ 9,973	$ —	$ 9,733	
Cost of services	(302)	939	68	8,564	—	9,269	
Depreciation and amortization	(125)	98	(214)	1,156	(6)	909	
General and administrative	73	232	(60)	—	(380)	(135)	
Gain on sale of assets	—	—	39	—	—	39	
Operating income (loss)	$ 69	$ (2,145)	$ 1,088	$ 253	$ (386)	$ (349)	

Revenue. Total revenue for the three months ended September 30, 2010 increased by 19.6% to $59.3 million from $49.5 million for the three months ended September 30, 2009. Our revenue growth was primarily driven by acquisitions. Acquisitions contributed $11.0 million of the revenue growth while internal volume decreased $1.7 million, operational price increases contributed $0.5 million, and pricing from fuel surcharges increased $0.6 million. In addition, our revenue was negatively impacted by a $0.7 million loss due to the asset sale of our Jonesboro operations in April 2010. The above table reflects the change in revenue in each operating region. The financial results of completed acquisitions are generally blended with existing operations and do not have separate financial information available, with the exception of newly acquired regions which can be analyzed individually. Region IV was acquired on December 31, 2009 and accounted for $10.0 million of the revenue increase. The revenue decrease of $0.9 million in Region II was primarily attributed to volume decreases of $1.9 million, price decreases of $0.1 million, partially offset by acquisition growth of $1.0 million and increases in fuel surcharges of $0.1 million. The revenue increase of $0.9 million in Region III was primarily attributed to volume increases of $0.8 million, price increases of $0.6 million and increases in fuel surcharges of $0.2 million, partially offset by Jonesboro divestiture of $0.7 million.

Cost of services. Total cost of services for the three months ended September 30, 2010 increased $9.3 million, or 28.3%, to $42.1 million from $32.8 million for the three months ended September 30, 2009. The increase in cost of services was primarily a result of acquisitions. Other factors that led to the increase included higher fuel and labor costs. For acquisitions within our existing markets, the acquired entities are merged into our existing operations, and those results are indistinguishable from the remainder of the operations. Region IV was acquired on December 31, 2009 and accounted for $8.6 million of the increase in cost of services. Cost of services in Region II increased despite the decrease in revenue primarily due to rising fuel costs in the region, higher labor costs in Texas as well as higher insurance and contract labor costs in Oklahoma.

Overall cost of services increased to 70.9% of revenue for the three months ended September 30, 2010 from 66.2% during the same period last year. Increases in operating costs as a percentage of revenue were primarily attributable to our acquisition of Region IV. Cost of services in this region accounted for 85.9% of its revenue due to higher transportation costs and waste taxes. Other than the impact of Region IV, higher fuel, labor and insurance costs resulted in the increase in cost of services as a percentage of revenue. Diesel fuel costs as a percentage of revenue increased from 5.7% for the three months ended September 30, 2009 to 6.1% for the three months ended September 30, 2010. Other than periodic volatility in fuel prices, inflation has not materially affected our operations.

Depreciation and amortization. Depreciation and amortization expenses for the three months ended September 30, 2010 increased $0.9 million, or 13.5%, to $7.6 million from $6.7 million for the three months ended September 30, 2009. The increase can be attributed to our acquisition of Region IV, partially offset by decreased amortization associated with volume decline in other regions.

The following table sets forth items below operating income in our condensed consolidated statement of operations and as a percentage of revenue for the three months ended September 30, 2010 and 2009 (dollars in thousands):

	Three Months Ended September 30,			
	2010		2009	
Operating income	$ 6,683	11.3%	$ 7,032	14.2%
Interest expense, net	(4,811)	(8.1)	(4,511)	(9.1)
Impact on interest rate swap	(47)	(0.1)	(905)	(1.8)
Income tax provision	(1,042)	(1.8)	(790)	(1.6)
Accrued payment–in–kind dividend on preferred stock	(1,138)	(1.9)	(1,076)	(2.2)
Net loss available to common stockholders	$ (355)	(0.6)%	$ (250)	(0.5)%

Interest expense, net. Interest expense, net for the three months ended September 30, 2010 increased $0.3 million, or 6.7%, to $4.8 million from $4.5 million for the three months ended September 30, 2009. The increase in interest expense was mainly caused by higher debt balances related to our borrowings to finance acquisitions.

Impact of interest rate swap. The impact of interest rate swap for the three months ended September 30, 2010 was attributable to a $1.9 million loss related to the realized portion of the interest rate swap we entered into in July 2006 and a $1.9 million gain related to the unrealized portion in the mark to market of the swap. The impact of interest rate swap for the three months ended September 30, 2009 consisted of a $1.9 million loss related to the realized portion of the interest rate swap and a $1.0 million gain related to the unrealized portion in the mark to market of the swap. At the time we entered into the swap, we had no floating rate debt, and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction and any changes in the unrealized fair value of the swap will be recognized in the statement of operations. For more information regarding the interest rate swap agreement, please see note 6 to our condensed consolidated financial statements included in Item 1 above and Item 3 "Quantitative and Qualitative Disclosures About Market Risk" below.

Income tax provision. Income tax provision for the three months ended September 30, 2010 as a percentage of pre-tax income was 57.1% as compared to 48.9% for the three months ended September 30, 2009. The rate in the current year period is based on our anticipated 2010 annual effective income tax rate of 54.6% as compared to 46.1% for the same period in 2009. Such rate differs from the federal statutory rate of 35% due to state income taxes, valuation allowances associated with state net operating loss carryforwards and estimates of non-deductible expenses. In addition to the anticipated 2010 annual effective income tax rate of 54.6%, income taxes during the first nine months of 2010 reflected an additional 4.1% for discrete items mainly related to stock-based compensation expense.

Accrued payment-in-kind dividend on preferred stock. The $1.1 million and $1.1 million in accrued PIK dividend on preferred stock relate to the accretion of the 5% PIK dividend on our Series A Convertible Preferred Stock during the three months ended September 30, 2010 and 2009, respectively.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

The following table sets forth the components of operating income (loss) by major operating segments (Region I: Kansas, Missouri; Region II: Colorado, Florida, New Mexico, Oklahoma, Texas; Region III: Alabama, Arkansas, North Carolina, South Carolina, Tennessee; Region IV: Massachusetts, Ohio) for the nine months ended September 30, 2010 and 2009 and the changes between the segments for each category (dollars in thousands):

	Region I	Region II	Region III	Region IV	Corporate	Total	% of Revenue
Nine months ended September 30, 2010:							
Revenue	$ 38,084	$ 72,413	$ 33,045	$ 28,339	$ —	$ 171,881	100.0
Cost of services	26,495	50,737	21,313	24,913	—	123,458	71.8
Depreciation and amortization	4,049	9,922	4,987	3,383	341	22,682	13.2
General and administrative	2,622	5,141	1,894	—	(914)	8,743	5.1
(Gain) loss on sale of assets	150	(15)	(1,031)	—	—	(896)	(0.5)
Operating income	$ 4,768	$ 6,628	$ 5,882	$ 43	$ 573	$ 17,894	10.4
Nine months ended September 30, 2009:							
Revenue	$ 38,481	$ 77,453	$ 31,976	$ —	$ —	$ 147,910	100.0
Cost of services	26,967	49,577	21,363	—	—	97,907	66.2
Depreciation and amortization	4,421	9,736	5,564	—	366	20,087	13.6
General and administrative	2,403	4,444	2,034	—	833	9,714	6.6
Gain on sale of assets	(29)	—	(62)	—	—	(91)	(0.1)
Operating income (loss)	$ 4,719	$ 13,696	$ 3,077	$ —	$ (1,199)	$ 20,293	13.7
Increase/(decrease) in 2010 compared to 2009:							
Revenue	$ (397)	$ (5,040)	$ 1,069	$ 28,339	$ —	$ 23,971	
Cost of services	(472)	1,160	(50)	24,913	—	25,551	
Depreciation and amortization	(372)	186	(577)	3,383	(25)	2,595	
General and administrative	219	697	(140)	—	(1,747)	(971)	
(Gain) loss on sale of assets	179	(15)	(969)	—	—	(805)	
Operating income (loss)	$ 49	$ (7,068)	$ 2,805	$ 43	$ 1,772	$ (2,399)	

Revenue. Total revenue for the nine months ended September 30, 2010 increased $24.0 million, or 16.2%, to $171.9 million from $147.9 million for the nine months ended September 30, 2009. Our revenue growth was primarily driven by acquisitions. Acquisitions contributed $30.1 million of the revenue growth while internal volume decreased $3.6 million, operational price decreases contributed $2.0 million, and pricing from fuel surcharges increased $0.8 million. In addition, our revenue was negatively impacted by a $1.3 million loss due to the asset sale of our Jonesboro operations in April 2010 as well as severe weather during January and February of 2010 which significantly affected our collection and disposal revenues in several markets. The above table reflects the change in revenue in each operating region. The financial results of completed acquisitions are generally blended with existing operations and do not have separate financial information available, with the exception of newly acquired regions which can be analyzed individually. Region IV was acquired on December 31, 2009 and accounted for $28.3 million of the revenue increase. The revenue decrease of $5.0 million in Region II was primarily attributed to volume decreases of $4.6 million, price decreases of $2.0 million, and decreases in fuel surcharges of $0.1 million, partially offset by acquisition growth of $1.7 million. The revenue increase of $1.1 million in Region III was primarily attributed to volume increases of $2.6 million and increases in fuel surcharges of $0.3 million, partially offset by price decreases of $0.5 million and Jonesboro divestiture of $1.3 million.

Cost of services. Total cost of services for the nine months ended September 30, 2010 increased $25.6 million, or 26.1%, to $123.5 million from $97.9 million for the nine months ended September 30, 2009. The increase in cost of services was primarily a result of acquisitions. Other factors that led to the increase included higher fuel and insurance costs. For acquisitions within our existing markets, the acquired entities are merged into our existing operations, and those results are indistinguishable from the remainder of the operations. Region IV was acquired on December 31, 2009 and accounted for $24.9 million of the increase in cost of services. Cost of services in Region II increased despite the decrease in revenue primarily due to rising fuel costs in the region, higher labor costs in Texas and higher insurance costs in Oklahoma.

Overall cost of services increased to 71.8% of revenue for the nine months ended September 30, 2010 from 66.2% during the same period last year. Increases in operating costs as a percentage of revenue were primarily attributable to our acquisition of Region IV. Cost of services in this region accounted for 87.9% of its revenue due to integration costs as well as higher transportation costs and waste taxes. Other than the impact of Region IV, higher fuel and insurance costs resulted in the increase in cost of services as a percentage of revenue. Diesel fuel costs as a percentage of revenue increased from 5.3% for the nine months ended September 30, 2009 to 6.1% for the nine months ended September 30, 2010. Other than periodic volatility in fuel prices, inflation has not materially affected our operations.

Depreciation and amortization. Depreciation and amortization expenses for the nine months ended September 30, 2010 increased $2.6 million, or 12.9%, to $22.7 million from $20.1 million for the nine months ended September 30, 2009. The increase can be attributed to our acquisition of Region IV, partially offset by decreased amortization associated with volume decline in other regions.

General and administrative. Total general and administrative expense for the nine months ended September 30, 2010 decreased $1.0 million, or 10.0%, to $8.7 million from $9.7 million for the nine months ended September 30, 2009. The decrease in general and administrative expense was mainly attributable to decreases in payroll-related expenses, legal fees and stock based compensation expenses. Such decrease also resulted in the decrease of overall general and administrative expenses from 6.6% of revenue during the nine months ended September 30, 2009 to 5.1% of revenue during the nine months ended September 30, 2010.

(Gain) loss on sale of assets. (Gain) loss on sale of assets for the nine months ended September 30, 2010 was $0.8 million primarily due to the sale of assets related to our Jonesboro operations in April 2010.

The following table sets forth items below operating income in our condensed consolidated statement of operations and as a percentage of revenue for the nine months ended September 30, 2010 and 2009 (dollars in thousands):

	Nine Months Ended September 30,					
	2010			2009		
Operating income	$	17,894	10.4%	$	20,293	13.7%
Interest expense, net		(14,190)	(8.3)		(13,525)	(9.1)
Write-off of deferred financing costs		(184)	(0.1)		—	—
Impact on interest rate swap		(231)	(0.1)		(1,748)	(1.2)
Income tax provision		(1,932)	(1.1)		(2,797)	(1.9)
Accrued payment-in-kind dividend on preferred stock		(3,358)	(2.0)		(3,192)	(2.2)
Net loss available to common stockholders	$	(2,001)	(1.2)%	$	(969)	(0.7)%

Interest expense, net. Interest expense, net for the nine months ended September 30, 2010 increased $0.7 million, or 4.9%, to $14.2 million from $13.5 million for the nine months ended September 30, 2009. The increase in interest expense was mainly caused by higher debt balances related to our borrowings to finance acquisitions.

Write-off of deferred financing costs. The $0.2 million write-off of deferred financing costs reflects the partial write-off of deferred financing costs associated with our revolving credit facility as a result of an amendment on June 30, 2010, which extended the term of the credit agreement from July 5, 2011 to January 31, 2014 and increased our borrowing capacity from $175 million to $200 million under the agreement.

Impact of interest rate swap. The impact of interest rate swap for the nine months ended September 30, 2010 was attributable to a $6.0 million loss related to the realized portion of the interest rate swap we entered into in July 2006 and a $5.8 million gain related to the unrealized portion in the mark to market of the swap. The impact of interest rate swap for the nine months ended September 30, 2009 consisted of a $5.1 million loss related to the realized portion of the interest rate swap and a $3.4 million gain related to the unrealized portion in the mark to market of the swap. At the time we entered into the swap, we had no floating rate debt, and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction and any changes in the unrealized fair value of the swap will be recognized in the statement of operations. For more information regarding the interest rate swap agreement, please see note 6 to our condensed consolidated financial statements included in Item 1 above and Item 3 "Quantitative and Qualitative Disclosures About Market Risk" below.

Income tax provision. Income tax provision for the nine months ended September 30, 2010 as a percentage of pre-tax income was 58.7% as compared to 55.7% for the nine months ended September 30, 2009. The rate in the current year period is based on our anticipated 2010 annual effective income tax rate of 54.6% as compared to 46.1% for the same period in 2009. Such rate differs from the federal statutory rate of 35% due to state income taxes, valuation allowances associated with state net operating loss carryforwards and estimates of non-deductible expenses. In addition to the anticipated 2010 annual effective income tax rate of 54.6%, income taxes during the first nine months of 2010 reflected an additional 4.1% for discrete items mainly related to stock-based compensation expense.

Accrued payment-in-kind dividend on preferred stock. The $3.4 million and $3.2 million in accrued PIK dividend on preferred stock relate to the accretion of the 5% PIK dividend on our Series A Convertible Preferred Stock during the nine months ended September 30, 2010 and 2009, respectively.

Liquidity and Capital Resources

Our business and industry is capital intensive, requiring capital for equipment purchases, landfill construction and development, and landfill closure activities in the future. Any acquisitions that we make will also require significant capital. We plan to meet our future capital needs primarily through cash on hand, cash flow from operations and borrowing capacity under our credit facility. Additionally, our acquisitions may use seller notes, equity issuances and debt financings. The availability and level of our financing sources cannot be assured, particularly in light of the current market conditions. Recent disruptions in the credit markets have resulted in greater volatility, less liquidity, widening of credit spreads and more limited availability of financing. In addition, the availability under our credit facility is limited by compliance with certain covenants and ratios. Our inability to obtain funding necessary for our business on acceptable terms would have a material adverse impact on us.

To address potential credit and liquidity issues, we consider several items. Despite severe weather during January and February of 2010 that significantly impacted our collection and disposal revenues in several markets, our EBITDA has improved since March 2010. Our customer base is broad and diverse with no single customer making up any significant portion of our business. We are not dependent on individual vendors to meet the needs of our operations. Furthermore, we had approximately $119.9 million in available capacity under our current revolving credit agreement as of September 30, 2010 subject to customary covenant compliance.

A recent amendment to our revolving credit agreement on June 30, 2010 extends the term until January 31, 2014 and increases our borrowing capacity from $175 million to $200 million. We routinely evaluate the financial stability of the syndicate banks making up the credit facility. For further information about credit risks, please see "Risk Factors and Cautionary Statement About Forward-Looking Statements" in this report and Item 1A "Risk Factors" below. For further information about our credit facility, please see "Bank Credit Facility" below.

A portion of our capital additions is discretionary, giving us the ability to modify the timing of such expenditures to preserve cash if appropriate in the future. In addition, we have evaluated our insurance carriers and bond providers and have not seen any indication that such providers would be unable to continue to meet their obligations to us or provide coverage to us in the future.

As of September 30, 2010, we had total outstanding long-term debt of approximately $219.6 million, consisting of $150 million of senior notes, $67.5 million outstanding under our credit facilities, and approximately $2.1 million of various seller notes. This represented a decrease of $0.4 million over our total debt outstanding as of December 31, 2009. The decrease in outstanding debt since December 31, 2009 was primarily due to the repayment of $0.5 million on a seller note. As of September 30, 2010, we had $67.5 million outstanding under the revolving credit facility and approximately $12.6 million in letters of credit that serve as collateral for insurance claims and bonding, leaving $119.9 million in available capacity under the facility. With $4.1 million cash on hand at September 30, 2010, our total capacity was approximately $124 million.

9.25% Senior Notes Due 2014

The senior notes were issued under an indenture between WCA Waste and The Bank of New York Trust Company, N.A., as Trustee. The indenture contains covenants that, among other things, limit our ability to incur additional indebtedness, make capital expenditures, create liens, sell assets and make dividend and other payments. In addition, the indenture includes financial covenants including a covenant allowing us to incur indebtedness or issue disqualified stock or preferred stock only if the Fixed Charge Coverage Ratio (as defined in the indenture) for the four full fiscal quarters most recently ended prior to issuance would have been at least 2.0 to 1, determined on a pro forma basis, as if the additional indebtedness had been incurred or the disqualified stock or preferred stock had been issued at the beginning of such four-quarter period. The defined terms are set forth in the indenture. As of September 30, 2010, we were in compliance with all covenants under the senior notes indenture.

Bank Credit Facility

On June 30, 2010, we and Comerica Bank, in its capacity as Administrative Agent, together with BBVA Compass Bank as Documentation Agent, and in each of those bank's capacities as Co-Lead Arrangers, along with Regions Bank, in its capacity as Syndication Agent, and certain other lenders, entered into the Twelfth Amendment to Revolving Credit Agreement (the "Amendment") to amend the Revolving Credit Agreement dated July 5, 2006 (the "Credit Agreement"), by and between us, Comerica Bank as administrative agent and certain other lenders set forth therein, as previously amended. Regions Bank, Branch Banking and Trust Company, and CoBank have become new participating lenders under the Credit Agreement.

The Amendment extended the term of the Credit Agreement and the revolving credit facility, which would have expired on July 5, 2011, to January 31, 2014. The Amendment also increased the total revolving credit commitments available to us from the participating lenders under the Credit Agreement to $200 million from $175 million. We incurred $1.0 million of financing costs associated with the Amendment. In addition, we wrote off $0.2 million of deferred financing costs in proportion to reduced commitments from the original participating lenders.

The Amendment modified some of the pricing terms and conditions of the Credit Agreement; however, such modifications will not significantly increase our borrowing costs at current borrowing levels. In lieu of an unused commitment fee, we are required to pay, quarterly in arrears, an annual facility fee in an amount ranging from 0.375% to 0.875% of the total revolving credit commitments of $200 million available under the Credit Agreement (the "Facility Fee"). We are also obligated to pay an annual letter of credit fee in an amount ranging from 2.125% to 2.625% of the letter of credit obligations outstanding under the Credit Agreement (the "L/C Fee"). Any borrowings under the Credit Agreement will bear interest at either (x) the Eurodollar London Interbank Offered Rate ("LIBOR") for the applicable interest period, plus a spread ranging from 2.125% to 2.625% per annum (a "LIBOR Loan") or (y) a base rate equal to the greater of (1) the Federal Funds Rate plus 1%, (2) the Prime Rate as published by Comerica Bank from time to time, or (3) one-month LIBOR plus 1.00%, plus a spread ranging from 1.625% to 2.125% (a "Base Rate Loan"). The Facility Fee, the L/C Fee and the applicable spread on a LIBOR Loan and a Base Rate Loan depends on our Leverage Ratio (as such term is defined in the Credit Agreement as previously amended). From the date of the Amendment until our Compliance Certificate is delivered to the administrative agent for the fiscal quarter ended June 30, 2010, the Facility Fee will be 0.625%, the L/C Fee will be 2.625% and the spreads applicable to LIBOR Loans and Base Rate Loans will be 2.625% and 2.125%, respectively. The Amendment did not result in any material modifications to the representations and warranties, covenants or other terms and provisions of the Credit Agreement.

Our credit facility is subject to various financial and other covenants, including, but not limited to, limitations on debt, consolidations, mergers, and sales of assets. The credit facility also contains financial covenants requiring us to limit leverage (both in terms of senior secured debt and total leverage), maintain specified debt service ratios, limit capital expenditures, and maintain a minimum tangible net worth. Each of the financial covenants incorporates specially defined terms that would not correspond to GAAP or Non-GAAP measures disclosed in this report and that in certain instances are based on determinations and information not derived from or included in our financial statements. The financial covenants include the following:

- our maximum "Leverage Ratio" (as defined in the Credit Agreement) for the trailing 12-month reporting period on each quarterly reporting date is 4.75 to 1.00;

- we maintain a Pro Forma Adjusted EBITDA Debt Service Ratio (as defined in the Credit Agreement) for the trailing 12-month period of not less than 2.25 to 1.00 until maturity;

- our maximum Senior Secured Funded Debt Leverage Ratio (as defined in the Credit Agreement) is 2.50 to 1.00;

- we cannot make any Maintenance Capital Expenditures (as defined in the Credit Agreement) exceeding 15% of our consolidated total revenue as calculated at the end of a fiscal year; and

- we maintain minimum tangible net worth of not less than $30.0 million as of December 31, 2008, plus, as of the end of each fiscal quarter thereafter, 50% of our after-tax consolidated net income (but excluding any quarterly losses), plus 100% of any increase in our net worth resulting from the net cash proceeds of any future equity offerings.

In February 2010, the definitions of "Pro Forma Adjusted EBITDA" and "Pro Forma Adjusted EBITDA Debt Service Ratio" were amended and "Consolidated Net Interest Expense" was added as a further defined term to the Credit Agreement. The purpose of such definitional modifications and addition are as follows:

- to exclude cash and non-cash income or expense attributable to any interest rate hedging agreement, now existing or which we enter into in the future, from the determination of our compliance with the Leverage Ratio under the terms of the Credit Agreement; and

- to include cash income or expense (but not non-cash items) attributable to any interest rate hedging agreement that we enter into in the future from the determination of our compliance with the Pro Form Adjusted EBITDA Debt Service Ratio under the terms of the Credit Agreement.

As of September 30, 2010, we were in compliance with all covenants under the credit facility.

Preferred Stock

On June 12, 2006, we entered into a privately negotiated Preferred Stock Purchase Agreement with Ares Corporate Opportunities Fund II L.P., which provided for us to issue and sell 750,000 shares of Series A Convertible Preferred Stock, par value $0.01 per share, to Ares. The purchase price per preferred share was $100.00, for an aggregate purchase price of $75 million. The preferred stock is convertible into our common stock, par value $0.01 per share, at a price of $9.60 per share and carries a 5% PIK dividend payable semi–annually. We completed the closing of the sale and issuance of the full amount of preferred shares pursuant to the purchase agreement on July 27, 2006. The original issuance date for the preferred stock is the commitment date for both the preferred stock and the initial five years' worth of dividends as the payment of the dividends through in–kind payments is non–discretionary for that initial five–year period. Based on the fair value of our underlying common stock on the issuance date and the stated conversion date, there is no beneficial conversion feature associated with the issuance of the preferred stock.

The preferred shares are immediately convertible at Ares' discretion into 9,603,265 shares of our common stock, which would represent approximately 31.9% of our outstanding common stock on a post–conversion basis as of September 30, 2010. Dividends are solely PIK through July 2011 — that is, they are payable solely by adding the amount of dividends to the stated value of each share. On July 27, 2011, the preferred shares would be convertible into approximately 10,000,661 shares of common stock, which, based on the currently outstanding shares, would represent approximately 32.8% of our outstanding common stock on a post–conversion basis as of September 30, 2010. If the preferred shares are not converted after five years, we have the option to PIK or pay a cash dividend at the rate of 5% per annum. The preferred shares have no stated maturity.

Other material terms of the preferred stock are as follows:

- all dividends that would otherwise be payable through the fifth anniversary of issuance shall automatically be accelerated and paid in kind immediately prior to the occurrence of any of the following acceleration events:
  - liquidation;
  - bankruptcy;
  - closing of a public offering of common stock pursuant to an effective registration statement (except for Form S–4, solely for sales by third parties, or pursuant to Ares' own registration rights agreement);
  - the average of the closing price of our common stock for each of 20 consecutive trading days exceeds $14.40 per share; and
  - upon a "fundamental transaction," including a "group" (defined in the Securities Exchange Act of 1934, as amended) acquiring more than 35% of outstanding voting rights; replacement of more than one–half of the directors without approval of the existing board of directors; a merger, consolidation, sale of substantially all assets, going–private transaction, tender offer, reclassification, or other transaction that results in the transfer of a majority of voting rights;
- Ares can convert the preferred stock into common stock at any time at a conversion price of $9.60 per share, with conversion being calculated by taking the stated value (initially $100.00 per share) plus any amount added to stated value by way of dividends, then dividing by $9.60 to produce the number of shares of common stock issuable;
- we can force a conversion into common stock following either (i) the average of the closing price of our common stock for each of 20 consecutive trading days exceeding $14.40 per share or (ii) a fundamental transaction that Ares does not treat as a liquidation;
- after the fifth anniversary of issuance, we can redeem for cash equal to the liquidation preference;

- after the fifth anniversary of issuance, we can pay dividend in cash at our discretion;

- upon our liquidation, prior to any holder of common stock or other junior securities, Ares shall receive in cash the greater of (i) the stated value plus any amount added by way of dividends (accelerated to include a full five years) or (ii) the amount it would receive if all shares of preferred stock were converted into common stock (calculated to include dividends accelerated to include a full five years);

- Ares can elect to treat any fundamental transaction as a liquidation event, which will entitle Ares to their liquidation preferences. Following such election, in the event that we elect to make any payment such as a dividend or stock repurchase payment to a common shareholder, we will be required to repay Ares the full amount of the liquidation preference associated with the preferred stock. However, if securities of another company are issued as consideration in a fundamental transaction, we have the option of requiring Ares to accept such common shares to satisfy the liquidation preference if shares are then quoted on the Nasdaq Global Market or listed on the New York Stock Exchange. The value of such shares is determined at 98% of the closing price on the trading day preceding the transaction and the shares are freely transferable without legal or contractual restrictions;

- the preferred stock voting as a separate class elects (i) two directors to our board of directors for so long as Ares continues to hold preferred stock representing at least 20% of our "post–conversion equity" (outstanding common stock assuming conversions into common shares of all securities, including the preferred stock and assuming preferred stock dividends accelerated to include a full five years), (ii) one director for so long as it continues to hold at least 10% of post–conversion equity, and (iii) no directors below 10%;

- the preferred stock voting as a separate class must approve (i) any alteration in its powers, preferences or rights, or in the certificate of designation, (ii) creation of any class of stock senior or pari passu with it, (iii) any increase in the authorized shares of preferred stock, and (iv) any dividends or distribution to common stock or any junior securities, except for pro rata dividends on common stock paid in common stock. These protective rights terminate on the first date on which there are outstanding less than 20% of the number of shares of preferred stock outstanding on the date the preferred stock was first issued; and

- except for the election of directors and special approvals described above, the preferred stock votes on all matters and with the common stock on an as–converted basis.

In connection with the issuance and sale of the preferred shares, we also entered into other agreements as contemplated by the purchase agreement, including a stockholder's agreement, a registration rights agreement, and a management rights letter. The purchase agreement, the stockholder's agreement, the registration rights agreement, the management rights letter and the certificate of designation pursuant to which the preferred shares were created, are described in our current report on Form 8–K filed on June 16, 2006.

Contractual Obligations

There were no material changes outside of the ordinary course of our business during the three or nine months ended September 30, 2010 to the other items listed in the Contractual Obligations table included in our annual report on Form 10–K filed with the SEC on March 9, 2010.

Cash Flows

Net cash provided by operating activities for the nine months ended September 30, 2010 and 2009 was $22.9 million and $31.1 million, respectively. The decrease in cash flows from operating activities was primarily due to the changes in net income as well as changes in the components of working capital from period to period. Other items impacting operating cash flows included depreciation and amortization, stock–based compensation, write–off of deferred financing costs, deferred taxes, landfill accretion expense, gain on sale of assets and unrealized gain on interest rate swap, all of which were non–cash expenses.

Net cash used in investing activities consists primarily of cash used for capital expenditures and the acquisition of businesses. Cash used for capital expenditures, including acquisitions, was $23.8 million and $24.2 million for the nine months ended September 30, 2010 and 2009, respectively. Acquisitions of businesses and capital expenditures for normal operations accounted for $0.3 million and $0.1 million of the decrease over the prior year period, respectively. A $2.2 million increase in proceeds from sale of assets also contributed to the decrease in net cash used in investing activities.

Net cash used in financing activities for the nine months ended September 30, 2010 and 2009 was $1.6 million and $0.5 million, respectively. Net cash used in financing activities mainly includes repayments of debt, repayments in excess of borrowings under our credit facilities, and additional financing costs that have been incurred and capitalized.

Off Balance Sheet Arrangements

We have evaluated off balance sheet arrangements, and have concluded that we do not have any material relationships with unconsolidated entities or financial partnerships that have been established for the purpose of facilitating off balance sheet arrangements. Based on this evaluation we believe that no disclosures relating to off balance sheet arrangements are required.

Critical Accounting Estimates and Assumptions

We make several estimates and assumptions during the course of preparing our financial statements. Since some of the information that we must present depends on future events, it cannot be readily computed based on generally accepted methodologies, or may not be appropriately calculated from available data. Some estimates require us to exercise substantial judgment in making complex estimates and assumptions and, therefore, have the greatest degree of uncertainty. This is especially true with respect to estimates made in accounting for landfills, environmental remediation liabilities and asset impairments. We describe the process of making such estimates in note 8 to the financial statements included in Item 1 of this report and in note 1 (f) to our financial statements in our annual report on Form 10–K for the year ended December 31, 2009. For a description of other significant accounting policies, see note 1 to the financial statements included in Item 1 of this report and in note 1 to our financial statements in our annual report on Form 10–K for the year ended December 31, 2009.

In summary, our landfill accounting policies include the following:

Capitalized Landfill Costs

At September 30, 2010, we owned 25 landfills. Two of these landfills are fully permitted but not constructed and have not yet commenced operations as of September 30, 2010.

Capitalized landfill costs include expenditures for the acquisition of land and related airspace, engineering and permitting costs, cell construction costs and direct site improvement costs. At September 30, 2010, no capitalized interest had been included in capitalized landfill costs, however, in the future interest could be capitalized on landfill construction projects but only during the period the assets are undergoing activities to ready them for their intended use. Capitalized landfill costs are amortized ratably using the units–of–production method over the estimated useful life of the site as airspace of the landfill is consumed. Landfill amortization rates are determined periodically (not less than annually) based on aerial and ground surveys and other density measures and estimates made by our engineers, outside engineers, management and financial personnel.

Total available airspace includes the total of estimated permitted airspace plus an estimate of probable expansion airspace that we believe is likely to be permitted. Where we believe permit expansions are probable, the expansion airspace, and the projected costs related to developing the expansion airspace are included in the airspace amortization rate calculation. The criteria we use to determine if permit expansion is probable include but, are not limited to, whether:

- we believe that the project has fatal flaws;
- the land is owned or controlled by us, or under option agreement;
- we have committed to the expansion;
- financial analysis has been completed, and the results indicate that the expansion has the prospect of a positive financial and operational impact;
- personnel are actively working to obtain land use, local and state approvals for an expansion of an existing landfill;
- we believe the permit is likely to be received; and
- we believe that the timeframe to complete the permitting is reasonable.

We may be unsuccessful in obtaining expansion permits for airspace that has been considered probable. If unsuccessful in obtaining these permits, the previously capitalized costs will be charged to expense. As of September 30, 2010, we have included 138 million cubic yards of expansion airspace with estimated development costs of approximately $102.3 million in our calculation of the rates used for the amortization of landfill costs.

Closure and Post–Closure Obligations

We have material financial commitments for the costs associated with our future obligations for final closure, which is the closure of the landfill, the capping of the final uncapped areas of a landfill and post–closure maintenance of those facilities, which is generally expected to be for a period between 5 and 30 years depending on type and location.

Standards related to accounting for obligations associated with the retirement of long–lived assets and the associated asset retirement costs require that we record closure and post–closure obligations as follows:

- Landfill closure and post–closure liabilities are calculated by estimating the total obligation in current dollars. Cost estimates equate the costs of third parties performing the work. Any portion of the estimates which are based on activities being performed internally are increased to reflect a profit margin a third party would receive to perform the same activity. This profit margin will be taken to income once the work is performed internally.
- The total obligation is carried at the net present value of future cash flows, which is calculated by inflating the obligation based upon the expected date of the expenditure using an inflation rate and discounting the inflated total to its present value using a discount rate. The discount rate represents our credit–adjusted risk–free rate. The resulting closure and post–closure obligation is recorded as an increase in this liability as airspace is consumed.
- Accretion expense is calculated based on the discount rate and is charged to cost of services and increases the related closure and post–closure obligation. This expense will generally be less during the early portion of a landfill's operating life and increase thereafter.

The following table sets forth the rates we used for the amortization of landfill costs and the accrual of closure and post-closure costs for the nine months ended September 30, 2010 and the year ended December 31, 2009:

	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
Number of landfills owned	25	25
Landfill depletion and amortization expense (in thousands)	$ 9,600	$ 9,680
Accretion expense (in thousands)	828	628
	$ 10,428	$ 10,308
Airspace consumed (in thousands of cubic yards)	4,682	4,933
Depletion, amortization, accretion, closure and post-closure costs per cubic yard of airspace consumed	$ 2.23	$ 2.09

The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. Our ultimate liability for such costs may increase in the future as a result of changes in estimates, legislation, or regulations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

In the normal course of business, we are exposed to market risk, including changes in interest rates. We use interest rate swap agreements to manage a portion of our risks related to interest rates. We entered into a swap agreement effective July 11, 2006, where we agreed to pay a fixed–rate of 5.64% in exchange for three–month floating rate LIBOR that was 5.51% at the time the swap was entered. At September 30, 2010, the related floating rate was 0.26%. The intention of this swap agreement is to limit our exposure to a rising rate interest environment. For the nine months ended September 30, 2010, the net difference between the fixed amount we paid and the floating amount we received was $6.0 million. Considering the rates in effect at September 30, 2010, the impact of the swap agreement is estimated to result in a $0.7 million loss related to the realized portion of the interest rate swap over the next 12 months. This interest rate swap expires on November 1, 2010, which will improve annual cash flow by approximately $6.7 million based on 2010 results. At the time we entered into the swap, we had no floating rate LIBOR debt and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction. Accordingly, any changes in the unrealized fair value of the swap are recognized in the statement of operations. We did not enter into the interest rate swap agreements for trading purposes.

As of September 30, 2010 and December 31, 2009, we had no debt outstanding that bears interest at variable or floating rates when our interest rate swap was taken into consideration. With the placement of the swap agreement, we bear exposure to, and are primarily affected by, changes in LIBOR rates on $132.5 million. A 100 basis point increase in LIBOR interest rates would result in swap income of approximately $1.3 million annually while a 100 basis point decrease in interest rates would result in $1.3 million in swap expense, in addition to any mark–to–market effect on the fair value of the swap.

Our financial instruments that are potentially sensitive to changes in interest rates also include our 9.25% senior notes. As of September 30, 2010, the fair value of these notes, based on quoted market prices, was approximately $156 million compared to a carrying amount of $150 million.

ITEM 4. 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 of September 30, 2010. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2010 in ensuring that the information required to be disclosed by us (including our consolidated subsidiaries) in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commissions rules and forms; and 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.

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 in our internal control over financial reporting that occurred during our last fiscal quarter, that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Please read note 12 to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this quarterly report on Form 10–Q for information regarding our legal proceedings.

ITEM 1A. RISK FACTORS.

There have been no significant changes in our risk factors since December 31, 2009. For a detailed discussion of our risk factors, please read Item 1A "Risk Factors," in our annual report on Form 10–K for the year ended December 31, 2009.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

(a) None.

(b) Not applicable.

(c)

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
July 1 – July 31, 2010	—	—	—	—
August 1 – August 31, 2010	274(1)	$ 4.96	—	—
September 1 – September 30, 2010	—	—	—	—
Total	274(1)	$ 4.96		—

(1) Represents shares of our common stock surrendered to satisfy minimum tax withholding obligations on the vesting of restricted stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. RESERVED.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

10.1 Twelfth Amendment to Revolving Credit Agreement, dated June 30, 2010, among WCA Waste Corporation and Comerica Bank (incorporated by reference to Exhibit 10.1 to the registrant's Form 8–K (File No. 000–50808) filed with the SEC on July 6, 2010).
10.2 Fourth Amended and Restated 2004 WCA Waste Corporation Incentive Plan, effective September 28, 2010 (incorporated by reference to Exhibit 10.1 to the registrant's Form 8–K (File No. 000–50808) filed with the SEC on September 28, 2010).
12.1* Statement regarding computation of ratio of earnings to fixed charges for the nine months ended September 30, 2010.
31.1* Rule 13a–14(a)/15d–14(a) Certification of Chief Executive Officer.
31.2* Rule 13a–14(a)/15d–14(a) Certification of Chief Financial Officer.
32.1* Section 1350 Certification of Chief Executive Officer.
32.2* Section 1350 Certification of Chief Financial Officer.

* Filed herewith.

The registrant hereby undertakes, pursuant to Regulation S–K, Item 601(b), paragraph (4)(iii)(A), to furnish to the Securities and Exchange Commission upon request all constituent instruments defining the rights of holders of long–term debt of the registrant and its consolidated subsidiaries not filed herewith for the reason that the total amount of securities authorized under any of such instruments does not exceed 10% of the registrant's total consolidated assets.

SIGNATURES

Pursuant to the requirements 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.

WCA WASTE CORPORATION

By: /s/ Charles A. Casalinova
Charles A. Casalinova
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Joseph J. Scarano, Jr.
Joseph J. Scarano, Jr.
Vice President and Controller
(Principal Accounting Officer)

Date: October 29, 2010

EXHIBIT INDEX

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EXHIBIT 12.1

Ratio of Earnings to Fixed Charges

	Year Ended December 31,					Nine Months Ended September 30,
	2005	2006	2007	2008	2009	2010
	(Dollars in Thousands)					
Income (Loss) from Continuing Operations	$ 3,468	$ 3,020	$ 2,922	$ (27,763)	$ 1,008	$ 1,357
Plus: Income Taxes	2,248	2,313	2,343	(13,737)	2,958	1,932
Fixed Charges	10,676	17,093	18,259	19,594	18,794	15,200
Earnings Available for Fixed Charges	16,392	22,426	23,524	(21,906)	22,760	18,489
Fixed Charges:						
Interest Expense	10,273	16,687	17,837	18,918	18,083	14,206
Estimate Portion of Rental Expense Equivalent to Interest	403	406	422	676	711	994
Total Fixed Charges	10,676	17,093	18,259	19,594	18,794	15,200
Ratio of Earnings to Fixed Charges	1.5	1.3	1.3	-1.1	1.2	1.2
Calculation of Rental Expense Equivalent to Interest						
Rental Expense	1,209	1,217	1,265	2,028	2,132	2,982
Estimated % Equivalent to Interest	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Estimate Portion of Rental Expense Equivalent to Interest	403	406	422	676	711	994

Exhibit 31.1

CERTIFICATION

I, Tom J. Fatjo, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10–Q of WCA Waste Corporation;

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;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2010

/s/ Tom J. Fatjo, Jr.
Tom J. Fatjo, Jr.
Chief Executive Officer

CERTIFICATION

I, Charles A. Casalinova, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WCA Waste Corporation:

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;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2010

/s/ Charles A. Casalinova
Charles A. Casalinova
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of WCA Waste Corporation (the "Company") on Form 10-Q for the quarterly period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tom J. Fatjo, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934: and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Tom J. Fatjo, Jr.
Tom J. Fatjo, Jr.
Chief Executive Officer
October 29, 2010

The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes–Oxley Act of 2002

In connection with the Quarterly Report of WCA Waste Corporation (the "Company") on Form 10–Q for the quarterly period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles A. Casalinova, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles A. Casalinova
Charles A. Casalinova
Chief Financial Officer
October 29, 2010

The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that sect
Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the exte
the registrant specifically incorporates it by reference.

WCA WASTE CORP (WCAA)

10-K

Annual report pursuant to section 13 and 15(d)
Filed on 3/9/2010
Filed Period 12/31/2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

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 Number 000-50808

WCA Waste Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	20-0829917 (I.R.S. Employer Identification Number)
One Riverway, Suite 1400 Houston, Texas (Address of principal executive offices)	77056 (Zip Code)

Registrant's telephone number, including area code: (713) 292-2400

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock	The NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Common stock, par value $0.01 per share

Indicate by check mark whether 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 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 Act). Yes ○ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2009 based on the closing sales price as reported on The Nasdaq Global Market on such date was approximately $32.7 million.

Number of shares of common stock outstanding as of March 2, 2010: 20,203,836 (excluding 1,073,957 shares of treasury stock).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the Annual Meeting of Stockholders are incorporated by reference into Part III of this annual report on Form 10-K. Except with respect to the information specifically incorporated by reference in this Form 10-K, the Proxy Statement for the Annual Meeting of Stockholders is not deemed to be filed as part hereof.

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PART I

Item 1. Business.

Introduction

We are a vertically integrated, non–hazardous solid waste management company providing non–hazardous solid waste collection, transfer, processing, and disposal services in the United States. As of December 31, 2009, we served approximately 346,000 commercial, industrial and residential collection customers and 5,000 landfill and transfer station customers in Alabama, Arkansas, Colorado, Florida, Kansas, Massachusetts, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas. As of December 31, 2009, we owned and/or operated 25 landfills, 26 collection operations and 24 transfer stations/materials recovery facilities (MRFs). Of these facilities, two transfer stations and two landfills are fully permitted but not yet opened, and one transfer station is idle. Additionally, we currently operate but do not own three of the transfer stations.

WCA Waste Corporation was incorporated as a Delaware corporation in 2004 and, in connection with transactions related to its initial public offering, became the parent of WCA Waste Systems, Inc., its principal operating subsidiary. For information regarding acquisitions made since our initial public offering in 2004, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview—Acquisitions".

WCA Waste Corporation is a holding company and all of our operations are conducted through our subsidiaries. Accordingly, unless the context requires otherwise, references in this annual report on Form 10–K to "WCA Waste," "we," "us," or "our" refer to WCA Waste Corporation and our direct and indirect subsidiaries on a consolidated basis.

Industry Overview

The non–hazardous solid waste industry can be divided among collection, transfer and disposal services. The collection and transfer operations of solid waste companies typically have lower margins than disposal service operations. By vertically integrating collection, transfer and disposal operations, operators seek to capture significant waste volumes and improve operating margins.

During the past three decades, our industry has experienced periods of substantial consolidation activity, though we believe it remains extremely fragmented. We believe that there are two primary factors that lead to consolidation:

- Stringent industry regulations have caused operating and capital costs to rise. Many local industry participants have found these costs difficult to bear and have decided to either close their operations or sell them to larger operators.

- Larger operators are increasingly pursuing economies of scale by vertically integrating their operations or by utilizing their facility, asset and management infrastructure over larger volumes. Larger solid waste collection and disposal companies have become more cost–effective and competitive by controlling a larger waste stream and by gaining access to significant financial resources to make acquisitions. However, acquisitions by larger companies generally have less of an impact on their growth rates and revenues because the acquisitions tend to be small relative to the overall size of such companies. Accordingly, we believe that we have a greater opportunity for growth through acquisitions, when calculated as a percentage of revenue, than companies larger than us.

Integration and Acquisitions

Vertical Integration and Internalization

Vertical integration is a core element of our operating strategy because it allows us to manage the waste stream from the point of collection through disposal, thereby maximizing the rate of waste internalization, increasing our operating margins and improving our operating cash flows. Internalization refers to the disposal of collected waste into the landfills we own. All collected waste must ultimately be processed or disposed of, with landfills being the main depository for such waste. Generally, the most cost efficient collection services occur within a 35-mile operating radius from the disposal site (up to 100 miles if a transfer station is used). Collection companies that do not own a landfill within such range from their collection routes will usually have to dispose of the waste they collect in landfills owned by third parties. Thus, owning a landfill in a market area provides substantial leverage in the waste management business.

As of December 31, 2009, we owned 25 landfills throughout the regions we serve, two of which, though fully permitted, have not yet commenced operations. We believe that our number of landfills coupled with the geographic locations of these landfills in the regions we serve positions us to maintain high levels of internalization within our existing markets. As a result of our vertical integration, for the years ended December 31, 2009 and 2008, we internalized approximately 68% and 73% of the total waste we collected, respectively.

Acquisition History and Outlook

Acquisitions have played a key role in our revenue growth and operating history. Our acquisition history has included both strategic acquisitions of landfill assets that have enabled us to enter new markets and "tuck-in" acquisitions of collection operations and transfer stations that have expanded our operations in those markets which we already serve. Collectively, the numerous acquisitions which we have completed since going public in June 2004 have contributed significantly to our overall growth and continue to have a material effect on our operating results. We strive to integrate all of our completed acquisitions into our existing operations as soon as feasible; however, it may take up to a year to fully realize operating synergies for those acquisitions which we completed in 2009. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview—Acquisitions" for more information regarding our completed acquisitions. For a summary of the impact of the acquisitions during 2009, 2008 and 2007 on our reported financial results for such periods, please read note 3 to our consolidated financial statements.

Due to weakening market conditions, particularly in the housing and construction sectors, and mounting uncertainties in the credit and capital markets, we reduced our acquisition efforts in 2008. While our acquisition activity was relatively dormant for most of 2009, on December 31, 2009 we consummated the acquisition of the operating subsidiaries of Live Earth, LLC (collectively, the "Live Earth Companies"), which included certain assets and related liabilities held by Live Earth, LLC that relate to the Live Earth Companies. The acquisition of the Live Earth Companies represented our largest acquisition to date and included the Sunny Farms Landfill, a 457-acre site permitted to accept municipal solid waste, industrial waste and construction and demolition debris located in Seneca County, Ohio; Champion City Recovery, a transfer station permitted to accept 1,000 tons a day located south of Boston, Massachusetts; and a rail haul operation over a Class 1 rail line transporting waste from the east coast to Sunny Farms Landfill. In 2010, we intend to more actively seek and pursue attractive acquisition opportunities that enable us to internalize waste into our existing landfill operations, with particular emphasis being placed on internalization opportunities at the Sunny Farms Landfill and our 2600-acre Fort Bend Regional Landfill in our Houston market. Although we have not established a specific capital investment target for 2010 acquisitions, we have sufficient capacity under our senior credit facility and through available authorized shares of our capital stock to pursue and consummate opportunistic acquisitions that enable us to effectively leverage our existing infrastructure and maximize the internalization of waste.

Our Operations

Our operations consist of the collection, transfer, processing and disposal of solid waste. Our revenue mix for the years ended December 31, 2009, 2008 and 2007 is shown in the table below (dollars in thousands):

	2009		2008		2007	
	$	%	$	%	$	%
Collection	$ 125,931	64.9%	$ 129,796	62.4%	$ 114,217	61.7%
Disposal	43,722	22.5	45,929	22.1	43,803	23.7
Transfer and other, net	24,485	12.6	32,284	15.5	26,920	14.6
Total revenue	$ 194,138	100.0%	$ 208,009	100.0%	$ 184,940	100.0%

We have a broad and diverse customer base; no single customer accounted for more than 2% of our revenue for any of the years ended December 31, 2009, 2008 or 2007. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 12 to our consolidated financial statements for certain geographic information relating to our operations.

Collection Services

As of December 31, 2009, we provided solid waste collection services to approximately 346,000 industrial, commercial and residential customers in 12 states through 26 collection operations. In 2009, our collection revenue consisted of approximately 36% from services provided to industrial customers, 20% from services provided to commercial customers and 44% from services provided to residential customers.

In our commercial collection operations, we supply our customers with waste containers of various types and sizes. These containers are designed so that they can be lifted mechanically and emptied into a collection truck to be transported to a disposal facility. By using these containers, we can service most of our commercial customers with trucks operated by a single employee. Commercial collection services are generally performed under service agreements with a duration of one to five years with possible renewal options. Fees are generally determined by such considerations as individual market factors, collection frequency, the type of equipment we furnish, the type and volume or weight of the waste to be collected, the distance to the disposal facility and the cost of disposal.

Residential solid waste collection services often are performed under contracts with municipalities, which we generally secure by competitive bid and which give us exclusive rights to service all or a portion of the homes in these municipalities. These contracts usually range in duration from one to five years with possible renewal options. Residential solid waste collection services may also be performed on a subscription basis, in which individual households or homeowners' or similar associations contract directly with us. The fees received for residential collection are based primarily on market factors, frequency and type of service, the distance to the disposal facility and the cost of disposal.

Additionally, we rent waste containers and provide collection services to construction, demolition and industrial sites. We load the containers onto our vehicles and transport them with the waste to either a landfill or a transfer station for disposal. We refer to this as "roll-off" collection. Roll-off collection services are generally performed on a contractual basis. Contract terms tend to be shorter in length and may vary according to the customers' underlying projects.

Transfer and Disposal Services

Landfills are the main depository for solid waste in the United States. Solid waste landfills are built, operated, and tied to a state permit under stringent federal, state and local regulations. Currently, solid waste landfills in the United States must be designed, permitted, operated, closed and maintained after closure in compliance with federal, state and local regulations pursuant to Subtitle D of the Resource Conservation and Recovery Act of 1976, as amended. We do not operate hazardous waste landfills, which are subject to even greater regulations. Operating a solid waste landfill includes excavating, constructing liners, continually spreading and compacting waste and covering waste with earth or other inert material as required, final capping, closure and post–closure monitoring. The objectives of these operations are to maintain sanitary conditions, to ensure the best possible use of the airspace and to prepare the site so that it can ultimately be used for other end use purposes.

Access to a disposal facility is a necessity for all solid waste management companies. While access to disposal facilities owned or operated by third parties can be obtained, we believe it is preferable to internalize the waste streams. When we internalize the waste we collect, we pay ourselves instead of a third party landfill operator and generally are able to realize higher operating margins and stronger operating cash flows.

In areas where we conduct collection operations remote from one of our landfills, we often pursue the acquisition or development of transfer stations. Transfer stations allow us to consolidate waste for subsequent transfer in larger loads, thereby making disposal in our otherwise remote landfills economically feasible. A transfer station is a facility located near residential and commercial collection routes where collection trucks take the solid waste that has been collected. The waste is unloaded from the collection trucks and reloaded onto larger transfer trucks for transportation to a landfill for final disposal. In addition to increasing our ability to internalize the waste our collection operations collect, using transfer stations reduces the costs associated with transporting waste to final disposal sites because the trucks we use for transfer have a larger capacity than collection trucks, thus allowing more waste to be transported to the disposal facility on each trip. It also increases the efficiency of our collection personnel and equipment because it allows them to focus more on collection. The following table reflects the number of transfer stations/MRFs we owned and operated by state as of December 31, 2009, 2008 and 2007.

	2009	2008	2007
Alabama	3 (1)	3 (1)	3 (1)
Arkansas	2 (1)	2 (1)	2 (1)
Florida	4	4	4
Kansas	1 (1)	1 (1)	1 (1)
Massachusetts	1	—	—
Missouri	7	8 (2)	7 (2)
North Carolina	3	3	3
South Carolina	1	1	1
Texas	2	2	2
Total	24	24	23

(1) Includes three transfer stations we operated but did not own, one in Alabama, one in Arkansas and one in Kansas as of December 31, 2009, 2008 and 2007.

(2) Includes a transfer station in Missouri that we operated but did not own as of December 31, 2008 and 2007.

The fees charged at disposal facilities are based on market factors, as well as the type and weight or volume of solid waste deposited and the type and size of the vehicles used in the transportation of the waste. The fees charged to third parties who deposit waste at our transfer stations are generally based on the type and volume or weight of the waste transferred and the distance to the disposal site.

Landfills

As of December 31, 2009, we owned 25 non-hazardous solid waste landfills in 12 states, two of which, though fully permitted, have not yet commenced operations. The following table sets forth certain information as of December 31, 2009 for each of our landfills. For information concerning accounting principles we use for landfill accounting and a description of our use of estimates, please refer to notes 1(f) and 2 to our consolidated financial statements.

Landfill	Location	Permitted Waste	Permitted Capacity (1) (Cu. Yds)	Probable Expansion Capacity (2) (Cu. Yds)	Total Capacity (3) (Cu. Yds)	Remaining Permitted Life (4) (Years)	Total Remaining Life (3)(4) (Years)
Oak Grove	Arcadia, KS	MSW	6,081,004	24,524,000	30,605,004	26.8	134.7
Black Oak	Hartville, MO	MSW	6,029,450	—	6,029,450	15.3	15.3
Central Missouri	Sedalia, MO	MSW	5,561,673	3,452,341	9,014,014	27.2	44.1
Eagle Ridge	Bowling Green, MO	MSW	2,528,180	16,335,000	18,863,180	14.6	108.8
Rolling Meadows	Hazen, AR	MSW	4,135,678	9,800,000	13,935,678	16.5	55.5
Union County	El Dorado, AR	MSW	3,635,553	496,100	4,131,653	19.7	22.4
Darrell Dickey(5)	Houston, TX	MSW	5,239,003	—	5,239,003	N/A(5)	N/A(5)
Fort Bend	Houston, TX	MSW	45,251,930	15,861,754	61,113,684	49.4	66.7
Pauls Valley	Oklahoma City, OK	MSW	6,604,675	—	6,604,675	101.6	101.6
Sooner	Oklahoma City, OK	MSW	1,723,198	3,649,284	5,372,482	23.8	74.1
Bondad	Durango, CO	MSW	2,408,578	—	2,408,578	43.4	43.4
Sunny Farms	Fostoria, OH	MSW	6,200,000	31,200,000	37,400,000	5.3	31.9
Hardy Road	Houston, TX	C&D	5,022,172	—	5,022,172	9.1	9.1
Greenbelt	Houston, TX	C&D	4,758,670	1,395,000	6,153,670	12.7	16.4
Ralston Road	Houston, TX	C&D	337,756	1,117,129	1,454,885	1.1	4.9
Applerock(5)	Houston, TX	C&D	8,750,000	—	8,750,000	N/A(5)	N/A(5)
Shiloh	Travelers Rest, SC	C&D	1,148,722	3,380,905	4,529,627	10.9	42.9
Yarnell	Knoxville, TN	C&D	909,609	—	909,609	15.8	15.8
Blount	Trafford, AL	C&D	14,775,220	11,352,839	26,128,059	84.6	149.7
Fines	Alpine, AL	C&D/Industrial	7,686,933	—	7,686,933	74.5	74.5
High Point	High Point, NC	C&D	3,950,951	—	3,950,951	37.6	37.6
Raleigh	Raleigh, NC	C&D	7,112,095	6,612,722	13,724,817	35.2	68.0
DeSoto	Arcadia, FL	C&D	6,355,244	1,894,068	8,249,312	39.1	50.7
Fort Meade	Ft Meade, FL	C&D	4,285,543	3,635,910	7,921,453	27.0	50.0
Northeast	Oklahoma City, OK	C&D	4,393,109	—	4,393,109	16.0	16.0
Total			164,884,946	134,707,052	299,591,998	30.7	53.7

(1) Permitted capacity includes the total available airspace approved by local regulatory agencies for our use. Additional approvals may be required for construction and use of specific cells within the permitted area. At any given time, certain landfills may be nearing the full capacity of existing approved cells. The failure to obtain a consent or approval for construction or use of additional cells could have a material effect on our operations. If the consent or approval is not obtained, we will evaluate alternative actions, such as diverting waste streams and pursuing legal recourse to challenge rulings. See "Risk Factors—Risks Relating to Our Business—We may not be successful in expanding the permitted capacity of our current or future landfills, which could restrict our growth, increase our disposal costs, and reduce our operating margins."

(2) Probable expansion capacity includes possible expansion capacity that we believe, based on industry practice and our experience, is likely to be permitted. The criteria we use to determine if permit expansion is probable include, but are not limited to, whether: (i) we believe that the project has fatal flaws; (ii) the land is owned or controlled by us, or under option agreement; (iii) we have committed to the expansion; (iv) financial analysis has been completed, and the results indicate that the expansion has the prospect of a positive financial and operational impact; (v) personnel are actively working to obtain land use, local, and state approvals for an expansion of an existing landfill; (vi) we believe the permit is likely to be received; and (vii) we believe that the timeframe to complete the permitting is reasonable. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes 1 and 2 to our consolidated financial statements for information regarding our landfill accounting and use of estimates.

(3) Includes expansions that we classify as "probable." Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes 1 and 2 to our consolidated financial statements for information regarding our landfill accounting and use of estimates.

(4) Based on current and estimated future disposal volumes.

(5) Fully permitted but has not yet commenced operations, and therefore remaining permitted life and total remaining life cannot be calculated.

As indicated in the table above, as of December 31, 2009, 12 of our landfills were permitted to accept municipal solid waste. The remaining 13 landfills were permitted to accept non-hazardous dry construction and demolition debris, which generally includes bricks, boards, metal, concrete, wall board and similar materials. All of our landfills accept waste from municipalities, private sector waste collection companies and the general public.

Based on remaining permitted capacity (including probable expansions) as of December 31, 2009 and projected annual disposal volumes, the average remaining landfill life of our 23 operating landfills at December 31, 2009 was approximately 53.7 years. Some of our landfills have the potential for expanded disposal capacity beyond their currently permitted limits. We monitor the availability of permitted disposal capacity at each of our landfills on an ongoing basis and evaluate whether to pursue an expansion at a given landfill. In making this determination with respect to a particular landfill, we consider a number of factors, including the estimated future volume of waste to be disposed of at the landfill, the estimated future prices for disposal of waste at the landfill, the amount of unpermitted acreage included in the landfill, the likelihood that we will be able to obtain the required approvals and permits for expansion and the costs of developing the additional capacity. Please read notes 1(f) and 2 to our consolidated financial statements for information regarding our landfill accounting and use of estimates. We also 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 are currently seeking to expand permitted capacity at several of our landfills. The table above includes a column reflecting expansions that we believe to be "probable" based on various estimates and assumptions. For a description of how we make determinations whether permit expansion is probable, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Assumptions—Landfill Accounting" and note 1(f) to our consolidated financial statements. However, we note that we may not be able to obtain permits for expansions, including expansions that we considered to be probable. Therefore, the average remaining landfill life of our 23 operating landfills as of December 31, 2009 may not be 53.7 years when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume. Please read "Risk Factors—Risks Relating to Our Business—We may not be successful in expanding the permitted capacity of our current or future landfills, which could restrict our growth, increase our disposal costs, and reduce our operating margins."

Available Airspace

The following table reflects airspace activity for landfills owned or operated by us for the years ended December 31, 2009, 2008 and 2007.

	Balance as of December 31, 2008	New Expansions Undertaken	Landfills Acquired, Net of Divestiture	Permits Granted	Airspace Consumed	Changes in Engineering Estimates and Design	Balance as of December 31, 2009
Permitted airspace:							
Cubic yards (in thousands)	144,057	—	6,200	18,668	(4,933)	893	164,885
Number of sites	24	—	1	—	—	—	25
Expansion airspace:							
Cubic yards (in thousands)	139,124	—	31,200	(18,668)	—	(16,949)	134,707
Number of sites	15	—	1	(1)	—	—	15
Total available airspace:							
Cubic yards (in thousands)	283,181	—	37,400	—	(4,933)	(16,056)	299,592
Number of sites	24		1				25

	Balance as of December 31, 2007	New Expansions Undertaken	Landfills Acquired, Net of Divestiture	Permits Granted	Airspace Consumed	Changes in Engineering Estimates and Design	Balance as of December 31, 2008
Permitted airspace:							
Cubic yards (in thousands)	149,967	—	—	—	(5,730)	(180)	144,057
Number of sites	24	—	—	—	—	—	24
Expansion airspace:							
Cubic yards (in thousands)	155,524	1,805	—	—	—	(18,205)	139,124
Number of sites	15	—	—	—	—	—	15
Total available airspace:							
Cubic yards (in thousands)	305,491	1,805	—	—	(5,730)	(18,385)	283,181
Number of sites	24		—				24

	Balance as of December 31, 2006	New Expansions Undertaken	Landfills Acquired, Net of Divestiture	Permits Granted	Airspace Consumed	Changes in Engineering Estimates and Design	Balance as of December 31, 2007
Permitted airspace:							
Cubic yards (in thousands)	95,676	—	53,222	7,036	(5,456)	(511)	149,967
Number of sites	20	—	4	—	—	—	24
Expansion airspace:							
Cubic yards (in thousands)	127,409	8,604	26,547	(7,036)	—	—	155,524
Number of sites	12	1	3	(1)	—	—	15
Total available airspace:							
Cubic yards (in thousands)	223,085	8,604	79,769	—	(5,456)	(511)	305,491
Number of sites	20		4				24

We perform periodic engineering reviews of our landfill capacity. Based on these reviews, there may be changes in the estimated available remaining capacity of a landfill or changes in the utilization of such landfill capacity, affecting the amount of waste that can be placed in the future. Estimates of the amount of waste that can be placed in the future are reviewed annually and are based on a number of factors, including site–specific factors such as current and projected mix of waste type; initial and projected waste density; estimated number of years of life remaining; and depth of underlying waste. We continually focus on improving the utilization of airspace through efforts that include recirculating landfill leachate where allowed by permit; optimizing the placement and utilization of alternative daily cover; and increasing initial compaction through improved landfill equipment, operations and training.

Risk Management, Insurance and Financial Assurances

Our environmental risk management program includes evaluating existing facilities and potential acquisitions for environmental compliance. We do not presently expect environmental compliance costs to increase materially above current levels, but we cannot predict whether recent and 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 all of our facilities emphasize minimizing the possibility of environmental contamination and liability.

The nature of our business exposes us to the risk of liabilities arising out of our operations, including possible damage to the environment. Such potential liabilities could involve, for example: (i) claims for remediation costs, personal injury, property damage and damage to the environment in cases where we may be held responsible for the escape of harmful materials; (ii) claims of employees, customers or third parties for personal injury or property damage occurring in the course of our operations; or (iii) claims alleging negligence in the planning or performance of work. We could also be subject to fines and civil and criminal penalties in connection with alleged violations of regulatory requirements. Because of the nature and scope of the possible environmental damages, liabilities imposed in environmental litigation can be significant. Our solid waste operations have third party environmental liability insurance with limits in excess of those required by permit regulations, subject to certain limitations and exclusions, which we believe are customary in the industry. However, the limits of such environmental liability insurance may be inadequate in the event of a major loss. Further, we may be unable to continue to carry excess environmental liability insurance should market conditions in the insurance industry make such coverage prohibitively expensive or otherwise unavailable.

We have property insurance, general liability, automobile physical damage and liability, employment practices liability, pollution liability, directors and officers liability, fiduciary liability, workers' compensation and employer's liability coverage, as well as umbrella liability policies to provide excess coverage over the underlying limits contained in our primary general liability, automobile liability and employer's liability policies. Each of our insurance policies contains a per occurrence or per loss deductible for which we are responsible. Our deductibles range from $1,000 per loss under our employee practices to $100,000 for general liability and $250,000 per occurrence or loss under our automobile liability and workers' compensation and employer's liability coverages. In addition, we have a $500,000 per loss deductible under our pollution liability coverage. Accordingly, we are effectively self–insured for these amounts with respect to claims covered by our insurance policies, as well as with respect to amounts that exceed our policy limits (including our umbrella policy limits, where applicable). In the future, we may be exposed to uninsured liabilities which could have a material adverse effect on our financial condition, results of operations or cash flows. Please read note 13(c) to our consolidated financial statements.

In the normal course of business, we are required to post performance bonds, insurance policies, letters of credit and/or cash deposits in connection with the performance of municipal residential collection contracts, the operation, closure or post–closure of landfills, certain environmental permits and certain business licenses and permits. Bonds issued by surety companies operate as a financial guarantee of our performance. We have satisfied our financial responsibility requirements by obtaining bank letters of credit, insurance policies, performance bonds or making cash deposits.

As of December 31, 2009, we obtained performance bonds in an aggregate amount of approximately $76.5 million and letters of credit in an aggregate amount of approximately $12.5 million, supporting performance of landfill closure and post–closure requirements, insurance contracts, municipal contracts and other financial assurance obligations. For a description of the surety bonds and letter of credit commitments we had in place as of December 31, 2009, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Other Commitments." If in the future we are unable to obtain such instruments in sufficient amounts or at acceptable rates, we could be precluded from entering into additional municipal solid waste collection contracts or obtaining or retaining landfill or transfer station operating permits. Please read "—Risk Factors—Risks Relating To Our Business—We may be unable to obtain financial assurances necessary for our operations, which could result in the closure of landfills or the termination of collection contracts."

Competition

The solid waste collection and disposal industry is highly competitive and fragmented and requires substantial labor and capital resources. The industry presently includes large, publicly–held, national waste companies such as Waste Management, Inc. and Republic Services, Inc. (including Allied Waste Industries, Inc.) as well as numerous other public and privately–held waste companies. Certain of the markets in which we compete or will likely compete are served by one or more of these companies, as well as by numerous privately–held regional and local solid waste companies of varying sizes and resources, some of which have accumulated substantial goodwill in their markets. We also compete with operators of alternative disposal facilities and with counties, municipalities and solid waste districts that maintain their own waste collection and disposal operations. Public sector operations may have financial advantages over us because of their access to user fees and similar charges, tax revenues and tax–exempt financing.

We compete for collection, transfer and disposal volume based primarily on geographic location and the price and quality of our services. From time to time, our competitors may reduce the price of their services in an effort to expand their market share 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.

The solid waste collection and disposal industry has undergone significant consolidation, and we encounter competition in our efforts to acquire landfills, transfer stations and collection operations. Competition exists not only for collection, transfer and disposal volume but also for acquisition candidates. We generally compete for acquisition candidates with large, publicly–held waste management companies, private equity backed firms as well as numerous privately–held regional and local solid waste companies of varying sizes and resources. Competition in the disposal industry may also be affected by the increasing national emphasis on recycling and other waste reduction programs, which may reduce the volume of waste deposited in landfills. 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.

Sales and Marketing

We focus our marketing efforts on continuing and expanding business with existing customers, as well as attracting new customers. Our sales and marketing strategy is to provide prompt, high quality, comprehensive solid waste collection, transfer and disposal services to our customers at competitive prices. We target potential customers of all sizes, from small quantity generators to large companies and municipalities. Because the waste collection and disposal business is a very localized business, most of our marketing activity is local in nature. However, we do have a vice president of sales who is responsible for overseeing our sales and marketing efforts on a company–wide basis, including assisting in hiring and setting compensation programs.

Government Contracts

We are parties to contracts with municipalities and other associations and agencies. Many of these contracts are or will be subject to competitive bidding. We may not be the successful bidder, or we may have to substantially lower prices in order to be the successful bidder. In addition, some of our customers may terminate their contracts with us before the end of the contract term.

Municipalities may annex unincorporated areas within counties where we provide collection services, and as a result, our customers in annexed areas may be required to obtain service from competitors who have been franchised or contracted by the annexing municipalities to provide those services. Some of the local jurisdictions in which we currently operate grant exclusive franchises to collection and disposal companies, others may do so in the future, and we may enter markets where franchises are granted by certain municipalities.

Regulation

Our business is subject to extensive and evolving federal, state and local environmental, health, safety and transportation laws and regulations. These laws and regulations are administered by the U.S. Environmental Protection Agency, or EPA, and various other federal, state and local environmental, zoning, air, water, transportation, land use, health and safety agencies. Many of these agencies regularly inspect our operations to monitor compliance with these laws and regulations. Governmental agencies have the authority to enforce compliance with these laws and regulations and to obtain injunctions or impose civil or criminal penalties in cases of violations. We believe that regulation of the waste industry will continue to evolve, and we will adapt to future legal and regulatory requirements to ensure compliance.

Our operation of landfills subjects us to certain operational, monitoring, site maintenance, closure, post–closure and other obligations which could give rise to increased costs for compliance and corrective measures. In connection with our acquisition of landfills and continued operation or expansion of our landfills, we must often spend considerable time to increase the capacity of these landfills. We may be unable to obtain or maintain necessary governmental approvals. Once obtained, operating permits are subject to modification and revocation by the issuing agency. Compliance with these and any future regulatory requirements could require us to make significant capital and operating expenditures. However, most of these expenditures are made in the normal course of business and do not place us at any competitive disadvantage.

Our operations are subject to extensive regulation, principally under the federal statutes described below.

The Resource Conservation and Recovery Act of 1976, as amended, or RCRA. RCRA regulates the handling, transportation and disposal of hazardous and non–hazardous wastes and delegates authority to states to develop programs to ensure the safe disposal of solid wastes. On October 9, 1991, the EPA promulgated Solid Waste Disposal Facility Criteria for non–hazardous solid waste landfills under Subtitle D of RCRA. Subtitle D includes location standards, facility design and operating criteria, closure and post–closure requirements, financial assurance standards and groundwater monitoring, as well as corrective action standards, many of which had not commonly been in place or enforced at landfills. Subtitle D applies to all solid waste landfill cells that received waste after October 9, 1991, and, with limited exceptions, required all landfills to meet these requirements by October 9, 1993. All states in which we operate have EPA–approved programs which implemented at least the minimum requirements of Subtitle D.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or CERCLA. CERCLA, which is also known as Superfund, addresses problems created by the release or threatened release of hazardous substances (as defined in CERCLA) into the environment. CERCLA's primary mechanism for achieving remediation of such problems is to impose strict, joint and several liability for cleanup of disposal sites on current owners and operators of the site, former site owners and operators at the time of disposal and parties who arranged for disposal at the facility (i.e., generators of the waste and transporters who select the disposal site). The costs of a CERCLA cleanup can be substantial. Liability under CERCLA is not dependent on the existence or intentional disposal of "hazardous wastes" (as defined under RCRA), but can also be based upon the release or threatened release, even as a result of lawful, unintentional and non–negligent action, of any one of the more than 700 "hazardous substances" listed by the EPA, even in minute amounts.

The Federal Water Pollution Control Act of 1972, as amended, or the Clean Water Act. This act establishes rules regulating the discharge of pollutants into streams and other waters of the United States (as defined in the Clean Water Act) from a variety of sources, including solid waste disposal sites. If runoff from our landfills or transfer stations may be discharged into surface waters, the Clean Water Act requires us to apply for and obtain discharge permits, conduct sampling and monitoring and, under certain circumstances, reduce the quantity of pollutants in those discharges. In 1990, the EPA issued additional rules under the Clean Water Act, which establish standards for management of storm water runoff from landfills and which require landfills that receive, or in the past received, industrial waste to obtain storm water discharge permits. In addition, if a landfill or transfer station discharges wastewater through a sewage system to a publicly–owned treatment works, the facility must comply with discharge limits imposed by the treatment works. Also, if development of a landfill may alter or affect "wetlands," the owner may have to obtain a permit and undertake certain mitigation measures before development may begin. This requirement is likely to affect the construction or expansion of many solid waste disposal sites.

The Clean Air Act of 1970, as amended, or the Clean Air Act. The Clean Air Act provides for increased federal, state and local regulation of the emission of air pollutants. The EPA has applied the Clean Air Act to solid waste landfills and vehicles with heavy duty engines, such as waste collection vehicles. Additionally, in March 1996, the EPA adopted New Source Performance Standards and Emission Guidelines (the "Emission Guidelines") for municipal solid waste landfills to control emissions of landfill gases. These regulations impose limits on air emissions from solid waste landfills. The Emission Guidelines impose two sets of emissions standards, one of which is applicable to all solid waste landfills for which construction, reconstruction or modification was commenced before May 30, 1991. The other applies to all municipal solid waste landfills for which construction, reconstruction or modification was commenced on or after May 30, 1991. The Emission Guidelines are being implemented by the states after the EPA approves the individual state's program. These guidelines, combined with the new permitting programs established under the Clean Air Act, subject solid waste landfills to significant permitting requirements and, in some instances, require installation of gas recovery systems to reduce emissions to allowable limits. The EPA also regulates the emission of hazardous air pollutants from municipal landfills and has promulgated regulations that require measures to monitor and reduce such emissions.

Climate Change. A variety of regulatory developments, proposals or requirements have been introduced that are focused on restricting the emission of carbon dioxide, methane and other gases known as greenhouse gases. Congress has considered recent proposed legislation directed at reducing greenhouse gas emissions and President Obama has indicated his support of legislation aimed at reducing greenhouse gases. There has been support in various regions of the country for legislation that requires reductions in greenhouse gas emissions, and some states have already adopted legislation addressing greenhouse gas emissions from various sources. In 2007, the U.S. Supreme Court held in Massachusetts, et al. v. EPA that greenhouse gases are an "air pollutant" under the federal Clean Air Act and, thus, subject to future regulation. In a move toward regulating greenhouse gases, on December 15, 2009, the EPA published its findings that emission of carbon dioxide, methane and other greenhouse gases present an endangerment to human health and the environment because greenhouse gases are, according to EPA, contributing to climate change. On October 30, 2009, the EPA published the greenhouse gas reporting final rule, effective December 29, 2009, which establishes a new comprehensive scheme requiring certain specified industries as well as operators of stationary sources emitting more than established annual thresholds of carbon dioxide-equivalent greenhouse gases to inventory and report their greenhouse gas emissions annually. Municipal solid waste landfills are subject to the rule. EPA proposed regulations that would require a reduction in emissions of greenhouse gases from motor vehicles. Finally, according to the EPA, the final motor vehicle greenhouse gas standards will trigger construction and operating permit requirements for stationary sources. As a result, the EPA has proposed to tailor these programs such that only large stationary sources will be required to have air permits that authorize greenhouse gas emissions.

The Occupational Safety and Health Act of 1970, as amended, or OSHA. OSHA establishes certain employer responsibilities, including maintenance of a workplace free of recognized hazards likely to cause death or serious injury, compliance with standards promulgated by the Occupational Safety and Health Administration and various record keeping, disclosure and procedural requirements. Various standards, including standards for notices of hazards, safety in excavation and demolition work and the handling of asbestos, may apply to our operations.

Flow Control/Interstate Waste Restrictions. Certain permits and approvals, as well as certain state and local regulations, may limit a landfill or transfer station to accepting waste that originates from specified geographic areas, restrict the importation of out-of-state waste or wastes originating outside the local jurisdiction or otherwise discriminate against non-local waste. These restrictions, generally known as flow control restrictions, are controversial, and some courts have held that some flow control schemes violate constitutional limits on state or local regulation of interstate commerce. From time to time, federal legislation is proposed that would allow some local flow control restrictions. Although no such federal legislation has been enacted to date, if such federal legislation should be enacted in the future, states in which we own landfills could limit or prohibit the importation of out-of-state waste or direct that wastes be handled at specified facilities. Such state actions could adversely affect our 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.

Certain state and local jurisdictions may also seek to enforce flow control restrictions through local legislation or contractually. In certain cases, we may elect not to challenge such restrictions. These restrictions could reduce the volume of waste going to landfills in certain areas, which may adversely affect our ability to operate our landfills at their full capacity and/or reduce the prices that we can charge for landfill disposal services. These restrictions may 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 Regulation. 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, 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. Furthermore, many municipalities also have 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 then put such franchises out for bid and bans or other restrictions on the movement of solid wastes into a municipality.

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 specify the types of waste that may be accepted at the landfill. Once an operating permit for a landfill is obtained, it must generally be renewed periodically.

There has been an increasing trend at the state and local level to mandate and encourage waste reduction and recycling and to prohibit or restrict the disposal in landfills of certain types of solid wastes, such as yard wastes, beverage containers, unshredded tires, lead–acid batteries, paper, cardboard and household appliances. 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.

Many states and local jurisdictions have enacted "bad boy" laws that allow the agencies that have jurisdiction over waste services contracts or permits to deny or revoke these contracts or permits based on the applicant's or permit holder's compliance history. Some states and local jurisdictions go further and consider the compliance history of the parent, subsidiaries or affiliated companies, in addition to that of the applicant or permit holder. These laws authorize the agencies to make determinations of an applicant's or permit holder's fitness to be awarded a contract to operate and to deny or revoke a contract or permit because of unfitness unless there is a showing that the applicant or permit holder has been rehabilitated through the adoption of various operating policies and procedures put in place to assure future compliance with applicable laws and regulations.

Some state and local authorities enforce certain federal laws in addition to state and local laws and regulations. For example, in some states, RCRA, OSHA, parts of the Clean Air Act and parts of the Clean Water Act are enforced by local or state authorities instead of the EPA, and in some states those laws are enforced jointly by state or local and federal authorities.

Public Utility Regulation. In many 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 landfills could adversely affect our business, financial condition and operating results.

Seasonality

Based on our industry and our historic trends, we expect our operations to vary seasonally. Typically, revenue will be highest in the second and third calendar quarters and lowest in the first and fourth calendar quarters. These seasonal variations are primarily due to fluctuations in waste volumes. We also expect that our operating expenses may be higher during the winter months due to periodic adverse weather conditions that can slow the collection of waste, resulting in higher labor and operational costs. Please read "—Risk Factors—Risks Relating To Our Business— Seasonal fluctuations will cause our business and results of operations to vary among quarters, which could adversely affect our stock price."

Employees

As of December 31, 2009, we had approximately 996 full–time employees. A group of 18 employees at one of our locations is represented by a union. In 2006, we negotiated with the union for a new collective bargaining agreement which has a term extending until March 2011. We have not experienced any work stoppages, and we believe our relations with our employees are good.

Available Information

We electronically file certain documents with the Securities and Exchange Commission (the SEC). We file annual reports on Form 10–K; quarterly reports on Form 10–Q; and current reports on Form 8–K (as appropriate); along with any related amendments and supplements thereto. From time–to–time, we may also file registration statements and related documents in connection with equity or debt offerings. You 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. You may obtain information regarding the Public Reference Room by calling the SEC at 1–800–SEC–0330. In addition, the SEC maintains an internet website at www.sec.gov that contains reports and other information regarding registrants that file electronically with the SEC.

Our internet website is www.wcawaste.com. We make available free of charge through the "Investor Relations–SEC Filings" section of our internet website our annual report on Form 10–K, quarterly reports on Form 10–Q, current reports on Form 8–K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Item 1A. Risk Factors.

Our business, financial condition, and financial results are subject to various risks, including the following:

Risks Relating To Our Business

Current U.S. economic conditions and the related decline in construction activity, as well as any future downturns, has reduced and may continue to reduce our volume and/or pricing on our services, resulting in decreases in our revenue, profitability and cash flows.

Our business is affected by changes in national and general economic factors that are outside of our control, including economic activity, consumer confidence, interest rates and access to capital markets. Although our services are of an essential nature, a weak economy generally results in decreases in volumes of waste generated, which decreases our revenues. Throughout 2009, we believe that weakening economic conditions have impacted the volume of waste we have collected and disposed of.

Additionally, consumer uncertainty and the loss of consumer confidence may limit the number or amount of services requested by customers and our ability to increase customers' pricing. During weak economic conditions we may also be adversely impacted by customers' inability to pay us in a timely manner, if at all, due to their financial difficulties, which could include bankruptcies.

Increases in the costs of fuel may reduce our operating margins.

The price and supply of fuel needed to run our collection and transfer trucks and our landfill equipment is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries, regional production patterns and environmental concerns. Any significant price escalations or reductions in the supply could increase our operating expenses or interrupt or curtail our operations. Failure to offset all or a portion of any increased fuel costs through increased fees or charges would reduce our operating margins.

Changes in interest rates may affect our profitability.

Our acquisitions could require us to incur substantial additional indebtedness in the future, which will increase our interest expense. Further, to the extent that these borrowings are subject to variable rates of interest, increases in interest rates will increase our interest expense, which will affect our profitability. In connection with the restructuring of our long–term debt in July 2006, we entered into a swap agreement effective July 11, 2006, where we agreed to pay a fixed–rate of 5.64% in exchange for three–month floating rate LIBOR. This interest rate swap expires on November 1, 2010. With the placement of this swap agreement, we bear exposure to, and are primarily affected by, changes in LIBOR rates on the unused portion of up to $150 million of our credit facility. As of December 31, 2009, $82.5 million was subject to the effect of the swap agreement. A 100 basis point increase in LIBOR interest rates would result in swap income of approximately $0.8 million annually while a 100 basis point decrease in interest rates would result in $0.8 million in swap expense, in addition to any mark to market effect on the fair value of the swap. As a result of the swap, the decrease in interest rates that began in September 2007 reduced our cash flow and negatively impacted our pre–tax earnings by $7.2 million, $3.2 million and $0.5 million in 2009, 2008 and 2007, respectively. Considering the rates in effect at December 31, 2009, the impact of the swap agreement is estimated to result in a $6.8 million loss related to the realized portion of the interest rate swap over the next 12 months.

We may not be successful in expanding the permitted capacity of our current or future landfills, which could restrict our growth, increase our disposal costs, and reduce our operating margins.

Our ability to meet our growth objectives depends in part on our ability to expand landfill capacity, whether by acquisition or expansion. Exhausting permitted capacity at a landfill would restrict our growth, and reduce our financial performance in the market served by the landfill since we would be forced to dispose of collected waste at more distant landfills or at landfills operated by our competitors, thereby increasing our waste disposal expenses. Although we have received final permits on expansions at our existing landfills, there may be challenges, comments, or delays regarding the construction of specific cells that could have an adverse effect on our operations in these markets. Obtaining required permits and approvals to expand landfills has become increasingly difficult and expensive, requiring numerous hearings and compliance with various zoning, environmental and regulatory laws and drawing resistance from citizens, environmental or other groups. Even if permits are granted, they may contain burdensome terms and conditions or the timing required may be extensive and could affect the remaining capacity at the landfill. We may choose to delay or forego tuck-in acquisitions in markets where the remaining lives of our landfills are relatively short because increased volumes would further shorten the lives of these landfills.

We are subject to environmental and safety laws, which restrict our operations and increase our costs.

We are subject to extensive federal, state and local laws and regulations relating to environmental protection and occupational safety and health. These include, among other things, laws and regulations governing the use, treatment, storage and disposal of wastes and materials, air quality, water quality and the remediation of contamination associated with the release of hazardous substances. Our compliance with existing regulatory requirements is costly, and continued changes in these regulations could increase our compliance costs. Government laws and regulations often require us to enhance or replace our equipment and to modify landfill operations and may, in the future, require us to initiate final closure of a landfill. We are required to obtain and maintain permits that are subject to strict regulatory requirements and are difficult and costly to obtain and maintain. We may be unable to implement price increases sufficient to offset the cost of complying with these laws and regulations. In addition, regulatory changes could accelerate or increase expenditures for closure and post-closure monitoring at solid waste facilities and obligate us to spend sums over the amounts that we have accrued.

We may become subject to environmental clean-up costs or litigation that could curtail our business operations and materially decrease our earnings.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or CERCLA, and analogous state laws provide for the remediation of contaminated facilities and impose strict joint and several liability for remediation costs on current and former owners or operators of a facility at which there has been a release or a threatened release of a hazardous substance. This liability is also imposed on persons who arrange for the disposal of and who transport such substances to the facility. Hundreds of substances are defined as hazardous under CERCLA and their presence, even in small amounts, can result in substantial liability. The expense of conducting a cleanup can be significant. Notwithstanding our efforts to comply with applicable regulations and to avoid transporting and receiving hazardous substances, we may have liability because these substances may be present in waste collected by us or disposed of in our landfills, or in waste collected, transported or disposed of in the past by companies that we acquire even if we did not collect or dispose of the waste while we owned the landfill. The actual costs for these liabilities could be significantly greater than the amounts that we might be required to accrue on our financial statements from time to time.

In addition to the costs of complying with environmental regulations, we may incur costs to defend against litigation brought by government agencies and private parties. As a result, we may be required to pay fines or our permits and licenses may be modified or revoked. We may in the future be a defendant in lawsuits brought by governmental agencies and private parties who assert claims alleging environmental damage, personal injury, property damage and/or violations of permits and licenses by us. A significant judgment against us, the loss of a significant permit or license or the imposition of a significant fine could curtail our business operations and may decrease our earnings.

Our accruals for landfill closure and post-closure costs may be inadequate, and our earnings would be lower if we are required to pay or accrue additional amounts.

We are required to pay closure and post-closure costs of any disposal facilities that we own or operate. We accrue for future closure and post-closure costs of our owned landfills, generally for a term of up to 30 years, based on engineering estimates of future requirements associated with the final landfill design and closure and post-closure process. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Assumptions." Our obligations to pay closure and post-closure costs, including for monitoring, may exceed the amount we accrued, which would adversely affect our earnings. Expenditures for these costs may increase as a result of any federal, state or local government regulatory action, including changes in closing or monitoring activities, types and quantities of materials used or the period of required post–closure monitoring. These factors could substantially increase our operating costs and therefore impair our ability to invest in our existing facilities or new facilities. The amount of our accruals is based upon estimates by management and engineers and accountants. We review at least annually our estimates for closure and post–closure costs, and any change in our estimates could require us to accrue additional amounts.

We may be unable to obtain financial assurances necessary for our operations, which could result in the closure of landfills or the termination of collection contracts.

We are required to provide financial assurances to governmental agencies under applicable environmental regulations relating to landfill closure and post–closure obligations, our landfill operations, and other collection and disposal contracts. We satisfy these financial assurances requirements by providing performance bonds, letters of credit, insurance policies or trust deposits.

Our business is capital intensive, requiring ongoing cash outlays that may strain or consume our available capital and force us to sell assets, incur debt, or sell equity on unfavorable terms.

Our ability to remain competitive, grow and maintain operations largely depends on our cash flow from operations and access to capital. Maintaining our existing operations and expanding them through internal growth or acquisitions requires large capital expenditures. As we undertake more acquisitions and further expand our operations, the amount we expend on capital, closure and post–closure and remediation expenditures will increase. These increases in expenditures may result in lower levels of working capital or require us to finance working capital deficits. We intend to continue to fund our cash needs through cash flow from operations and borrowings under our credit facility, if necessary. However, we may require additional equity or debt financing to fund our growth.

We do not have complete control over our future performance because it is subject to general economic, political, financial, competitive, legislative, regulatory and other factors. It is possible that our business may not generate sufficient cash flow from operations, and we may not otherwise have the capital resources, to allow us to make necessary capital expenditures. If this occurs, we may have to sell assets, restructure our debt or obtain additional equity capital, which could be dilutive to our stockholders. We may not be able to take any of the foregoing actions, and we may not be able to do so on terms favorable to us or our stockholders.

Governmental authorities may enact climate change regulations that could increase our costs to operate.

Environmental advocacy groups and regulatory agencies in the United States have been focusing considerable attention on the emissions of greenhouse gases and their potential role in climate change. Congress has considered recent proposed legislation directed at reducing greenhouse gas emissions and President Obama has indicated his support of legislation aimed at reducing greenhouse gases. EPA has proposed rules to regulate greenhouse gases, regional initiatives have formed to control greenhouse gases and certain of the states in which we operate are contemplating air pollution control regulations that are more stringent than existing and proposed federal regulations, in particular the regulation of emissions of greenhouse gases. The adoption of laws and regulations to implement controls of greenhouse gases, including the imposition of fees or taxes, could adversely affect our collection and disposal operations. Changing environmental regulations could require us to take any number of actions, including the purchase of emission allowances or installation of additional pollution control technology, and could make some operations less profitable, which could adversely affect our results of operations.

Increases in the costs of disposal may reduce our operating margins.

We dispose of approximately one–third of the waste that we collect in landfills operated by others, but that rate may increase in the future. We may incur increases in disposal fees paid to third parties or in the costs of operating our own landfills. Failure to pass these costs on to our customers may reduce our operating margins.

Increases in the costs of labor may reduce our operating margins.

We compete with other businesses in our markets for qualified employees. A shortage of qualified employees would require us to enhance our wage and benefits packages to compete more effectively for employees or to hire more expensive temporary employees. Labor is our second largest operating cost, and even relatively small increases in labor costs per employee could materially affect our cost structure. Failure to attract and retain qualified employees, to control our labor costs, or to recover any increased labor costs through increased prices we charge for our services or otherwise offset such increases with cost savings in other areas may reduce our operating margins.

Increases in costs of insurance would reduce our operating margins.

One of our largest operating costs is for insurance coverage, including general liability, automobile physical damage and liability, property, employment practices, pollution, directors and officers, fiduciary, workers' compensation and employer's liability coverage, as well as umbrella liability policies to provide excess coverage over the underlying limits contained in our primary general liability, automobile liability and employer's liability policies. Changes in our operating experience, such as an increase in accidents or lawsuits or a catastrophic loss, could cause our insurance costs to increase significantly or could cause us to be unable to obtain certain insurance. Increases in insurance costs would reduce our operating margins. Changes in our industry and perceived risks in our business could have a similar effect.

We may not be able to maintain sufficient insurance coverage to cover the risks associated with our operations, which could result in uninsured losses that would adversely affect our financial condition.

Integrated non–hazardous waste companies are exposed to a variety of risks that are typically covered by insurance arrangements. However, we may not be able to maintain sufficient insurance coverage to cover the risks associated with our operations for a variety of reasons. Increases in insurance costs and changes in the insurance markets may, given our resources, limit the coverage that we are able to maintain or prevent us from insuring against certain risks. Large or unexpected losses may exceed our policy limits, adversely affecting our results of operations, and may result in the termination or limitation of coverage, exposing us to uninsured losses, thereby adversely affecting our financial condition.

Our failure to remain competitive with our numerous competitors, some of which have greater resources, could adversely affect our ability to retain existing customers and obtain future business.

Our industry is highly competitive. We compete with large companies and municipalities, many of which have greater financial and operational resources. The non–hazardous solid waste collection and disposal industry includes large national, publicly–traded waste management companies; regional, publicly–held and privately–owned companies; and numerous small, local, privately–owned companies. Additionally, many counties and municipalities operate their own waste collection and disposal facilities and have competitive advantages not available to private enterprises. We also encounter competition from alternatives to landfill disposal, such as recycling and incineration, that benefit from state requirements to reduce landfill disposal. If we are unable to successfully compete against our competitors, our ability to retain existing customers and obtain future business could be adversely affected.

We may lose contracts through competitive bidding, early termination or governmental action, or we may have to substantially lower prices in order to retain certain contracts, any of which would cause our revenue to decline.

We are parties to contracts with municipalities and other associations and agencies. Many of these contracts are or will be subject to competitive bidding. We may not be the successful bidder, or we may have to substantially lower prices in order to be the successful bidder. In addition, some of our customers may terminate their contracts with us before the end of the contract term. If we were not able to replace revenue from contracts lost through competitive bidding or early termination or from lowering prices or from the renegotiation of existing contracts with other revenue within a reasonable time period, our revenue could decline.

Municipalities may annex unincorporated areas within counties where we provide collection services, and as a result, our customers in annexed areas may be required to obtain service from competitors who have been franchised or contracted by the annexing municipalities to provide those services. Some of the local jurisdictions in which we currently operate grant exclusive franchises to collection and disposal companies, others may do so in the future, and we may enter markets where franchises are granted by certain municipalities. Unless we are awarded a franchise by these municipalities, we will lose customers which will cause our revenue to decline.

Comprehensive waste planning programs and initiatives required by state and local governments may reduce demand for our services, which could adversely affect our waste volumes and the price of our landfill disposal services.

Many of the states in which we operate landfills require counties and municipalities to formulate comprehensive plans to reduce the volume of solid waste disposed of in landfills through waste planning, recycling, composting or other programs. Some state and local governments mandate waste reduction at the source and prohibit the disposal of certain types of wastes, such as yard wastes, at landfills. These actions may reduce the volume of waste going to landfills in certain areas, and therefore our landfills may not continue to operate at currently estimated volumes or they may be unable to charge current prices for landfill disposal services.

Efforts by labor unions to organize our employees could divert management attention and increase our operating expenses.

In 2006, we negotiated with the union for a new collective bargaining agreement which has a term extending until March 2011. As of December 31, 2009, there were 18 employees in that group. Additional groups of employees may seek union representation in the future, and the negotiation of collective bargaining agreements could divert management attention and result in increased operating expenses and lower net income. 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 these work stoppages, our operating expenses could increase significantly.

Current and proposed laws may restrict our ability to operate across local borders which could affect our manner, cost and feasibility of doing business.

For the year ended December 31, 2009, approximately $2.0 million, or 1.1%, of our revenue was earned from the disposal of waste that is generated in a state other than the state where it is disposed. As a result of the acquisition of Live Earth, LLC and its operating subsidiaries, we anticipate that an increasing portion of our revenue will be earned from the disposal of out-of-state waste, including waste that is disposed of at our Sunny Farms Landfill in Ohio. Some states have imposed restrictions on collection routes and disposal locations. Other states, like Ohio, impose certain fees on out-of-state waste that is disposed of in Ohio, which may reduce operating margins to the extent such fees cannot be passed on to our customers. Furthermore, our collection, transfer and landfill operations may also be affected in the future by proposed "flow control" legislation that would allow state and local governments to direct waste generated within their jurisdictions to a specific facility for disposal or processing. Moreover, in the future, our operations may be affected by proposed federal legislation authorizing states to regulate, limit or perhaps even prohibit interstate shipments of waste. If this or similar legislation is enacted, state or local governments with jurisdiction over our landfills could act to limit or prohibit disposal or processing of out-of-state waste in our landfills, whether collected by us or by third parties which could affect our manner, cost and feasibility of doing business.

Poor decisions by our regional and local managers could result in the loss of customers or an increase in costs, or adversely affect our ability to obtain future business.

We manage our operations on a decentralized basis. Therefore, regional and local managers have the authority to make many decisions concerning their operations without obtaining prior approval from executive officers. Poor decisions by regional or local managers could result in the loss of customers or an increase in costs, or adversely affect our ability to obtain future business.

We are vulnerable to factors affecting our local markets, which could adversely affect our stock price relative to our competitors.

The non–hazardous waste business is local in nature. Accordingly, our business in one or more regions or local markets may be adversely affected by events and economic conditions relating to those regions or markets even if the other regions of the country are not affected. As a result, our financial performance may not compare favorably to our competitors with operations in other regions, and our stock price could be adversely affected by our inability to compete effectively with our competitors.

Seasonal fluctuations will cause our business and results of operations to vary among quarters, which could adversely affect our stock price.

Based on historic trends experienced by the businesses we have acquired, we expect our operating results to vary seasonally, with revenue typically lowest in the first quarter, higher in the second and third quarters, and again lower in the fourth quarter. This seasonality generally reflects the lower volume of waste during the winter months. Adverse weather conditions negatively affect waste collection productivity, resulting in higher labor and operational costs. The general increase in precipitation during the winter months increases the weight of collected waste, resulting in higher disposal costs, as costs are often calculated on a per ton basis. Because of these factors, we expect operating income to be generally lower in the winter months. As a result, our operating results may be negatively affected by these variations. Additionally, severe weather during any time of the year can negatively affect the costs of collection and disposal and may cause temporary suspensions of our collection and disposal services. Long periods of inclement weather may interfere with collection and landfill operations, delay the construction of landfill capacity and reduce the volume of waste generated by our customers. Any of these conditions can adversely affect our business and results of operations, which could negatively affect our stock price.

Risks Relating to Our Acquisitions

On December 31, 2009, we consummated the acquisition of the Live Earth Companies, which included certain assets and related liabilities held by Live Earth, LLC that relate to the Live Earth Companies. The consideration for the Live Earth Companies consisted of $19.7 million in cash which includes working capital of $0.9 million, the issuance of up to 5,555,556 shares of our common stock, which includes 3,555,556 shares that were issued at closing and up to 2,000,000 shares of our common stock that may be issued pursuant to certain earn–out provisions (the "Earn–Out Shares"). The acquisition of the Live Earth Companies is subject to various risks, including the following:

- Following the acquisition of the Live Earth Companies, individuals affiliated with Live Earth beneficially own approximately 16.3% of our outstanding common stock and could beneficially own up to 21.8% of our common stock if the Earn–out Shares are issued. Accordingly, these individuals have significant voting power and potential influence and control over our company. This concentration of ownership and the potential ability to significantly influence our management and affairs may have the effect of preventing or discouraging transactions involving a potential change of control or may otherwise adversely affect us.

- Cash expenditures and capital commitments associated with our acquisition of the Live Earth Companies may create significant liquidity and cash flow risks for us, and we may incur substantial debt in order to satisfy our obligations.

- The integration of WCA and the Live Earth Companies may not be completed successfully, cost–effectively or on a timely basis.

- If railway access to the Sunny Farms Landfill, which is one of the Live Earth assets that we acquired, were limited or prohibited due to the termination of the current contract with a Class I railroad operator or otherwise, the operations of the landfill would suffer.

- Our limited experience with rail–based waste disposal may reduce the expected benefits of the acquisition.

- If approval of the transfer of control of the Sunny Farms Landfill by the Ohio Environmental Protection Agency is delayed or denied, the acquisition of the Live Earth Companies could be at risk or completely unwound.

- If material disposed of at the Sunny Farms Landfill is reclassified by the Ohio Attorney General or another regulatory authority, we could face higher fees or civil money penalties that could negatively affect the profitability of our operations at the Sunny Farms Landfill.

- If we are unable to identify and successfully acquire and integrate additional waste collection operations in the eastern United States that permit us to leverage the acquisition of the Live Earth Companies, the long-term benefits of the acquisition could be diminished.

- As shares of our common stock issued in the acquisition the Live Earth Companies become eligible for resale (which in most instances is not earlier than 18 months from the closing date), our stock price may suffer a significant decline as a result of the sudden increase in the number of shares sold in the public market or market perception that the increased number of shares available for sale will exceed the demand for our common stock.

We may be unable to identify, complete or integrate future acquisitions, which may harm our prospects.

We may be unable to identify appropriate acquisition candidates. If we do identify an appropriate acquisition candidate, we may not be able to negotiate acceptable terms or finance the acquisition or, if the acquisition occurs, effectively integrate the acquired business into our existing business. Negotiations of potential acquisitions and the integration of acquired business operations require a disproportionate amount of management's attention and our resources. Even if we complete additional acquisitions, continued financing may not be available or available on reasonable terms, any new businesses may not generate revenues comparable to our existing businesses, the anticipated cost efficiencies or synergies may not be realized and these businesses may not be integrated successfully or operated profitably or accretive to our earnings.

We compete for acquisition candidates with other purchasers, some of which have greater financial resources and may be able to offer more favorable terms, thus limiting our ability to grow through acquisitions.

Other companies in the solid waste services industry also have a strategy of acquiring and consolidating regional and local businesses. We expect that as the consolidation trend in our industry continues, the competition for acquisitions will increase. Competition for acquisition candidates may make fewer acquisition opportunities available to us or make those opportunities more expensive.

In connection with financing acquisitions, we may incur additional indebtedness, or may issue additional equity including common stock or preferred stock which would dilute the ownership percentage of existing stockholders.

We intend to finance acquisitions with available cash, borrowings under our credit facility, our equity including common stock or preferred stock, or a combination of these means. As a result, we may incur additional indebtedness or issue additional equity which would dilute the ownership percentage of existing stockholders. Our credit facility contains covenants restricting, among other things, the amount of additional indebtedness. We may offer equity as some or all of the consideration for certain acquisitions. Our ability to do so will depend in part on the attractiveness of our equity. This attractiveness may depend largely on the capital appreciation prospects of our equity compared to the equity of our competitors.

Businesses that we acquire may have unknown liabilities and require unforeseen capital expenditures, which would adversely affect our financial results.

We may acquire businesses with liabilities that we fail to discover, including liabilities arising from non–compliance with environmental laws by prior owners for which we may be responsible as the successor owner. Moreover, as we integrate a new business, we may discover that required expenses and capital expenditures are greater than anticipated, which would adversely affect our financial results.

Rapid growth may strain our management, operational, financial and other resources, which would adversely affect our financial results.

Pursuing acquisitions requires significant time from our senior management. We may also be required to expand our operational and financial systems and controls and our management information systems capabilities. We may also need to attract and train additional senior managers, technical professionals and other employees. Failure to do any of these could restrict our ability to maintain and improve our profitability while continuing to grow.

Our acquisitions have resulted and future acquisitions we make may continue to result in significant goodwill and other intangible assets, which may need to be written down if performance is not as expected.

As of December 31, 2009, we had approximately $72.4 million of goodwill and other intangible assets, representing approximately 16.8% of our total assets. If we complete acquisitions at prices greater than the fair value of the assets acquired, we would generate additional goodwill. We are required to test our goodwill at least annually for impairment, which would require us to incur a charge if we determine there is a reduction in value. Any such charge would reduce our assets and earnings.

We may incur charges and other unforeseen expenses related to acquisitions, which could lower our earnings.

In the past, we capitalized some expenditures and advances relating to acquisitions and pending acquisitions, but expense indirect acquisition costs, including general corporate overhead, as they are incurred. We charged against earnings any unamortized capitalized expenditures and advances (net of any amount that we estimated we would recover, through sale or otherwise) that related to any pending acquisition that was not consummated. Starting in 2009, all acquisition–related transaction and restructuring costs are expensed as incurred rather than capitalized as part of the acquisition costs. As of December 31, 2009, we expensed $1.0 million of such costs. We may incur more charges related to acquisitions in future periods, which could lower our earnings.

Risks Relating to Our Operations and Corporate Organization

Our success depends on key members of our senior management, the loss of any of whom could disrupt our customer and business relationships and our operations.

We believe that our continued success depends in large part on the sustained contributions of our chairman of the board and chief executive officer, Mr. Tom J. Fatjo, Jr., our president and chief operating officer, Mr. Jerome M. Kruszka, and other members of our senior management. We rely on them to identify and pursue new business opportunities and acquisitions and to execute operational strategies. The loss of services of Messrs. Fatjo, Jr. or Kruszka or any other senior management member could significantly impair our ability to identify and secure new contracts and acquisitions and otherwise disrupt our operations. We do not maintain key person life insurance on any of our senior executives. We have entered into employment agreements with our executive officers that contain non–compete and confidentiality covenants. Despite these agreements, we may not be able to retain these officers and may not be able to enforce the non–compete and confidentiality covenants in their employment agreements.

A controlling interest in our voting stock is held by one fund and a small number of individuals (including management), which when combined with various agreements and rights of the fund, may discourage a change of control transaction and may exert control over our strategic direction.

As of March 1, 2010,

- Joseph E. LoConti, Daniel J. Clark and certain of their affiliates beneficially owned approximately 13.5% of the outstanding shares of our common stock.

- Ares Corporate Opportunities Fund II L.P (Ares) held preferred shares convertible into our common stock at a price of $9.60 per share. The preferred shares were issued on July 27, 2006 and carry a 5% payment−in−kind (PIK) dividend payable semi−annually. As of March 1, 2010, the preferred shares were immediately convertible into 9,330,246 shares of our common stock (representing approximately 31.6% of the outstanding common stock on a post−conversion basis). Dividends are solely PIK for the first five years — that is, they are payable solely by adding the amount of dividends to the stated value of each share. At the end of five years the preferred shares would be convertible into approximately 10,000,661 shares of common stock, which based on the currently outstanding shares would represent approximately 33.1% of the post−conversion shares outstanding. Ares is entitled to vote its preferred shares as if converted (subject to contractual restrictions with us), is entitled to elect two directors, and is entitled to other contractual rights. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Preferred Stock" for a description of the various arrangements with Ares.

- Our executive officers, directors and their related entities owned or controlled approximately 17.7% of the outstanding shares of our common stock.

Accordingly, these parties collectively held a controlling vote and will have the ability to significantly influence our management and affairs. This concentration of ownership and the potential ability to significantly influence our management and affairs may have the effect of preventing or discouraging transactions involving a potential change of control or otherwise adversely affect us.

Provisions in our amended and restated certificate of incorporation, our amended and restated bylaws and Delaware law could preclude a change of control that our stockholders may favor and which could negatively affect our stock price.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws and applicable provisions of the Delaware General Corporation Law may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our stockholders. These provisions could discourage potential takeover attempts and could adversely affect the market price of our common stock. Our amended and restated certificate of incorporation and our amended and restated bylaws:

- authorize the issuance of blank check preferred stock that could be issued by our board of directors to thwart a takeover attempt;

- prohibit cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of stock to elect some directors;

- require super−majority voting to effect amendments to provisions of our amended and restated bylaws concerning the number of directors;

- limit who may call special meetings;

- prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders;

- establish advance notice requirements for nominating candidates for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholders meeting; and

- require that vacancies on the board of directors, including newly–created directorships, be filled only by a majority vote of directors then in office.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder.

We do not anticipate paying cash dividends on our common stock in the foreseeable future, so you can only realize a return on your investment by selling your shares of our common stock.

We do not anticipate paying cash dividends on our common stock in the foreseeable future. Any payment of cash dividends will depend upon our financial condition, capital requirements, earnings and other factors and are prohibited by the terms of our credit facility. Please read "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Dividend Policy." Accordingly, for the foreseeable future you can only realize a return on your investment by selling your shares of our common stock.

We may issue preferred stock that has a liquidation or other preference over our common stock without the approval of the holders of our common stock, which may affect those holders rights or the market price of our common stock.

Our board of directors is authorized to issue series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

On July 13, 2006, our stockholders approved the issuance of 750,000 shares of convertible preferred stock at $100.00 per share in the private placement with Ares. The shares were issued on July 27, 2006. The preferred stock is convertible into shares of our common stock at a price of $9.60 per share and carries a 5% PIK dividend payable semi–annually.

The preferred shares were convertible into 7,812,500 shares of our common stock on the issuance date and with the effect of the cumulative PIK dividends at the end of five years would be convertible into 10,000,661 shares of common stock. Under the terms of the preferred agreement, under certain circumstances, all five years' worth of cumulative PIK dividends would accelerate and become payable to the preferred holder. The preferred shareholder holds certain preferential rights, including the appointment of two directors.

Risks Associated with Our Indebtedness

Adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, access to capital and cost of capital.

The capital and credit markets have been experiencing extreme volatility and disruption for more than 12 months. In many cases, the markets have exerted downward pressure on availability of liquidity and credit capacity for certain issuers.

We need liquidity to pay our operating expenses and interest on our debt and to fund our acquisitions. The lack of sufficient liquidity may have a materially adverse effect on our operations and financial results. The principal sources of our liquidity are cash on hand, cash flow from our operations, and access to borrowings under our credit facility. Sources of liquidity in normal markets also include a variety of short– and long–term instruments, including repurchase agreements, commercial paper, medium– and long–term debt, junior subordinated debt securities, capital securities and stockholders' equity.

In the event current resources do not satisfy our needs, we may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long– or short–term financial prospects if the level of our business activity decreased due to a market downturn. Similarly, our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us. Our internal sources of liquidity may prove to be insufficient, and in such case, we may not be able to successfully obtain additional financing on favorable terms, or at all.

The inability or failure of any syndicate bank to meet its obligations under our senior credit facility could adversely impact our short–term and/or long–term capital or cash needs by limiting our access to swing–line loans, increasing the cost of issuing letters of credit, or reducing the total capacity available under the revolving credit facility.

The capital and credit markets have been experiencing extreme volatility and disruption for more than twelve months. This instability has been accompanied by numerous bank failures. While we are not aware of any issues affecting the participant banks under our senior credit facility, if a participant bank were to fail or otherwise become unable to fund its lending commitment to us, and we were unable to replace any lending commitments, we may not be able to access funds from our credit facility as needed to fully fund our operations and/or our cost of obtaining working capital, letters of credit and other forms of funding could increase significantly and materially impact our operations and earnings.

We have a substantial amount of debt which could adversely affect our operations and financial performance.

As of March 1, 2010, we had approximately $223.5 million of consolidated total indebtedness outstanding and approximately $91.0 million of additional borrowing capacity available under our credit agreement.

Our substantial debt could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our debt;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to obtain additional financing for future working capital, capital expenditures, acquisitions and other general corporate purposes;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- make us more vulnerable to increases in interest rates; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

In addition, we may incur substantial additional debt in the future. If new debt is added to our current debt levels, these related risks could increase. We may not maintain sufficient revenue and cash flow to meet our capital expenditure requirements and our financial obligations, including our debt service obligations.

Our ability to make scheduled payments or to refinance our obligations with respect to our debt will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to certain financial, business, and other factors beyond our control. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay scheduled expansion and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt on less than favorable terms.

The provisions in our debt instruments impose restrictions on us that may limit the discretion of management in operating our business.

Our senior credit agreement and the indenture governing our senior notes contain various restrictive covenants that limit management's discretion in operating our business. In particular, these covenants limit our ability to, among other things:

- incur additional debt or issue additional preferred stock;
- make certain investments or pay dividends or distributions on our capital stock or subordinated indebtedness or purchase or redeem or retire capital stock;
- sell or transfer assets, including capital stock of our restricted subsidiaries;
- restrict dividends or other payments by restricted subsidiaries;
- incur liens;
- enter into transactions with affiliates; and
- consolidate, merge, sell or lease all or substantially all of our assets.

The credit agreement also requires us to maintain specified financial ratios and satisfy certain financial tests. Our ability to maintain or meet such financial ratios and tests may be affected by events beyond our control, including changes in general economic and business conditions, and we cannot assure you that we will maintain or meet such ratios and tests or that the lenders under the credit agreement will waive any failure to meet such ratios or tests.

These covenants could materially and adversely affect our ability to finance our future operations or capital needs. Furthermore, they may restrict our ability to expand, to pursue our business strategies and otherwise to conduct our business. Our ability to comply with these covenants may be affected by circumstances and events beyond our control, such as prevailing economic conditions and changes in regulations. A breach of these covenants could result in a default under the indenture governing the senior notes and/or the credit agreement. If there were an event of default under the indenture governing the senior notes and/or the credit agreement, the affected creditors could cause all amounts borrowed under these instruments to be due and payable immediately. Additionally, if we fail to repay indebtedness under our credit agreement when it becomes due, the lenders under the credit agreement could proceed against substantially all of our assets which we have pledged to them as security. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Bank Credit Facility."

We are a holding company and do not conduct any business operations of our own. Our principal assets are the equity interests we own in our operating subsidiaries, either directly or indirectly. As a result, we are dependent upon cash dividends, distributions or other transfers we receive from our subsidiaries in order to make dividend payments to our stockholders, to repay any debt we may incur, and to meet our other obligations. The ability of our subsidiaries to pay dividends and make payments to us will depend on their operating results and may be restricted by, among other things, applicable corporate, tax and other laws and regulations and agreements of those subsidiaries, as well as by the terms of the credit agreement and the indenture governing our senior notes.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our principal executive offices are located at One Riverway, Suite 1400, Houston, Texas 77056, where we currently lease 14,360 square feet of office space. Currently, we also own or lease field–based administrative offices in Alabama, Arkansas, Colorado, Florida, Kansas, Massachusetts, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas.

Our principal property and equipment consist of land (primarily landfills, transfer stations and bases for collection operations), buildings, and vehicles and equipment, including waste collection and transportation vehicles, related support vehicles, carts, containers and heavy equipment used in landfill operations, all of which are encumbered by liens in favor of our lenders. As of December 31, 2009, we owned and/or operated 25 landfills, 26 collection operations and 24 transfer stations/MRFs. Of these facilities, two transfer stations and two landfills are fully permitted but not yet opened, and one transfer station is idle. We also operated but did not own three of the transfer stations as of December 31, 2009. For a description of our landfills, please read "Business—Our Operations—Landfills." We believe that our office space, operating properties, vehicles and equipment are adequately maintained and sufficient for our current operations. However, we expect to continue to make investments in additional equipment and property for expansion, for replacement of assets, and in connection with future acquisitions.

Item 3. Legal Proceedings.

Information regarding our legal proceedings can be found in note 13(d) to our consolidated financial statements included elsewhere in this report.

Item 4. Submission of Matters to a Vote of Security Holders.

On December 31, 2009, we held a special meeting of stockholders to approve the issuance of up to a maximum of 5,555,556 shares of WCA Waste Corporation common stock as consideration in connection with the acquisition by us of the Live Earth Companies and certain assets and related liabilities. At the special meeting, the acquisition consideration proposal was approved based on the following vote tabulation:

Votes For	Votes Against	Abstentions
14,287,348	3,690,287	556,646

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market for Common Stock

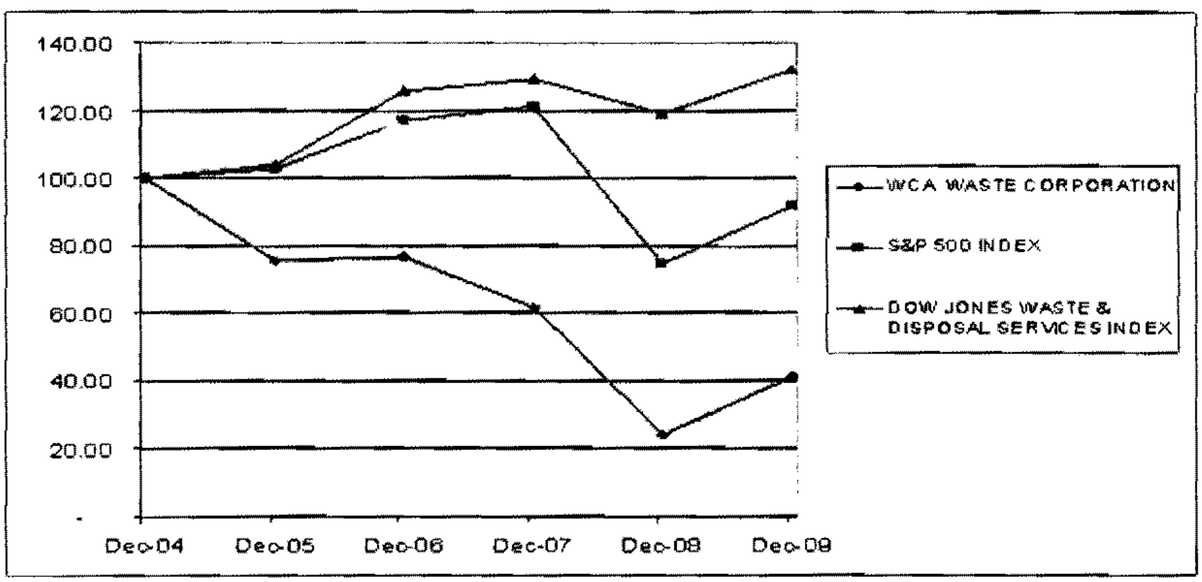
Our common stock is traded on the NASDAQ Global Market under the symbol "WCAA." As of March 1, 2010, there were approximately 147 holders of record of our common stock. This number does not include any beneficial owners for whom shares of common stock may be held in "nominee" or "street" name. The following table sets forth the range of high and low closing sales prices per share for our common stock as reported by NASDAQ for the periods indicated.

	High		Low	
2008				
First Quarter	$	7.95	$	5.27
Second Quarter	$	6.72	$	4.57
Third Quarter	$	6.44	$	4.40
Fourth Quarter	$	5.25	$	2.29
2009				
First Quarter	$	3.06	$	1.42
Second Quarter	$	4.21	$	1.46
Third Quarter	$	5.10	$	3.29
Fourth Quarter	$	4.70	$	3.67
2010				
First Quarter (through March 2, 2010)	$	4.69	$	4.00

On March 2, 2010, the closing sales price of our common stock was $4.55.

Performance Graph

The following performance graph compares the performance of our common stock to the S&P 500 Index and the Dow Jones Waste & Disposal Services Index. The graph covers the five-year period ended December 31, 2009 and assumes that a $100 investment was made on December 31, 2004 and that all dividends were reinvested.



	December 31,					
	2004	2005	2006	2007	2008	2009
WCA Waste Corporation	$ 100.00	$ 75.60	$ 76.84	$ 61.82	$ 24.02	$ 41.15
S&P 500 Index	$ 100.00	$ 103.00	$ 117.03	$ 121.16	$ 74.53	$ 92.01
Dow Jones Waste & Disposal Services Index	$ 100.00	$ 104.08	$ 125.72	$ 129.35	$ 119.18	$ 132.37

Our stock performance may not continue into the future with the same or similar trends depicted in the performance graph above. We will not make or endorse any predictions as to future stock performance.

Dividend Policy

We have never declared or paid any cash dividends on our common stock and do not intend to declare or pay any cash dividends on our common stock in the foreseeable future. We currently intend to retain our earnings, if any, to finance the development and expansion of our business and for general corporate purposes. Furthermore, our debt agreements prohibit payment of cash dividends or other payments or advances by our primary operating subsidiary to us (or any intermediary) under all circumstances, meaning we have very limited sources of cash. Our only source of cash to pay dividends to our stockholders would be distributions or other payments or advances from our subsidiaries, which, as discussed above, is prohibited by the terms of our debt agreements. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Bank Credit Facility." Any future dividends declared would be subject to a relaxation of this prohibition, would be at the discretion of our board of directors and would depend on our financial condition, results of operations, capital requirements, contractual obligations, the other terms of our credit facility and other financing agreements at the time a dividend is considered, and other relevant factors. For a discussion of the PIK dividends accrued under our preferred stock, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources— Preferred Stock."

Purchases of Equity Securities by Company and Affiliated Purchasers

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
October 1 – October 31, 2009	—	—	—	—
November 1 – November 30, 2009	—	—	—	—
December 1 – December 31, 2009	396(1)	$ 4.35	—	—
Total	396(1)	$ 4.35	—	—

(1) Represents shares of our common stock surrendered to satisfy minimum tax withholding obligations on the vesting of restricted stock.

Item 6. Selected Financial Data.

The following tables set forth certain selected historical consolidated financial data derived from our consolidated financial statements included elsewhere in this report, except for the information for 2005 and 2006 (in thousands except per share data). The information set forth below should be read in connection with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this report. The following information may not be indicative of our future operating results.

	Year Ended December 31,				
	2009	2008	2007	2006	2005
Consolidated Statements of Operations Data:					
Revenue	$ 194,138	$ 208,009	$ 184,940	$ 149,497	$ 114,143
Expenses:					
Cost of services (1),(2)	130,287	142,129	121,853	95,991	73,933
Depreciation and amortization	26,357	27,151	24,234	19,070	14,795
Impairment of goodwill	—	41,725	—	—	—
General and administrative (3)	13,496	12,335	12,768	11,010	8,311
Total expenses	170,140	223,340	158,855	126,071	97,039
Operating income (loss)	23,998	(15,331)	26,085	23,426	17,104
Other income (expense):					
Interest expense, net	(18,052)	(18,560)	(16,765)	(15,385)	(10,201)
Write-off of deferred financing costs and debt discount (4)	—	—	—	(3,240)	(1,308)
Impact of interest rate swap	(2,063)	(7,547)	(4,442)	340	(165)
Other income (expense), net	83	(62)	387	192	286
Other income (expense)	(20,032)	(26,169)	(20,820)	(18,093)	(11,388)
Income (loss) before income taxes	3,966	(41,500)	5,265	5,333	5,716
Income tax (provision) benefit	(2,958)	13,737	(2,343)	(2,313)	(2,248)
Net income (loss)	1,008	(27,763)	2,922	3,020	3,468
Accrued payment-in-kind dividend on preferred stock	(4,278)	(4,076)	(3,876)	(1,603)	—
Net income (loss) available to common stockholders	$ (3,270)	$ (31,839)	$ (954)	$ 1,417	$ 3,468
Per Share Data — basic and diluted:					
Net income (loss)	0.06	(1.71)	0.18	0.19	0.22
Accrued payment-in-kind dividend on preferred stock	(0.27)	(0.25)	(0.24)	(0.10)	—
Net income (loss) available to common stockholders	$ (0.21)	$ (1.96)	$ (0.06)	$ 0.09	$ 0.22
Weighted average shares outstanding — basic	15,824	16,257	16,460	16,360	15,579
Weighted average shares outstanding — diluted	15,824	16,257	16,460	16,385	15,641
Other Financial Data:					
Capital expenditures	$ 23,827	$ 29,301	$ 29,158	$ 29,110	$ 18,003

	As of December 31,				
	2009	2008	2007	2006	2005
Consolidated Balance Sheet Data:					
Property and equipment, net	$ 320,724	$ 276,483	$ 270,384	$ 207,441	$ 186,299
Total assets	431,374	387,958	426,723	371,249	291,538
Current maturities of long-term debt	500	64	699	916	1,910
Long-term debt, less current maturities and discount	219,516	200,295	198,149	165,958	174,353
Total stockholders' equity	160,529	139,503	170,364	167,779	91,707

(1) We acquired prepaid disposal rights in connection with our acquisition of assets from Waste Management, Inc. (WMI) in 2000. All remaining prepaid disposal rights with WMI were fully utilized in 2007. Additionally in each of the years 2007, 2006 and 2005, we paid $1,000 to acquire prepaid disposal rights at a Texas landfill from Waste Services, Inc. (WSI). At the time we acquired the landfill from WSI in 2007, the remaining prepaid disposal rights of $1,270 were utilized as part of the consideration given. During the years ended December 31, 2007, 2006 and 2005, we recorded $1,037, $2,383 and $1,834, respectively, for the use of such disposal rights as a component of cost of services. Please read note 3 to our consolidated financial statements.

(2) We have material financial commitments for the costs associated with our future obligations for final closure and post–closure maintenance of the landfills we own and operate. During the years ended December 31, 2009, 2008, 2007, 2006 and 2005, we have recorded $628, $558, $483, $284 and $159, respectively, as a non–cash component of cost of services for the provision and accretion expense relating to these future obligations. Although these are non–cash expenses for the periods presented, the ultimate liability will be settled in cash. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Assumptions—Landfill Accounting" for further discussion of landfill accounting.

(3) General and administrative expenses include stock–based compensation expense of $1,737, $2,212, $1,977, $1,118 and $509 during the years ended December 31, 2009, 2008, 2007, 2006 and 2005. The stock–based compensation expense during these years includes earned compensation of $1,653, $2,182, $1,765, $1,118 and $509, respectively, under the 2004 WCA Waste Corporation Incentive Plan, as amended and restated. In addition, the compensation expense of $84, $30 and $212 during the years ended December 31, 2009, 2008 and 2007, respectively, relates to the stock portion of the executive bonus plan.

(4) The $3,240 write–off of deferred financing costs and debt discount in 2006 reflects the write–off of costs associated with our first and second lien credit agreements that were repaid and retired in connection with our financing transactions in July 2006. The $1,308 write–off of deferred financing costs and debt discount in 2005 is associated with the restructuring of our credit facility in April 2005 as well as the repayment of the Environmental Facilities Revenue Bonds in June 2005.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of our financial condition and results of operations should be read together with the historical consolidated financial statements and the related notes included elsewhere in this report. This discussion contains forward–looking statements that involve risks, uncertainties and assumptions. For additional information regarding some of the risks and uncertainties that affect our business and the industry in which we operate, please read "Risk Factors" included elsewhere in this report and "—Cautionary Statement About Forward–Looking Statements" below.

Executive Overview

General Overview of Our Business

Our operations consist of the collection, transfer, processing and disposal of non–hazardous solid waste. Our revenue is generated primarily from our landfill disposal services and our collection operations provided to residential, commercial and roll–off customers. Roll–off service is the hauling and disposal of large waste containers (typically between 10 and 50 cubic yards) that are loaded on to and off of the collection vehicle. The following table reflects our total revenue by source for the previous three years (dollars in thousands):

	2009		2008		2007	
	$	%	$	%	$	%
Collection:						
Residential	$ 55,086	28.4%	$ 50,433	24.2%	$ 41,647	22.5%
Commercial	25,082	12.9	21,607	10.4	19,069	10.3
Roll–off	45,763	23.6	57,756	27.8	53,501	28.9
Total collection	125,931	64.9	129,796	62.4	114,217	61.7
Disposal	68,831		75,456		70,797	
Less intercompany	25,109		29,527		26,994	
Disposal, net	43,722	22.5	45,929	22.1	43,803	23.7
Transfer and other	35,924		46,413		40,986	
Less intercompany	11,439		14,129		14,066	
Transfer and other, net	24,485	12.6	32,284	15.5	26,920	14.6
Total revenue	$ 194,138	100.0%	$ 208,009	100.0%	$ 184,940	100.0%

2010 Financial Objectives

Before the impact of potential acquisitions, we anticipated 2010 to be a year with improving operating results which included moderate increases in revenue resulting from a balance of price increases and stabilized volume in our construction and demolition business. Earnings per share prior to the effect of potential acquisitions are expected to improve as well. We believe our available capacity should enable us to remain opportunistic in pursuing potential acquisitions, including acquisitions that would enable us to internalize waste into our existing landfills with particular attention being focused on internalization opportunities for our Sunny Farms Landfill in Ohio and our Fort Bend Regional Landfill in our Houston market. Although we have already identified 43 potential acquisition targets, these opportunities may or may not materialize, and, as such, we do not have a specifically quantified 2010 acquisition goal.

2009 Business Performance

During 2009, our revenue was $194.1 million, which represents a 6.7% decrease over 2008. Our operating income (loss) was $24.0 million in 2009, compared to $(15.3) million in 2008. Net loss available to common stockholders for 2009 was $3.3 million, or $0.21 per share, compared to $31.8 million, or $1.96 per share, for 2008. Adjusted EBITDA for 2009 was $51.5 million, a decrease of 4.4% over 2008. We recorded charges of $1.3 million and $4.7 million (net of tax) due to the impact of interest rate swap agreements, $0.7 million and $0.1 million (net of tax) related to merger and acquisition related expenses, and $0.4 million and $0.2 million due to the tax impact of vested restricted shares in 2009 and 2008, respectively. Our net loss in 2008 also included an expense of $27.0 million (net of tax) related to the impairment of goodwill and a net loss of $0.1 million (net of tax) associated with the early disposition of notes receivable/payable.

Our earnings in 2009 were impacted by the existence of our interest rate swap arrangement with Comerica Bank. Our swap agreement resulted in limiting the underlying base interest rate for $150 million of our debt to 5.64% plus any applicable margin. However, with the reduction in interest rates that began in September 2007, we were obligated to fund the difference between 5.64% and the market rate for three-month floating rate LIBOR. This reduced our cash flow and negatively impacted our pre-tax earnings by $7.2 million in 2009. Considering the rates in effect at December 31, 2009, the impact of the swap agreement is estimated to result in a pre-tax cash cost of $6.8 million in 2010. Our swap agreement expires on November 1, 2010.

During 2009, the total PIK dividend on preferred stock was $4.3 million. In 2010, the PIK preferred dividend will be $4.5 million. For more information regarding the PIK dividend associated with the outstanding shares of our preferred stock, please read "—Liquidity and Capital Resources—Preferred Stock."

In 2009, we invested approximately $42.6 million on a combination of newly acquired companies and similar expansion and growth expenditures, including $22.9 million of cash, 3,555,556 shares of our common stock valued at $15.3 million, 2,000,000 contingent earn-out shares valued at $3.2 million on the acquisition date, and a seller note valued at $0.9 million with two future payments of $0.5 million due on January 15, 2010 and 2011 in the three acquisitions in 2009. The remaining $0.3 million was related to initial capital expenditures associated with acquisitions. As of December 31, 2009, we had approximately $95.0 million available under our existing credit facility.

Non-GAAP Measures

Our management evaluates our performance based on non-GAAP measures, of which the primary performance measure is adjusted EBITDA. EBITDA, as commonly defined, refers to earnings before interest, taxes, depreciation and amortization. Our adjusted EBITDA consists of earnings (net income or loss) available to common stockholders before preferred stock dividend, interest expense (including write-off of deferred financing costs and debt discount), impact of interest rate swap agreements, income tax expense, depreciation and amortization, impairment of goodwill, net loss on early disposition of notes receivable/payable, and merger and acquisition related expenses. We also use these same measures when evaluating potential acquisition candidates.

We believe adjusted EBITDA is useful to an investor in evaluating our operating performance because:

- it is widely used by investors in our industry to measure a company's operating performance without regard to items such as interest expense, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, financing methods, capital structure and the method by which assets were acquired;

- it helps investors more meaningfully evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest charges from our outstanding debt and the impact of our interest rate swap agreements and payment-in-kind (PIK) dividend) and asset base (primarily depreciation and amortization of our landfills and vehicles) from our operating results; and

- it helps investors identify items that are within our operational control. Depreciation charges, while a component of operating income, are fixed at the time of the asset purchase in accordance with the depreciable lives of the related asset and as such are not a directly controllable period operating charge.

Our management uses adjusted EBITDA:

- as a measure of operating performance because it assists us in comparing our performance on a consistent basis as it removes the impact of our capital structure and asset base from our operating results;

- as one method to estimate a purchase price (often expressed as a multiple of EBITDA or adjusted EBITDA) for solid waste companies we intend to acquire. The appropriate EBITDA or adjusted EBITDA multiple will vary from acquisition to acquisition depending on factors such as the size of the operation, the type of operation, the anticipated growth in the market, the strategic location of the operation in its market as well as other considerations;

- in presentations to our board of directors to enable them to have the same consistent measurement basis of operating performance used by management;
- as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations;
- in evaluations of field operations since it represents operational performance and takes into account financial measures within the control of the field operating units;
- as a component of incentive cash and stock bonuses paid to our executive officers and other employees;
- to assess compliance with financial ratios and covenants included in our credit agreements; and
- in communications with investors, lenders, and others, concerning our financial performance.

The following presents a reconciliation of our adjusted EBITDA to net loss available to common stockholders (in thousands):

	2009	2008	2007
Adjusted EBITDA	$ 51,468	$ 53,819	$ 50,750
Depreciation and amortization	(26,357)	(27,151)	(24,234)
Impairment of goodwill	—	(41,725)	—
Merger and acquisition related expenses	(1,030)	(115)	(44)
Interest expense, net	(18,052)	(18,560)	(16,765)
Impact of interest rate swap	(2,063)	(7,547)	(4,442)
Net loss on early disposition of notes receivable/payable	—	(221)	—
Income tax (provision) benefit	(2,958)	13,737	(2,343)
Accrued payment–in–kind dividend on preferred stock	(4,278)	(4,076)	(3,876)
Net loss available to common stockholders	$ (3,270)	$ (31,839)	$ (954)

Our adjusted EBITDA, as we define it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as substitutes for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP.

Other Considerations

Costs of services include, but are not limited to, labor, fuel and other operating expenses, equipment maintenance, disposal fees paid to third–party disposal facilities, insurance premiums and claims expense, selling expenses, wages and salaries of field personnel located at operating facilities, third–party transportation expense and state and local waste taxes. We are self–insured for up to $100,000, $250,000 and $250,000 of our general liability, workers' compensation and automobile liability per claim, respectively. The frequency and amount of claims or incidents could vary significantly from quarter–to–quarter and/or year–to–year, resulting in increased volatility of our costs of services.

General and administrative expenses include the salaries and benefits of our corporate management, certain centralized reporting, information technology and cash management costs and other overhead costs associated with our corporate office.

Depreciation and amortization expense includes depreciation of fixed assets over their estimated useful lives using the straight-line method and amortization of landfill costs and asset retirement costs based on the consumption of airspace.

In the past, we capitalized third-party expenditures related to pending acquisitions, such as legal, engineering, and accounting expenses, and certain direct expenditures such as travel costs. We expensed indirect acquisition costs, such as salaries, commissions and other corporate services, as we incurred them. We routinely evaluated all capitalized costs, and expensed those related to projects that we believed were not likely to succeed. Starting in 2009, all acquisition-related transaction and restructuring costs are expensed as incurred rather than capitalized as part of the acquisition costs.

After an acquisition is completed, we incur integration expenses related to (i) incorporating newly-acquired truck fleets into our preventative maintenance program, (ii) testing new employees to comply with Department of Transportation regulations, (iii) implementing our safety program, (iv) re-routing trucks and equipment to assure maximization of routing efficiencies and disposal internalization, and (v) converting customers to our billing system. We generally expect that the costs of acquiring and integrating an acquired business will be incurred primarily during the first 12 months after acquisition. Synergies from tuck-in acquisitions can also take as long as 12 months to be realized.

Goodwill represents the excess of the purchase price over the fair value of the net assets of the acquired operations. In allocating the purchase price of an acquired company among its assets, we first assign value to the tangible assets, followed by intangible assets such as covenants not-to-compete and any remaining amounts are then allocated to goodwill.

Acquisitions

As we discussed in "Business—Integration and Acquisitions," any acquisitions that we may make will target operations that will benefit from our core operating strategy of maximizing the internalization of waste. In markets where we already own a landfill, we intend to focus on expanding our presence through tuck-in acquisitions. Tuck-in acquisitions are sought to provide growth in revenue and increase market share and enable disposal internalization and consolidation of duplicative facilities and functions to maximize cost efficiencies and economies of scale. If we find an attractive new market, we seek to enter that market by acquiring a permitted landfill, followed by acquiring collection and/or transfer operations and internalizing waste into the landfill.

Any acquisition we make would be financed by cash on hand and available capacity under our revolving credit facility, and through additional debt, and/or additional equity, including common stock or preferred stock.

Since completing our initial public offering in June 2004 through the year ended December 31, 2009, we have completed 37 acquisitions. The purchase price for these acquisitions consisted of approximately \$256.6 million of cash and accrued future payments, \$1.3 million of prepaid airspace, \$6.1 million of convertible debt, a seller note valued at \$0.9 million, \$11.9 million of assumed debt (net of \$0.5 million of debt discount), \$4.4 million of assumed deferred tax liabilities, 5,281,892 shares of our common stock and 2,000,000 contingent earn-out shares, less a note receivable valued at \$7.2 million.

On December 31, 2009, we consummated the acquisition of the Live Earth Companies, which included certain assets and related liabilities held by Live Earth that relate to the Live Earth Companies, including the Sunny Farms Landfill, a 457-acre site permitted to accept municipal solid waste, industrial waste and construction and demolition debris located in Seneca County, Ohio. Additional operations we acquired from Live Earth include Champion City Recovery, a transfer station permitted to accept 1,000 tons a day located south of Boston, Massachusetts and a rail haul operation over a Class 1 rail line transporting waste from the east coast to the Sunny Farms Landfill. Total consideration for this acquisition consisted of \$19.7 million of cash (which includes working capital of \$0.9 million), 3,555,556 shares of our common stock valued at \$15.3 million, and 2,000,000 contingent earn-out shares valued at \$3.2 million on the acquisition date. The Live Earth acquisition represents an important component of our acquisition strategy in 2010 and beyond as we intend to seek attractive and opportunistic acquisitions that enable us to efficiently internalize additional waste volume into the Sunny Farms Landfill.

We completed three acquisitions during the year ended December 31, 2009 including the Live Earth acquisition. Total consideration for these acquisitions included $22.9 million of cash, 3,555,556 shares of our common stock valued at $15.3 million, 2,000,000 contingent earn-out shares valued at $3.2 million on the acquisition date, and a seller note valued at $0.9 million with two future payments of $0.5 million due on January 15, 2010 and 2011, respectively. Information concerning our acquisitions may be found in the table below and in our previously filed periodic and current reports and in note 3 to our consolidated financial statements.

The following sets forth additional information regarding the acquisitions since our initial public offering through December 31, 2009:

Company	Location	Region	Completion Date	Operations
Texas Environmental Waste	Houston, TX	II	July 13, 2004	Collection
Ashley Trash Service	Springfield, MO	I	August 17, 2004	Collection
Power Waste	Birmingham, AL	III	August 31, 2004	Collection
Blount Recycling	Birmingham, AL	III	September 3, 2004	Collection, Landfill & Transfer Station
Translift, Inc.	Little Rock, AR	III	September 17, 2004	Collection
Rural Disposal, Inc.	Willow Springs, MO	I	November 12, 2004	Collection
Trash Away, Inc.	Piedmont, SC	III	November 30, 2004	Collection & Transfer Station
Gecko Investments (Eagle Ridge)	St. Louis, MO	I	January 11, 2005	Collection & Landfill
MRR Southern, LLC	High Point/Raleigh, NC	III	April 1, 2005	Landfill, Transfer Station & MRF
Triangle Environmental	Raleigh, NC	III	May 16, 2005	Collection
Foster Ferguson	El Dorado Springs, MO	I	May 16, 2005	Collection
Triad Waste	High Point, NC	III	May 31, 2005	Collection
Proper Disposal	Chanute, KS	I	May 31, 2005	Collection
Fort Meade Landfill	Fort Meade, FL	II	October 3, 2005	Landfill
Meyer & Gabbert	Sarasota/Arcadia, FL	II	October 3, 2005	Collection, Landfill & Transfer Station
Pendergrass Refuse	Springfield, MO	I	October 4, 2005	Collection
Andy's Hauling	Sarasota, FL	II	October 21, 2005	Collection
Transit Waste	Durango, CO/Bloomfield, NM	II	February 10, 2006	Collection & Landfill
Fort Myers Transfer Station (*)	Fort Myers, FL	II	August 10, 2006	Transfer Station
WCA of St. Lucie, LLC	St. Lucie, FL	II	October 2, 2006	Transfer Station
Sunrise Disposal, LLC	Springfield, MO	I	December 28, 2006	Collection
Southwest Dumpster, Inc. (*)	Fort Myers, FL	II	January 3, 2007	Collection
American Waste, Inc.	Oklahoma City, OK	II	February 21, 2007	Collection & Landfill
Klean Way Disposal, Inc.	Springfield, MO	I	March 30, 2007	Collection
Carpenter Waste Systems, LLC	Oklahoma City, OK	II	May 31, 2007	Collection
Fort Bend Regional Landfill	Houston, TX	II	June 29, 2007	Collection, Landfill & Transfer Station
Big Red Containers, Inc.	Ardmore, OK	II	August 14, 2007	Collection
Roll-Off Rentals	Huntsville, AL	III	September 4, 2007	Collection
Waste Pro Services, LLC	Houston, TX	II	October 1, 2007	Collection
DH Griffin Container Services, LLC	Greensboro, NC	III	October 1, 2007	Collection
DH Griffin Container of Raleigh, LLC	Raleigh, NC	III	October 1, 2007	Collection
Maguire Disposal, Inc.	Oklahoma City, OK	II	January 2, 2008	Collection
Advantage Waste Services	Springfield/Verona, MO	I	October 1, 2008	Collection & Transfer Station
Advanced Waste Services	Houston, TX	II	October 31, 2008	Collection
MRR Southern, LLC	Greensboro, NC	III	January 15, 2009	Transfer Station
Disposal Doctor, Inc.	Houston, TX	II	August 21, 2009	Collection
Live Earth, LLC	Fostoria, OH/Brockton, MA	IV	December 31, 2009	Landfill & Transfer Station

(*) These assets were exchanged as part of the consideration for the acquisition of Fort Bend Regional Landfill.

At December 31, 2009, we owned and/or operated a total of 25 landfills, 26 collection operations and 24 transfer stations/MRFs, had approximately 352 routes and handled approximately 12,000 landfill tons per day at our landfills.

We continue to seek acquisition opportunities that enable us to effectively leverage our existing infrastructure and maximize the internalization of waste. We are also evaluating opportunistic potential acquisitions both within and outside our existing footprint.

For a description of our accounting for acquisitions and acquisition-related expenses, please read "—Executive Overview—Other Considerations" above and notes 1 and 3 to the consolidated financial statements.

Results of Operations

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The following table sets forth the components of operating income (loss) by major operating segments (Region I: Kansas, Missouri; Region II: Colorado, Florida, New Mexico, Oklahoma, Texas; Region III: Alabama, Arkansas, North Carolina, South Carolina, Tennessee) for the years ended December 31, 2009 and 2008 and the changes between the segments for each category (dollars in thousands). The acquisition of Region IV (Massachusetts, Ohio) was not completed until December 31, 2009. Therefore, Region IV is not included in this analysis.

	Region I	Region II	Region III	Corporate	Total	% of Revenue
Year ended December 31, 2009:						
Revenue	$ 50,846	$ 101,749	$ 41,543	$ —	$ 194,138	100.0
Cost of services	36,092	66,239	27,956	—	130,287	67.1
Depreciation and amortization	5,783	12,811	7,276	487	26,357	13.6
Impairment of goodwill	—	—	—	—	—	—
General and administrative	3,205	5,925	2,712	1,654	13,496	6.9
Operating income (loss)	$ 5,766	$ 16,774	$ 3,599	$ (2,141)	$ 23,998	12.4
Year ended December 31, 2008:						
Revenue	$ 53,773	$ 104,550	$ 49,686	$ —	$ 208,009	100.0
Cost of services	38,676	68,256	35,197	—	142,129	68.3
Depreciation and amortization	5,415	13,195	8,041	500	27,151	13.1
Impairment of goodwill	—	25,944	15,781	—	41,725	20.1
General and administrative	3,375	7,262	3,816	(2,118)	12,335	5.9
Operating income (loss)	$ 6,307	$ (10,107)	$ (13,149)	$ 1,618	$ (15,331)	(7.4)
Increase/(decrease) in 2009 compared to 2008:						
Revenue	$ (2,927)	$ (2,801)	$ (8,143)	$ —	$ (13,871)	
Cost of services	(2,584)	(2,017)	(7,241)	—	(11,842)	
Depreciation and amortization	368	(384)	(765)	(13)	(794)	
Impairment of goodwill	—	(25,944)	(15,781)	—	(41,725)	
General and administrative	(170)	(1,337)	(1,104)	3,772	1,161	
Operating income (loss)	$ (541)	$ 26,881	$ 16,748	$ (3,759)	$ 39,329	

Revenue. Total revenue for the year ended December 31, 2009 decreased $13.9 million, or 6.7%, to $194.1 million from $208.0 million for the year ended December 31, 2008. This decline was primarily due to volume decreases of $15.5 million and decreases in fuel surcharges of $5.3 million which were partially offset by operational price increases of $2.2 million and acquisition growth of $4.7 million. The above table reflects the change in revenue in each operating region. The financial results of completed acquisitions are generally blended with existing operations and do not have separate financial information available, with the exception of new regions acquired which can be analyzed individually. Revenue in Region I decreased $2.9 million due to volume decreases of $5.3 million and decreases in fuel surcharges of $1.3 million, partially offset by price increases of $0.6 million and acquisition growth of $3.1 million. The revenue decrease of $2.8 million in Region II was attributed to volume decreases of $3.4 million and fuel surcharge decreases of $1.9 million, partially offset by price increases of $0.9 million and acquisition growth of $1.6 million. The Region II volume decreases were most notable in Florida and Oklahoma. Revenue in Region III decreased $8.1 million due to volume decreases of $6.8 million and decreases in fuel surcharges of $2.1 million, partially offset by price increases of $0.8 million. The volume decreases were primarily from Alabama, North Carolina and South Carolina as a result of general market conditions. During 2009 we believe the weakening economy has had a significant adverse effect on our revenues, specifically the decrease in the number of active construction projects that has resulted from this downturn. Waste generated from construction projects represents a significant revenue stream especially for roll-off collection and landfill operations. We believe this to be the cause of a significant portion of our revenue decline. Future changes in revenue and cost of services (discussed below) may be impacted by volume changes as a result of market conditions. For more information on the factors affecting our estimates, please see "—Executive Overview—Acquisitions" above.

Cost of services. Total cost of services for the year ended December 31, 2009 decreased $11.8 million, or 8.3%, to $130.3 million from $142.1 million for the year ended December 31, 2008. Cost of services in all regions decreased mainly as a result of the decrease in revenue. The decrease in cost of services included a $8.0 million reduction in fuel costs, decreases of $2.0 million in third party hauling and $0.8 million in lower outside repair costs.

Overall cost of services decreased to 67.1% of revenue for the year ended December 31, 2009 from 68.3% during the same period last year. Decreases in operating costs as a percentage of revenue were primarily attributable to lower fuel prices. Diesel fuel costs as a percentage of revenue decreased from 9.0% for the year ended December 31, 2008 to 5.5% for the year ended December 31, 2009. Other than periodic volatility in fuel prices, inflation has not materially affected our operations.

Depreciation and amortization. Depreciation and amortization expenses for the year ended December 31, 2009 decreased $0.8 million, or 2.9%, to $26.4 million from $27.2 million for the year ended December 31, 2008. The decrease in depreciation and amortization expenses can be attributed to decreased amortization corresponding with decreased landfill volume usage, partially offset by slight increases due to acquisitions and capital expenditures.

Impairment of goodwill. We did not recognize any goodwill impairment charges for the year ended December 31, 2009. We recognized a non-cash impairment charge of $41.7 million as of December 31, 2008 as a result of the annual impairment test. We determined that there was impairment of goodwill due to a decline in our market capitalization and the market turmoil driven by the economic recession that became certain in 2008. Specifically, we concluded that the fair market value of our assets was less than book value in the following reporting units: Florida, North Carolina, Oklahoma and Tennessee. We performed the annual impairment test and concluded that there was no impairment of goodwill in 2009. Please see "—Critical Accounting Estimates and Assumptions—Goodwill, Intangible Assets and Other Long-Lived Assets" for more information.

General and administrative. Total general and administrative expenses increased $1.2 million, or 9.4%, to $13.5 million for the year ended December 31, 2009 from $12.3 million for the year ended December 31, 2008. The increase in general and administrative expenses was primarily attributable to $0.9 million in increased merger and acquisition related expenses since all acquisition-related transaction and restructuring costs are expensed as incurred rather than capitalized starting in 2009. Such increase also resulted in the increase of overall general and administrative expenses from 5.9% of revenue during the year ended December 31, 2008 to 6.9% of revenue during the year ended December 31, 2009.

The following table sets forth items below operating income (loss) in our condensed consolidated statement of operations and as a percentage of revenue for the years ended December 31, 2009 and 2008 (dollars in thousands):

	Years Ended December 31,			
	2009		2008	
Operating income (loss)	$ 23,998	12.4%	$ (15,331)	(7.4)%
Interest expense, net	(18,052)	(9.3)	(18,560)	(8.9)
Impact of interest rate swap	(2,063)	(1.1)	(7,547)	(3.6)
Other income (expense), net	83	—	(62)	—
Income tax (provision) benefit	(2,958)	(1.5)	13,737	6.6
Accrued payment-in-kind dividend on preferred stock	(4,278)	(2.2)	(4,076)	(2.0)
Net loss available to common stockholders	$ (3,270)	(1.7)%	$ (31,839)	(15.3)%

Interest expense, net. Interest expense, net for the year ended December 31, 2009 decreased $0.5 million, or 2.7%, to $18.1 million from $18.6 million for the year ended December 31, 2008. The decrease was partially caused by lower LIBOR interest rate on the revolving credit facility and repayments of Environmental Facilities Revenue Bonds and various seller notes. Additionally, interest expense for the year ended December 31, 2009 included $0.4 million additional amortization of deferred financing costs related to the amendment of our revolving credit agreement while interest expense for the year ended December 31, 2008 included $0.4 million amortization of remaining debt discount associated with the early repayment of Environmental Facilities Revenue Bonds.

Impact of interest rate swap. The impact of interest rate swap for the year ended December 31, 2009 was attributable to a $7.2 million loss related to the realized portion of the interest rate swap we entered into in July 2006 and a $5.2 million gain related to the unrealized portion in the mark to market of the swap. The impact of interest rate swap for the year ended December 31, 2008 consisted of a $3.2 million loss related to the realized portion of the interest rate swap and a $4.3 million gain related to the unrealized portion in the mark to market of the swap. At the time we entered into the swap, we had no floating rate debt and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction and any changes in the unrealized fair value of the swap are recognized in the statement of operations. Please read note 1(p) to the financial statements included in Item 8 and "Quantitative and Qualitative Disclosures About Market Risk" elsewhere in this report for more information.

Income tax (provision) benefit. Income tax (provision) benefit for the year ended December 31, 2009 as a percentage of pre-tax income (loss) was 74.6% as compared to 33.1% for the year ended December 31, 2008. The increase in our annual effective tax rate is primarily attributable to the increase in valuation allowance associated with state net operating loss carryforwards for the year ended December 31, 2009 as compared to the year ended December 31, 2008 and to the increase in non-deductible expenses for the year ended December 31, 2009 as compared to the year ended December 31, 2008.

Accrued payment-in-kind dividend on preferred stock. The $4.3 million and $4.1 million in accrued PIK dividend on preferred stock relates to the accretion of the 5% PIK dividend on our Series A Convertible Preferred Stock during the years ended December 31, 2009 and 2008, respectively. Please read "—Liquidity and Capital Resources—Preferred Stock."

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The following table sets forth the components of operating income (loss) by major operating segments (Region I: Kansas, Missouri; Region II: Colorado, Florida, New Mexico, Oklahoma, Texas; Region III: Alabama, Arkansas, North Carolina, South Carolina, Tennessee) for the years ended December 31, 2008 and 2007 and the changes between the segments for each category (dollars in thousands):

	Region I	Region II	Region III	Corporate	Total	% of Revenue
Year ended December 31, 2008:						
Revenue	$ 53,773	$ 104,550	$ 49,686	$ —	$ 208,009	100.0
Cost of services	38,676	68,256	35,197	—	142,129	68.3
Depreciation and amortization	5,415	13,195	8,041	500	27,151	13.1
Impairment of goodwill	—	25,944	15,781	—	41,725	20.1
General and administrative	3,375	7,262	3,816	(2,118)	12,335	5.9
Operating income (loss)	$ 6,307	$ (10,107)	$ (13,149)	$ 1,618	$ (15,331)	(7.4)
Year ended December 31, 2007:						
Revenue	$ 52,543	$ 84,917	$ 47,480	$ —	$ 184,940	100.0
Cost of services	35,040	54,757	32,056	—	121,853	65.9
Depreciation and amortization	5,261	11,079	7,460	434	24,234	13.1
General and administrative	3,945	4,756	3,379	688	12,768	6.9
Operating income (loss)	$ 8,297	$ 14,325	$ 4,585	$ (1,122)	$ 26,085	14.1
Increase/(decrease) in 2008 compared to 2007:						
Revenue	$ 1,230	$ 19,633	$ 2,206	$ —	$ 23,069	
Cost of services	3,636	13,499	3,141	—	20,276	
Depreciation and amortization	154	2,116	581	66	2,917	
Impairment of goodwill	—	25,944	15,781	—	41,725	
General and administrative	(570)	2,506	437	(2,806)	(433)	
Operating income (loss)	$ (1,990)	$ (24,432)	$ (17,734)	$ 2,740	$ (41,416)	

Revenue. Total revenue for the year ended December 31, 2008 increased $23.1 million, or 12.5%, to $208.0 million from $184.9 million for the year ended December 31, 2007. Our growth in revenue between the years has been primarily driven by acquisitions. We estimate that acquisitions contributed $15.1 million of the revenue increase in 2008 while internal volume decreased $5.3 million, operational price increases contributed $7.9 million, and pricing from fuel surcharges contributed $5.4 million. The above table reflects the change in revenue in each operating region. The financial results of completed acquisitions are generally blended with existing operations and do not have separate financial information available with the exception of new regions acquired which can be analyzed individually. The revenue increase of $19.6 million in Region II was primarily attributable to the revenue increase in Texas of $23.3 million. Such revenue increase was driven by volume and price increases associated with new collection and hauling contracts in our Texas residential operations as well as the acquisition of a landfill and a transfer station in late June of 2007. We acquired a majority of our Oklahoma operations in Region II in February 2007. Those operations were not fully integrated until the second quarter of 2007. We estimate that the Oklahoma acquisition contributed $4.6 million of the increase in revenue. There was also a $8.3 million revenue decrease in Region II as a result of weakening general economic conditions in Florida and our divestiture of a transfer station and collection operations in Fort Myers, Florida. The revenue increase of $2.2 million in Region III was mainly due to the two North Carolina acquisitions completed in October 2007. Future changes in revenue and cost of services (discussed below) may be impacted by volume changes as a result of market conditions. For more information on the factors affecting our estimates, please see "—Executive Overview—Acquisitions" above.

Cost of services. Total cost of services for the year ended December 31, 2008 increased by 16.6% to $142.1 million from $121.9 million for the year ended December 31, 2007. We believe that our acquisition program accounted for most of the increase in cost of services. Fuel prices, which increased 32.1% nationally from the year ended December 31, 2007 to the year ended December 31, 2008, was the largest non–acquisition related component of the increase in cost of services. Other factors that led to the increase included labor and disposal costs. For acquisitions within our existing markets, the acquired entities are merged into our existing operations and those results are indistinguishable from the remainder of the operations. As indicated above, Region II and Region III experienced growth through either acquisition or expanded volumes and they each reflected a corresponding increase in their cost of services. An estimated $14.1 million increase in cost of services in Region II was due to the rapid growth of our Texas residential collection operations as we expanded our utilization of Fort Bend Regional Landfill acquired at the end of June 2007. More employees and vehicles were added in this region, which caused the increase in labor, insurance, fuel and vehicle–related costs. In addition, third party disposal and hauling costs increased sharply as we disposed of more residential waste to a third party landfill and contracted third party hauling operations to transport waste from our transfer station to the landfill acquired in 2007. The acquisitions of Oklahoma operations during 2007 contributed to an estimated $3.2 million increase in cost of services in Region II. There was also a $3.8 million decrease in cost of services in Region II as a result of the decrease in revenue in Florida. Cost of services in Region I went up by $3.6 million due to the rising fuel costs and the increase in third party disposal costs. The increase in third party disposal was due to the temporary redirection of waste from one of our landfills and increased disposal at a third party landfill. The increase of $3.1 million in cost of services in Region III was mainly attributable to a combination of rising fuel costs and the North Carolina acquisitions in 2007. For more information on the factors affecting our estimates, please see "—Executive Overview—Acquisitions" above.

Overall cost of services increased to 68.3% of revenue for the year ended December 31, 2008 from 65.9% during the same period last year. Increases in operating costs as a percentage of revenue were primarily attributable to higher payroll–related costs, fuel, outside repairs, landfill site maintenance and disposal costs. Diesel fuel costs as a percentage of revenue increased from 7.0% for the year ended December 31, 2007 to 9.0% for the year ended December 31, 2008. Since a majority of our fuel cost increase was experienced from March to July 2008, there is a lag between the actual increase in fuel costs and the recovery through fuel surcharges. Other than periodic volatility in fuel prices, inflation has not materially affected our operations.

Depreciation and amortization. Depreciation and amortization expenses for the year ended December 31, 2008 increased by 12.0% to $27.2 million from $24.2 million for the year ended December 31, 2007. These increases can be attributed to acquisitions, capital expenditures, and increased amortization corresponding with increased landfill volume usage.

Impairment of goodwill. During the performance of the annual impairment test in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," we determined that there was impairment of goodwill due to a decline in our market capitalization and the recent market turmoil driven by the economic recession. Specifically, we concluded that the fair market value of our assets was less than book value in the following reporting units: Florida, North Carolina, Oklahoma and Tennessee. Accordingly, we recognized a non-cash impairment charge of $41.7 million as of December 31, 2008. Please see "—Critical Accounting Estimates and Assumptions—Goodwill, Intangible Assets and Other Long-Lived Assets" for more information.

General and administrative. Total general and administrative expenses decreased by 3.4% to $12.3 million for the year ended December 31, 2008 from $12.8 million for the year ended December 31, 2007. The decrease in general and administrative expenses was primarily attributable to decreases in payroll-related expenses. Such decrease also resulted in the decrease of overall general and administrative expenses from 6.9% of revenue during the year ended December 31, 2007 to 5.9% of revenue during the year ended December 31, 2008.

The following table sets forth items below operating income (loss) in our condensed consolidated statement of operations and as a percentage of revenue for the years ended December 31, 2008 and 2007 (dollars in thousands):

	Years Ended December 31,			
	2008		2007	
Operating income (loss)	$ (15,331)	(7.4)%	$ 26,085	14.1%
Interest expense, net	(18,560)	(8.9)	(16,765)	(9.0)
Impact of interest rate swap	(7,547)	(3.6)	(4,442)	(2.4)
Other income (expense), net	(62)	—	387	0.2
Income tax (provision) benefit	13,737	6.6	(2,343)	(1.3)
Accrued payment-in-kind dividend on preferred stock	(4,076)	(2.0)	(3,876)	(2.1)
Net loss available to common stockholders	$ (31,839)	(15.3)%	$ (954)	(0.5)%

Interest expense, net. Interest expense, net for the year ended December 31, 2008 increased $1.8 million, or 10.7%, to $18.6 million from $16.8 million for the year ended December 31, 2007. The increase was mainly caused by higher debt balances due to borrowings to finance acquisitions. The increase was also attributed to a $0.7 million decrease in interest income and a $0.4 million amortization of remaining debt discount associated with the early repayment of Environmental Facilities Revenue Bonds.

Impact of interest rate swap. The impact of interest rate swap for the year ended December 31, 2008 was attributable to a $3.2 million loss related to the realized portion of the interest rate swap we entered into in July 2006 and a $4.3 million loss related to the unrealized portion in the mark to market of the swap. The impact of interest rate swap for the year ended December 31, 2007 consisted of a $0.5 million loss related to the realized portion of the interest rate swap and a $3.9 million loss related to the unrealized portion in the mark to market of the swap. At the time we entered into the swap, we had no floating rate debt and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction and any changes in the unrealized fair value of the swap will be recognized in the statement of operations. Please read note 1(p) to the financial statements included in Item 8 and "Quantitative and Qualitative Disclosures About Market Risk" elsewhere in this report for more information.

Income tax (provision) benefit. Income tax (provision) benefit for the year ended December 31, 2008 as a percentage of pre-tax income (loss) was 33.1% as compared to 44.5% for the year ended December 31, 2007. The decrease in our annual effective tax rate is attributable to the decrease in our pre-tax financial reporting income (loss) for the year ended December 31, 2008 as compared to that for the year ended December 31, 2007. The impairment of goodwill (discussed above) resulted in an income tax benefit of $14.7 million, reducing income tax expense for the year ended December 31, 2008.

Accrued payment-in-kind dividend on preferred stock. The $4.1 million and $3.9 million in accrued PIK dividend on preferred stock relates to the accretion of the 5% PIK dividend on our Series A Convertible Preferred Stock during the years ended December 31, 2008 and 2007, respectively. Please read "—Liquidity and Capital Resources—Preferred Stock."

Liquidity and Capital Resources

Our business and industry is capital intensive, requiring capital for equipment purchases, landfill construction and development, and landfill closure activities in the future. Any acquisitions that we make will also require significant capital. We plan to meet our future capital needs primarily through cash on hand, cash flow from operations and borrowing capacity under our credit facility. Additionally, our acquisitions may use seller notes, equity issuances and debt financings. The availability and level of our financing sources cannot be assured, particularly in light of the current market conditions. Recent disruptions in the credit markets have resulted in greater volatility, less liquidity, widening of credit spreads and more limited availability of financing. In addition, the availability under our credit facility is limited by compliance with certain covenants and ratios. Our inability to obtain funding necessary for our business on acceptable terms would have a material adverse impact on us.

To address potential credit and liquidity issues, we consider several items. In spite of decreased volume at many of our locations as a result of current economic conditions, our adjusted EBITDA remained steady ($51.5 million for the year ended December 31, 2009 as compared to $53.8 million for the same period in 2008). Our customer base is broad and diverse with no single customer making up any significant portion of our business. We are not dependent on individual vendors to meet the needs of our operations. Furthermore, we had approximately $95.0 million in available capacity under our current revolving credit agreement as of December 31, 2009 subject to customary covenant compliance.

The revolving credit facility is in effect until July 5, 2011. We routinely evaluate the financial stability of the syndicate banks making up the credit facility. For further information about credit risks, please see "Risk Factors and Cautionary Statement About Forward-Looking Statements" in this report.

A portion of our capital additions is discretionary, giving us the ability to modify the timing of such expenditures to preserve cash if appropriate in the future. We have evaluated our insurance carriers and bond providers and have not seen any indication that such providers would be unable to continue to meet their obligations to us or provide coverage to us in the future.

As of December 31, 2009, we had total outstanding long-term debt of approximately $220.0 million, consisting of $150 million of senior notes, $67.5 million outstanding under our credit facilities, and approximately $2.5 million of various seller notes. This represented an increase of $19.7 million over our total debt outstanding as of December 31, 2008. The increase in outstanding debt since December 31, 2008 was primarily due to $18.9 million in additional borrowings under the credit facility to finance the Live Earth acquisition, the addition of a $0.9 million seller note, partially offset by the repayment of a $0.1 million seller note and repayments of equipment notes. As of December 31, 2009, we had $67.5 million outstanding under the revolving credit facility and approximately $12.5 million in letters of credit that serve as collateral for insurance claims and bonding, leaving $95.0 million in available capacity under the facility. With $4.3 million cash on hand at December 31, 2009, our total capacity was approximately $99.3 million.

9.25% Senior Notes Due 2014

On July 5, 2006, we issued $150 million aggregate principal amount of 9.25% senior notes due 2014. The senior notes pay interest semi-annually on June 15 and December 15, commencing December 15, 2006 with the following redemption provisions:

- Prior to June 15, 2010, we may redeem all or part of the notes by paying a make-whole premium, plus accrued and unpaid interest; and

- The notes may be callable beginning on June 15, 2010, 2011, and 2012 and thereafter at redemption prices of 104.625%, 102.313% and 100% of the principal amount plus accrued interest.

The senior notes are senior unsecured obligations and rank equally with our existing and future senior unsecured indebtedness and senior to any of our existing and future subordinated indebtedness. The senior notes will be effectively subordinated to any existing or future secured indebtedness, to the extent of the assets securing such indebtedness. The senior notes are guaranteed by all of our subsidiaries. The guarantees are senior unsecured obligations of the guarantors. The guarantees rank equally with all existing and future senior unsecured indebtedness of the guarantors and senior to any existing and future subordinated indebtedness of the guarantors. The guarantees are effectively subordinated to any existing or future secured indebtedness of the guarantors to the extent of the assets securing such indebtedness.

The senior notes were issued under an indenture between WCA Waste and The Bank of New York Trust Company, N.A., as Trustee. The indenture contains covenants that, among other things, limits our ability to incur additional indebtedness, make capital expenditures, create liens, sell assets and make dividend and other payments. In addition, the indenture includes financial covenants including a covenant allowing us to incur indebtedness or issue disqualified stock or preferred stock only if the Fixed Charge Coverage Ratio (as defined in the indenture) for the four full fiscal quarters most recently ended prior to issuance would have been at least 2.0 to 1, determined on a pro forma basis, as if the additional indebtedness had been incurred or the disqualified stock or preferred stock had been issued at the beginning of such four–quarter period. The defined terms are set forth in the indenture. As of December 31, 2009, we were in compliance with all covenants under the senior notes indenture.

Bank Credit Facility

Additionally, on July 5, 2006, we entered into a $100 million revolving secured credit facility with Comerica Bank maturing July 5, 2011 (as amended, the "Credit Agreement"). On July 28, 2006, Comerica syndicated the credit facility to a group of banks and we agreed to increase the capacity of the revolving credit facility to $175 million. The credit commitment available under the credit facility includes sub–facilities for standby letters of credit in the aggregate principal amount of up to $50.0 million and a swing–line feature for up to $10.0 million for same day advances. The credit facility includes covenants related to interest margins associated with various leverage ratios. These interest margins were amended in October 2008 and again on February 19, 2009. Applicable fees and margins are determined based on our leverage ratio for the trailing 12–month reporting period on each quarterly reporting date. The following table highlights the revised margins included in the October 2008 (Commitment Fee) and February 2009 (LIBOR Margin and Prime Margin) amendments:

Leverage Ratio	LIBOR Margin	Prime Margin	Commitment Fee
Less than 3.0x	2.500	2.250	0.500
Equal to or greater than 3.0 and less than 3.5x	2.750	2.500	0.500
Equal to or greater than 3.5 and less than 4.0x	3.000	2.750	0.500
Equal to or greater than 4.0 and less than 4.5x	3.250	3.000	0.750
Equal to or greater than 4.5x	3.500	3.250	1.000

Our obligations under the credit facility are secured by the capital stock of our subsidiaries and all tangible (including real estate) and intangible assets belonging to us and our subsidiaries. The obligations are also guaranteed by substantially all of our operating subsidiaries. Obligations under the credit facility are recourse obligations and are subject to cancellation and/or acceleration upon the occurrence of certain events, including, among other things, a change of control (as defined in the Credit Agreement), nonpayment, breaches of representations, warranties and covenants (subject to cure periods in certain instances), bankruptcy or insolvency, defaults under other debt arrangements, failure to pay certain judgments and the occurrence of events creating material adverse effects.

Our credit facility is subject to various financial and other covenants including, but not limited to, limitations on debt, consolidations, mergers, and sales of assets. The credit facility also contains financial covenants requiring us to limit leverage (both in terms of senior secured debt and total leverage), maintain specified debt service ratios, limit capital expenditures, and maintain a minimum tangible net worth. Each of the financial covenants incorporates specially defined terms that would not correspond to GAAP or Non–GAAP measures disclosed in this report and that in certain instances are based on determinations and information not derived from or included in our financial statements. The financial covenants include the following:

- our maximum "Leverage Ratio" (as defined in the Credit Agreement) for the trailing 12–month reporting period on each quarterly reporting date is 4.75 to 1.00;
- we maintain a Pro Forma Adjusted EBITDA Debt Service Ratio (as defined in the Credit Agreement) for the trailing 12–month period of not less than 2.25 to 1.00 until maturity;
- our maximum Senior Secured Funded Debt Leverage Ratio (as defined in the Credit Agreement) is 2.50 to 1.00;
- we cannot make any Maintenance Capital Expenditures (as defined in the Credit Agreement) exceeding 15% of our consolidated total revenue as calculated at the end of a fiscal year; and
- we maintain minimum Tangible Net Worth (as defined in the Credit Agreement) of not less than $30.0 million as of December 31, 2008, plus, as of the end of each fiscal quarter thereafter, 50% of our after–tax consolidated net income (but excluding any quarterly losses), plus 100% of any increase in our net worth resulting from the net cash proceeds of any future equity offerings;

In February 2010, the definitions of "Pro Forma Adjusted EBITDA" and "Pro Forma Adjusted EBITDA Debt Service Ratio" were amended and "Consolidated Net Interest Expense" was added as a further defined term to the Credit Agreement (the "Amendment"). The purpose of such definitional modifications and addition are as follows:

- to exclude cash and non–cash income or expense attributable to any interest rate hedging agreement, now existing or which we enter into in the future, from the determination of our compliance with the Leverage Ratio under the terms of the Credit Agreement; and
- to include cash income or expense (but not non–cash items) attributable to any interest rate hedging agreement that we enter into in the future from the determination of our compliance with the Pro Form Adjusted EBITDA Debt Service Ratio under the terms of the Credit Agreement.

The Amendment also provides that the applicable margin and fee schedule from the date of the Amendment until June 30, 2010, shall be at Level IV, unless our Leverage Ratio is greater than 4.50:1.00 in which case the applicable margin will be set at Level V, which applicable margins and fees are as follows:

Applicable Margin	Base Rate Loan	LIBOR Loan	Letter of Credit Fees
Level IV applicable margin	3.00	3.25	3.25
Level V applicable margin	3.25	3.50	3.50

As of December 31, 2009, we were in compliance with all covenants under the credit facility.

Preferred Stock

On June 12, 2006, we entered into a privately negotiated Preferred Stock Purchase Agreement with Ares Corporate Opportunities Fund II L.P., which provided for us to issue and sell 750,000 shares of Series A Convertible Preferred Stock, par value $0.01 per share, to Ares. The purchase price per preferred share was $100.00, for an aggregate purchase price of $75 million. The preferred stock is convertible into our common stock, par value $0.01 per share, at a price of $9.60 per share and carries a 5% PIK dividend payable semi–annually. The closing of the sale and issuance of the full amount of preferred shares pursuant to the purchase agreement was completed on July 27, 2006. The original issuance date for the preferred stock is the commitment date for both the preferred stock and the initial five years' worth of dividends as the payment of the dividends through in–kind payments is non–discretionary for that initial five–year period. Based on the fair value of our underlying common stock on the issuance date and the stated conversion date, there is no beneficial conversion feature associated with the issuance of the preferred stock.

The preferred shares are immediately convertible at Ares' discretion into 9,330,246 shares of our common stock, which would represent approximately 31.6% of our outstanding common stock on a post-conversion basis as of March 1, 2010. Dividends are solely PIK through July 2011 -- that is, they are payable solely by adding the amount of dividends to the stated value of each share. After July 2011, the preferred shares would be convertible into approximately 10,000,661 shares of common stock, which, based on the currently outstanding shares, would represent approximately 33.1% of the post-conversion shares outstanding. If the preferred shares are not converted after five years, we have the option to PIK or pay a cash dividend at the rate of 5% per annum. The preferred shares have no stated maturity.

Other material terms of the preferred stock are as follows:

- all dividends that would otherwise be payable through the fifth anniversary of issuance shall automatically be accelerated and paid in kind immediately prior to the occurrence of any of the following acceleration events:
  - liquidation;
  - bankruptcy;
  - closing of a public offering of common stock pursuant to an effective registration statement (except for Form S-4, solely for sales by third parties, or pursuant to Ares' own registration rights agreement);
  - the average of the closing price of our common stock for each of 20 consecutive trading days exceeds $14.40 per share; and
  - upon a "fundamental transaction," including a "group" (defined in the Securities Exchange Act of 1934, as amended) acquiring more than 35% of outstanding voting rights; replacement of more than one-half of the directors without approval of the existing board of directors; a merger, consolidation, sale of substantially all assets, going-private transaction, tender offer, reclassification, or other transaction that results in the transfer of a majority of voting rights;
- Ares can convert the preferred stock into common stock at any time at a conversion price of $9.60 per share, with conversion being calculated by taking the stated value (initially $100.00 per share) plus any amount added to stated value by way of dividends, then dividing by $9.60 to produce the number of shares of common stock issuable;
- we can force a conversion into common stock following either (i) the average of the closing price of our common stock for each of 20 consecutive trading days exceeding $14.40 per share or (ii) a fundamental transaction that Ares does not treat as a liquidation;
- after the fifth anniversary of issuance, we can redeem for cash equal to the liquidation preference;
- after the fifth anniversary of issuance, we can pay dividend in cash at our discretion;
- upon our liquidation, prior to any holder of common stock or other junior securities, Ares shall receive in cash the greater of (i) the stated value plus any amount added by way of dividends (accelerated to include a full five years) or (ii) the amount it would receive if all shares of preferred stock were converted into common stock (calculated to include dividends accelerated to include a full five years);
- Ares can elect to treat any fundamental transaction as a liquidation event, which will entitle Ares to their liquidation preferences. Following such election, in the event that we elect to make any payment such as a dividend or stock repurchase payment to a common shareholder, we will be required to repay Ares the full amount of the liquidation preference associated with the preferred stock. However, if securities of another company are issued as consideration in a fundamental transaction, we have the option of requiring Ares to accept such common shares to satisfy the liquidation preference if shares are then quoted on the Nasdaq Global Market or listed on the New York Stock Exchange. The value of such shares is determined at 98% of the closing price on the trading day preceding the transaction and the shares are freely transferable without legal or contractual restrictions;

- the preferred stock voting as a separate class elects (i) two directors to our board of directors for so long as Ares continues to hold preferred stock representing at least 20% of our "post–conversion equity" (outstanding common stock assuming conversions into common shares of all securities, including the preferred stock and assuming preferred stock dividends accelerated to include a full five years), (ii) one director for so long as it continues to hold at least 10% of post–conversion equity, and (iii) no directors below 10%;

- the preferred stock voting as a separate class must approve (i) any alteration in its powers, preferences or rights, or in the certificate of designation, (ii) creation of any class of stock senior or pari passu with it, (iii) any increase in the authorized shares of preferred stock, and (iv) any dividends or distribution to common stock or any junior securities, except for pro rata dividends on common stock paid in common stock. These protective rights terminate on the first date on which there are outstanding less than 20% of the number of shares of preferred stock outstanding on the date the preferred stock was first issued; and

- except for the election of directors and special approvals described above, the preferred stock votes on all matters and with the common stock on an as–converted basis.

In connection with the issuance and sale of the preferred shares, we also entered into other agreements as contemplated by the purchase agreement, including a stockholder's agreement, a registration rights agreement, and a management rights letter. The purchase agreement, the stockholder's agreement, the registration rights agreement, the management rights letter and the certificate of designation pursuant to which the preferred shares were created, are described in our current report on Form 8–K filed on June 16, 2006.

Contractual Obligations

As of December 31, 2009, we had the following contractual obligations (in thousands). For the year ended December 31, 2009, our cash paid for interest expense was $16.9 million. Please read note 7 to our consolidated financial statements for balances and terms of our credit facility at December 31, 2009.

	Payments Due By Period				
Contractual Obligations	Total	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years
Long–term debt principal amount outstanding (1)	$ 220,075	$ 500	$ 69,575	$ 150,000	$ —
Closure and post–closure costs (2)	185,374	—	1,801	2,571	181,002
Operating leases	4,803	1,077	1,604	685	1,437
Note payable	1,231	1,231	—	—	—
Estimated interest payments on long–term debt (3)	65,468	16,204	29,030	20,234	—
Estimated interest payments on note payable	28	28	—	—	—
Estimated payments on interest rate swap (4)	6,827	6,827	—	—	—
Total	$ 483,806	$ 25,867	$ 102,010	$ 173,490	$ 182,439

(1) The long–term debt principal amount outstanding includes a seller note valued at $0.9 million with two future payments of $0.5 million due on January 15, 2010 and 2011, respectively.

(2) The closure and post–closure costs amounts included reflect the amounts recorded in our consolidated balance sheet as of December 31, 2009, without the impact of discounting and inflation. We believe the amount and timing of these activities are reasonably estimable. The cost in current dollars is inflated (2.5% at December 31, 2009) until the expected time of payment, and then discounted to present value (8.5% at December 31, 2009). Accretion expense is then applied to the closure and post–closure liability based on the effective interest method and is included in cost of services. Our recorded closure and post–closure liabilities will increase as we continue to place additional volumes within the permitted airspace at our landfills.

(3) Estimated interest payments on fixed–rate debt including our senior notes are computed by using the fixed rates of interest on the balances of the debt according to the principal repayment schedule. Estimated interest payments on debt with variable rates such as our credit facility are computed by using the applicable LIBOR rate plus interest margin and the balance of the debt as of the reporting date.

(4) Estimated payments on interest rate swap are computed by using the notional amount of $150 million on the swap and the interest rate spread between 5.64% and three–month floating rate LIBOR as of the reporting date.

Other Commitments

As of December 31, 2009, we had the following other commitments (in thousands):

	Commitment Expiration By Period				
Other Commitments	Total	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years
Financial surety bonds (1)	$ 76,519	$ 76,519	$ —	$ —	$ —
Standby letters of credit (2)	12,491	12,491	—	—	—
Total	$ 89,010	$ 89,010	$ —	$ —	$ —

(1) We use financial surety bonds for landfill closure and post–closure financial assurance required under certain environmental regulations and may use other mechanisms including insurance, letters of credit and restricted cash deposits. These surety bonds are renewed on an annual basis. Our commitments for financial surety bonds are not recorded in our financial statements. Our surety bonds relate to closure and post–closure obligations relating to our landfills and would not create debt unless and until we closed such landfills and were unable to satisfy closure and post–closure obligations.

(2) We provide standby letters of credit to the surety bond underwriters as discussed in note (1) above. As of December 31, 2009, $4.7 million had been provided to the surety bond underwriters. We also provide standby letters of credit and restricted cash deposits to our insurance underwriters for the self insured portion of outstanding claims. As of December 31, 2009, we had provided $7.8 million in standby letters of credit. All of these standby letters of credit are renewed on an annual basis. Our commitments for standby letters of credit are not recorded in our financial statements. The standby letters of credit relate to the portion of claims covered by insurance policies as to which we had retained responsibility and would not create debt unless we were unable to satisfy such claims from our operating income. However, we currently satisfy such claims from our cash flows from operations.

If our current surety bond underwriters are unwilling to renew existing bonds upon expiration, or are unwilling to issue additional bonds as needed, or if we are unable to obtain surety bonds through new underwriters as such needs arise, we would need to arrange other means of financial assurance, such as restricted cash deposits or a letter of credit. While such alternate assurance has been available, it may result in additional expense or capital outlays.

We accrue claims related to our self–insurance programs based on claims filed, estimated open claims and claims incurred but not reported based on actuarial–based loss development factors. As of December 31, 2009, we had accrued approximately $2.3 million for these claims. If we experience insurance claims or costs above or below our limited history, our estimates could be materially affected.

Cash Flows

The following is a summary of our cash balances and cash flows for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	Years Ended December 31,		
	2009	2008	2007
Cash and cash equivalents at the end of the period	$ 4,329	$ 955	$ 1,138
Net cash provided by operating activities	$ 31,747	$ 34,294	$ 39,606
Net cash used in investing activities	$ (46,868)	$ (30,943)	$ (121,013)
Net cash provided by (used in) financing activities	$ 18,495	$ (3,534)	$ 30,338

Net cash provided by operating activities for the years ended December 31, 2009, 2008 and 2007 was $31.7 million, $34.3 million and $39.6 million, respectively. The changes in cash flows from operating activities are primarily due to the changes in net income (loss), deferred taxes and the components of working capital from year to year as well as the impairment of goodwill in 2008. Other items impacting operating cash flows include depreciation and amortization, stock–based compensation, unrealized gain or loss on interest rate swap as well as prepaid disposal usage in 2007, all of which were non–cash expenses.

Net cash used in investing activities consists primarily of cash used for capital expenditures and the acquisition of businesses. Cash used for capital expenditures, including acquisitions, was $47.2 million, $37.9 million and $121.3 million for the years ended December 31, 2009, 2008 and 2007, respectively. The fluctuation is mainly caused by acquisitions over the years. We spent substantially more on acquisitions in 2007. In 2008, we reduced our acquisition activity in response to weakening market conditions. Cash spent on acquisitions increased in 2009 as we completed our largest acquisition to date on December 31, 2009. On the other hand, capital expenditures related to our existing operations remained steady in 2007 and 2008. Such capital expenditures reduced in 2009 in anticipation of weaker markets and revenue decreases.

Net cash provided by (used in) financing activities during the years ended December 31, 2009, 2008 and 2007 was $18.5 million, $(3.5) million and $30.3 million, respectively. Net cash provided by (used in) financing activities during the years ended December 31, 2009, 2008 and 2007 mainly includes a combination of borrowings under our revolving credit facilities, repayments of debt, payments under the common stock repurchase program which was terminated on December 18, 2008, changes in restricted cash, and financing costs associated with our credit facilities.

Critical Accounting Estimates and Assumptions

We make several estimates and assumptions during the course of preparing our financial statements. Since some of the information that we must present depends on future events, it cannot be readily computed based on generally accepted methodologies, or may not be appropriately calculated from available data. Some estimates require us to exercise substantial judgment in making complex estimates and assumptions and, therefore, have the greatest degree of uncertainty. This is especially true with respect to estimates made in accounting for landfills, environmental remediation liabilities and asset impairments. We describe the process of making such estimates and other significant accounting policies in notes 1 and 2 to our consolidated financial statements.

Landfill Accounting

Capitalized Landfill Costs

At December 31, 2009, we owned 25 landfills. Two of these landfills are fully permitted but not constructed and had not commenced operations as of December 31, 2009.

Capitalized landfill costs include expenditures for the acquisition of land and airspace, engineering and permitting costs, cell construction costs and direct site improvement costs. As of December 31, 2009, no capitalized interest was included in capitalized landfill costs. However, in the future interest could be capitalized on landfill construction projects but only during the period the assets are undergoing activities to prepare them for their intended use. Capitalized landfill costs are amortized ratably using the units–of– production method over the estimated useful life of the site as airspace of the landfill is consumed. Landfill amortization rates are determined periodically (not less than annually) based on aerial and ground surveys and other density measures and estimates made by our internal and/or third–party engineers.

Total available airspace includes the total of estimated permitted airspace plus an estimate of probable expansion airspace that we believe is likely to be permitted. Where we believe permit expansions are probable, the expansion airspace, and the projected costs related to developing the expansion airspace are included in the airspace amortization rate calculation. The criteria we use to determine if permit expansion is probable include but, are not limited to, whether:

- we believe that the project has fatal flaws;
- the land is owned or controlled by us, or under option agreement;
- we have committed to the expansion;
- financial analysis has been completed, and the results indicate that the expansion has the prospect of a positive financial and operational impact;
- personnel are actively working to obtain land use, local, and state approvals for an expansion of an existing landfill;
- we believe the permit is likely to be received; and
- we believe that the timeframe to complete the permitting is reasonable.

We may be unsuccessful in obtaining expansion permits for airspace that has been considered probable. If unsuccessful in obtaining these permits, the previously capitalized costs will be charged to expense. As of December 31, 2009, we have included 135 million cubic yards of expansion airspace with estimated development costs of approximately $96.5 million in our calculation of the rates used for the amortization of landfill costs.

Closure and Post–Closure Obligations

We have material financial commitments for the costs associated with our future obligations for final closure, which is the closure of the landfill, the capping of the final uncapped areas of a landfill and post–closure maintenance of those facilities, which is generally expected to be for a period of up to 30 years depending on type and location.

Standards related to accounting for obligations associated with the retirement of long–lived assets and the associated asset retirement costs require that we record closure and post–closure obligations as follows:

- Landfill closure and post–closure liabilities are calculated by estimating the total obligation in current dollars. Cost estimates equate the costs of third parties performing the work. Any portion of the estimates which are based on activities being performed internally are increased to reflect a profit margin a third party would receive to perform the same activity. This profit margin will be taken to income once the work is performed internally.
- The total obligation is carried at the net present value of future cash flows, which is calculated by inflating the obligation based upon the expected date of the expenditure using an inflation rate and discounting the inflated total to its present value using a discount rate. The discount rate represents our credit–adjusted risk–free rate. The resulting closure and post–closure obligation is recorded as an increase in this liability as airspace is consumed.
- Accretion expense is calculated based on the discount rate and is charged to cost of services and increases the related closure and post–closure obligation. This expense will generally be less during the early portion of a landfill's operating life and increase thereafter.

The following table sets forth the rates we used for the amortization of landfill costs and the accrual of closure and post–closure costs for 2009, 2008 and 2007:

	2009	2008	2007
Number of landfills owned	25	24	24
Landfill depletion and amortization expense (in thousands)	$ 9,680	$ 11,058	$ 10,483
Accretion expense (in thousands)	628	558	483
Closure and post–closure cost (in thousands)	—	—	513
	$ 10,308	$ 11,616	11,479
Airspace consumed (in thousands of cubic yards)	4,933	5,730	5,456
Depletion, amortization, accretion, closure and post–closure costs per cubic yard of airspace consumed	$ 2.09	$ 2.03	$ 2.10

The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. Our ultimate liability for such costs may increase in the future as a result of changes in estimates, legislation, or regulations.

Goodwill, Intangible Assets and Other Long–Lived Assets

Goodwill and intangible assets acquired in a business combination accounted for as a purchase and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually. Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their residual values, and reviewed for impairment. Other long–lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

We assess potential impairment of our goodwill, intangible assets and other long–lived assets annually on October 31 and more frequently if there is evidence that recent events or changes in circumstances have made recovery of an asset's carrying less likely. If indicators of impairment were present for intangible assets used in operations and future undiscounted cash flows were not expected to be sufficient to recover the asset's carrying amount, an impairment loss would be charged to expense in the period identified. The amount of an impairment loss would be recognized as the excess of the asset's carrying value over its fair value. Factors we consider important, that may cause impairment include: significant changes in the manner of use of the acquired asset, negative industry or economic trends, and significant underperformance relative to historical or projected operating results.

Under the guidance of ASC Topic 350, the first step for the goodwill impairment test requires us to estimate the fair value of each reporting unit and to compare the fair value to the reporting unit's carrying value. We estimated the fair value of our reporting units using a discounted cash flow approach. The key assumptions we used in preparing our discounted cash flow analysis were (1) projected cash flows, (2) expected long–term growth rate, and (3) discount rate. We based our projected cash flows on budgeted operating results for 2010. For 2011 and future periods, we assumed a growth rate of 2.5% based on the 20–year inflation rate as published by the Federal Reserve. We used an average discount rate of 9.9%, which represented our weighted average cost of capital and was evaluated by independent third parties for reasonableness. Our reporting units carry the majority of assets and liabilities related to their operations on their respective balance sheets, except for obligations associated with debt, self–insurance and deferred tax liabilities, as well as assets such as cash and deferred tax assets, which are primarily recorded on Corporate's balance sheet. To determine the carrying value of each reporting unit at the measurement date, we allocated assets and liabilities accounted for within Corporate's balance sheet to each of the reporting units based on the size of their respective operations. The Corporate assets and liabilities relate to the operations of each of the reporting units, therefore, management believe they should be allocated to each of the reporting units to determine the appropriate fair values for each of the reporting units. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, then goodwill is not impaired and no further testing is required. If the carrying value of the net assets assigned to the reporting unit were to exceed its fair value, then the second step is performed in order to determine the implied fair value of the reporting unit's goodwill and an impairment loss is recorded for an amount equal to the difference between the implied fair value and the carrying value of the goodwill.

In our discounted cash flow analysis in 2009, the estimated fair value for each of our reporting units exceeded their respective carrying value. Accordingly, there was no indication of impairment. During the goodwill impairment test in 2008, we made an impairment adjustment of $41.7 million as the fair market value was less than the book value in the following reporting units: Florida, North Carolina, Oklahoma and Tennessee.

As a test of the reasonableness of the estimated fair values for our reporting units, we compared the fair value of our reporting units under the discounted cash flow approach less outstanding debt (implied fair value of equity) to our market capitalization as of the measurement date. We compared the implied fair value of our equity to our market capitalization noting that the implied fair value of equity exceeded the market capitalization. We considered the excess amount of implied fair value over market capitalization to be a control premium. A control premium represents the ability of an acquirer to control the operations of the business. The control premium determined as of the measurement date appeared reasonable as it is consistent with historical control premium levels observed in acquisitions of controlling interests in publicly-traded companies. We will continue to monitor our market capitalization and expectations of future cash flows and will perform additional interim impairment testing if deemed necessary.

Allocation of Acquisition Purchase Price

A summary of our accounting policies for acquisitions is as follows:

- Acquisition purchase price is allocated to identified tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the dates of acquisition, with any residual amounts allocated to goodwill. We accrue the fair value of the payment of contingent purchase price, which takes into consideration the probability of the events surrounding the contingency.

- We often consummate single acquisitions that include a combination of collection operations and landfills. For each separately identified collection operation and landfill acquired in a single acquisition, we perform an initial allocation of total purchase price to the identified collection operations and landfills based on their relative fair values. Following this initial allocation of total purchase price to the identified collection operations and landfills, we further allocate the identified intangible assets and tangible assets acquired and liabilities assumed for each collection operation and landfill based on their estimated fair values at the dates of acquisition, with any residual amounts allocated to either goodwill or landfill site costs, as discussed above.

Recent Accounting Pronouncements

In June 2009, the FASB issued the FASB Accounting Standards Codification (the Codification or ASC) as the single source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. The Codification does not change current GAAP, but is intended to simplify user access to all authoritative GAAP by providing all the authoritative literature related to a particular topic in one place. The Codification is effective for interim and annual periods ending after September 15, 2009 and supersedes all existing non-SEC accounting and reporting standards. As a result, this report on Form 10-K and all subsequent public filings will reference the Codification as the sole source of authoritative literature.

In June 2009, the FASB issued a pronouncement which enhances information reported to users of financial statements by providing greater transparency about transfers of financial assets and an entity's continuing involvement in transferred financial assets. This pronouncement is effective for fiscal years beginning after November 15, 2009 and earlier adoption is prohibited. The adoption of this pronouncement is not expected to have any impact on our financial condition, results of operations or cash flows.

In June 2009, the FASB issued a pronouncement regarding certain guidance for determining whether an entity is a variable interest entity and modifies the methods allowed for determining the primary beneficiary of a variable interest entity in order to improve financial reporting by companies involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. This pronouncement is effective for fiscal years beginning after November 15, 2009 and earlier adoption is prohibited. The adoption of this pronouncement is not expected to have any impact on our financial condition, results of operations or cash flows.

In August 2009, the FASB issued Accounting Standards Update 2009–05 (ASU 2009–05), "Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value." This update provides clarification for the fair value measurement of liabilities in circumstances in which a quoted price in an active market for an identical liability is not available. ASU 2009–05 is effective for the Company on October 1, 2009. The adoption of this standard is not expected to have a material impact on our financial condition, results of operations or cash flows.

In October 2009, the FASB issued ASU 2009–13 (ASU 2009–13), "Revenue Recognition (Topic 605): Multiple–Deliverable Revenue Arrangements—a consensus of the FASB Emerging Issues Task Force." This update amends the criteria for revenue recognition of multi–deliverable arrangements and expands the required disclosures of those arrangements. ASU 2009–13 is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. We are currently evaluating the impact of ASU 2009–13 on our financial position, results of operations or cash flows.

Cautionary Statement About Forward–Looking Statements

Some of the statements contained in this report are forward–looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. From time to time, our public filings, press releases and other communications (such as conference calls and presentations) will contain forward–looking statements. These forward–looking statements can generally be identified as such because the context of the statement will include words such as "may," "should," "outlook," "project," "intend," "seek," "plan," "believe," "anticipate," "expect," "estimate," "potential," "continue," or "opportunity," the negatives of these words, or similar words or expressions. Similarly, statements that describe our future plans, objectives or goals are also forward–looking statements. This is true of our description of our acquisitions for example. It is also true of our "run rate" definitions which are estimates based upon a mixture of historical and projected results.

We caution that forward–looking statements are not guarantees and are subject to known and unknown risks and uncertainties. Since our business, operations and strategies are subject to a number of risks, uncertainties and other factors, actual results may differ materially from those described in the forward–looking statements.

Our business is subject to a number of operational risks and uncertainties that could cause our actual results of operations or our financial condition to differ from any forward–looking statements. These include, but are not limited to, the following:

- current U.S. economic conditions and the related decline in construction activity, as well as any future downturns, has reduced and may continue to reduce our volume and/or pricing on our services, resulting in decreases in our revenue, profitability and cash flows;
- increases in the costs of fuel could reduce our operating margins;
- changes in interest rates may affect our profitability;
- we may not be successful in expanding the permitted capacity of our current or future landfills, which could restrict our growth, increase our disposal costs, and reduce our operating margins;
- we are subject to environmental and safety laws, which restrict our operations and increase our costs;
- we may become subject to environmental clean–up costs or litigation that could curtail our business operations and materially decrease our earnings;
- our accruals for landfill closure and post–closure costs may be inadequate, and our earnings would be lower if we are required to pay or accrue additional amounts;

- we may be unable to obtain financial assurances necessary for our operations, which could result in the closure of landfills or the termination of collection contracts;

- our business is capital intensive, requiring ongoing cash outlays that may strain or consume our available capital and force us to sell assets, incur debt, or sell equity on unfavorable terms;

- increases in the costs of disposal, labor and insurance could reduce our operating margins;

- we may not be able to maintain sufficient insurance coverage to cover the risks associated with our operations, which could result in uninsured losses that would adversely affect our financial condition;

- our failure to remain competitive with our numerous competitors, some of which have greater resources, could adversely affect our ability to retain existing customers and obtain future business;

- we may lose contracts through competitive bidding, early termination or governmental action, or we may have to substantially lower prices in order to retain certain contracts, any of which would cause our revenue to decline;

- comprehensive waste planning programs and initiatives required by state and local governments may reduce demand for our services, which could adversely affect our waste volumes and the price of our landfill disposal services;

- efforts by labor unions to organize our employees could divert management attention and increase our operating expenses;

- current and proposed laws may restrict our ability to operate across local borders which could affect our manner, cost and feasibility of doing business;

- poor decisions by our regional and local managers could result in the loss of customers or an increase in costs, or adversely affect our ability to obtain future business;

- we are vulnerable to factors affecting our local markets, which could adversely affect our stock price relative to our competitors; and

- seasonal fluctuations will cause our business and results of operations to vary among quarters, which could adversely affect our stock price.

Our future financial performance may also depend on our ability to pursue acquisitions, which will be subject to many risks and uncertainties including, but not limited to, the following:

- on December 31, 2009, we consummated the acquisition of the Live Earth Companies with cash and the issuance of our common stock. The acquisition of the Live Earth Companies is subject to various risks;

- we may be unable to identify, complete or integrate future acquisitions, which may harm our prospects;

- we compete for acquisition candidates with other purchasers, some of which have greater financial resources and may be able to offer more favorable terms, thus limiting our ability to grow through acquisitions;

- in connection with financing acquisitions, we may incur additional indebtedness, or may issue additional equity including common stock or preferred stock which would dilute the ownership percentage of existing stockholders;

- businesses that we acquire may have unknown liabilities and require unforeseen capital expenditures, which would adversely affect our financial results;

- rapid growth may strain our management, operational, financial and other resources, which would adversely affect our financial results;
- our acquisitions have resulted and future acquisitions we make may continue to result in significant goodwill and other intangible assets, which may need to be written down if performance is not as expected; and
- we may incur charges and other unforeseen expenses related to acquisitions, which could lower our earnings.

Our business and the performance of our stock price are subject to risks related to our management, governance and capital structure. They include, but are not limited to, the following:

- our success depends on key members of our senior management, the loss of any of whom could disrupt our customer and business relationships and our operations;
- a controlling interest in our voting stock is held by one fund and a small number of individuals (including management), which when combined with various agreements and rights of the fund, may discourage a change of control transaction and may exert control over our strategic direction;
- provisions in our amended and restated certificate of incorporation, our amended and restated bylaws and Delaware law could preclude a change of control that our stockholders may favor and which could negatively affect our stock price;
- we do not anticipate paying cash dividends on our common stock in the foreseeable future, so you can only realize a return on your investment by selling your shares of our common stock; and
- we may issue preferred stock that has a liquidation or other preference over our common stock without the approval of the holders of our common stock, which may affect those holders rights or the market price of our common stock.

Our business is capital intensive and depends on our ability to generate sufficient cash flow from operations and, from time to time, to access our credit facility or other capital sources, each of which are subject to various risks and uncertainties including, but not limited to, the following:

- adverse capital and credit market conditions may significantly affect our ability to meet liquidity needs, access to capital and cost of capital;
- the inability or failure of any syndicate bank to meet its obligations under our senior credit facility could adversely impact our short-term and/or long-term capital or cash needs by limiting our access to swing-line loans, increasing the cost of issuing letters of credit, or reducing the total capacity available under the revolving credit facility;
- we have a substantial amount of debt which could adversely affect our operations and financial performance; and
- the provisions in our debt instruments impose restrictions on us that may limit the discretion of management in operating our business.

We describe these and other risks in greater detail in the section entitled "Business—Risk Factors" included elsewhere in this report. We refer you to that section for additional information.

The forward-looking statements included in this report are only made as of the date of this report and we undertake no obligation to publicly update forward-looking statements to reflect subsequent events or circumstances.

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. We use interest rate swap agreements to manage a portion of our risks related to interest rates. We entered into a swap agreement effective July 11, 2006, where we agreed to pay a fixed–rate of 5.64% in exchange for three–month floating rate LIBOR which was 5.51% at the time the swap was entered. This interest rate swap expires on November 1, 2010. At December 31, 2009, the related floating rate was 0.25%. The intention of this swap agreement is to limit our exposure to a rising rate interest environment. For the year ended December 31, 2009, the net difference between the fixed amount we paid and the floating amount we received was $7.2 million. Considering the rates in effect at December 31, 2009, the impact of the swap agreement is estimated to result in a $6.8 million loss related to the realized portion of the interest rate swap over the next 12 months. At the time we entered into the swap, we had no floating rate LIBOR debt and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction. Accordingly, any changes in the unrealized fair value of the swap are recognized in the statement of operations. We did not enter into the interest rate swap agreements for trading purposes.

As of December 31, 2009 and 2008, we had no debt outstanding that bears interest at variable or floating rates. With the placement of the swap agreement, we bear exposure to, and are primarily affected by, changes in LIBOR rates on $82.5 million. A 100 basis point increase in LIBOR interest rates would result in swap income of approximately $0.8 million annually while a 100 basis point decrease in interest rates would result in $0.8 million in swap expense, in addition to any mark–to–market effect on the fair value of the swap. Please read "Business—Risk Factors—Risks Relating To Our Business—Changes in interest rates may affect our profitability." The table below provides scheduled principal payments and fair value information about our market–risk sensitive financial instruments as of December 31, 2009 (dollars in thousands):

	Expected Maturity Dates						
	2010	2011	2012	2013	2014	Thereafter	Total
Debt:							
Senior notes	$ —	$ —	$ —	$ —	$ 150,000	$ —	$ 150,000
Average interest rate (a)							
Revolving credit agreement	$ —	$ 67,500	$ —	$ —	$ —	$ —	$ 67,500
Average interest rate (b)							
Other borrowings	$ 500	$ 500	$ 1,575	$ —	$ —	$ —	$ 2,575
Average interest rate	10.0%	10.0%	5.5 %	—	—	—	7.25%
Note payable	$ 1,231	$ —	$ —	$ —	$ —	$ —	$ 1,231
Average interest rate	5.5%	—	—	—	—	—	5.5%

(a) The interest rate of our senior notes is 9.25% as stipulated by the indenture.

(b) Borrowings under the revolving credit agreement bear interest at a floating rate, at our option, of either (i) the base rate loans plus the applicable margin or (ii) the LIBOR loans plus the applicable margin. The base rate is equal to the higher of the federal funds rate plus 1/2 of 1% or the prime rate. The applicable margin is determined based on our leverage ratio for the trailing 12–month reporting period on each quarterly reporting date. As of December 31, 2009, the interest rate in effect for the revolving credit agreement was 3.2%.

Our financial instruments that are potentially sensitive to changes in interest rates also include our 9.25% senior notes. As of December 31, 2009, the fair value of these notes, based on quoted market prices, was the same as the carrying amount of $150 million.

Item 8. Financial Statements and Supplementary Data.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a–15(f) and 15d–15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation to assess the effectiveness of our internal control over financial reporting as of December 31, 2009 based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2009.

There are inherent limitations in the effectiveness of any system of internal controls over financial reporting. Therefore, internal control over financial reporting determined to be effective can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2009 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
WCA Waste Corporation:

We have audited the accompanying consolidated balance sheets of WCA Waste Corporation (the Company) as of December 31, 2009 and 2008 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three–year period ended December 31, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2009 and 2008 and the results of their operations and their cash flows for each of the years in the three–year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), WCA Waste Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 8, 2010 expressed an unqualified opinion on the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Houston, Texas
March 8, 2010

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
WCA Waste Corporation:

We have audited WCA Waste Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). WCA Waste Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit 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 audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, WCA Waste Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of WCA Waste Corporation as of December 31, 2009 and 2008 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2009 and our report dated March 8, 2010 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Houston, Texas
March 8, 2010

WCA WASTE CORPORATION

Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 4,329	$ 955
Accounts receivable, net of allowance for doubtful accounts of $318 and $1,173	21,767	24,956
Deferred tax assets	1,452	3,354
Prepaid expenses and other	4,575	2,108
Total current assets	32,123	31,373
Property and equipment, net	320,724	276,483
Goodwill, net	65,318	64,580
Intangible assets, net	7,051	7,486
Deferred financing costs, net	3,628	4,654
Deferred tax assets	2,385	2,992
Other assets	145	390
Total assets	$ 431,374	$ 387,958
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 10,013	$ 9,830
Accrued liabilities and other	17,290	17,275
Interest rate swap	6,489	6,379
Note payable	1,231	123
Current maturities of long-term debt	500	64
Total current liabilities	35,523	33,671
Long-term debt, less current maturities and discount	219,516	200,295
Interest rate swap	—	5,278
Accrued closure and post-closure liabilities	13,993	7,398
Other long-term liabilities	1,813	1,813
Total liabilities	270,845	248,455
Commitments and contingencies		
Stockholders' equity:		
Series A convertible preferred stock, $0.01 par value per share. Authorized 8,000 shares; issued and outstanding 870 shares and 828 shares, respectively (liquidation preference $96,006)	9	8
Common stock, $0.01 par value per share. Authorized 50,000 shares; issued 21,121 shares and 17,399 shares	211	174
Treasury stock	(5,322)	(5,322)
Additional paid-in capital	193,821	172,788
Contingent considerations	3,225	—
Retained earnings (deficit)	(31,415)	(28,145)
Total stockholders' equity	160,529	139,503
Total liabilities and stockholders' equity	$ 431,374	$ 387,958

See accompanying notes to consolidated financial statements.

WCA WASTE CORPORATION

Consolidated Statements of Operations
(in thousands, except per share data)

	Years Ended December 31, 2009	2008	2007
Revenue	$ 194,138	$ 208,009	$ 184,940
Expenses:			
Cost of services	130,287	142,129	121,853
Depreciation and amortization	26,357	27,151	24,234
Impairment of goodwill	—	41,725	—
General and administrative (including stock-based compensation of $1,737, $2,212 and $1,977, respectively)	13,496	12,335	12,768
	170,140	223,340	158,855
Operating income (loss)	23,998	(15,331)	26,085
Other income (expense):			
Interest expense, net	(18,052)	(18,560)	(16,765)
Impact of interest rate swap	(2,063)	(7,547)	(4,442)
Other income (expense), net	83	(62)	387
	(20,032)	(26,169)	(20,820)
Income (loss) before income taxes	3,966	(41,500)	5,265
Income tax (provision) benefit	(2,958)	13,737	(2,343)
Net income (loss)	1,008	(27,763)	2,922
Accrued payment-in-kind dividend on preferred stock	(4,278)	(4,076)	(3,876)
Net loss available to common stockholders	$ (3,270)	$ (31,839)	$ (954)
Net loss available to common stockholders:			
Earnings per share – basic	$ (0.21)	$ (1.96)	$ (0.06)
Earnings per share – diluted	$ (0.21)	$ (1.96)	$ (0.06)
Weighted average shares outstanding — basic	15,824	16,257	16,460
Weighted average shares outstanding — diluted	15,824	16,257	16,460

See accompanying notes to consolidated financial statements.

WCA WASTE CORPORATION

Consolidated Statements of Stockholders' Equity
(in thousands)

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in Capital	Contingent Considerations	Retained Earnings (Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2006	750	$ 8	16,859	$ 169	18	$ (174)	$ 161,316	$ —	$ 6,460	$ 167,779
Cumulative effect of change in accounting principle (ASC Topic 740)	—	—	—	—	—	—	—	—	(1,812)	(1,812)
Accrued payment-in-kind dividend on preferred stock	—	—	—	—	—	—	3,876	—	(3,876)	—
Issuance of preferred stock	55	—	—	—	—	—	—	—	—	—
Restricted shares withheld	—	—	(37)	—	—	—	(285)	—	—	(285)
Equity transaction costs	—	—	—	—	—	—	(5)	—	—	(5)
Issuance of restricted shares to employees and directors	—	—	261	2	—	—	(2)	—	—	—
Accretion of unearned compensation	—	—	—	—	—	—	1,765	—	—	1,765
Net income	—	—	—	—	—	—	—	—	2,922	2,922
Balance, December 31, 2007	805	$ 8	17,083	$ 171	18	$ (174)	$ 166,665	$ —	$ 3,694	$ 170,364
Accrued payment-in-kind dividend on preferred stock	—	—	—	—	—	—	4,076	—	(4,076)	—
Issuance of preferred stock	23	—	—	—	—	—	—	—	—	—
Restricted shares withheld	—	—	(53)	(1)	—	—	(345)	—	—	(346)
Issuance of restricted shares to employees and directors	—	—	351	4	—	—	(4)	—	—	—
Accretion of unearned compensation	—	—	—	—	—	—	2,396	—	—	2,396
Common stock repurchased under repurchase program	—	—	(1,056)	—	1,056	(5,148)	—	—	—	(5,148)
Net loss	—	—	—	—	—	—	—	—	(27,763)	(27,763)
Balance, December 31, 2008	828	$ 8	16,325	$ 174	1,074	$ (5,322)	$ 172,788	$ —	$ (28,145)	$ 139,503
Accrued payment-in-kind dividend on preferred stock	—	—	—	—	—	—	4,278	—	(4,278)	—
Issuance of preferred stock	42	1	—	—	—	—	(1)	—	—	—
Issuance of common shares and earn-out shares grants	—	—	3,555	35	—	—	15,253	3,225	—	18,513
Restricted shares withheld	—	—	(73)	(1)	—	—	(174)	—	—	(175)
Issuance of restricted shares to employees and directors	—	—	240	3	—	—	(3)	—	—	—
Accretion of unearned compensation	—	—	—	—	—	—	1,680	—	—	1,680
Net income	—	—	—	—	—	—	—	—	1,008	1,008
Balance, December 31, 2009	870	$ 9	20,047	$ 211	1,074	$ (5,322)	$ 193,821	$ 3,225	$ (31,415)	$ 160,529

See accompanying notes to consolidated financial statements.

WCA WASTE CORPORATION

Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31,		
	2009	2008	2007
Cash flows from operating activities:			
Net income (loss)	$ 1,008	$ (27,763)	$ 2,922
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	26,357	27,151	24,234
Impairment of goodwill	—	41,725	—
Non-cash compensation charge	1,737	2,212	1,977
Amortization of deferred financing costs and debt discount	1,247	1,303	897
Deferred tax provision (benefit)	2,416	(14,339)	1,749
Accretion expense for closure and post-closure obligations	628	558	483
Gain on sale of assets	(86)	(178)	(387)
Net loss on early disposition of notes receivable/payable	—	221	—
Unrealized (gain) loss on interest rate swap	(5,168)	4,316	3,948
Prepaid disposal usage	—	—	1,037
Changes in assets and liabilities, net of effects of acquisitions:			
Accounts receivable, net	6,657	(2,196)	(3,302)
Prepaid expenses and other	(2,570)	(287)	(1,851)
Accounts payable and other liabilities	(479)	1,571	7,899
Net cash provided by operating activities	31,747	34,294	39,606
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(23,375)	(8,144)	(92,835)
Proceeds from sale of fixed assets	334	477	376
Principal of note receivable	—	304	—
Proceeds from disposition of note receivable	—	6,225	—
Cost incurred on possible acquisitions	—	—	(71)
Capital expenditures	(23,827)	(29,805)	(28,483)
Net cash used in investing activities	(46,868)	(30,943)	(121,013)
Cash flows from financing activities:			
Principal payments on long-term debt	(167)	(16,130)	(931)
Net change in revolving line of credit	18,883	17,340	31,277
Payments under common stock repurchase program	—	(5,148)	—
Decrease in restricted cash	—	1,339	9
Equity transaction costs	—	—	(5)
Deferred financing costs	(221)	(935)	(12)
Net cash provided by (used in) financing activities	18,495	(3,534)	30,338
Net change in cash and cash equivalents	3,374	(183)	(51,069)
Cash and cash equivalents at beginning of period	955	1,138	52,207
Cash and cash equivalents at end of period	$ 4,329	$ 955	$ 1,138

See accompanying notes to consolidated financial statements.

WCA WASTE CORPORATION

Consolidated Statements of Cash Flows — Continued
(in thousands)

	Years Ended December 31,		
	2009	2008	2007
Supplemental cash flow information:			
Cash paid during the year for:			
Interest	$ 16,914	$ 17,797	$ 16,903
Taxes	509	355	105
Non-cash investing and financing activities:			
Insurance premiums financed by direct debt	3,135	305	4,721
Acquisitions of operations, net of divestitures:			
Accounts receivable	3,514	(186)	2,479
Prepaid expenses and other	167	(25)	(1,265)
Long-term note receivable, including current maturities	—	—	7,200
Property and equipment, net	44,507	3,405	55,201
Goodwill	738	4,193	28,566
Intangible assets	408	948	2,944
Debt and liabilities issued or assumed, net of debt discount	2,243	191	665
Long-term debt	859	—	1,575
Accrued closure post-closure liabilities	4,344	—	50
Common stock	35	—	—
Additional paid-in capital	15,253	—	—
Contingent considerations	3,225	—	—

See accompanying notes to consolidated financial statements.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements
(dollars in thousands unless otherwise indicated)

(1) Organization and Summary of Significant Accounting

(a) Business

WCA Waste Corporation (WCA or the Company) is an integrated company engaged in the collection, transfer, processing and disposal of non-hazardous solid waste. The Company currently provides services to customers in Alabama, Arkansas, Colorado, Florida, Kansas, Massachusetts, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas.

(b) Basis of Presentation

The consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for annual reports on Form 10-K.

Certain reclassifications have been made to the prior period financial statements to conform to the current presentation.

(c) Principles of Consolidation

The consolidated financial statements include the accounts of WCA Waste Corporation and its majority-owned and controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated.

(d) Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(e) Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized while minor replacements, maintenance, and repairs are charged to expense as incurred.

When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the results of operations as increases or offsets to operating expense for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. The estimated useful lives for significant property and equipment categories are as follows (in years):

Vehicles and equipment	3 to 10
Containers	5 to 12
Buildings and improvements	15 to 25
Computers and software	3 to 5
Furniture and fixtures	3 to 10

(f) Landfill Accounting

Capitalized Landfill Costs

At December 31, 2009, the Company owned 25 landfills. Two of these landfills are fully permitted but not constructed and have not yet commenced operations as of December 31, 2009.

Capitalized landfill costs include expenditures for the acquisition of land and related airspace, engineering and permitting costs, cell construction costs and direct site improvement costs. At December 31, 2009, no capitalized interest had been included in capitalized landfill costs, however, in the future interest could be capitalized on landfill construction projects but only during the period the assets are undergoing activities to ready them for their intended use. Capitalized landfill costs are amortized ratably using the units–of–production method over the estimated useful life of the site as airspace of the landfill is consumed. Landfill amortization rates are determined periodically (not less than annually) based on ground surveys and other density measures and estimates made by the Company's engineers, outside engineers, management and financial personnel.

Total available airspace includes the total of estimated permitted airspace plus an estimate of probable expansion airspace that the Company believes is likely to be permitted. Where the Company believes permit expansions are probable, the expansion airspace, and the projected costs related to developing the expansion airspace are included in the airspace amortization rate calculation. The criteria the Company uses to determine if permit expansion is probable include but are not limited to whether: (i) the Company believes the project has fatal flaws; (ii) the land is owned or controlled by the Company, or under option agreement; (iii) the Company has committed to the expansion; (iv) financial analysis has been completed and the results indicate that the expansion has the prospect of a positive financial and operational impact; (v) personnel are actively working to obtain land use, local and state approvals for an expansion; (vi) the Company believes that the permit is likely to be received; and (vii) the Company believes that the timeframe to complete the permitting is reasonable.

The Company may be unsuccessful in obtaining expansion permits for airspace that has been considered probable. If unsuccessful in obtaining these permits, certain previously capitalized costs will be charged to expense.

Closure and Post–Closure Obligations

The Company has material financial commitments for the costs associated with its future obligations for final closure, which is the closure of the landfill and the capping of the final uncapped areas of a landfill and post–closure maintenance of those facilities, which is generally expected to be for a period of up to 30 years depending on type and location.

The impact of changes determined to be changes in estimates, based on an annual update, is accounted for on a prospective basis. The Company's ultimate liability for such costs may increase in the future as a result of changes in estimates, legislation, or regulations.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

The changes to landfill assets and closure and post–closure liabilities for the years ended December 31, 2009, 2008 and 2007 are as follows (in thousands):

	Landfill Assets, Net	Closure and Post–closure Liabilities
December 31, 2006	$ 132,799	$ 3,751
Capital expenditures	9,198	—
Acquisition of landfill and other adjustments	43,393	(466)
Amortization expense	(10,483)	—
Obligations incurred and capitalized	453	453
Revisions to estimates of closure and post–closure activities	2,339	2,339
Interest accretion	—	483
December 31, 2007	$ 177,699	$ 6,560
Capital expenditures	12,657	—
Acquisition of landfill and other adjustments	10	—
Amortization expense	(11,058)	—
Obligations incurred and capitalized	516	516
Revisions to estimates of closure and post–closure activities	(236)	(236)
Interest accretion	—	558
December 31, 2008	$ 179,588	$ 7,398
Capital expenditures	18,320	—
Acquisition of landfill and other adjustments	28,401	4,344
Amortization expense	(9,680)	—
Obligations incurred and capitalized	414	414
Revisions to estimates of closure and post–closure activities	1,209	1,209
Interest accretion	—	628
December 31, 2009	$ 218,252	$ 13,993

The Company's liabilities for closure and post–closure costs for the years ended December 31, 2009, 2008 and 2007 are as follows (in thousands):

	December 31,		
	2009	2008	2007
Recorded amounts:			
Current portion	$ —	$ —	$ —
Noncurrent portion	13,993	7,398	6,560
Total recorded	$ 13,993	$ 7,398	$ 6,560

The Company's total anticipated cost for closure and post–closure activities is $185.4 million, as measured in current dollars. The recorded liabilities as of December 31, 2009 include the impact of inflating these costs through the date the costs are estimated to be incurred and the discounting of these costs to present value. The Company believes the amount and timing of these activities are reasonably estimable. Anticipated payments of currently identified closure and post–closure liabilities for the next five years and thereafter are reflected below (in thousands):

2010	2011	2012	2013	2014	Thereafter
$ —	$ —	$ 1,801	$ 182	$ 2,389	$ 181,002

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

Where the Company believes that both the amount of a particular closure and post–closure liability and the timing of the payments are reliably determinable, the cost in current dollars is inflated (2.5% for each of the years ended December 31, 2009, 2008 and 2007) until expected time of payment and then discounted to present value (8.5% for each of the years ended December 31, 2009, 2008 and 2007). Accretion expense is applied to the closure and post–closure liability based on the effective interest method and is included in cost of services. Had the Company not discounted any portion of its liability, the amount recorded would have been $39.4 million, $29.6 million and $26.9 million at December 31, 2009, 2008 and 2007, respectively.

The table below presents the Company's methodology of accounting for landfill closure and post–closure activities.

Description	Methodology
Definitions:	
Closure	Includes final capping event, final portion of methane gas collection system to be constructed, demobilization, and the routine maintenance costs incurred after site ceases to accept waste, but prior to being certified as closed.
Post–closure	Includes routine monitoring and maintenance of a landfill after it has closed, ceased to accept waste and been certified as closed by the applicable state regulatory agency.
Discount Rate:	Obligations discounted at a credit– adjusted, risk–free rate (8.5% for 2009, 2008 and 2007).
Cost Estimates:	Costs were estimated based on performance, by either third parties or the Company, except that the cost of any activities expected to be performed internally must be increased to represent an estimate of the amount a third party would charge to perform such activity.
Inflation:	Inflation rate of 2.5% for 2009, 2008 and 2007.
Recognition of Assets and Liabilities:	
Asset Retirement Cost	An amount equal to the discounted cash flow associated with the fair value of closure and post–closure obligation is recorded as an addition to capitalized landfill costs as airspace is consumed.
Closure and Post–Closure	The discounted cash flow associated with the fair value of the liability is recorded with a corresponding increase in capitalized landfill costs as airspace is consumed. Accretion expense is recorded to cost of services and the corresponding liability until the liability is paid.
Statement of Operations Expense:	
Landfill asset amortization	Landfill asset is amortized to depreciation and amortization expense as airspace is consumed over life of landfill.
Accretion	Expense, charged to cost of services, is accreted at credit–adjusted, risk–free rate (8.5% for 2009, 2008 and 2007).

(g) Allocation of Acquisition Purchase Price

A summary of the Company's accounting for acquisitions is as follows:

Acquisition purchase price is allocated to identified intangible assets and tangible assets acquired and liabilities assumed based on their estimated fair values at the dates of acquisition, with any residual amounts allocated to goodwill.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

The Company deems the total remaining airspace of an acquired landfill to be a tangible asset. Therefore, for acquired landfills, it initially allocates the purchase price to identified intangible and tangible assets acquired, including landfill airspace, and liabilities assumed based on their estimated fair values at the date of acquisition.

The Company may consummate single acquisitions that include a combination of collection operations and landfills. For each separately identified collection operation and landfill acquired in a single acquisition, the Company performs an initial allocation of total purchase price to the identified collection operations and landfills based on their relative fair values. Following this initial allocation of total purchase price to the identified collection operations and landfills, the Company further allocates the identified intangible assets and tangible assets acquired and liabilities assumed for each collection operation and landfill based on their estimated fair values at the dates of acquisition, with any residual amounts allocated to either goodwill or landfill site costs, as discussed above.

The Company accrues the fair value of the payment of contingent purchase price, which takes into consideration the probability of the events surrounding the contingency. Contingent purchase price related to landfills is allocated to landfill airspace and contingent purchase price for acquisitions other than landfills is allocated to the assets purchased and then to goodwill to the extent that the purchase price exceeds the fair value of the assets acquired. At December 31, 2009, the Company recorded approximately $3.2 million of contingent consideration related to the fair value of 2,000,000 shares of the Company's common stock that are issuable pursuant to certain earn-out provisions in the Live Earth acquisition agreement.

(h) Goodwill and Other Intangible Assets

Goodwill and intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually. Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their residual values, and reviewed for impairment.

The Company's intangible assets consist primarily of customer contracts, customer lists, and covenants not-to-compete. Customer contracts and customer lists are generally amortized over 7 to 20 years. Covenants not-to-compete are amortized over the term of the non-compete covenant, which is generally five years.

(i) Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(j) Costs Incurred on Possible Acquisitions

In the past, costs incurred on possible acquisitions were capitalized as incurred and consisted primarily of third-party accounting, legal and other consulting fees as well as travel costs incurred in the negotiation and due diligence process, and nonrefundable down payments. Upon consummation of an acquisition accounted for as a purchase, deferred costs were capitalized as part of the purchase price. Capitalized costs were reviewed for reasonableness on a periodic basis, and costs that management believed related to transactions that would not be consummated were charged to expense. During 2007 and 2008, the Company expensed $44 and $115, respectively, of such costs, which are included in general and administrative cost in WCA's consolidated statements of operations. In accordance with ASC Topic 805, starting in 2009 all acquisition-related transaction and restructuring costs are expensed as incurred rather than capitalized as part of the acquisition costs. The Company expensed $1.0 million of such costs during 2009.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

(k) Deferred Financing Costs

Deferred financing costs are amortized as a component of interest expense using the effective interest method. During 2009, 2008 and 2007, the Company expensed $1,246, $896 and $844, respectively, of such costs, which are reflected as interest expense in WCA's consolidated statements of operations.

(l) Interest Expense

Interest expense, net includes interest accrued on outstanding note payable and long-term debt, amortization of deferred financing costs, accretion of debt discount, offset by interest income earned on the Company's cash balances. For the years ended December 31, 2009, 2008 and 2007, interest expense consists of the following (in thousands):

	2009	2008	2007
Note payable and long-term debt	$ 16,837	$ 17,616	$ 16,940
Amortization of deferred financing costs	1,246	896	844
Amortization of debt discount	—	406	53
	18,083	18,918	17,837
Less interest income	31	358	1,072
Interest expense, net	$ 18,052	$ 18,560	$ 16,765

(m) Income Taxes

The Company accounts for income taxes under the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases based on enacted tax rates. The Company provides a valuation allowance when, based on management's estimates, it is more likely than not that a deferred tax asset will not be realized in future periods.

Income taxes have been calculated in accordance with ASC Topic 740. All tax amounts have been provided to show the effect of temporary differences between the recognition of revenue and expenses for financial and income tax reporting purposes and between the tax basis of assets and liabilities and their reported amounts in the financial statements. Income taxes payable are included with accrued liabilities on the Company's balance sheets. See note 5 "Certain Balance Sheet Accounts" for detail of accrued liabilities. Tax positions measured and recognized in accordance with guidance issued by the FASB in 2006 ("Accounting for Uncertainty in Income Taxes") are recorded in other long-term liabilities on the Company's balance sheets.

(n) Insurance

The Company has retained a portion of the risks related to its general liability, automobile and workers' compensation insurance programs. The exposure for unpaid claims and associated expenses, including incurred but not reported losses, is based on estimates of ultimate losses on claims and actuarially-determined development factors.

(o) Revenue Recognition and Accounts Receivable

The Company recognizes revenue upon the receipt and acceptance of non–hazardous industrial and municipal waste at its landfills. Revenue for collection services is recognized as the services are performed. Revenue for container rental is recognized over the rental period. In certain situations, the Company will bill for services in advance of the performance of these services. Such amounts are deferred until the services are subsequently performed.

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 losses for uncollectible accounts based on the aging of the accounts receivable and the evaluation of the likelihood of success in collecting the receivable. Past–due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due.

(p) Derivative Financial Instruments

The Company accounts for derivatives and hedging activities in accordance with ASC Topic 815, which requires that all derivative instruments be recorded on the balance sheet at their respective fair values.

On July 7, 2006, the Company entered into an interest rate swap agreement effective July 11, 2006, where it agreed to pay a fixed–rate of 5.64% in exchange for three–month floating rate LIBOR which was 5.51% at the time the swap was entered. The Company did not enter into the interest rate swap agreements for trading purposes. The swap agreement was intended to limit the Company's exposure to a rising interest rate environment. At the time the swap was entered, there was no offsetting floating rate LIBOR debt and therefore no floating rate interest payments were anticipated. As a result, the swap transaction was not designated as a hedging transaction and any changes in the unrealized fair value of the swap are recognized in the statement of operations as a non–cash gain or loss. For the years ended December 31, 2009, 2008 and 2007, the Company recorded \$7.2 million, \$3.2 million and \$0.5 million, respectively, of realized loss as well as \$(5.2) million, \$4.3 million and \$3.9 million, respectively, of unrealized (gain) loss related to the interest rate swap in the consolidated statement of operations. This interest rate swap expires on November 1, 2010.

(q) Fair Value of Financial Instruments

The following disclosure of the estimated fair value of financial instruments is made in accordance with ASC Topic 825. The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value.

As of December 31, 2009, the fair value of the Company's 9.25% senior notes, based on quoted market prices (Level 1), was the same as the carrying amount of \$150 million.

The following table sets forth by level within the fair value hierarchy, the Company's financial assets and liabilities (in thousands) that were accounted for at fair value on a recurring basis as of December 31, 2009. For assets and liabilities that are measured using quoted prices in active markets, the total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs are primarily valued by reference to quoted prices of similar assets or liabilities in active markets, adjusted for any terms specific to that asset or liability. For all other assets and liabilities for which observable inputs are used, fair value is derived through the use of fair value models, such as a discounted cash flow model or other standard pricing models.

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Notes to Consolidated Financial Statements — Continued
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Recurring fair value measurements	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:				
Interest rate swap	$ —	$ 6,489	$ —	$ 6,489
Total liabilities	$ —	$ 6,489	$ —	$ 6,489

(r) Earnings per Share

Basic and diluted earnings per share have been calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year.

(s) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with high-quality financial institutions and limits the amount of credit exposure with any one institution. Concentrations of credit risk with respect to accounts receivable are limited because a large number of geographically diverse customers comprise the Company's customer base, thus spreading the trade credit risk. At December 31, 2009, 2008 and 2007, no single group or customer represents greater than 10% of total accounts receivable.

(t) Segment Information

The Company's revenue is derived from one industry segment, which includes collection, transfer and disposal of non-hazardous solid waste in the United States. Operating segments (regions) are determined by the reporting structure and the vertical integration of the related operations. The four regional managers report to the Company's chief operating officer and the Company's financial performance is evaluated based on the regional managers' responsibilities. See note 12 "Segment Reporting" for geographic information relating to the Company's operations.

(u) Recent Accounting Pronouncements

In June 2009, the FASB issued the FASB Accounting Standards Codification (the Codification or ASC) as the single source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. The Codification does not change current GAAP, but is intended to simplify user access to all authoritative GAAP by providing all the authoritative literature related to a particular topic in one place. The Codification is effective for interim and annual periods ending after September 15, 2009 and supersedes all existing non-SEC accounting and reporting standards. As a result, this annual report on Form 10-K and all subsequent public filings will reference the Codification as the sole source of authoritative literature.

In June 2009, the FASB issued a pronouncement which enhances information reported to users of financial statements by providing greater transparency about transfers of financial assets and an entity's continuing involvement in transferred financial assets. This pronouncement is effective for fiscal years beginning after November 15, 2009 and earlier adoption is prohibited. The adoption of this pronouncement is not expected to have any impact on the Company's financial condition, results of operations or cash flows.

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In June 2009, the FASB issued a pronouncement regarding certain guidance for determining whether an entity is a variable interest entity and modifies the methods allowed for determining the primary beneficiary of a variable interest entity in order to improve financial reporting by companies involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. This pronouncement is effective for fiscal years beginning after November 15, 2009 and earlier adoption is prohibited. The adoption of this pronouncement is not expected to have any impact on the Company's financial condition, results of operations or cash flows.

In August 2009, the FASB issued Accounting Standards Update 2009-05 (ASU 2009-05), "Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value." This update provides clarification for the fair value measurement of liabilities in circumstances in which a quoted price in an active market for an identical liability is not available. ASU 2009-05 is effective for the Company on October 1, 2009. The adoption of this standard is not expected to have a material impact on the Company's financial condition, results of operations or cash flows.

In October 2009, the FASB issued ASU 2009-13 (ASU 2009-13), "Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements—a consensus of the FASB Emerging Issues Task Force." This update amends the criteria for revenue recognition of multi-deliverable arrangements and expands the required disclosures of those arrangements. ASU 2009-13 is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The Company is currently evaluating the impact of ASU 2009-13 on the Company's financial position, results of operations or cash flows.

(2) Use of Estimates

In preparing the Company's 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 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, asset impairments, and insurance claims as described below.

Accounting for landfills. The Company utilizes the units of production method to amortize landfill construction costs over the estimated remaining capacity of a landfill. Under this method the Company includes future estimated landfill development costs, as well as costs incurred to date, in the amortization base. Additionally, the Company includes deemed permitted expansion airspace, which has not been permitted, in the calculation of the total remaining capacity of the landfill.

This accounting method requires the Company to make estimates and assumptions, as described below. Any changes in the Company's estimates will impact the Company's income from operations prospectively from the date changes are made.

Landfill costs. The Company estimates the total cost to develop each landfill site to its final capacity. This includes certain projected landfill site costs that are uncertain because they are dependent on future events. The total cost to develop a site to its final capacity includes amounts previously expended and capitalized, net of accumulated airspace amortization, and projections of future purchase and development costs, operating construction costs, permitting cost of expansions and capitalized interest costs.

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Closure and post–closure costs. The costs for closure and post–closure obligations at landfills the Company owns or operates are generally estimated based on interpretations of current requirements and proposed or anticipated regulatory changes. The estimates for landfill closure and post–closure costs also consider when the costs would actually be paid and factor in inflation and discount rates. 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.

Available airspace. The Company's engineers determine the remaining capacity at landfills by estimating the available airspace. This is done by using surveys and other methods to calculate, based on 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.

Expansion airspace. The Company will also consider currently unpermitted airspace in the estimate of remaining capacity in certain circumstances. See note 1(f) "Landfill Accounting — Capitalized Landfill Costs" for further explanation.

It is possible that the Company's estimates or assumptions will ultimately turn out to 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, and higher expenses or asset impairments related to the removal of previously included expansion airspace.

Asset Impairments. Accounting standards require that assets be written down if they become impaired. If significant events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, 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 values are in excess of 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 either internally developed discounted projected cash flow analysis of the asset or an analysis of market value for similar assets. 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 cannot be predicted with any certainty whether or not they will occur. Estimating future cash flows requires significant judgment and projections may vary from cash flows eventually realized. Also, there are other considerations for impairments of landfills and goodwill as discussed in note 1(f).

Allowance for Doubtful Accounts. The Company estimates losses for uncollectible accounts based on the aging of the accounts receivable and the evaluation of the likelihood of success in collecting the receivable.

Acquisition Accounting. The Company estimates the fair value of assets and liabilities when allocating the purchase price of an acquisition.

Income Taxes. The Company assumes the deductibility of certain costs in its income tax filings and estimates the future recovery of deferred tax assets.

Insurance claims reserves. The Company accrues claims related to our self–insurance programs based on claims filed, estimated open claims and claims incurred but not reported based on actuarial–based loss development factors.

Contingent Liabilities. The Company estimates the amount of potential exposure it may have with respect to litigation, claims and assessments in accordance with ASC Topic 450.

Actual results could differ materially from the estimates and assumptions that the Company uses in the preparation of its financial statements.

(3) Acquisitions

On December 31, 2009, the Company consummated the acquisition of the operating subsidiaries of Live Earth, LLC (collectively, the "Live Earth Companies"), which included certain assets and related liabilities held by Live Earth, LLC that relate to the Live Earth Companies, including the Sunny Farms Landfill, the Champion City Recovery Transfer Station and the related rail haul assets providing transfer of waste from the east coast to the Sunny Farms Landfill by rail. Total consideration for this acquisition included $19.7 million of cash, 3,555,556 shares of the Company's common stock valued at $15.3 million, and 2,000,000 contingent earn–out shares valued at $3.2 million on the acquisition date.

During 2009, the Company completed three acquisitions including the Live Earth acquisition. Total consideration for these transactions included $22.9 million of cash, 3,555,556 shares of the Company's common stock valued at $15.3 million, 2,000,000 contingent earn–out shares valued at $3.2 million on the acquisition date, and a seller note valued at $0.9 million with two future payments of $0.5 million due on January 15, 2010 and 2011, respectively. These acquisitions resulted in the addition of one landfill, one transfer station and some tuck–in operations.

During 2008, the Company completed three acquisitions. Total consideration for these transactions included $8.1 million of cash and $0.2 million of accrued future payments. The accrued future payments were made in February 2009. These acquisitions resulted in the addition of one transfer station and some tuck–in operations.

During 2007, the Company completed 10 acquisitions. Total consideration for these transactions included $92.8 million of cash, $1.3 million of prepaid airspace, $1.6 million of convertible debt, a transfer station and collection operations in Fort Myers, Florida, less a note receivable valued at $7.2 million. These acquisitions resulted in the addition of four landfills and four collection operations as well as several tuck–in operations.

Allocation of purchase price, including the costs incurred to complete the acquisition and any additional costs incurred relating to prior year acquisitions, net of divestitures, has been allocated as follows (in thousands):

	2009	2008	2007
Accounts receivable	$ 3,514	$ (186)	$ 2,479
Prepaid expenses and other	167	—	5
Property and equipment, net	44,507	3,406	55,201
Goodwill	738	4,193	28,566
Intangible assets	408	947	2,944
Accounts payable and accrued liabilities	(6,587)	(191)	(715)
	$ 42,747	$ 8,169	$ 88,480

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Notes to Consolidated Financial Statements — Continued
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The table above reflected $425 of purchase price adjustments in 2009 relating to the 2008 acquisitions. In 2008, $20 of purchase price adjustments were related to the 2007 acquisitions. In 2007, $39 of purchase price adjustments were associated with the 2006 acquisitions.

In connection with a certain prior acquisition, the Company acquired prepaid disposal rights at certain of the seller's landfills. These rights expire at the earlier of September 2010 or the usage of two million cubic yards. The Company can utilize these rights to dispose of waste at the specified landfills. The prepaid disposal rights were fully utilized in 2007. During the year ended December 31, 2007, the Company utilized $428 of prepaid disposal rights, which is included as a cost of service in the related statements of operations.

The Company also paid $1,000 to acquire prepaid disposal rights at a landfill during the year ended December 31, 2007. At the time the Company acquired the landfill in 2007, prepaid disposal rights of $1,270 were utilized as part of the consideration given.

(4) Earnings per Share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the year. Diluted earnings (loss) per share is computed using the treasury stock method for options and restricted shares and the if-converted method for convertible preferred stock and convertible debt. The detail of the earnings (loss) per share calculations for net income (loss) available to common stockholders for the years ended December 31, 2009, 2008 and 2007 is as follows (in thousands, except per share data):

	Year Ended December 31,		
	2009	2008	2007
Numerator:			
Net income (loss)	$ 1,008	$ (27,763)	$ 2,922
Accrued payment-in-kind dividend on preferred stock	(4,278)	(4,076)	(3,876)
Net loss available to common stockholders	$ (3,270)	$ (31,839)	$ (954)
Denominator:			
Weighted average basic shares outstanding	15,824	16,257	16,460
Weighted average diluted shares outstanding	15,824	16,257	16,460
Earnings (loss) per share:			
Basic	$ (0.21)	$ (1.96)	$ (0.06)
Diluted	$ (0.21)	$ (1.96)	$ (0.06)

Due to their anti-dilutive effect, the following potential common shares have been excluded from the computation of diluted earnings (loss) per share (in thousands):

	Year Ended December 31,		
	2009	2008	2007
Stock options	525	576	621
Restricted shares	638	687	594
Convertible preferred stock	9,074	8,637	8,221
Convertible debt	154	790	674
	10,391	10,690	10,110

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Notes to Consolidated Financial Statements — Continued
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(5) Certain Balance Sheet Accounts

Allowance for Doubtful Accounts

The following summarizes the activity in the allowance for doubtful accounts for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Balance, beginning of year	$ 1,173	$ 1,498	$ 540
Amounts charged to expense	829	827	1,213
Amounts written off, net of amounts recovered	(1,684)	(1,152)	(255)
Balance, end of year	$ 318	$ 1,173	$ 1,498

Prepaid Expenses and Other

Prepaid expenses and other consist of the following at December 31, 2009 and 2008 (in thousands):

	2009	2008
Prepaid insurance premiums	$ 1,978	$ 177
Prefunded insurance claims	285	224
Other	2,312	1,707
	$ 4,575	$ 2,108

Property and Equipment

Property and equipment consist of the following at December 31, 2009 and 2008 (in thousands):

	2009	2008
Land and landfills	$ 306,329	$ 252,693
Vehicles and equipment	94,263	86,383
Containers	35,772	34,181
Buildings and improvements	16,985	11,339
Computers and software	1,606	1,602
Furniture and fixtures	1,055	989
	456,010	387,187
Less accumulated depreciation and amortization	135,286	110,704
	$ 320,724	$ 276,483

Accrued Liabilities and Other

Accrued liabilities and other consist of the following at December 31, 2009 and 2008 (in thousands):

	2009	2008
Accrued insurance claims	$ 2,841	$ 3,407
Accrued payroll costs	3,493	3,184
Deferred revenue	4,994	5,416
Accrued taxes	1,258	2,142
Accrued interest	2,819	1,563
Other	1,885	1,563
	$ 17,290	$ 17,275

(6) Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the periods indicated are as follows (in thousands):

Balance, December 31, 2007	$	102,112
Acquisitions		4,193
Impairment		(41,725)
Balance, December 31, 2008	$	64,580
Acquisitions		738
Balance, December 31, 2009	$	65,318

The Company assesses potential impairment of its goodwill, intangible assets and other long-lived assets annually on October 31 and more frequently if there is evidence that recent events or changes in circumstances have made recovery of an asset's carrying less likely. If indicators of impairment were present for intangible assets used in operations and future undiscounted cash flows were not expected to be sufficient to recover the asset's carrying amount, an impairment loss would be charged to expense in the period identified. The amount of an impairment loss would be recognized as the excess of the asset's carrying value over its fair value. Factors the Company's management considers important, which may cause impairment include: significant changes in the manner of use of the acquired asset, negative industry or economic trends, and significant underperformance relative to historical or projected operating results.

Under the guidance of ASC Topic 350, the first step for the goodwill impairment test requires the Company to estimate the fair value of each reporting unit and to compare the fair value to the reporting unit's carrying value. The Company estimated the fair value of its reporting units using a discounted cash flow approach. The key assumptions the Company used in preparing its discounted cash flow analysis were (1) projected cash flows, (2) expected long-term growth rate, and (3) discount rate. The Company based its projected cash flows on budgeted operating results for 2010. For 2011 and future periods, the Company assumed a growth rate of 2.5% based on the 20-year inflation rate as published by the Federal Reserve. The Company used an average discount rate of 9.9%, which represented its weighted average cost of capital and was evaluated by independent third parties for reasonableness. The Company's reporting units carry the majority of assets and liabilities related to their operations on their respective balance sheets, except for obligations associated with debt, self-insurance and deferred tax liabilities, as well as assets such as cash and deferred tax assets, which are primarily recorded on Corporate's balance sheet. To determine the carrying value of each reporting unit at the measurement date, the Company allocated assets and liabilities accounted for within its Corporate's balance sheet to each of the reporting units based on the size of their respective operations. The Corporate assets and liabilities relate to the operations of each of the reporting units, therefore, management believe they should be allocated to each of the reporting units to determine the appropriate fair values for each of the reporting units. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, then goodwill is not impaired and no further testing is required. If the carrying value of the net assets assigned to the reporting unit were to exceed its fair value, then the second step is performed in order to determine the implied fair value of the reporting unit's goodwill and an impairment loss is recorded for an amount equal to the difference between the implied fair value and the carrying value of the goodwill.

In the Company's discounted cash flow analysis in 2007 and 2009, the estimated fair value for each of its reporting units exceeded their respective carrying value. Accordingly, there was no indication of impairment. During the fourth quarter of 2008, as the Company performed the annual impairment assessment of goodwill, there was a significant adverse change in the economic and business climate as financial markets reacted to the credit crisis facing major lending institutions, as well as, worsening conditions in the overall economy. Based on the first step analysis, the Company concluded that the fair market value was less than the book value in the following reporting units: Florida, North Carolina, Oklahoma and Tennessee. After performing the second step, the Company determined that an impairment adjustment of $41.7 million was appropriate based on the differences between the implied fair value and the carrying value of the goodwill.

As a test of the reasonableness of the estimated fair values for its reporting units, the Company compared the fair value of its reporting units under the discounted cash flow approach less outstanding debt (implied fair value of equity) to its market capitalization as of the measurement date. The Company compared the implied fair value of its equity to its market capitalization noting that the implied fair value of equity exceeded the market capitalization. The Company considered the excess amount of implied fair value over market capitalization to be a control premium. A control premium represents the ability of an acquirer to control the operations of the business. The control premium determined as of the measurement date appeared reasonable as it is consistent with historical control premium levels observed in acquisitions of controlling interests in publicly-traded companies. The Company will continue to monitor its market capitalization and expectations of future cash flows and will perform additional interim impairment testing if deemed necessary.

Intangible assets, all of which are subject to amortization, consist of the following at December 31, 2009 and 2008 (in thousands):

	Customer Contracts and Customer Lists	Covenants Not-to-Compete	Total
December 31, 2009			
Intangible assets	$ 8,461	$ 1,296	$ 9,757
Less accumulated amortization	2,059	647	2,706
	$ 6,402	$ 649	$ 7,051
December 31, 2008			
Intangible assets	$ 8,131	$ 1,218	$ 9,349
Less accumulated amortization	1,454	409	1,863
	$ 6,677	$ 809	$ 7,486

Amortization expense for these intangible assets was approximately $843, $733 and $558 for 2009, 2008 and 2007, respectively. The intangible asset amortization expense estimated as of December 31, 2009, for the five years following 2009 is as follows (in thousands):

2010	2011	2012	2013	2014
$ 853	$ 835	$ 753	$ 677	$ 567

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(7) Long-Term Debt

Long-term debt consists of the following at December 31, 2009 and 2008 (in thousands):

	2009	2008
Senior notes, with interest rate of 9.25%, due in June 2014	$ 150,000	$ 150,000
Revolving credit facility with financial institutions, variable interest rate based on LIBOR plus a margin (3.24% and 6.25% at December 31, 2009 and 2008, respectively)	67,500	48,617
Notes payable to banks and financial institutions, payable monthly through August 2009, weighted average interest rate of 6.77% at December 31, 2008	—	39
Note payable, with interest rate of 5%, due in January 2010, paid in 2009	—	128
Seller note, with two installments of $500 due on January 15, 2010 and 2011	941	—
Seller convertible notes, with interest rate of 5.5%, due in October 2012	1,575	1,575
	220,016	200,359
Less current maturities	500	64
	$ 219,516	$ 200,295

The Company has a $175 million revolving credit facility. As of December 31, 2009, there were $67.5 million outstanding under the credit facility and $12.5 million in letters of credit that serve as collateral for insurance claims and bonding, leaving $95.0 million in available capacity under the revolving credit facility. See further discussions under Bank Credit Facility below.

9.25% Senior Notes Due 2014

On July 5, 2006, the Company issued $150 million aggregate principal amount of 9.25% senior notes due June 15, 2014. The senior notes pay interest semi-annually on June 15 and December 15, commencing December 15, 2006, with the following redemption provisions:

- Prior to June 15, 2010, the Company may redeem all or part of the notes by paying a make-whole premium, plus accrued and unpaid interest; and
- The notes may be callable beginning on June 15 of 2010, 2011, and 2012 and thereafter at redemption prices of 104.625%, 102.313% and 100% of the principal amount plus accrued interest.

The senior notes were issued under an indenture between the Company and The Bank of New York Trust Company, N.A., as Trustee. The indenture contains covenants that, among other provisions, limits the Company's ability to incur additional indebtedness, make capital expenditures, create liens, sell assets and make dividend and other payments. In addition, the indenture includes financial covenants including a covenant allowing the Company to incur indebtedness or issue disqualified stock or preferred stock only if the Fixed Charge Coverage Ratio (as defined in the indenture) for the four full fiscal quarters most recently ended prior to issuance would have been at least 2.0 to 1, determined on a pro forma basis, as if the additional indebtedness had been incurred or the disqualified stock or preferred stock had been issued at the beginning of such four-quarter period. The defined terms are set forth in the indenture.

The senior notes due 2014 are guaranteed by all of the Company's current and future subsidiaries as of December 31, 2009. These guarantees are full, unconditional and joint and several. In addition, the Company has no non-guarantor subsidiaries and no independent assets or operations outside of its ownership of the subsidiaries. There are no restrictions on the subsidiaries to transfer funds through dividends or otherwise.

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Bank Credit Facility

Additionally, on July 5, 2006, the Company entered into a $100 million revolving secured credit facility with Comerica Bank maturing July 5, 2011 (as amended, the "Credit Agreement"). On July 28, 2006, Comerica syndicated the credit facility to a group of banks and the Company agreed to increase the capacity of the revolving credit facility to $175 million. The credit commitment available under the credit facility includes sub-facilities for standby letters of credit in the aggregate principal amount of up to $50.0 million and a swing-line feature for up to $10.0 million for same day advances. The credit facility includes covenants related to interest margins associated with various leverage ratios. These interest margins were amended in October 2008 and again on February 19, 2009. Applicable fees and margins are determined based on the Company's leverage ratio for the trailing 12-month reporting period on each quarterly reporting date. The following table highlights the revised margins included in the October 2008 (Commitment Fee) and February 2009 (LIBOR Margin and Prime Margin) amendments:

Leverage Ratio	LIBOR Margin	Prime Margin	Commitment Fee
Less than 3.0x	2.500	2.250	0.500
Equal to or greater than 3.0 and less than 3.5x	2.750	2.500	0.500
Equal to or greater than 3.5 and less than 4.0x	3.000	2.750	0.500
Equal to or greater than 4.0 and less than 4.5x	3.250	3.000	0.750
Equal to or greater than 4.5x	3.500	3.250	1.000

The Company's obligations under the credit facility are secured by the capital stock of its subsidiaries and all tangible (including real estate) and intangible assets belonging to the Company and its subsidiaries. The obligations are also guaranteed by substantially all of the Company's operating subsidiaries. Obligations under the credit facility are recourse obligations and are subject to cancellation and/or acceleration upon the occurrence of certain events, including, among other things, a change of control (as defined in the Credit Agreement), nonpayment, breaches of representations, warranties and covenants (subject to cure periods in certain instances), bankruptcy or insolvency, defaults under other debt arrangements, failure to pay certain judgments and the occurrence of events creating material adverse effects.

The credit facility is subject to customary financial and other covenants including, but not limited to, limitations on debt, consolidations, mergers, and sales of assets. In the February 2009 amendment to the credit facility, the requirement that the Company maintain an Adjusted EBIT Debt Service Ratio (as defined in the Credit Agreement), until maturity, of not less than 1.25 to 1.00, was eliminated in favor of a requirement that the Company maintain a Pro Forma Adjusted EBITDA Debt Service Ratio (as defined in the Credit Agreement) of not less than 2.25 to 1.00 until maturity. The Pro Forma Adjusted EBITDA Debt Service Ratio is determined on a trailing 12 month basis. In addition, the February 2009 amendment (i) reduced the maximum Senior Secured Funded Debt Leverage Ratio (as defined in the Credit Agreement) from 3.00 to 1.00 to 2.50 to 1.00, (ii) imposed a restriction that the Company cannot make any maintenance capital expenditures exceeding 15% of its consolidated total revenue as calculated at the end of a fiscal year and (iii) replaced the prior minimum net worth covenant with a minimum tangible net worth covenant. The Company is required to maintain minimum tangible net worth of not less than $30.0 million as of December 31, 2008, plus, as of the end of each fiscal quarter thereafter, 50% of its after-tax consolidated net income (but excluding any quarterly losses), plus 100% of any increase in its net worth resulting from the net cash proceeds of any future equity offerings.

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In February 2010, the definitions of "Pro Forma Adjusted EBITDA" and "Pro Forma Adjusted EBITDA Debt Service Ratio" were amended and "Consolidated Net Interest Expense" was added as a further defined term to the Credit Agreement (the "Amendment"). The purpose of such definitional modifications and addition are as follows:

- to exclude cash and non–cash income or expense attributable to any interest rate hedging agreement, now existing or which the Company enters into in the future, from the determination of the Company's compliance with the Leverage Ratio under the terms of the Credit Agreement; and

- to include cash income or expense (but not non–cash items) attributable to any interest rate hedging agreement that the Company enters into in the future from the determination of the Company's compliance with the Pro Form Adjusted EBITDA Debt Service Ratio under the terms of the Credit Agreement.

The Amendment also provides that the applicable margin and fee schedule from the date of the Amendment until June 30, 2010, shall be at Level IV, unless the Company's Leverage Ratio is greater than 4.50:1.00 in which case the applicable margin will be set at Level V, which applicable margins and fees are as follows:

Applicable Margin	Base Rate Loan	LIBOR Loan	Letter of Credit Fees
Level IV applicable margin	3.00	3.25	3.25
Level V applicable margin	3.25	3.50	3.50

Other covenants in the Credit Agreement limit the Company's ability and certain of its subsidiaries to, among other things, create, incur, assume or permit to exist certain liens; make certain investments, loans and advances; enter into any sale–leaseback transactions; materially change the nature of their businesses; create, incur, assume or permit to exist certain leases; merge into or with or consolidate with any other person; sell, lease or otherwise dispose of all or substantially all of their properties or assets; discount or sell any of their notes or accounts receivable; transact business with affiliates unless in the ordinary course of business and on arm's length basis; make certain negative pledges; or amend, supplement or otherwise modify the terms of any debt or prepay, redeem or repurchase any subordinated debt.

Other Debt Instruments

In connection with one acquisition in 2009, the Company issued a seller note valued at $0.9 million with two future payments of $0.5 million due on January 15, 2010 and 2011.

In conjunction with one acquisition during 2007, the Company issued convertible notes in the amount of $1.6 million. The notes and any accrued but unpaid interest are convertible into shares of common stock at the rate of $10.24 per share. Provided an event of default has not occurred, at any time after (i) the first anniversary of the date of issuance and (ii) the average closing price of the common stock of the Company on ten consecutive trading days equals or exceeds $13.31 per share, the Company may declare that all unpaid principal and accrued interest be converted into the common stock of the Company.

The Company has entered into interest rate swap agreements from time to time. On July 7, 2006, the Company entered into a $150 million swap agreement effective July 11, 2006 where the Company pays 5.64% fixed and receives three–month LIBOR floating interest. This interest rate swap expires on November 1, 2010. See note 1(p) "Derivative Financial Instruments" for further discussion of the accounting for and valuation of this interest rate swap agreement.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

The aggregate payments of long-term debt outstanding at December 31, 2009 are as follows (in thousands):

2010	$	500
2011		68,000
2012		1,575
2013		—
2014		150,000
Thereafter		—
	$	220,075

(8) Note Payable

In December of 2009, the Company issued a note payable for $1,619 to a financial institution to fund the payments of general insurance premiums. The note bears interest at 5.5% and principal and interest are payable monthly through October 1, 2010.

(9) Stockholders' Equity

Preferred Stock

On July 13, 2006, the Company's shareholders approved the issuance of 750,000 shares of convertible preferred stock at $100.00 per share in the private placement with Ares Corporate Opportunities Fund II L.P. (Ares). The shares were issued on July 27, 2006 and a portion of the net proceeds were used to completely repay the amounts outstanding under the credit facility. Issuance costs, including a 1% discount to Ares and other transaction costs, totaled approximately $3.1 million. The preferred stock is convertible into shares of the Company's common stock at a price of $9.60 per share and carries a 5% payment-in-kind (PIK) dividend payable semi-annually.

The preferred shares were convertible into 7,812,500 shares of the Company's common stock on the issuance date and with the effect of the cumulative PIK dividends at the end of five years would be convertible into 10,000,661 shares of common stock. Under the terms of the preferred agreement, under certain circumstances, all five years' worth of cumulative PIK dividends would accelerate and become payable to the preferred holder. The preferred shareholder holds certain preferential rights, including the right to appoint two directors. The Company can force a conversion into its common stock following either (i) the average of the closing price of the common stock for each of 20 consecutive trading days exceeding $14.40 per share or (ii) a fundamental transaction that Ares does not treat as a liquidation. After the fifth anniversary of issuance, the Company can, at its discretion, redeem for cash equal to the liquidation preference which is approximately $96.0 million. After the fifth anniversary of issuance, the Company can pay dividends in cash at its discretion. The original issuance date for the preferred stock is the commitment date for both the preferred stock and the initial five years worth of dividends as the payment of the dividends through in-kind payments is non-discretionary for that initial five-year period. Based on the fair value of the Company's underlying common stock on the issuance date and the stated conversion date, there is no beneficial conversion feature associated with the issuance of the preferred stock.

Stock-based Compensation

The Company established the 2004 WCA Waste Corporation Incentive Plan which has been amended and restated from time to time to comply with applicable federal law. The plan authorizes the issuance of up to 2,250,000 shares. As of December 31, 2009, there were approximately 493,000 remaining shares authorized for issuance.

Additionally during 2009, 2008 and 2007, approximately 313,000, 388,000 and 287,000 restricted shares of the common stock of the Company were granted to certain directors, officers and key employees with an aggregate market value of $939, $2,477 and $2,289 on the grant dates, respectively. The unearned compensation is being amortized to expense on a straight-line basis over the required employment period, or the vesting period, as the restrictions lapse at the end of each anniversary after the date of grant. During the years ended December 31, 2009, 2008 and 2007, $1,653, $2,182 and $1,765 of stock compensation expense related to these restricted shares was recognized. As of December 31, 2009, the unrecognized compensation expense associated with restricted shares was $1,839 and will be recognized over an average period of 1.93 years.

The following table reflects the restricted share activity for the Company during 2009, 2008 and 2007 (in thousands):

	2009			2008			2007		
	Shares	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (years)	Shares	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (years)	Shares	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (years)
Unvested at beginning of year	687	$ 6.93		594	$ 7.85		478	$ 7.84	
Granted	313	3.00		388	6.38		287	7.97	
Vested	(289)	6.87		(258)	8.21		(145)	8.09	
Forfeited	(73)	6.26		(37)	6.97		(26)	7.57	
Unvested at end of year	638	$ 5.10	1.93	687	$ 6.93	2.62	594	$ 7.85	3.31

The following table reflects the option activity for the Company during 2009, 2008 and 2007 (in thousands, except per share data):

	2009		2008		2007	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	576	$ 9.52	621	$ 9.51	634	$ 9.52
Grants	—	—	—	—	—	—
Forfeitures	(51)	9.50	(45)	9.50	(13)	9.80
Outstanding at end of year	525	$ 9.52	576	$ 9.52	621	$ 9.51

The following table summarizes information about the stock options outstanding at December 31, 2009 (in thousands, except per share data):

	Outstanding and Exercisable		
Range of Exercise Prices	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life
9.50	514	$ 9.50	4.5
10.28 – 10.39	11	10.34	5.0
	525	$ 9.52	4.5

As the exercise prices of all outstanding options were greater than the Company's common stock share price as of December 31, 2009, there was no intrinsic value as of December 31, 2009. In addition, no compensation expense remains to be recognized as all stock options outstanding are vested.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

Other

On December 31, 2009, the Company issued 3,555,556 shares of its common stock valued at $15.3 million and granted 2,000,000 contingent earn-out shares valued at $3.2 million in connection with the Live Earth acquisition. The fair value of the earn-out shares on the acquisition date was recorded as Contingent Considerations within Stockholders' Equity on the Company's balance sheet as of December 31, 2009.

On April 16, 2008, the Company's Board of Directors authorized the repurchase of up to $10 million of its common shares from time to time in open market or private transactions. The timing and actual number of shares purchased depended on a variety of factors including the stock price, corporate and regulatory requirements and other market and economic conditions. The stock repurchase program was terminated on December 18, 2008. During the year ended December 31, 2008, the Company repurchased 1,056,014 shares of its common stock for approximately $5.1 million.

(10) Employee Benefit Plan

Effective February 1, 2000, the Company began sponsoring a 401(k) Profit Sharing Plan for its eligible employees. Under the plan, eligible employees are permitted to make salary deferrals of amounts up to the Internal Revenue Service limitation. Salary deferrals will be matched 25% by WCA, subject to IRS limitations, and employees are 100% vested in these matching contributions after three years of service with the Company. Salary deferrals are 100% vested at all times. Matching contributions to the plan for the years ended December 31, 2009, 2008 and 2007 totaled $288, $402 and $370, respectively.

(11) Income Taxes

The Company's (provision) benefit for income taxes is determined by applying the applicable statutory rate to the Company's pre-tax financial reporting income (loss), adjusted for permanent book-tax differences. The Company's federal and state income tax (provision) benefit attributable to pre-tax income (loss) for the periods reported consist of the following (in thousands):

	2009	2008	2007
Current:			
Federal	$ —	$ (93)	$ (196)
State	(542)	(509)	(398)
Deferred:			
Federal	(1,616)	14,313	(1,791)
State	(800)	26	42
Income tax (provision) benefit	$ (2,958)	$ 13,737	$ (2,343)

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

At December 31, 2009 and 2008, the individually significant components that comprise the Company's deferred tax assets and liabilities are as follows (in thousands):

	2009	2008
Deferred tax assets:		
Federal net operating loss carryforward	$ 13,506	$ 7,746
State net operating loss carryforward	6,717	5,142
Other	3,444	7,312
Alternative minimum tax	335	428
Deferred tax assets before valuation allowance	24,002	20,628
Valuation allowance	(7,647)	(6,221)
Deferred tax assets after valuation allowance	16,355	14,407
Deferred tax liabilities:		
Excess of book basis over tax basis of property	(13,379)	(8,553)
Prepaid expenses	(378)	(419)
Other	1,239	911
Deferred tax liabilities	(12,518)	(8,061)
Net deferred tax assets	$ 3,837	$ 6,346

At December 31, 2009, the Company had a federal net operating loss carryforward (NOL) of approximately $38.6 million which, if not utilized, will begin to expire in 2022. Additionally the Company has state NOLs of approximately $164.8 million which, if not utilized, will expire beginning in 2009. The amount of the NOLs that can be utilized to offset taxable income in any individual year may be severely limited. Accordingly, the Company has established valuation allowances against the deferred tax assets associated with a portion of these NOLs. The valuation allowance for deferred tax assets as of December 31, 2009 and 2008 was $7,647 and $6,221, respectively. The change in the total valuation allowance for the years ended December 31, 2009, 2008 and 2007 was a net increase of $1,426, $2,905 and $692, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

In June 2006, the FASB issued a pronouncement ("Accounting for Uncertainty in Income Taxes") which is included in ASC Topic 740. This pronouncement prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, it provides guidance on the measurement, derecognition, classification and disclosure of tax positions, as well as the accounting for related interest and penalties. The pronouncement is effective for fiscal years beginning after December 15, 2006. The Company is required to record the impact of its adoption as an adjustment to the January 1, 2007, beginning balance of retained earnings rather than the consolidated statement of operations.

As a result of the implementation in 2007, the Company recorded approximately $1,812 in other long-term liabilities for unrecognized tax benefits, which was accounted for as a reduction to the January 1, 2007 balance of retained earnings.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Balance at January 1, 2009	$	1,813
Additions for tax positions of prior years		—
Reductions for tax positions of prior years		—
Additions for tax positions related to the current year		—
Settlements		—
Lapse of statute of limitations		-
Balance at December 31, 2009	$	1,813

Included in the balance of unrecognized tax benefits as of December 31, 2009, was $1,813 of tax benefits that, if recognized in future periods, would impact the Company's effective tax rate.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. This is an accounting policy election made by the Company that is a continuation of the Company's historical policy and will continue to be consistently applied in the future. During the year ended December 31, 2009, the Company accrued approximately $3 of gross interest and penalties.

Within the next 12 months, the Company anticipates a reduction of approximately $26 in the balance of unrecognized tax benefits for a tax position related to prior years.

The Company is subject to federal income tax in the United States and to state taxes in the various states in which it operates within the United States. With few exceptions, the Company remains subject to both U.S federal income tax and to state and local income tax examinations by taxing authorities for tax years through 2000. Currently, the Company is not involved in any income tax examinations for any year.

The table below reconciles the Company's statutory income tax (provision) benefit attributable to pre–tax income (loss) to its effective income tax (provision) benefit at December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Statutory federal tax (provision) benefit	$ (1,388)	$ 14,525	$ (1,843)
State income tax (provision) benefit, net of federal tax (provision) benefit	554	2,592	460
Adjustment to valuation allowance	(1,426)	(2,905)	(692)
Nondeductible expenses and other	(695)	(469)	(267)
FIN 48 interest and penalties	(3)	(6)	(1)
Effective tax (provision) benefit	$ (2,958)	$ 13,737	$ (2,343)

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

(12) Segment Reporting

The Company's operations consist of the collection, transfer, processing and disposal of non-hazardous solid waste. Revenues are generated primarily from the Company's collection operations to residential, commercial and roll-off customers and landfill disposal services. The following table reflects total revenue by source for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Collection:			
Residential	$ 55,086	$ 50,433	$ 41,647
Commercial	25,082	21,607	19,069
Roll-off	45,763	57,756	53,501
Total collection	125,931	129,796	114,217
Disposal	68,831	75,456	70,797
Less intercompany	25,109	29,527	26,994
Disposal, net	43,722	45,929	43,803
Transfer and other	35,924	46,413	40,986
Less intercompany	11,439	14,129	14,066
Transfer and other, net	24,485	32,284	26,920
Total revenue	$ 194,138	$ 208,009	$ 184,940

The table below reflects major operating segments (Region I: Kansas, Missouri; Region II: Colorado, Florida, New Mexico, Oklahoma, Texas; Region III: Alabama, Arkansas, North Carolina, South Carolina, Tennessee; Region IV: Massachusetts, Ohio) for the years ended December 31, 2009, 2008 and 2007 (in thousands).

	Region I	Region II	Region III	Region IV (1)	Corporate	Total
Year ended December 31, 2009:						
Revenue	$ 50,846	$ 101,749	$ 41,543	$ —	$ —	$ 194,138
Depreciation and amortization	5,783	12,811	7,276	—	487	26,357
Operating income (loss)	5,766	16,774	3,599	—	(2,141)	23,998
Total assets	81,983	176,913	101,304	45,122	26,052	431,374
Goodwill	25,367	18,648	21,303	—	—	65,318
Capital expenditures	5,780	15,391	2,625	—	31	23,827
Year ended December 31, 2008:						
Revenue	$ 53,773	$ 104,550	$ 49,686	$ —	$ —	$ 208,009
Depreciation and amortization	5,415	13,195	8,041	—	500	27,151
Impairment of goodwill	—	25,944	15,781	—	—	41,725
Operating income (loss)	6,307	(10,107)	(13,149)	—	1,618	(15,331)
Total assets	83,420	173,609	106,303	—	24,626	387,958
Goodwill	25,277	18,000	21,303	—	—	64,580
Capital expenditures	6,552	16,020	6,370	—	359	29,301
Year ended December 31, 2007:						
Revenue	$ 52,543	$ 84,917	$ 47,480	$ —	$ —	$ 184,940
Depreciation and amortization	5,261	11,079	7,460	—	434	24,234
Operating income (loss)	8,297	14,325	4,585	—	(1,122)	26,085
Capital expenditures	6,891	13,800	7,757	—	710	29,158

Total assets for Corporate include cash, certain permitted but unopened landfills and corporate airplane.

(1) Assets in Region IV were acquired on December 31, 2009.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

(13) Commitments and Contingencies

(a) Operating Leases

The Company leases certain of its operating and office facilities for various terms. Lease expense aggregated $2,132, $2,028 and $1,265 during 2009, 2008 and 2007, respectively. The long–term, non–cancelable rental obligations as of December 31, 2007 are due in the following years (in thousands):

2010	$	1,077
2011		906
2012		698
2013		388
2014		297
2015 and thereafter		1,437
	$	4,803

(b) Financial Instruments

Letters of credit, performance bonds, and other guarantees have been provided by WCA to support performance of landfill final closure and post–closure requirements, insurance contracts, and other contracts. Total letters of credit, performance bonds, insurance policies, and other guarantees outstanding at December 31, 2009 aggregated approximately $76.5 million.

(c) Environmental Matters

In the normal course of business and as a result of the extensive governmental regulation of the solid waste industry, the Company may periodically become 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 it holds.

From time to time, the Company may also be subject to actions brought by citizens' groups or adjacent landowners or residents in connection with the permitting and licensing of landfills and transfer stations the Company owns or operates or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates.

The Company may also be subject to liability for any environmental damage that its solid waste facilities cause to neighboring landowners or residents, particularly as a result of the contamination of soil, groundwater, surface water, and drinking water, including damage resulting from conditions existing prior to the acquisition of such facilities by the Company.

The Company may also be subject to liability for any off–site environmental contamination caused by pollutants or hazardous substances whose transportation, treatment, or disposal was arranged by the Company or its predecessors. Any substantial liability for environmental damage incurred by the Company could have a material adverse effect on the Company's financial condition, results of operations, or cash flows. As of December 31, 2009, the Company was not aware of any significant environmental liabilities.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

(d) Legal Proceedings

The Company is a party to various legal proceedings that have arisen in the ordinary course of business. While the results of these matters cannot be predicted with certainty, the Company believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, unfavorable resolution could affect the consolidated financial position, results of operations or cash flows for the quarterly period in which they are resolved.

Other than routine litigation incidental to the Company's business, which is not currently expected to have a material adverse effect upon its financial condition, results of operations or prospects, there are no pending material legal proceedings to which the Company is a party or to which any of its property is subject.

(e) Other Potential Proceedings

In the normal course of business and as a result of the extensive governmental regulation of the solid waste industry, the Company may periodically become 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 it holds. From time to time, the Company may also be subject to actions brought by citizens' groups or adjacent landowners or residents in connection with the permitting and licensing of landfills and transfer stations the Company owns or operates or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates. Moreover, the Company may become 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 a waste management business.

No assurance can be given with respect to the outcome of any such proceedings or the effect such outcomes may have on the Company, or that the Company's insurance coverage would be adequate. The Company is self–insured for a portion of its general liability, workers' compensation and automobile liability. The Company's excess loss limits related to its self–insured portion of general liability, workers' compensation and automobile liability are $100, $250 and $250, respectively. The frequency and amount of claims or incidents could vary significantly from quarter–to–quarter and/or year–to–year, resulting in increased volatility of its costs of services.

(14) Related–Party Transactions

The Company reimburses its outside board members for expenses incurred in connection with their service as directors. Total payments of $1, $10 and $2 were made during 2009, 2008 and 2007, respectively, for such reimbursements.

WCA WASTE CORPORATION

Notes to Consolidated Financial Statements — Continued
(dollars in thousands unless otherwise indicated)

(15) Unaudited Quarterly Financial Data

The following table summarizes quarterly financial information for 2009 and 2008 (in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year Ended December 31,
2009:					
Revenue	$ 48,190	$ 50,174	$ 49,546	$ 46,228	$ 194,138
Operating income	6,471	6,745	6,986	3,796	23,998
Net loss available to common stockholders	(490)	(229)	(250)	(2,301)	(3,270)
Basic earnings (loss) per share	$ (0.03)	$ (0.01)	$ (0.02)	$ (0.14)	$ (0.21)
Diluted earnings (loss) per share	$ (0.03)	$ (0.01)	$ (0.02)	$ (0.14)	$ (0.21)
2008:					
Revenue	$ 48,837	$ 52,746	$ 52,782	$ 53,644	$ 208,009
Operating income (loss)	5,055	6,551	6,965	(33,902)	(15,331)
Net income (loss) available to common stockholders	(3,357)	1,865	(305)	(30,042)	(31,839)
Basic earnings (loss) per share	$ (0.20)	$ 0.11	$ (0.02)	$ (1.91)	$ (1.96)
Diluted earnings (loss) per share	$ (0.20)	$ 0.11	$ (0.02)	$ (1.91)	$ (1.96)

Computation of per share amounts for quarters are made independently and reflect the weighted average shares outstanding for each of these quarters. The Company's issuances of common stock in connection with restricted stock grants and repurchases of common stock according to the stock repurchase program significantly impacted the number of shares outstanding and the computation of earnings (loss) per share. Therefore, the sum of per share amounts above do not agree with per share amounts for the year as a whole.

(16) Subsequent Events

On February 17, 2010, the Company, Comerica Bank, in its capacity as administrative agent, and certain other lenders, entered into the February 2010 Amendment to the Credit Agreement. The terms of the Credit Agreement that were modified by the February 2010 Amendment are discussed above in note 7 to the consolidated financial statements.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

There were no changes in or disagreements on any matters of accounting principles or financial statement disclosure between us and our independent registered public accounting firm during our two most recent fiscal years or any subsequent interim period.

Item 9A. 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 of December 31, 2009. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2009 in ensuring that the information required to be disclosed by us (including our consolidated subsidiaries) in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commissions rules and forms; and 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.

Pursuant to Section 404 of the Sarbanes–Oxley Act of 2002, a report of management's assessment of the design and effectiveness of internal controls is included as part of this annual report on Form 10–K for the fiscal year ended December 31, 2009. KPMG LLP, our independent registered public accountants, also attested to, and reported on, management's assessment of the effectiveness of internal controls over financial reporting. Management's report and the independent registered public accounting firm's attestation report are included in Part II, Item 8 "Financial Statements and Supplementary Data" of this annual report on Form 10–K.

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 in our internal control over financial reporting that occurred during our last fiscal quarter, that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information with respect to our directors, executive officers, audit committee and audit committee financial expert, is incorporated by reference to the sections entitled "Election of Directors," "Executive Officers," "Information relating to our Board of Directors and Certain Committees of our Board of Directors," respectively, in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, is incorporated by reference to the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

We have adopted a code of business conduct and ethics applicable to all of our officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. The code of business conduct and ethics is available on the "Investor Relations–Corporate Governance" section of our internet website at www.weawaste.com. If we amend the code of business conduct and ethics or grant a waiver, including an implicit waiver, from the code of business conduct and ethics, we intend to disclose the information on the "Investor Relations–Corporate Governance" section of our Internet website at www.weawaste.com within four business days of such amendment or waiver, as applicable.

The information required by Rule 10A–3(d) of the Exchange Act is incorporated by reference to the section entitled "Information relating to our Board of Directors and Certain Committees of our Board of Directors" in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

Item 11. Executive Compensation.

The information required by Item 11 of this annual report on Form 10–K is incorporated by reference to the sections entitled "Executive Compensation," "Compensation Committee Interlocks and Insider Participation," "Employment Agreements," and "Compensation of Directors" in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by Item 12 of this annual report on Form 10–K is incorporated by reference to the section entitled "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management" in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by Item 13 of this annual report on Form 10–K is incorporated by reference to the section entitled "Certain Relationships and Related Transactions, and Director Independence" in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

Item 14. Principal Accounting Fees and Services.

The information required by Item 14 of this annual report on Form 10-K is incorporated by reference to the section entitled "Independent Registered Public Accounting Firm" in our definitive proxy statement for our 2010 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the close of our fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as a part of this report:

(1) and (2) Financial Statements and Financial Statement Schedules.

Consolidated financial statements of the Company are included in Item 8 (Financial Statements and Supplementary Data). All other schedules for the Company have been omitted since the required information is not present or not present in an amount sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or the notes thereto.

(3) Exhibits.

Exhibit No.	Description
2.1	Equity Interest and Asset Purchase Agreement dated December 9, 2009 among WCA Waste Corporation, WCA of Massachusetts, LLC, WCA of Ohio, LLC, Live Earth LLC, Champion City Recovery, LLC, Boxer Realty Redevelopment, LLC, Sunny Farms Landfill, LLC and New Amsterdam & Seneca Railroad Company, LLC (incorporated by reference to Exhibit 10.1 to the registrants Form 8-K (File No. 000-50808) filed with the SEC on December 15, 2009.
3.1	Second Amended and Restated Certificate of Incorporation of WCA Waste Corporation (incorporated by reference to Exhibit 3.1 to the registrant's Form 10-K (File No. 000-50808) filed with the SEC on December 22, 2005).
3.2	Second Amended and Restated Bylaws of WCA Waste Corporation (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on June 20, 2007).
4.1	Specimen of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the registrant's Registration Statement on Form S-1 (File No. 333-113416) filed with the SEC on May 14, 2004).
4.2	Indenture, dated as of July 5, 2006, by and among WCA Waste Corporation, the Guarantors named therein and The Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on July 5, 2006).
4.3	Form of 9.25% Senior Note due 2014 (included as Exhibit A to Exhibit 4.4 above).
4.4	Certificate of Designation of Series A Convertible Pay-in-Kind Preferred Stock (incorporated by reference to Exhibit 4.7 to the registrant's Form 10-Q (File No. 000-50808) filed with the SEC on August 8, 2006).
4.5	Specimen of Series A Convertible Pay-in-Kind Preferred Stock Certificate (incorporated by reference to Exhibit 4.8 to the registrant's Form 10-Q (File No. 000-50808) filed with the SEC on August 8, 2006).
10.1+	Amended and Restated Employment Agreement, effective as of January 1, 2007, between WCA Management Company, L.P., WCA Waste Corporation and Tom J. Fatjo, Jr. (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on December 12, 2008).
10.2+	Amended and Restated Employment Agreement, effective as of January 1, 2007, between WCA Management Company, L.P., WCA Waste Corporation and Jerome Kruzka (incorporated by reference to Exhibit 10.2 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on December 12, 2008).

Exhibit No.	Description
10.3+	Amended and Restated Employment Agreement, effective as of January 1, 2007, between WCA Management Company, L.P., WCA Waste Corporation and Charles Casalinova (incorporated by reference to Exhibit 10.3 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on December 12, 2008).
10.4+	Amended and Restated Employment Agreement, effective as of January 1, 2007, between WCA Management Company, L.P., WCA Waste Corporation and Tom J. Fatjo, III (incorporated by reference to Exhibit 10.4 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on December 12, 2008).
10.5+	Form of WCA Waste Corporation Stock Option Agreement under the 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.4 to the registrant's Form 10-Q (File No. 000-50808) filed with the SEC on November 10, 2004).
10.6+	Form of Executive Officer Restricted Stock Grant under the 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.15 to the registrant's Form 10-K (File No. 000-50808) filed with the SEC on March 24, 2005).
10.7+	WCA Waste Corporation Management Incentive Plan, as amended and restated effective January 1, 2007 (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on January 9, 2007).
10.8+	Form of Non-Employee Director Restricted Stock Grant under the 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.21 to the registrant's Form 10-K (File No. 000-50808) filed with the SEC on March 24, 2005).
10.9	Form of Resale Restriction Agreement, dated as of December 21, 2005, between WCA Waste Corporation and each of Tom J. Fatjo, Jr., Jerome M. Kruzka, Charles A. Casalinova, Tom J. Fatjo, III, Richard E. Bean, Ballard O. Castleman and Roger A. Ramsey individually (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on December 22, 2005).
10.10	Third Amended and Restated 2004 WCA Waste Corporation Incentive Plan, effective as of June 1, 2005 (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on December 19, 2008).
10.11	Revolving Credit Agreement, dated as of July 5, 2006, by and among WCA Waste Corporation, Comerica Bank and the Lenders named therein (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on July 5, 2006).
10.12	Interest Rate Swap Agreement, dated July 11, 2006, between WCA Waste Corporation and Comerica Bank (incorporated by reference to Exhibit 10.3 to the registrant's Form 10-Q (File No. 000-50808) filed with the SEC on August 8, 2006).
10.13	Preferred Stock Purchase Agreement, dated as of June 12, 2006, by and between WCA Waste Corporation and Ares Corporate Opportunities Fund II, L.P. (incorporated by reference to Exhibit 10.1 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on June 16, 2006).
10.14	Purchase Agreement, dated as of June 28, 2006, by and among WCA Waste Corporation, the Guarantors named therein and Credit Suisse Securities (USA) LLC (incorporated by reference to Exhibit 10.2 to the registrant's Form 8-K (File No. 000-50808) filed with the SEC on July 5, 2006).
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Exhibit No.	Description
10.16	Stockholder's Agreement, dated July 27, 2006, among WCA Waste Corporation and Ares Corporate Opportunity Fund II, L.P. (incorporated by reference to Exhibit 10.5 to the registrant's Form 10−Q (File No. 000−50808) filed with the SEC on August 8, 2006).
10.17	Registration Rights Agreement, dated July 27, 2006, among WCA Waste Corporation and Ares Corporate Opportunities Fund II, L.P. (incorporated by reference to Exhibit 10.6 to the registrant's Form 10−Q (File No. 000−50808) filed with the SEC on August 8, 2006).
10.18	Management Rights Letter, dated July 27, 2006, between WCA Waste Corporation and Ares Corporate Opportunities Fund II, L.P. (incorporated by reference to Exhibit 10.7 to the registrant's Form 10−Q (File No. 000−50808) filed with the SEC on August 8, 2006).
10.19+	Form of Stock Option Agreement under the Second Amended and Restated 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.37 to the registrant's Form 10−K (File No. 000−50808) filed with the SEC on March 14, 2007).
10.20+	Form of Executive Officer Restricted Stock Grant under the Second Amended and Restated 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.38 to the registrant's Form 10−K (File No. 000−50808) filed with the SEC on March 14, 2007).
10.21	Form of Non Employee Director Restricted Stock Grant under the Second Amended and Restated 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.39 to the registrant's Form 10−K (File No. 000−50808) filed with the SEC on March 14, 2007).
10.22	Form of Restricted Stock Grant under the Second Amended and Restated 2004 WCA Waste Corporation Incentive Plan (incorporated by reference to Exhibit 10.40 to the registrant's Form 10−K (File No. 000−50808) filed with the SEC on March 14, 2007).
10.23	Eighth Amendment to Revolving Credit Agreement, dated October 22, 2008, among WCA Waste Corporation and Comerica Bank (incorporated by reference to Exhibit 10.1 to the registrant's Form 8−K (File No. 000−50808) filed with the SEC on October 27, 2008).
10.24	Ninth Amendment to Revolving Credit Agreement, dated February 19, 2009, among WCA Waste Corporation and Comerica Bank (incorporated by reference to Exhibit 10.1 to the registrant's Form 8−K and Form 8−K/A (File No. 000−50808) filed with the SEC on February 25, 2009).
10.25	Tenth Amendment to Revolving Credit Agreement, dated December 31, 2009, among WCA Waste Corporation and Comerica Bank (incorporated by reference to Exhibit 10.1 to the registrant's Form 8−K (File No. 000−50808) filed with the SEC on January 5, 2010.
10.26	Registration Rights Agreement dated December 31, 2009 among WCA Waste Corporation and the individuals and entities named therein (incorporated by reference to Exhibit 10.2 to the registrant's Form 8−K (File No. 000−50808) filed with the SEC on January 5, 2010).
10.27	Stockholders' Agreement dated January 15, 2010 among WCA Waste Corporation, Joseph E. LoConti, Daniel J. Clark, Gregory J. Skoda Revocable Trust, and Patricia A. Skoda Revocable Trust (incorporated by reference to Exhibit 10.1 to the registrant's Form 8−K (File No. 50808) filed with the SEC on January 15, 2010).
10.28	Eleventh Amendment to Revolving Credit Agreement, dated February 17, 2009, among WCA Waste Corporation and Comerica Bank (incorporated by reference to Exhibit 10.1 to the registrant's Form 8−K (File No. 000−50808) filed with the SEC on February 26, 2010.
12.1*	Statement regarding computation of ratio of earnings to fixed charges for the year ended December 31, 2009.

Exhibit No.	Description
14.1	WCA Waste Corporation Code of Business Conduct and Ethics (incorporated by reference to Exhibit 14.1 to the registrant's Form 10–K (File No. 000–50808) filed with the SEC on March 24, 2005).
21.1*	List of Subsidiaries of WCA Waste Corporation.
23.1*	Consent of Independent Registered Public Accounting Firm KPMG LLP.
24.1*	Power of Attorney (included on signature page to this Form 10–K).
31.1*	Rule 13a–14(a)/15d–14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a–14(a)/15d–14(a) Certification of Chief Financial Officer.
32.1*	Section 1350 Certification of Chief Executive Officer.
32.2*	Section 1350 Certification of Chief Financial Officer.

+ Management contract or compensatory plan, contract or arrangement.

* Filed herewith.

The registrant hereby undertakes, pursuant to Regulation S–K, Item 601(b), paragraph (4)(iii)(A), to furnish to the Securities and Exchange Commission upon request all constituent instruments defining the rights of holders of long–term debt of the registrant and its consolidated subsidiaries not filed herewith for the reason that the total amount of securities authorized under any of such instruments does not exceed 10% of the registrant's total consolidated assets.

SIGNATURES

Pursuant to the requirements of Section 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.

WCA WASTE CORPORATION

By: /s/ TOM J. FATJO, JR.
Tom J. Fatjo, Jr.
Chief Executive Officer

Date: March 8, 2010

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Tom J. Fatjo, Jr. and Charles A. Casalinova, and each of them, acting individually, as his attorney–in–fact, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this annual report on Form 10–K and other documents in connection herewith and therewith, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys–in–fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection herewith and therewith and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys–in–fact and agents, or any of them, or their or his substitute or substitutes, may lawfully 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 by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Tom J. Fatjo, Jr. Tom J. Fatjo, Jr.	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	March 8, 2010
/s/ Jerome M. Kruszka Jerome M. Kruszka	President, Chief Operating Officer and Director	March 8, 2010
/s/ Charles A. Casalinova Charles A. Casalinova	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 8, 2010
/s/ joseph J. Scarano, Jr. Joseph J. Scarano, Jr.	Vice President and Controller (Principal Accounting Officer)	March 8, 2010
/s/ Richard E. Bean Richard E. Bean	Director	March 8, 2010
/s/ Daniel J. Clark Daniel J. Clark	Director	March 8, 2010
/s/ Preston Moore, Jr. Preston Moore Jr.	Director	March 8, 2010
/s/ Roger A. Ramsey Roger A. Ramsey	Director	March 8, 2010
/s/ Jeffrey b. schwartz Jeffrey B. Schwartz	Director	March 8, 2010
/s/ Jeffrey S. Serota Jeffrey S. Serota	Director	March 8, 2010
/s/ John V. Singleton Honorable John V. Singleton	Director	March 8, 2010

EXHIBIT INDEX

Exhibit No.	Description
2.1	Equity Interest and Asset Purchase Agreement dated December 9, 2009 among WCA Waste Corporation, WCA of Massachusetts, LLC, WCA of Ohio, LLC, Live Earth LLC, Champion City Recovery, LLC, Boxer Realty Redevelopment, LLC, Sunny Farms Landfill, LLC and New Amsterdam & Seneca Railroad Company, LLC (incorporated by reference to Exhibit 10.1 to the registrants Form 8-K (File No. 000-50808) filed with the SEC on December 15, 2009.
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24.1*	Power of Attorney (included on signature page to this Form 10–K).
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31.2*	Rule 13a–14(a)/15d–14(a) Certification of Chief Financial Officer.
32.1*	Section 1350 Certification of Chief Executive Officer.
32.2*	Section 1350 Certification of Chief Financial Officer.

\+ Management contract or compensatory plan, contract or arrangement.

* Filed herewith.

The registrant hereby undertakes, pursuant to Regulation S–K, Item 601(b), paragraph (4)(iii)(A), to furnish to the Securities and Exchange Commission upon request all constituent instruments defining the rights of holders of long–term debt of the registrant and its consolidated subsidiaries not filed herewith for the reason that the total amount of securities authorized under any of such instruments does not exceed 10% of the registrant's total consolidated assets.

EXHIBIT 12.1

Ratio of Earnings to Fixed Charges

	Year Ended December 31,				
	2005	2006	2007	2008	2009
	(Dollars in Thousands)				
Income (Loss) from Continuing Operations	$ 3,468	$ 3,020	$ 2,922	$ (27,763)	$ 1,008
Plus: Income Taxes	2,248	2,313	2,343	(13,737)	2,958
Fixed Charges	10,676	17,093	18,259	19,594	18,794
Earnings Available for Fixed Charges	16,392	22,426	23,524	(21,906)	22,760
Fixed Charges:					
Interest Expense	10,273	16,687	17,837	18,918	18,083
Estimate Portion of Rental Expense Equivalent to Interest	403	406	422	676	711
Total Fixed Charges	10,676	17,093	18,259	19,594	18,794
Ratio of Earnings to Fixed Charges	1.5	1.3	1.3	-1.1	1.2
Calculation of Rental Expense Equivalent to Interest					
Rental Expense	1,209	1,217	1,265	2,028	2,132
Estimated % Equivalent to Interest	33.3%	33.3%	33.3%	33.3%	33.3%
Estimate Portion of Rental Expense Equivalent to Interest	403	406	422	676	711

SUBSIDIARIES OF WCA WASTE CORPORATION

SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
American Waste, LLC	Oklahoma
Boxer Realty Redevelopment, LLC	Massachusetts
Burnt Poplar Transfer, LLC	Delaware
Champion City Recovery, LLC	Massachusetts
Eagle Ridge Landfill, LLC	Ohio
Fort Bend Regional Landfill, LP	Texas
Material Recovery, LLC	North Carolina
Material Reclamation, LLC	North Carolina
N.E. Land Fill, LLC (1)	Oklahoma
New Amsterdam & Seneca Railroad Company, LLC	Ohio
Pauls Valley Landfill, LLC	Oklahoma
Ruffino Hills Transfer Station, LP	Texas
Sooner Waste, LLC	Oklahoma
Sunny Farms Landfill LLC	Ohio
Texas Environmental Waste Services, LLC	Texas
Transit Waste, LLC (2)	New Mexico
Translift, Inc. (3)	Arkansas
Waste Corporation of Texas, LP (4)	Delaware
Waste Corporation of Arkansas, Inc. (5)	Delaware
Waste Corporation of Kansas, Inc. (6)	Delaware
Waste Corporation of Missouri, Inc. (7)	Delaware
Waste Corporation of Tennessee, Inc. (8)	Delaware
WCA Capital, Inc.	Delaware
WCA Holdings Corporation (9)	Delaware
WCA Management Company, LP	Delaware
WCA Management General, Inc.	Delaware
WCA Management Limited, Inc.	Delaware
WCA of Alabama, LLC (10)	Delaware
WCA of Central Florida, Inc. (11)	Delaware
WCA of Florida, LLC (12)	Delaware
WCA of High Point, LLC	North Carolina
WCA of Massachusetts, LLC	Delaware
WCA of North Carolina, LLC	Delaware
WCA of Ohio, LLC	Delaware
WCA of Oklahoma, LLC	Delaware
WCA of St. Lucie, LLC	Delaware
WCA Shiloh Landfill, LLC (13)	Delaware
WCA Texas Management General, Inc.	Delaware
WCA Wake Transfer Station, LLC	North Carolina
WCA Waste Systems, Inc.	Delaware

(1) N. E. Land Fill, LLC conducts business as NE Landfill and Northeast Landfill.

(2) Transit Waste, LLC conducts business as Waste Corporation of Colorado and New Mexico and Bondad Landfill.

(3) Translift, Inc. conducts business as Little Rock Hauling.

(4) Waste Corporation of Texas, LP conducts business under the names SLOTI Landfill, Greenbelt Landfill, Urban Landfill, Olshan Landfill, Tall Pines Landfill, Darrell Dickey Landfill, Applerock Landfill, Houston Hauling, WCA Houston Residential, Texas Environmental Waste Services, and TEW.

(5) Waste Corporation of Arkansas, Inc. conducts business under the names Union County Landfill, South Arkansas Hauling, Jonesboro Hauling, Wynne Hauling, Wynne Transfer Station, and Rolling Meadows Landfill.

(6) Waste Corporation of Kansas, Inc. conducts business under the name Oak Grove Landfill.

(7) Waste Corporation of Missouri, Inc. conducts business under the names Waste Corporation of Springfield, Waste Corporation of Joplin, Waste Corporation of the Ozarks, Waste Corporation of Rolla, Will-Co Disposal, Supreme Disposal, Black Oak Landfill, Central Missouri Landfill, Ashley Disposal, Rural Disposal, El Dorado Transfer Station, Springfield Transfer Station, Ozarks Transfer Station, Chillicothe Transfer Station and Neosho Transfer Station.

(8) Waste Corporation of Tennessee, Inc. conducts business under the names Volunteer Waste and Yarnell Landfill.

(9) WCA Holdings Corporation conducts business in Texas as Waste Corp. Holdings.

(10) WCA of Alabama, LLC conducts business under the names Fines Landfill, Waste Corporation of Alabama, Blount Landfill, Huntsville Transfer Station, WCA Hauling, and Midfield Recycling.

(11) WCA of Central Florida, Inc. conducts business as Fort Meade Landfill.

(12) WCA of Florida, Inc. conducts business as KTR, 63rd Street Transfer, and Fruitville Road Transfer.

(13) WCA Shiloh Landfill, LLC conducts business under the names Waste Corporation of South Carolina, Shiloh Landfill and Shiloh Hauling.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
WCA Waste Corporation:

We consent to the incorporation by reference in the registration statements (No. 333–131875 and No. 333–139809) on Form S–8 of WCA Waste Corporation of our reports dated March 8, 2010, with respect to the consolidated balance sheets of WCA Waste Corporation as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three–year period ended December 31, 2009, and the effectiveness of internal control over financial reporting as of December 31, 2009 which reports appear in the December 31, 2009 annual report on Form 10–K of WCA Waste Corporation.

/s/ KPMG LLP

Houston, Texas
March 8, 2010

EXHIBIT 24.1

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Tom J. Fatjo, Jr. and Charles A. Casalinova, and each of them, acting individually, as his attorney-in-fact, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this annual report on Form 10-K and other documents in connection herewith and therewith, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection herewith and therewith and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully 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 by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Tom J. Fatjo, Jr. Tom J. Fatjo, Jr.	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	March 8, 2010
/s/ Jerome M. Kruszka Jerome M. Kruszka	President, Chief Operating Officer and Director	March 8, 2010
/s/ Charles A. Casalinova Charles A. Casalinova	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 8, 2010
/s/ joseph J. Scarano, Jr. Joseph J. Scarano, Jr.	Vice President and Controller (Principal Accounting Officer)	March 8, 2010
/s/ Richard E. Bean Richard E. Bean	Director	March 8, 2010
/s/ Daniel J. Clark Daniel J. Clark	Director	March 8, 2010
/s/ Preston Moore, Jr. Preston Moore Jr.	Director	March 8, 2010
/s/ Roger A. Ramsey Roger A. Ramsey	Director	March 8, 2010
/s/ Jeffrey b. schwartz Jeffrey B. Schwartz	Director	March 8, 2010
/s/ Jeffrey S. Serota Jeffrey S. Serota	Director	March 8, 2010
/s/ John V. Singleton Honorable John V. Singleton	Director	March 8, 2010

Exhibit 31.1

CERTIFICATION

I, Tom J. Fatjo, Jr., certify that:

1. I have reviewed this 2009 Annual Report on Form 10-K of WCA Waste Corporation;

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;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2010

By: /s/ Tom J. Fatjo, Jr.
Tom J. Fatjo, Jr.
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Charles A. Casalinova, certify that:

1. I have reviewed this 2009 Annual Report on Form 10–K of WCA Waste Corporation;

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;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2010

By: /s/ Charles A. Casalinova
Charles A. Casalinova
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes–Oxley Act of 2002

In connection with the Annual Report of WCA Waste Corporation (the "Company") on Form 10–K for the period ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tom J. Fatjo, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Tom J. Fatjo, Jr.
Tom J. Fatjo, Jr.
Chief Executive Officer
March 8, 2010

The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes–Oxley Act of 2002

In connection with the Annual Report of WCA Waste Corporation (the "Company") on Form 10–K for the period ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles A. Casalinova, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Charles A. Casalinova
Charles A. Casalinova
Chief Financial Officer
March 8, 2010

The foregoing certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.