

WASTE CONNECTIONS INC/DE
Form DEF 14A
April 12, 2006

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

WASTE CONNECTIONS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

// Fee paid previously with preliminary materials.

// Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be Held May 25, 2006**

Dear Stockholder:

You are invited to attend the annual meeting of stockholders of Waste Connections, Inc. to be held on Thursday, May 25, 2006, at 10:00 A.M., Pacific Time. The meeting will be held at the Sheraton Grand Sacramento, 1230 J Street, Sacramento, California 95814, for the following purposes:

1. To elect two Class II directors to serve for a term of three years;
2. To approve the Second Amended and Restated 2004 Equity Incentive Plan; and
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2006.

Only stockholders of record of Waste Connections common stock at the close of business on March 28, 2006, are entitled to receive notice of and to vote at the annual meeting or any adjournment of the annual meeting.

Waste Connections annual report for the fiscal year 2005 is enclosed for your convenience.

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

Stockholders of record may vote their proxies by signing, dating and returning the enclosed proxy card. If your shares are held in the name of a bank or broker, you may be able to vote by telephone or on the Internet. Please follow the instructions on the form you receive from your bank or broker. The method by which you decide to vote will not limit your right to vote at the annual meeting. If you later decide to attend the annual meeting in person, you may vote your shares even if you have submitted a proxy in writing, by telephone or on the Internet.

By Order of the Board of Directors,

Robert D. Evans
Secretary

April 10, 2006

Your vote is important. Whether or not you plan to attend the annual meeting, please sign and date the enclosed proxy card or follow any telephone or Internet procedures established by your bank or broker as promptly as possible in order to ensure your representation at the annual meeting.

WASTE CONNECTIONS, INC.
35 Iron Point Circle, Suite 200
Folsom, California 95630

PROXY STATEMENT

for the
ANNUAL MEETING OF STOCKHOLDERS
To be Held on May 25, 2006

GENERAL INFORMATION

About this Proxy Statement

We sent you these proxy materials because our Board of Directors is soliciting your proxy to vote your shares at the annual meeting. This proxy statement includes information that we are required to provide to you under the rules of the Securities and Exchange Commission and that is designed to assist you in voting your shares.

We will bear the costs of soliciting proxies from our stockholders. In addition to soliciting proxies by mail, our directors, officers and employees, without receiving additional compensation, may solicit proxies by telephone or in person.

We will arrange for banks and brokerage firms to forward these proxy materials to the beneficial owners of our common stock for whom they hold shares of record, and we will reimburse them for reasonable out-of-pocket expenses incurred in forwarding these materials. We began mailing these proxy materials to our stockholders on or about April 12, 2006.

Who May Vote

Every holder of Waste Connections common stock, as recorded in our stock register at the close of business on March 28, 2006, may vote at the annual meeting. As of March 28, 2006, 44,425,993 shares of our common stock were outstanding and entitled to vote. Each stockholder of record is entitled to one vote for each share of our common stock held by the stockholder. In addition, on March 28, 2006, we had 9,346,237 shares of common stock reserved for issuance upon the conversion of our outstanding Floating Rate Convertible Subordinated Notes due 2022 and 3.75% Convertible Senior Notes Due 2026, none of which is entitled to vote at the annual meeting. Shares and share prices discussed in this proxy statement have been adjusted to reflect our three-for-two stock split, in the form of a 50% stock dividend, effective as of June 24, 2004.

How to Vote

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

You may vote in person at the annual meeting or by proxy. We recommend you vote by proxy even if you plan to attend the meeting. You may revoke your proxy before we vote it at the meeting by submitting a new proxy with a later date, voting in person at the meeting or notifying our Corporate Secretary in writing at: Waste Connections, Inc., 35 Iron Point Circle, Suite 200, Folsom, California 95630. We will count your most current proxy, unless you vote in person at the meeting.

How Proxies Work

Our Board of Directors is asking for your proxy. Giving us your proxy means that you authorize us to vote your shares at the meeting in the manner you direct. You can vote by proxy:

by mail by signing, dating and mailing the enclosed proxy card; or

by telephone or over the Internet if your shares are held in the name of a bank or broker, and instructions for voting in this manner are included in information you receive from your bank or broker.

If you sign your proxy card but do not give voting instructions, we will vote your shares as follows:

in favor of our two director candidates;

in favor of the Second Amended and Restated 2004 Equity Incentive Plan; and

in favor of the ratification of the appointment of the independent registered public accounting firm.

For any other matters that may properly come before the meeting, your shares will be voted at the discretion of the proxy holders. You may vote for all, some or none of our director candidates. You may also vote for or against the other proposals, or you may abstain from voting.

You may receive more than one proxy card depending on how you hold your shares. Shares registered in your name are covered by one proxy card. If you hold shares through someone else, such as a broker, you may also receive material from them asking how you want to vote. You should complete and return each proxy card or other voting instruction request provided to you.

Quorum

In order to carry on the business of the annual meeting, we must have a quorum. This means that at least a majority of the outstanding shares eligible to vote as of the close of business on the record date must be present at the meeting, either by proxy or in person.

Abstentions, directions to withhold authority and broker non-votes are counted as present at the meeting for determining whether we have a quorum. A broker non-vote occurs when a broker signs and returns a proxy but does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received voting instructions from the beneficial owner.

Votes Needed

Directors are elected by a plurality of shares present at the meeting, meaning the two nominees that receive the highest number of votes cast in favor of their election will be elected.

The approval of the Second Amended and Restated 2004 Equity Incentive Plan must comply with the requirements of both the Delaware General Corporation Law and the New York Stock Exchange Listed Company Manual. The Delaware statute requires the favorable vote of a majority of the shares present, either by proxy or in person, and entitled to vote. For such purpose, broker non-votes will not be treated as entitled to vote on such proposal and will not be taken into account in determining whether the required approval of the proposal has been obtained under Delaware law. However, under the New York Stock Exchange requirements for listed companies, a majority of the outstanding voting shares must cast a vote on the proposal (whether in the form of a vote for, a vote against or an abstention), and a majority of the votes so cast must be in favor of the proposal. Accordingly, broker non-votes may prevent the approval of the proposal because they are not treated as votes cast for purposes of the New York Stock Exchange requirement.

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

The ratification of the appointment of the independent registered public accounting firm requires the favorable vote of a majority of the shares present, either by proxy or in person, and entitled to vote.

Abstentions and directions to withhold authority have the same effect as a vote against a matter because they are considered present and entitled to vote, but are not voted.

Broker non-votes will be considered present for quorum purposes but not considered entitled to vote. Accordingly, broker non-votes will have no effect on the vote, except with respect to the proposal relating to the Second Amended and Restated 2004 Equity Incentive Plan.

Attending in Person

Only stockholders, their proxy holders and our invited guests may attend the meeting. If you plan to attend, please bring identification and, if you hold shares in street name, you should bring your bank or broker statement showing your beneficial ownership of our stock in order to be admitted to the meeting.

Counting the Vote

We will use an automated system administered by our transfer agent to tabulate the votes at the annual meeting. Under certain circumstances, a broker or other nominee may have discretionary authority to vote certain shares of common stock if the broker or nominee has not received instructions from the beneficial owner or other person entitled to vote.

2

PRINCIPAL STOCKHOLDERS

The following table shows the amount of Waste Connections common stock beneficially owned, as of March 1, 2006, by: (i) each person or entity that we know owns more than 5% of our common stock; (ii) the named executive officers identified below under Executive Compensation and each director and nominee of Waste Connections; and (iii) all current directors and executive officers of Waste Connections as a group. An asterisk in the Percent of Class column indicates beneficial ownership of less than 1% by a director. Shares and share prices discussed in this proxy statement have been adjusted to reflect our three-for-two stock split, in the form of a 50% stock dividend, effective as of June 24, 2004.

Name of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership ⁽²⁾	Percent of Class
T. Rowe Price Associates, Inc. ⁽³⁾	3,926,850	8.5%
Westfield Capital Management Co., LLC ⁽³⁾	2,998,790	6.5
FMR Corp. ⁽³⁾	2,994,750	6.5
Columbia Wanger Asset Management, L.P. ⁽³⁾	2,402,349	5.2
Steven F. Bouck	711,085 ⁽⁴⁾	1.5
Ronald J. Mittelstaedt	696,418 ⁽⁵⁾	1.5
Robert D. Evans	396,501 ⁽⁶⁾	0.8
Eugene V. Dupreau	258,717 ⁽⁷⁾	0.6
Darrell W. Chambliss	222,624 ⁽⁸⁾	0.5
Worthing F. Jackman	202,501 ⁽⁹⁾	0.4
Michael W. Harlan	55,500 ⁽¹⁰⁾	*
William J. Razzouk	54,750 ⁽¹⁰⁾	*
Robert H. Davis	25,650 ⁽¹¹⁾	*
All executive officers and directors as a group (15 persons)	3,361,651	7.2

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In general, a person who has voting power and/or investment power with respect to securities is treated as the beneficial owner of those securities. Except as otherwise indicated by footnote, we believe that the persons named in this table have sole voting and investment power with respect to the shares of common stock shown.
- (2) Shares of common stock subject to options and/or warrants currently exercisable or exercisable within 60 days after March 1, 2006, shares of common stock into which convertible securities are convertible within 60 days after March 1, 2006, and shares which will become issuable within 60 days after March 1, 2006, pursuant to outstanding restricted stock units count as outstanding for computing the percentage beneficially owned by the person holding such options, warrants, convertible securities and restricted stock units, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. On October 27, 2005, our Board of Directors accelerated the vesting of outstanding options previously awarded to employees. In addition, to prevent unintended benefits to the company's executive officers and other selected corporate, regional and field employees, restrictions were imposed on any shares obtained through the exercise of such accelerated options. Accordingly, the Resale Restriction Agreement that the company entered into with each of these employees, including each of the named executive officers, prevents the sale of any shares acquired from the exercise of an accelerated option prior to the earlier of the original vesting date of the option, or the individual's termination of employment.
- (3) The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202. The address of Westfield Capital Management Co., LLC is One Financial Center, Boston, Massachusetts 02111. The address of FMR Corp. is 82 Devonshire Street, Boston, Massachusetts 02109. The address of Columbia Wanger Asset Management, L.P. is 227 West Monroe Street, Suite 3000, Chicago, Illinois 60606. The share ownership of T. Rowe Price Associates, Inc. is based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2006. The share ownership of Westfield Capital Management Co., LLC is based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2005. The share ownership of FMR Corp. is based on a Schedule 13G/A filed with the Securities and Exchange Commission on

3

February 14, 2006. The share ownership of Columbia Wanger Asset Management, L.P. is based on a Schedule 13G filed with the Securities and Exchange Commission on February 14, 2006.

- (4) Includes 498,779 shares subject to options exercisable within 60 days of March 1, 2006. Excludes 2,600 shares owned by Mr. Bouck's two minor sons as to which Mr. Bouck disclaims beneficial ownership.
- (5) Includes 440,793 shares subject to options exercisable within 60 days of March 1, 2006; 90,000 shares subject to a range forward collar contract that settles on June 11, 2007, and will require Mr. Mittelstaedt to sell such shares at that time at a price per share designated in the contract; and 165,625 shares held by Mittelstaedt Enterprises, L.P., of which Mr. Mittelstaedt is a limited partner. Excludes 1,900 shares held by the Mittelstaedt Family Trust as to which Mr. Mittelstaedt disclaims beneficial ownership.
- (6) Includes 394,501 shares subject to options exercisable within 60 days after March 1, 2006.
- (7) Includes 127,007 shares subject to options exercisable within 60 days after March 1, 2006; and 1,543 shares of restricted stock granted under our 2002 Restricted Stock Plan, which shares vest in three successive, equal, annual installments upon Mr. Dupreau's completion of each year of continued service as the company's Vice President - Western Region over the three-year period measured from the February 23, 2005 grant date.
- (8) Includes 145,864 shares subject to options exercisable within 60 days after March 1, 2006.
- (9) Includes 202,501 shares subject to options exercisable within 60 days after March 1, 2006.
- (10) Includes 51,000 shares subject to options exercisable within 60 days after March 1, 2006.
- (11) Includes 21,000 shares subject to options exercisable within 60 days after March 1, 2006.

4

PROPOSAL I ELECTION OF DIRECTORS

Our Board of Directors is currently composed of five directors and is divided into three classes. One class is elected each year for a three-year term. Our Board of Directors has nominated Messrs. Harlan and Razzouk for reelection to the Board of Directors to serve as Class II Directors until the annual meeting of stockholders to be held in 2009 and until a successor for each has been duly elected and qualified. Proxies will be voted, unless otherwise indicated, for the reelection of Messrs. Harlan and Razzouk to the Board of Directors. Proxies will be voted in a discretionary manner if either of Messrs. Harlan or Razzouk is unable to serve. Each of Messrs. Harlan and Razzouk is currently a director of Waste Connections.

Certain information about Messrs. Harlan and Razzouk and the directors serving in Class III and Class I, whose terms expire in future years, is set forth below.

<u>Name and Background</u>	<u>Age</u>	<u>Director Since</u>
Nominees for Class II Directors for Terms Expiring in 2009		
<i>Michael W. Harlan</i> is Executive Vice President and Chief Operating Officer of U.S. Concrete, Inc., a major producer of ready-mixed concrete and related concrete products. Mr. Harlan also served as U.S. Concrete's Chief Financial Officer from September 1998 to November 2004. From November 1997 to January 30, 1998, Mr. Harlan served as a consultant to Waste Connections on various financial matters. From March 1997 to August 1998, Mr. Harlan was Vice President and Chief Financial Officer of Apple Orthodontix, Inc., a publicly traded company that provides practice management services to orthodontic practices in the U.S. and Canada. From April 1991 to December 1996, Mr. Harlan held various positions in the finance and acquisition departments of USA Waste Services, Inc. (including Sanifill, Inc., which was acquired by USA Waste Services, Inc.), including serving as Treasurer and Assistant Secretary, beginning in September 1993. From May 1982 to April 1991, Mr. Harlan held various positions in the tax and corporate financial consulting services division of Arthur Andersen LLP, where he was a Manager since July 1986. Mr. Harlan is a Certified Public Accountant and holds a B.A. degree from the University of Mississippi.	45	1998
<i>William J. Razzouk</i> is Chief Executive Officer of Newgistics, Inc., a provider of intelligent returns management solutions for direct retailers and technology companies. Mr. Razzouk also owns WJR Advisors and WJR Ventures, management consulting and investment firms. From August 2000 to December 2002, he was a Managing Director of Paradigm Capital Partners, LLC, a venture capital firm in Memphis, Tennessee that focuses on meeting the capital and advisory needs of emerging growth companies. From September 1998 to August 2000, he was Chairman of PlanetRx.com, an e-commerce company focused on healthcare and sales of prescription and over-the-counter medicines, health and beauty products and medical supplies. He was also Chief Executive Officer of PlanetRx.com from September 1998 until April 2000. From April 1998 until September 1998, Mr. Razzouk owned a management consulting business and an investment company that focused on identifying strategic acquisitions. From September 1997 until April 1998, he was the President, Chief Operating Officer and a director of Storage USA, Inc., a then publicly traded (now private) real estate investment trust that owns and operates more than 350 mini storage warehouses. He served as the President and Chief Operating Officer of America Online from February 1996 to June 1996. From 1983 to 1996, Mr. Razzouk held various management positions at Federal Express Corporation, most recently as Executive Vice President, Worldwide	58	1998

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

Name and Background	Age	Director Since
Customer Operations, with full worldwide profit and loss responsibility. Mr. Razzouk previously held management positions at ROLM Corporation, Philips Electronics and Xerox Corporation. He previously was a director of Fritz Companies, Inc., Sanifill, Inc., Cordis Corp., Storage USA, PlanetRx.com, America Online and La Quinta Motor Inns. Mr. Razzouk holds a Bachelor of Journalism degree from the University of Georgia.	5	

Name and Background	Age	Director Since
Class III Director Continuing in Office Term Expiring in 2007		
<i>Ronald J. Mittelstaedt</i> has been Chief Executive Officer and a director of Waste Connections since the company was formed in September 1997, and was elected Chairman in January 1998. Mr. Mittelstaedt was also President of the company from Waste Connections formation through August 2004. Mr. Mittelstaedt has more than 16 years of experience in the solid waste industry. He holds a B.S. degree in Finance from the University of California at Santa Barbara.	42	1997

Class I Directors Continuing in Office Terms Expiring in 2008		
<i>Eugene V. Dupreau</i> has been Vice President Western Region and a director of Waste Connections since February 1998. Mr. Dupreau served as President and a director of Madera Disposal Systems, Inc. beginning in 1981 and 1985, respectively, and held both positions until Waste Connections acquired Madera in 1998. Mr. Dupreau holds a B.S. degree in Business Administration from Fresno State University and has completed advanced coursework in waste management. Mr. Dupreau also holds two California State Contractor Licenses, Classes A and C 12. He has served as a director of several civic and charitable organizations in Madera County.	58	1998
<i>Robert H. Davis</i> is President/Chief Executive Officer and a director of GreenMan Technologies, Inc., a tire shredding and recycling company. Prior to joining GreenMan, Mr. Davis served as Vice President of Recycling for Browning-Ferris Industries, Inc. from 1990 to 1997. A 30-year veteran of the solid waste and recycling industry, Mr. Davis has also held executive positions with Fibres International, Garden State Paper Company and SCS Engineers, Inc. Mr. Davis holds a B.S. degree in Mathematics from California Polytechnic University and has done graduate work at George Washington University in Solid Waste Management.	63	2001

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE REELECTION OF MESSRS. HARLAN AND RAZZOUK TO THE BOARD OF DIRECTORS.

Corporate Governance and Board Matters

We have adopted Corporate Governance Guidelines to promote the effective functioning of the Board and its Committees, to promote the interests of stockholders and to ensure a common set of expectations concerning how the Board, its Committees and management should perform their respective functions. We have also adopted a Code of Conduct and Ethics that applies to all of our directors, officers and employees. Copies of our Corporate Governance Guidelines and our Code of Conduct and Ethics are available on our website at www.wasteconnections.com. A copy of either may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 35 Iron Point Circle, Suite 200, Folsom, California 95630.

Board of Directors and Committees

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

Our Board of Directors held seven meetings during 2005, four of which were regularly scheduled and three of which were special meetings held telephonically. The Board of Directors has five standing committees: an Executive Committee, an Audit Committee, a Compensation Committee, a Special Equity Award Committee and a Nominating and Corporate Governance Committee. Each director attended at least 75% of the meetings of the Board of Directors and the committees on which he served in 2005. Our policy on director attendance at annual meetings of stockholders is that directors are invited but not required to attend. Mr. Mittelstaedt, the Chairman of the Board, and Mr. Dupreau attended the annual meeting of stockholders in 2005.

The Executive Committee, whose Chairman is Mr. Mittelstaedt and whose other current members are Mr. Harlan and Mr. Razzouk, met seven times in 2005. The Executive Committee is authorized to exercise all of the powers and authority of the Board of Directors in managing our business and affairs, other than to authorize matters required by Delaware law to be approved by the stockholders, and other than adopting, amending or

6

repealing any of our Bylaws. Between meetings of the Board, the Executive Committee approves all acquisitions by us for stock and all acquisitions by us for cash or other consideration of \$2.5 million or more.

The Audit Committee, whose chairman is Mr. Harlan and whose other current members are Mr. Razzouk and Mr. Davis, met eight times in 2005. The Board has determined that all of the members of the Audit Committee are financially literate within the meaning of Section 303A.07 of the New York Stock Exchange Listed Company Manual. The Board has also determined that Mr. Harlan is an audit committee financial expert as defined in Item 401(h) of Regulation S-K. The committee's duties are discussed below under Audit Committee Report. A current copy of the Audit Committee charter, which our Board has adopted, is available on our website at www.wasteconnections.com. A copy of the Audit Committee Charter may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 35 Iron Point Circle, Suite 200, Folsom, California 95630.

The Compensation Committee, whose chairman is Mr. Razzouk and whose other current members are Mr. Harlan and Mr. Davis, met once in 2005. This committee is responsible for establishing our executive officer compensation policies and administering such policies. The Compensation Committee studies, recommends and implements the amount, terms and conditions of payment of any and all forms of compensation for our directors and executive officers; approves and administers any guarantee of any obligation of, or other financial assistance to any officer or other employee; and approves the grant of options, warrants, restricted stock and other forms of equity incentives to officers, directors, employees, agents and consultants. See Executive Compensation Compensation Committee Report on Executive Compensation. A current copy of the Compensation Committee charter is available on our website at www.wasteconnections.com. A copy of the Compensation Committee Charter may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 35 Iron Point Circle, Suite 200, Folsom, California 95630.

The Special Equity Award Committee, which the Board of Directors established on October 25, 2005, is empowered with separate but concurrent authority with the Compensation Committee to make awards to all eligible individuals typically new hires under the company's various equity incentive plans, subject to certain exceptions and limitations set by the Board. The committee may not, for example, grant annual awards to the company's employees, officers, directors and consultants, which are typically authorized by the Compensation Committee in February; the committee may not grant awards to the company's executive officers or directors; and the committee may not grant more than 25,000 options and warrants or more than 7,000 restricted stock and restricted stock unit awards to an eligible individual in any given calendar year. Mr. Mittelstaedt is the chair and sole member of the Special Equity Award Committee.

The Nominating and Corporate Governance Committee, whose chairman is Mr. Davis and whose other current members are Messrs. Harlan and Razzouk, met three times in 2005. The committee is responsible for recommending director nominees to the Board and developing and implementing corporate governance principles. A copy of the Nominating and Corporate Governance Committee Charter is available on our website at www.wasteconnections.com. A copy of the Nominating and Corporate Governance Committee Charter may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 35 Iron Point Circle, Suite 200, Folsom, California 95630.

Director Independence

The Board has determined that each of Messrs. Harlan, Razzouk and Davis, who together make up each of the Board's Audit, Compensation and Nominating and Corporate Governance Committees, as well as a majority of our Board of Directors, is independent within the meaning of the standards set forth in our Corporate Governance Guidelines. These independent, non-management directors meet in an executive session, without management, at each of our four regularly scheduled Board meetings. The Chair of the Audit Committee, currently Mr. Harlan, presides over each meeting of the company's non-management directors.

Edgar Filing: WASTE CONNECTIONS INC/DE - Form DEF 14A

As set forth in our Corporate Governance Guidelines, a majority of the members of our Board of Directors must be independent. For a director to be considered independent, the Board must determine that the director is independent within the meaning of Section 303A.02 of the New York Stock Exchange Listed Company Manual. In addition, for a director to be considered independent, the Board must determine that the director has no material relationship with the company, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the company. No director who is a former employee of the company, is a former employee

7

or affiliate of any current auditor of the company or its subsidiaries, is a part of an interlocking directorate in which any executive officer of the company serves on the compensation committee of another company that concurrently employs such director or has an immediate family member in any of the foregoing categories, can be independent until three years after such employment, affiliation or relationship has ceased.

The Board reviews all commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships of each director to assess whether any of them is a material relationship so as to impair that director's independence. A material relationship means a direct or indirect commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship that is reasonably likely to affect the independent and objective judgment of the director in question, provided that the direct or indirect ownership of any amount of our stock is not deemed to constitute a material relationship. The following commercial or charitable relationships are not considered to be material relationships that would impair a director's independence: (a) if a director of Waste Connections is also an executive officer of another company that does business with Waste Connections and the annual sales to, or purchases from, Waste Connections are less than the greater of one million dollars or two percent of the annual revenue of that other company; (b) if a director of Waste Connections is an executive officer of another company that is indebted to Waste Connections, or to which Waste Connections is indebted, and the total amount of either company's indebtedness to the other is less than one percent of the total consolidated assets of that other company; or (c) if a director of Waste Connections serves as an officer, director or trustee of a charitable organization, and Waste Connections' discretionary charitable contributions to that organization are less than one percent of that organization's total annual receipts. The Board reviews annually whether its members satisfy these categorical independence tests before any non-management member stands for re-election to the Board.

All relationships not covered by the preceding paragraph are reviewed by the directors who satisfy the independence tests set forth above to determine whether they are material so as to impair a director's independence. If the Board determines that any relationship is immaterial even though it does not meet the categorical tests for immateriality set forth above, we will explain in our next proxy statement the basis for the Board's determination.

Waste Connections does not make any personal loans or extend credit to any director or officer, other than those expressly permitted under applicable laws and regulations. All such arrangements must be administered by the Compensation Committee, and such arrangements not already maintained on July 30, 2002, must also be approved in advance by the Compensation Committee. No independent director or his or her immediate family member may provide personal services to Waste Connections for compensation, other than as permitted under New York Stock Exchange rules.

Independence of Committee Members

In addition to the general requirements for independent Board members described above, members of the Audit Committee must also satisfy the additional independence requirements of the New York Stock Exchange and Rule 10A-3 of the Securities Exchange Act of 1934, which, among other things, prohibit a member of the Audit Committee (other than in his capacity as a member of the Audit Committee, the Board or any other committee of the Board) from receiving any compensatory fees from or being an affiliated person of Waste Connections or any of its subsidiaries. As a matter of policy, the Board also applies this additional requirement to members of the Compensation and Nominating and Corporate Governance Committees.

Our Director Nomination Process

Our Board believes that directors must have the highest personal and professional ethics, integrity and values. They must be committed to representing the long-term interests of our stockholders. They must have objective perspective, practical wisdom, mature judgment and expertise, and operational or financial skills and knowledge useful to the oversight of our business. Our goal is to have a Board that represents diverse experiences at policy-making levels in business and other areas relevant to our activities. Directors should be committed to serving on the Board for an extended period of time.

In addition to the foregoing qualities, the Nominating and Corporate Governance Committee will take a number of other factors into account in considering candidates as nominees for the Board, including the following: (i) whether the candidate is independent within the meaning of our

Corporate Governance Guidelines; (ii) relevant business, academic or other experience; (iii) willingness and ability to attend and participate actively in Board and

Committee meetings and otherwise to devote the time necessary to serve, taking into consideration the number of other boards on which the candidate serves and the candidate's other business and professional commitments; (iv) potential conflicts of interest; (v) whether the candidate is a party to any adverse legal proceeding; (vi) the candidate's reputation; (vii) specific expertise and qualifications relevant to any Committee that the candidate is being considered for, such as whether a candidate for the Audit Committee meets the applicable financial literacy or audit committee financial expert criteria; (viii) willingness and ability to meet our director's equity ownership guidelines; (ix) willingness to adhere to our Code of Conduct and Ethics; (x) ability to interact positively and constructively with other directors and management; (xi) willingness to participate in a one-day new director orientation session; (xii) willingness to attend educational forums or workshops to enhance understanding of new and evolving governance requirements; and (xiii) the size and composition of the current Board.

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management, third party advisors, business and personal contacts, and stockholders. The Committee may also engage the services of a search firm. After conducting an initial evaluation, the Nominating and Corporate Governance Committee will make arrangements for candidates it considers suitable to be interviewed by each member of the Committee. Each candidate will be required to complete a standard directors' and officers' questionnaire, completed by all of the directors annually. The Committee may also ask the candidate to meet with members of our management. If the Committee believes that the candidate would be a valuable addition to the Board, it will recommend the candidate for nomination to the Board.

The Nominating and Corporate Governance Committee will apply the criteria described above when considering candidates recommended by stockholders as nominees for the Board. In addition, any stockholder of ours may nominate one or more persons for election as a director of the company at an annual meeting of stockholders if the stockholder complies with the notice, information and consent provisions contained in our Amended and Restated Bylaws. We have an advanced notice Bylaw provision relating to the nomination of Directors. Pursuant to that provision, to be considered for inclusion in our proxy materials, notice of a stockholder's nomination of a person for election to the Board must be received by the Secretary of Waste Connections in writing at the address listed on the first page of this Proxy Statement no later than the close of business (California time) on the 120th day prior to the anniversary date of our proxy statement released to stockholders in connection with the previous year's annual meeting. To be considered timely, stockholder proposals submitted after this deadline must be received as set forth above no later than the close of business (California time) on the 90th day prior to the annual meeting of stockholders. The stockholder's written notice must include information about the proposed nominee, including name, age, business address, residence address, telephone number, email address, principal occupation, number of shares of our common stock beneficially owned, and any other information required in proxy solicitations for the election of directors, including employment history, participation as a director of other public or private corporations, and information about any relationship or understanding between the proposing stockholder and the candidate or any other person (naming that person) pursuant to which the nomination is to be made. The written notice must be accompanied by the executed consent of each nominee to serve as a director if elected. In addition, the stockholder giving the notice must include the following information: such stockholder's name, record address, phone number, email address, number of shares of our common stock beneficially owned, and a description of all arrangements or understandings between the stockholder and each nominee and any other person (naming such person) pursuant to which each nomination is to be made by the stockholder.

Before nominating a sitting director for reelection at an annual meeting, the Nominating and Corporate Governance Committee will consider the director's performance and contribution to the Board.

How to Contact Directors

Stockholders may communicate with the Board generally, with the non-management directors as a group or with a specific director at any time by writing to the Board, the non-management directors or a specific director, care of the Secretary of Waste Connections, Inc., 35 Iron Point Circle, Suite 200, Folsom, California 95630. The Secretary will forward all communications to the Board, the non-management directors or a specific director, as applicable, as soon as practicable after receipt without screening the communication. Stockholders are requested to provide their contact information and to state the number of shares of our common stock that they beneficially own in their communications to the Board. Because other appropriate avenues of communication exist for matters that are not of stockholder interest, such as general business complaints or employee grievances, stockholders are

urged to limit their communications to the Board to matters that are of stockholder interest and that are appropriate for consideration at the Board level.

Compensation of Directors

2005 Director Compensation

Name	Total (\$)	Fees earned or paid in cash (\$)	Stock awards (\$) ⁽²⁾	Option awards (#) ⁽⁵⁾	Non-stock incentive plan compensation (\$)	All other compensation (\$)
Ronald J. Mittelstaedt and Eugene V. Dupreau ⁽¹⁾						
Robert H. Davis	37,500	37,500		21,000		
Michael W. Harlan	185,428 ⁽³⁾	41,250		21,000		
William J. Razzouk	214,155 ⁽⁴⁾	37,500		21,000		

⁽¹⁾ Directors who are officers or employees of Waste Connections do not currently receive any compensation as directors or for attending meetings of the Board of Directors or its committees.

⁽²⁾ No restricted stock or restricted stock unit awards were made to any of our directors as compensation for their service as directors or for attending meetings of the Board of Directors or its committees in 2005. See the Principal Stockholders table on page 3 for details on the amount of Waste Connections common stock beneficially owned by each of our directors as of March 1, 2006.

⁽³⁾ Includes \$144,778 realized upon the exercise of options granted to him in 2003.

⁽⁴⁾ Includes \$176,655 realized upon the exercise of options granted to him in 2003.

⁽⁵⁾ Each option has an exercise price of \$33.01, the fair market value per share of common stock on the grant date, and is immediately exercisable and vested as to all the option shares.

Each independent director receives a monthly retainer of \$1,625 plus a fee of \$4,500 for attending each Board meeting and each committee meeting (unless held in conjunction with a full Board meeting) in person and reimbursement of reasonable expenses incurred. Committee chairs receive the following additional compensation, which amounts are added to their monthly retainers: Audit Committee Chair \$500, Compensation Committee Chair \$125, and Nominating and Corporate Governance Committee Chair \$125. The monthly retainer is intended to compensate independent directors for participation in meetings held by conference call and for incidental participation in company affairs between meetings.

We granted each independent director an option to purchase shares of our common stock at the time of his or her initial election or appointment. Historically, we have also granted each independent director an option to purchase between 15,000 and 30,000 shares of our common stock each year during which the director served on the Board. In 2005, we granted each independent director options to purchase 21,000 shares of our common stock. Those options have an exercise price equal to the fair market value of the common stock on the grant date, vest in full on the grant date and expire upon the earlier of ten years after the grant date or one year after the director ceases to be a member of the Board. Independent directors are also eligible to participate in our Amended and Restated 2004 Equity Incentive Plan, which provides for the issuance of restricted stock and restricted stock units. The number of options granted to independent directors annually may be below the range listed above in the event such directors receive grants of restricted stock or restricted stock units in conjunction with options. Consistent with our intention of granting more restricted stock units and fewer stock options to our management team, the annual grants made to each of our independent directors in 2006 consisted of 3,750 restricted stock units under our Amended and Restated 2004 Equity Incentive Plan. The units vest in two successive, equal, annual installments upon the director's completion of each year of continued board service over the two-year period measured from the February 14, 2006 grant date. The 2006 annual grants to our independent directors did not contain any stock options.

Directors Equity Ownership

The Board has established a policy that requires each current independent director to own a number of shares of our common stock with a market value at the time of purchase equal to approximately three times the director's annual cash compensation for serving as a director. New directors are required to acquire ownership of that number of shares over a three year period of time commencing with their appointment or election to the Board.

EXECUTIVE COMPENSATION

The following table contains information about the annual and long-term compensation earned in 2005, 2004 and 2003 by our Chief Executive Officer, Ronald J. Mittelstaedt, and our four other most highly compensated executive officers. The persons named in the table are sometimes referred to in this proxy statement as the named executive officers. Mr. Mittelstaedt has been compensated in accordance with the terms of his Employment Agreement, which is described below. Shares and share prices discussed in this proxy statement have been adjusted to reflect our three-for-two stock split, in the form of a 50% stock dividend, effective as of June 24, 2004.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation	All Other Compensation
		Salary (\$) ⁽¹⁾	Bonus (\$) ⁽¹⁾	Shares Underlying Options Granted ⁽²⁾	
Ronald J. Mittelstaedt	2005	390,000		95,000	8,965 ⁽³⁾
Chief Executive Officer	2004	307,500		157,501	6,500 ⁽³⁾
and Chairman	2003	295,000	&nb		