

Rate Increase Notice

September 1, 2018

Dear Valued Customer,

Sound Disposal is pleased to be your solid waste services collection provider. We value your business and welcome your feedback on our services.

Because of uncontrollable market conditions, the cost to process the recyclables that we collect has risen rapidly following an announced ban by China of many recyclable materials and new unachievable quality requirements by the overseas markets. Due to the volatility and unpredictability of these impacts, rather than a permanent increase to recycling collection rates, we believe that a temporary commodity adjustment is an appropriate mechanism for managing increased processing costs.

Accordingly, we have applied for a commodity adjustment to our recycling collection rates, subject to the review and approval of the Washington Utilities and Transportation Commission (UTC). If approved, the commodity adjustment would become effective October 1, 2018. The commodity adjustment being requested will be in effect for one year and depending on the changes in the volatile markets, will be adjusted each year either higher or lower than the initial commodity adjustment of **\$3.15/mo.** The company will be required to reapply to the UTC for the commodity adjustment each year.

The UTC has the authority to set final rates that may be lower or higher than the proposed rate reflected in this letter, depending on the outcome of its investigation. You can comment by using the "Submit a Comment" feature at the commission's web site, at comments@utc.wa.gov or by using the contact information below. Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on September 27, 2018. If you choose to do so, you will have an opportunity to comment in person at this meeting. The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the commission at (360) 664-1132 or human_resources@utc.wa.gov.

If you are unable to attend the open meeting, the commission has a bridge line which enables you to participate by telephone. Call 360-664-1234 the day before the open meeting for instructions and to sign in.

*Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Post Office Box 47250, Olympia, WA 98504-7250
Telephone: 1-888-333-WUTC (9882)*

Sound Disposal will continue to work diligently to mitigate the cost implications of these developments but simply put, it is more expensive to meet these stringent demands. As a valued customer, you can do your part to help us mitigate these costs by making certain that you are only recycling clean materials allowed in your recycling program that are free from contamination. "When in doubt, throw it out!"

For questions about your service, or if you have questions or need additional information about the proposal, please call us at 425-778-2404.

Thank you for your business.

Sound Disposal