



7343 E. Marginal Way S., Seattle, WA 98108  
877-764-5748 | CEDAR-GROVE.COM

May 10, 2019

Waste Management of Washington, Inc.  
Attn: Area Vice President  
720 Fourth Avenue, Suite 400  
Kirkland, WA 98033

Via certified mail and electronic delivery

RE: Regulatory/ Sort Fee Adjustment

Mr. Rose,

I write regarding changes in our industry that are adversely impacting our ability to process organic material at our Maple Valley and Everett compost facilities. As explained further below, Cedar Grove is requesting a fee adjustment under our Amended and Consolidated Compostable Waste Processing Agreement.

Our requested fee adjustment is based on increased contamination and recent permit changes that combined are significantly impacting our operational efficiencies including how we must process material in order to produce clean finished compost products and useable by-products. These organics processing issues are akin to similar changes taking place in the aftermath of the National Sword whereby contamination levels are requiring processors to spend more time and money to ensure commodities are marketable post-processing.

As a result of the changes noted above Cedar Grove needs to update this fee. We continue to invest substantial capital at both of our local facilities. New technology has improved our ability to process organic material and limit contamination, but it does not come without significant cost. In order to preserve the efficiencies in our operations and associated changes, we are imposing an additional \$8.25 per ton to our Contamination/Regulatory Fee pursuant to our agreement. This adjustment will be effective on July 1<sup>st</sup>, 2019. Please know we are instituting adjustments on the contamination fee we charge other municipal haulers as well.

We look forward to meeting you person to provide additional information about this adjustment and will fully cooperate with you in any discussion with our municipal partners. We appreciate our long-standing business relationship as well as your commitment to the local

solid waste and recycling infrastructure. Please do not hesitate to contact us with any additional questions you may have.

Respectfully,



J. Stephan Banchemo, III  
PRESIDENT