



January 15, 2010

Preston Cole
Chair, Recycling Task Force
City of Milwaukee Dept of Public Works
841 N Broadway, Rm 501
Milwaukee, WI 53202
preston.cole@milwaukee.gov

Re: Letter of Interest in the design, build, retrofit, and/or operation of a recycling facility for the City of Milwaukee

Dear Mr. Cole:

FCR, LLC is pleased to submit this Letter of Interest to you and the City of Milwaukee's Recycling Advisory Board. We understand that the City is in the process of investigating the next step in developing the future of recycling for Milwaukee and its residents. We understand that your task force has been working on options for the City's future in recycling, and that several scenarios have been discussed. We are very interested in the opportunity of submitting proposals detailing plans to operate your existing MRF, to retrofit the current MRF with new Single Stream equipment, or develop a regional municipal processing facility with the City and surrounding communities. There may be other initiatives that we may explore together to further expand and improve the recycling initiatives currently in place. We would like the opportunity to offer our expertise and experience to the City as it takes the next step in its efforts to create a world class recycling program. We take great pride in our track record of building mutually beneficial partnerships with municipalities throughout the country.

By way of introduction, FCR is a wholly owned subsidiary of Casella Waste Systems, Inc., a publicly held company listed on the NASDAQ stock exchange, "CWST". Casella's substantial operational and MIS systems, as well as financial resources, support all of FCR's endeavors. As the "recycling arm" of Casella, FCR brings a wealth of design, project management, and operational experience to projects. Our parent company brings the same level of expertise in solid waste management services and business development.

- Experience - FCR has been in the recycling business since 1981. We currently operate 24 Materials Recovery Facilities (MRFs) which are processing over 1,400,000 tons per year of mixed curbside-collected recyclables including glass bottles, metal cans, plastic containers, aseptic containers, corrugated cardboard, magazines, junk mail, phone books and newspaper. We are proud of our record and we encourage you to contact any and all of the contract/project managers who are our major customers. We are confident that our customer references will establish our industry leading credibility.
- Processing - FCR operates 7 single stream MRFs. Within the year, two more of our facilities will be converted to single stream, and there are current plans to convert three others. Our approach to single stream has been deliberate; concentrating on product quality and maximum recovery, and responding to our customers' needs. We have listened carefully to the paper mills and have taken careful steps toward single stream processing because of their concerns. We have identified challenges in glass markets as more facilities convert to single stream collection and processing and continue to pursue glass recycling initiatives. We have

nurtured partnerships and developed our own capacity to make furnace-ready cullet for the bottle makers to improve the value we can gain from recyclable glass. We have responsibly expanded our recyclable material specifications to include more plastic items- all without losing our focus on our core priorities:

- 1. Safety**
- 2. Product Quality**
- 3. Productivity**

- Design – Half of the facilities that FCR operates required furnishing a new facility. FCR was responsible for the design and construction of the original MRF from the ground up. The other half existed when FCR took the operation over. In these cases, FCR was responsible for the extensive retrofit of equipment and buildings so that the facilities would meet our needs and the demands of our municipal customers. We are fully prepared to offer you design recommendations, procure the equipment system, manage the building expansion project, and oversee the construction and installation of the processing equipment.
- Project Approach – We would like the opportunity to sit down, meet with you and walk through in more detail our accomplishments, current municipal deal structures and the mutually beneficial partnerships which make us the premier municipal recycling partner in the United States.
- Operations Management – FCR’s organizational structure has been developed carefully to provide all the oversight and support from corporate management to make the local facility manager successful. Plant Managers report to Area Managers, who report directly to FCR’s Vice-President of Operations. Corporate functions that support the facility include commodity marketing, safety policy and training, environmental compliance and permitting, accounting, human resources, and equipment maintenance. Detailed, professional maintenance procedures, including planned maintenance schedules and reporting requirements, are an integral part of operations.

Operations are scrutinized on a daily, weekly, and monthly basis through a series of management reports that are systematically generated by our Controllers. Area Managers routinely review these reports so that Plant Managers are never without a support system to keep plants running the way they were intended. These, and other strategic policies, are why FCR has earned such an excellent reputation for residential MRF operations throughout the eastern and central U.S.

- Commodity Marketing - FCR markets over one million tons per year of recyclable commodities to export and domestic markets. FCR’s marketing knowledge and clout provides our customers with two assurances: they will earn the maximum value for their recyclables and they will be assured of product movement, even in the worst of market conditions.

Because the operation of MRFs is essentially FCR’s only business, our success depends on the satisfaction of our municipal customers. The City can be assured that FCR will apply the highest standards of design, project management, and operations management to your facility. We want to continue to earn your business for the long-term; and, the best way to do that is to be the best partner we can be on your recycling team.

Sincerely,

Stephen Klemann
Area Manager Business Development
FCR Recycling
Casella Waste Systems

Daniel Kurtz
Area Manager
FCR Recycling
Casella Waste Systems