

ROCK  
RIVER ENVIRONMENTAL  
SERVICES

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June 21, 2012

Mayor Chet Olson  
City Manager, David Plyman  
Rochelle City Council  
The City of Rochelle  
420 North 6th St.  
PO Box 601  
Rochelle, IL 61068

Re: Consent for Assignment of the Waste Collection Agreement

Dear Council Members, Mayor and City Manager;

I am pleased to offer this background and operational description of our company, Rock River Environmental Services, Inc. (RRES). It is my intention to clearly identify ourselves as you consider Mr. Clyde Gelderloos' request for a Consent for Assignment of the Waste Collection Agreement between Rochelle Disposal Service Inc. (RDS) and the City of Rochelle (City).

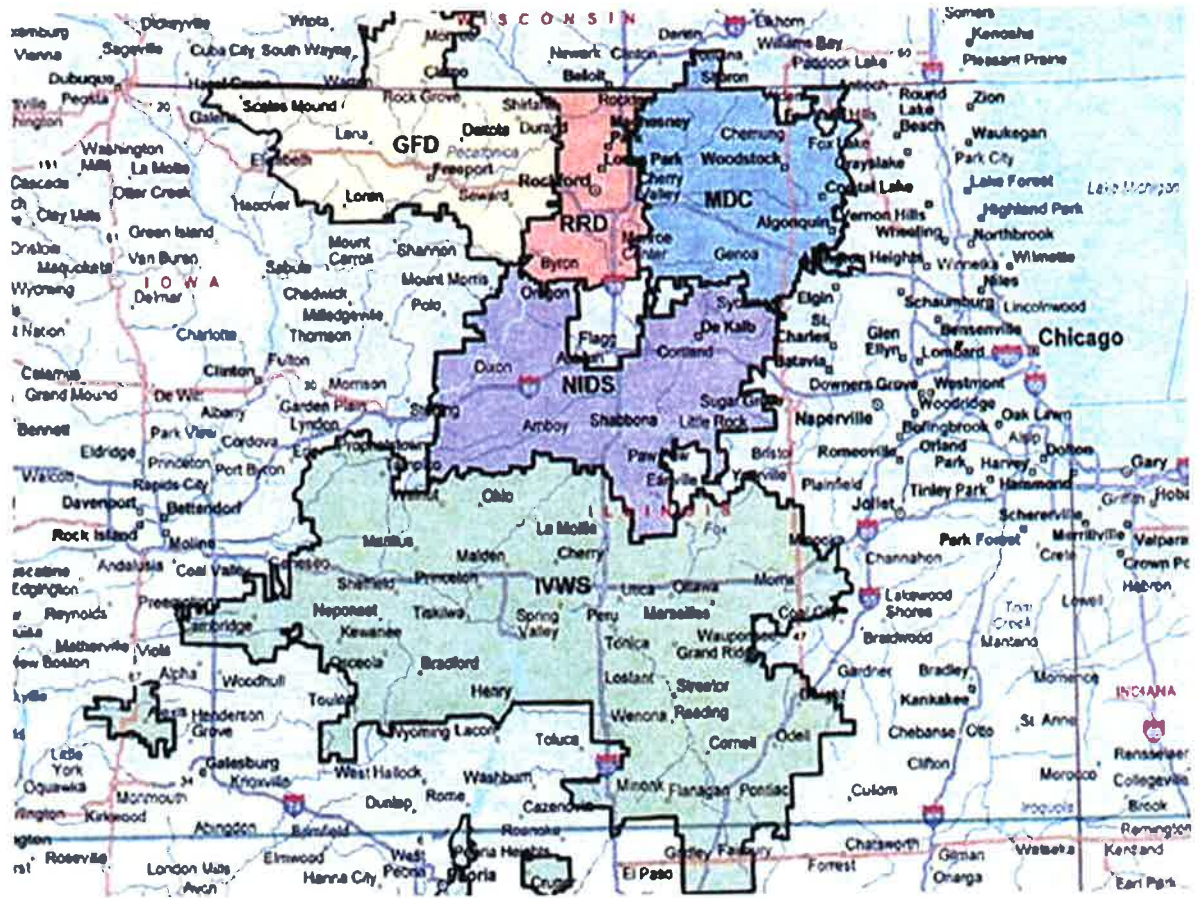
MWE Holdings Company, LLC (MWE) the holding company of RRES, was formed in February 2011 for the sole purpose of recapitalizing Rockford, IL based William Charles Waste Companies ("WCWC"). Private investors and company management led the recapitalization of WCWC, while certain of the William Charles, Ltd. ownership invested capital in MWE.

RRES is a fully integrated waste services company consisting of 2 MSW landfills, 5 hauling companies, 2 transfer stations, a landscape waste compost facility, and an industrial/environmental services business. RRES operates in an 18 county area in the Northern Illinois region west of Chicago. RRES's two landfills, one fully owned and the other is the City of Rochelle's Municipal Landfill No. 2 (Rochelle landfill) landfill that Rochelle Waste Disposal, L.L.C. operates, accept waste from the metropolitan Chicago transfer market as well as internal direct haul waste generated by its own residential, commercial, and industrial hauling businesses. Between the two landfills, on average over 5,000 tons per day is accepted. The hauling companies serve over 155,000 residential households and nearly 9,200 commercial customers.

RRES collects, transports, and disposes of MSW and C&D waste in the northern Illinois region west of Chicago. RRES is made up of several distinct operating entities: the landfill business and the hauling business. Pursuant to an asset purchase agreement with RDSI, RRES will purchase the other 50% interest from RDS, its JV partner in Rochelle Waste Disposal, L.L.C., and will continue operations there, along with its other landfill, the Winnebago Landfill. The hauling business is operated by RRD Holding Company (RRD), an Illinois corporation which is a wholly-owned subsidiary of RRES. The hauling business consists of five hauling divisions that service over 155,000 residential customers and nearly 9,200 commercial customers in 18 counties in northern Illinois.

The five hauling divisions are named below and their respective service areas are depicted on the following map:

- Rock River Disposal Services (“RRD”)
- Marengo Disposal Company (“MDC”)
- Northern Illinois Disposal Services (“NIDS”)
- Gills Freeport Disposal (“GFD”)
- Illinois Valley Waste Services (“IVWS”)



A list of the municipal contracts and a contact for each of those municipalities is attached to this letter as Exhibit A

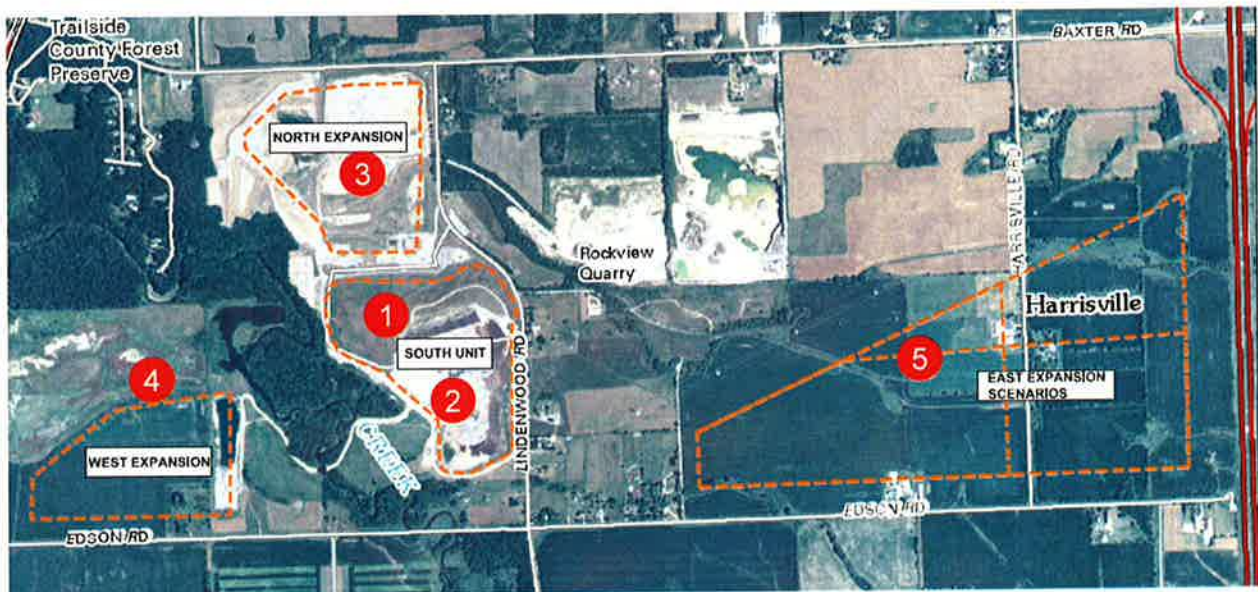
RRES also has an environmental and industrial services division that provides removal and disposal of hazardous wastes, contaminated liquids, and contaminated soils. The environmental and industrial services division also provides disaster remediation and clean up services. In the following pages, we will discuss each operating entity individually.

The image on the next page indicates where each entity is located.



The Winnebago Landfill (“Winnebago”) is a fully sited and permitted Subtitle D landfill that accepts MSW, C&D waste, industrial water, Asbestos, other materials including non-hazardous special wastes and recycling residuals. Winnebago is currently used to internalize the majority of the waste collected by RRES’s hauling divisions, which account for roughly 800 tons per day of RRES’s internally generated total daily volume. Additionally, Winnebago accepts transfer waste from transfer stations in the Chicago market, which accounts for about 4,000 tons per day. In 2009 Winnebago accepted 864,964 tons of waste and expects to receive over 1,200,000 tons in 2012. The significant increase is due to the acquisition of a large new customer who signed a 5 ½ year contract in late 2009.

Winnebago consists of five distinct operating areas as shown in the aerial photo below.



1. North Unit - The North Unit was in operation from 1972 until 2000 and is currently closed.
2. South Unit - The South Unit was in operation from 2000 until 2009 (with a final top off of 30,000 – 50,000 tons in late 2010/early 2011) and is in the process of being capped and closed.
3. North Expansion - The North Expansion opened in August of 2008 and is currently accepting waste. It has a sited and permitted capacity of 10.8 million cubic yards which, as of September 2011, represents approximately 3.75 years of remaining capacity at current daily volumes.
4. West Expansion – The West Expansion has received local siting for up to 8.0 million cubic yards of capacity. This sited capacity represents 4.61 years of capacity at current daily volumes. RRES is currently in the process of securing Illinois Environmental Protection Agency (“IEPA”) permitting for the West Expansion. Such permitting is expected to be granted in early Q3 2012.
5. The East Expansion – The East Expansion represents a significant opportunity for RRES. RRES management intends to seek siting and permitting for up to 51 million cubic yards of capacity in the East Expansion. This would represent nearly 33 years of capacity at current daily volumes.

RRES's hauling business consists of 5 distinct hauling companies that serve different geographical areas. The Company's hauling operations provide residential, commercial, and industrial/roll-off services in an 18 county area.

- Residential Services

The residential services business collects, transports, and disposes of solid waste for large municipalities, small communities and individual residential customers. Residential services include MSW hauling, recycling, and composting, which are typically provided under long term contracts with municipalities.

- Commercial Services

The commercial services business collects and transports solid waste for commercial customers, including multifamily housing, offices, retail, gas/convenience stations, and restaurants. Fees for this service are generally billed in advance on a monthly basis and are tied to standard five year contracts that automatically renew.

- Industrial/Roll-Off Services

The industrial/roll-off services business provides large, open-top, rectangular containers that can be filled with MSW or C&D and hauled to a disposal facility either on an on-call or regularly scheduled basis. Customers for this service include construction and demolition, home clean-ups, and large waste generators like hospitals or factories.

- Environmental Services

The environmental services business offers a full range of services with its vacuum truck and other equipment including:

- Bulk liquid and sludge removal.
- Drum waste disposal.
- Chemical lab packing.
- Oil/fuel/coolant recycling.
- Tank cleaning.
- Decontamination services.
- High hazard chemical management.
- Remediation.

## **Hauling Locations**

The hauling divisions are housed in facilities, except for NIDS, that include administrative offices and repair and maintenance shops for both preventative and repair services for the respective company's fleet. The GFD and IVWS locations are owned, while the other locations are leased.

- Rock River Disposal ("RRD") – RRD is located in Rockford, IL and provides residential, commercial, and industrial/roll off services to the Greater Rockford area. RRD services 75,619 residential customers, 2,233 commercial customers, as well as its industrial/roll off customers.
- Marengo Disposal ("MDC") – MDC is located in Marengo, IL and provides residential, commercial, and industrial/roll off services to municipalities and commercial customers located primarily in McHenry, Boone, Lake and Winnebago counties. MDC services 46,192 residential customers, 3,004 commercial customers, as well as its industrial/roll off customers with a fleet of 60 trucks. MDC utilizes a Crystal Lake-based Waste Management, Inc. transfer station as its primary disposal facility. The waste is then transferred to the Winnebago Landfill.
- Northern Illinois Disposal Services ("NIDS") – NIDS is located in Waterman, IL and provides residential, commercial, and industrial/roll off services to municipalities and commercial customers located primarily in DeKalb, Kendall and Kane counties. NIDS services 2,482 residential customers, 801 commercial customers, as well as its industrial/roll off customers with a fleet of 7 trucks. NIDS utilizes the Rochelle Landfill as its primary disposal facility.
- Gills Freeport Disposal ("GFD") – GFD is located in Freeport, IL and provides residential, commercial, and industrial/roll off services to municipalities and commercial customers located primarily in Stephenson and Winnebago counties and into Wisconsin. GFD services 14,878 residential customers, 1,337 commercial customers, as well as its industrial/roll off customers with a fleet of 13 trucks. GFD also operates, with its joint venture partner, a transfer station in Freeport and GFD utilizes this transfer station as its primary disposal facility. The waste is then transferred to the Winnebago Landfill.
- Illinois Valley Waste Services ("IVWS") - IVWS is located in Princeton, IL and provides residential, commercial, and industrial/roll off services to municipalities and commercial customers located primarily in LaSalle and Lee counties. IVWS services 16,066 residential customers, 1,814 commercial customers, as well as its industrial/roll off customers with a fleet of 23 trucks. IVWS also operates the Princeton Transfer Station which is also located on an adjacent lot near the IVWS facility. IVWS utilizes this transfer station as its primary disposal facility. The waste is then transferred to a third party landfill.

**Below are the resumes for our senior management team:**

John Lichty, President & CEO

Mr. Lichty, who had been with William Charles, Ltd. and WCWC, and RRES for a combined 34 years, is responsible for all aspects of RRES's operations, with a primary focus on the business strategy, management team development, community and public relations, acquisitions and divestitures, and responsibilities as Chairman of the Board of Directors of RRES. Mr. Lichty is current on all of his landfill certifications and regularly attends university and waste conferences to maintain landfill, special waste and other industry certifications. He also participates in management and financial conferences. Mr. Lichty serves on the Board of Directors of Rockford Area Crimestoppers and Chairman of the Saint Anthony Medical Foundation Board.

Pete Lyons, COO

Mr. Lyons began his career working in his family's waste hauling business. He continued his career with a public solid waste company, Browning Ferris Industries, and then joined WCWC organization over 14 years ago. At RRES, Mr. Lyons is involved in all aspects of hauling and landfill operations, new municipal contract negotiations and renewals, labor contract negotiations, and safety training and employee relations. He has participated in continuing education programs at Rock Valley Community College, industry seminars, and course work at the University of Wisconsin.

Thomas Hilbert, VP-Environmental Engineering

Mr. Hilbert has been with WCWC/RRES for 19 years. His depth of experience in landfill design and permitting has been applied recently to successful expansion permits at the Winnebago Landfill and the Freeport Transfer Station. Mr. Hilbert received his B.S. degree in geophysics from Western Washington University and his M.S. degree in environmental engineering from the University of Arizona. He has received significant supplemental education on landfill leachate, gas managements and applied groundwater modeling. He is an active member of the Midwest Chapter of the NSWMA (National Solid Waste Management Association), recently completing a 3 year term as Chairman. Mr. Hilbert is a member of the American Geophysics Society, Water Environment Federation, National Groundwater Association and the American Society of Civil Engineers.


Rob Otto, Controller

Mr. Otto is responsible for the financial activities of the Company. He oversees the accounting department, the monthly financial reporting, and also interacts effectively with its sales and customer service representatives. With over 18 years of experience in finance and accounting, Rob has been with WCWC/RRES for over four years. He participates in all aspects of upper management planning, budgeting, business development and operational analysis. Prior to joining WCWC, he worked for Abbott Laboratories, Arthur Andersen and Amoco Corporation in financial planning and analysis management. Mr. Otto has B.S. degrees in accounting and in industrial management/computer systems from Purdue University and an MBA in finance and marketing from the University of Chicago.

I want to stress that all of our businesses are local providers of an essential public service and RDS and NIDS are no exception, therefore the newly consolidated company will be based in Rochelle. This not only preserves RDS and RWD as Rochelle employees, but we will move existing NIDS operations and employees to Rochelle as well.

In closing, I want to thank the City of Rochelle for your consideration in this matter. Mr. Gelderloos has operated a great company in Rochelle since 1969 and we were privileged to join both he and the City as partners in 1995. We are excited to have the opportunity to be a party to Mr. Gelderloos' plans for his transition and to continue a valued relationship with Rochelle.

If you have any questions please do not hesitate to contact me at 815-963-7520 or [jllichty@rresvcs.com](mailto:jllichty@rresvcs.com).



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John Lichty, President & CEO  
Rock River Environmental Services

**Exhibit A:**

<b>Contracted Municipalities</b>			
<b>Municipality</b>	<b>Contact</b>	<b>Phone Number</b>	<b>Hauler</b>
City of McHenry	Mayor Susan E. Low	815-363-2100	MDC Environmental Services
Village of Buda	Mayor Jeff Bitting	309-895-2408	Illinois Valley Waste Services
Village of Lakewood	President Erin Smith	815-459-3025	MDC Environmental Services
Village of Bureau	President Rodney Crowther	815-915-3886	Illinois Valley Waste Services
City of Marengo	Mayor Don Lockhart	815-568-7112	MDC Environmental Services
Village of Warren	President Wayne Raisbeck	815-745-3315	Gill's Freeport Disposal
Village of Utica	President Fred Esmond	815-667-4111	Illinois Valley Waste Services
Village of Capron	President Jason Kruckenberg	815-569-2351	MDC Environmental Services
Village of Franklin Grove	Mayor Bob Logan	815-456-2131	Northern Illinois Disposal
Village of Shabbona	President Claudia Hicks	815-824-2580	Northern Illinois Disposal
Village of Stockton	President Rodney A. Brandt	815-947-2515	Gill's Freeport Disposal
Village of Ridott	Mayor Kim Kopp	815-233-0291	Gill's Freeport Disposal
Village of Dakota	President Bill Lucas	815-986-4766	Gill's Freeport Disposal
Village of Davis	President Brad Meinert	815-865-5792	Gill's Freeport Disposal
Village of McCullom Lake	President Terry Counley	815-385-2211	MDC Environmental Services
City of Harvard	Mayor Jay Nolan	815-943-6468	MDC Environmental Services
City of Loves Park	Mayor Darryl F. Lindberg	815-654-5030	Rock River Disposal
City of Rockford	Mayor Lawrence J. Morrissey	815-987-5590	Rock River Disposal
Village of Orangeville	President Don Hoyle	815-789-4779	Gill's Freeport Disposal
Village of Mineral	Mayor Glen Morey	309-288-3351	Illinois Valley Waste Services
Village of Pearl City	Mayor Bob Knoup	815-235-9777	Gill's Freeport Disposal
Village of Wonder Lake	Mayor Anthony Topf	815-728-0839	MDC Environmental Services
City of Woodstock	Mayor Brian Sager	815-338-4302	MDC Environmental Services
Village of Winnebago	President Frank Eubank	815-335-2020	Gill's Freeport Disposal
Village of Huntley	Mayor Charles H. Sass	847-669-3428	MDC Environmental Services
Village of Roscoe	President David A. Krienke	815-509-8984	Rock River Disposal
Village of Lee	President Richard Boris	815-824-2323	Northern Illinois Disposal
Village of Cherry Valley	President Jim E. Claeysen	815-332-3441	Rock River Disposal
Village of Ladd	President Mike Grivetti	815-894-2440	Illinois Valley Waste Services
Village of Machesney Park	President Tom Strickland	815-877-5432 ext 204	Rock River Disposal
Village of Depue	President Eric Bryant	815-447-2177	Illinois Valley Waste Services
Village of Seatonville	President Rick Piontek	815-894-2114	Illinois Valley Waste Services
City of Spring Valley	Mayor Cliff Banks	815-664-4221	Illinois Valley Waste Services
Virgil Township	Supervisor Judith (Probst) Yagen	815-827-3383	Northern Illinois Disposal
Village of Union	President Robert Wagner	815-923-4153	MDC Environmental Services
Village of Lostant	President Fred Hartenbower	815-368-3341	Illinois Valley Waste Services

<b>Contracted Municipalities</b>			
<b>Municipality</b>	<b>Contact</b>	<b>Phone Number</b>	<b>Hauler</b>
City of LaSalle	Mayor Jeff Grove	815-223-3755	Illinois Valley Waste Services
Village of Tiskilwa	President Randy Phillhauer	815-646-4481	Illinois Valley Waste Services
Village of Neponset	President Carl Rohrig	309-594-2268	Illinois Valley Waste Services
Village of New Bedford	President Tom Slock	815-445-4931	Illinois Valley Waste Services
Village of Malden	President Robert Turpen	815-643-2517	Illinois Valley Waste Services
Village of Tonica	President Roger Thompson	815-442-3104	Illinois Valley Waste Services
Village of Gilberts	President Rick Zirk	847-428-2861	MDC Environmental Services
Village of Lena	President Dennis Bergman	815-291-1414	Gill's Freeport Disposal
Village of Pecatonica	President Shawn Connors	815-239-2310	Gill's Freeport Disposal
Village of Waterman	Mayor Tom Ekle	815-264-3652	Northern Illinois Disposal
Village of Sublette	President John Stenzel	815-849-5428	Illinois Valley Waste Services
City of Crystal Lake	Mayor Aaron T. Shepley	815-459-2020	MDC Environmental Services
City of Freeport	Mayor George Gaulrapp	815-235-8200	Gill's Freeport Disposal
Village of Hennepin	President Kevin Coleman	815-925-7138	Illinois Valley Waste Services
Village of Poplar Grove	President John Neitzel	815-765-3201	MDC Environmental Services