



JACKSON WALKER L.L.P.  
ATTORNEYS & COUNSELORS

Don W. Griffis  
(325) 481-2566 (Direct Dial)  
(325) 481-2574 (Direct Fax)  
dgriffis@jw.com

September 26, 2014

*Via Hand Delivery*

Ms. Lysia H. Bowling  
City Attorney  
City Hall, Third Floor  
72 W. College Ave.  
San Angelo, Texas 76903

Re: Republic Waste Services of Texas, Ltd. Refund Review

Dear Ms. Bowling:

This letter provides an update regarding the review of San Angelo commercial billing statements that Republic Waste Services of Texas, Ltd. announced on June 27, 2014. Today we reconfirm that Republic will be refunding certain amounts charged to our commercial and industrial customers located in San Angelo going back to August 1, 2004. All the amounts to be refunded were charged in good faith. Nonetheless, Republic is voluntarily refunding these charges, with interest, to address any concern that amounts charged by Republic were incorrect or unauthorized.

The refund to be paid to San Angelo commercial and industrial customers consists of the following components: (1) all environmental recovery fees (ERF); (2) all fuel recovery fees, above the amounts expressly authorized by ordinance (FRF); and (3) all franchise fee and sales tax amounts that were added to bills on the basis of these ERF or FRF amounts. Although the applicable statutes of limitations would restrict legal claims to, at most, the last four years, Republic has elected to provide the refund for bills going back to August 1, 2004, which includes the full ten-year term of Republic's prior contract with the City. The refund also will include interest at the rate of 3.5%. The total amount subject to refund is in excess of \$6 million.

Republic's refund is based on a review of ten years of billing data for San Angelo commercial and industrial customers. We were assisted in this review by a leading international accounting firm. We have worked with the accountants to provide for refund calculations that are comprehensive and accurate. Republic takes responsibility for these calculations. We stand ready to make corrections or adjustments if warranted by additional information.

September 26, 2014

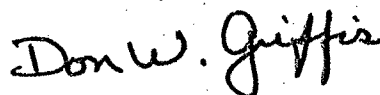
Page 2

---

Republic will begin mailing refund notices and checks to customers in October. Refund notices and checks will be mailed to current and last known customer addresses. We recognize that there will be challenges locating customers who may have moved from the area, gone through name changes, and for other reasons, and we will attempt to locate rightful recipients.

Republic looks forward to completing its refund program. We will keep the City informed of our progress. Republic is committed to making its new contract with the City a success for all our customers, for the City, and for Republic, and to continuing to provide all of its San Angelo customers with quality service and integrity at the highest level.

Sincerely,



Don W. Griffis