



WASTE MANAGEMENT

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Waste Management
13325 NE 126th PL
Kirkland, WA 98034

City of Sedro-Woolley
315 Sterling St.
Sedro-Woolley, WA 98284

Dear Leo Jacobs,

Effective May 1st, 2010, Washington State Legislature passed item 2ESSB 6143, temporarily implementing a 0.3% increase on the Business and Occupation (B&O) tax rate assessed on businesses operating in the State of Washington. This results in an overall tax of 1.8%.

Section 3.7.3 of Waste Management's contract with the City states:

Contractor's compensation for recycling collection shall be adjusted for any actual increases in costs attributable to any local, state, or federal statute, regulation, ordinance, or law that imposes additional taxes, fees, or surcharges on Contractor's operations, effective after the execution of this agreement.

In response to this provision, Waste Management is implementing the increased B&O tax in the form of a rate adjustment, effective September 1, 2010. The B&O tax is currently slated for a period of 3 years, at the end of which, WM will review and remove the increased tax provided the State of Washington does not extend the duration of the tax period.

Please do not hesitate to contact me with any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that reads 'Elena Araujo'. The signature is written in a cursive style and is positioned above a horizontal line.

Elena Araujo

From everyday collection to environmental protection, Think Green® Think Waste Management.