

June 8, 2009

Honorable Ronnie S. Williams, Mayor
Town of Garner
900 7th Ave.
Garner, NC 27529

Shaw Sanitation Services, Inc has provided residential refuse removal services for over thirty years. We have never conducted or contracted a marketing campaign to grow our business. Shaw Sanitation has grown one customer at a time by providing good and reliable service. Starting in the southeast Raleigh area in 1975 with a few customers we are now servicing over 14,000 individual customers in all of unincorporated Wake County and adjacent areas of surrounding Counties. In October of 2005 we purchased Waste Management's residential business in Wake County. Our business has grown at a steady pace over the past fifteen years.

During the twelve year period ending June 30, 2007 Shaw Sanitation Services was awarded contracts by the City of Raleigh as a result of competitive bids. Each contract was for three years. In 2005 our contacts with the city serviced 5,304 city residences for weekly Trash and Yard Waste, and bi-weekly recycling removal. Some of these contracts required back door service. We were the last Vendor with a City of Raleigh contract, our last contract ended June 30, 2007, when its sanitation department assumed full responsibility for city refuse removal effective July 1, 2007. We never defaulted on a city contract nor were we ever fined or cited for any reason. We provided our city customers excellent service. None of our current customers (Approx. 14,000) are covered by a Municipal Contract; however, we do have significant Municipal experience.

Shaw Sanitation Services has the financial ability to provide the equipment and personnel required to successfully implement the requirements specified by The Town of Garner bid document. We have secured the necessary approval for financing the equipment we will need when the contract is awarded. We intend to purchase at least four new refuse trucks and a new self contained leaf vacuum truck. We have an excellent record of paying our financial obligations. We have never defaulted on a loan and we have always paid our lenders and vendors in the manner that was required. We have never used a line of credit. We have never consolidated debt to enhance cash flow. We have always been conservative enough to have sufficient cash flow. We moved into a new 10,000 sq ft, 2.5 Acre facility in December, 2008.

I am the sole owner and Chief Executive Officer of Shaw Sanitation Services. I have been involved with the business since its beginning and assumed CEO responsibilities when my Husband, Vernon Shaw died in May, 1995. Harry Jeffreys, my son and a graduate of NC A&T University, has worked with the company full time since 1993 and is responsible for external operations. As a teenager Harry worked part time and summers as a crew

member. He continued working summers and school breaks while attending college. Craig Jackson, my brother and Vice President & CFO began working with me as a consultant in 1995. He had a thirty year career in Higher Education in the areas of business and finance. The last twenty of those years he was a Vice President for Business and Finance at two community colleges. In March 2005 he became my full time VP/CFO. We have a strong and experienced core leadership team. In addition, our external supervisor has been with us over twenty years. The average tenure for our current drivers and crew members is 7.5 years. Employee benefits include paid vacation & sick leave, and company sponsored health & dental insurance. We are well positioned to provide excellent service to the Town of Garner.

Shaw Sanitation Services had never received any adverse publicity before the Five On Your Side feature two weeks ago. As I made it clear in my written response to this incident, it is the policy of Shaw Sanitation Services not to mix trash and recycling. There is no excuse for the crew member putting recycling in the hopper with garbage! Each driver has a cell phone. The driver of the garbage truck should have called the office and reported that the recycling needed to be picked up. It has been made clear to Drivers, Crew Members and Supervisors that recycling is not to be picked up and mixed with garbage. If a garbage crew sees missed recycling they are to call it in. We have adequate staff, equipment and financial resources to do the job properly. This was an isolated incident that could not have happened at a worst time. Any employee that places recycling in with garbage will be subject to immediate termination!

Harry Jeffreys had never been interviewed by the media. Mr. Jackson and I spoke with Harry after the TV interview and asked him why he was not forthcoming. He was totally out of sorts. He said he was extremely nervous and felt besieged. He indicated that he felt his future and the future of Shaw Sanitation Services were under attack and felt compelled to defend the company. He did not want this incident to be construed as representative of how we do business. He now realizes that his defensive posture was a mistake. He has been instructed to always be candid and truthful in the future. Craig Jackson is responsible for dealing with the media in the future.

The circumstances surrounding the customer that submitted the video are somewhat unusual. This customer's street (Robbins Dr) is isolated and tucked away adjacent to an area that we serviced under a City of Raleigh contract (897 Customers) until June, 30 2007. This customer's street is basically surrounded by the City of Raleigh. We acquired six customers, none of which recycled, on this street while servicing the 897 city customers. The customer that submitted the video started service 2/26/08 for trash and recycling. We failed to assign the customer to a recycling route. This Customer is the only recycling customer on this street. We have given the customer a 15 month credit for recycling and a quarter of trash and recycling service. We have retained the customer. There is no excuse for what happened, but this incident is not representative of Shaw Sanitation Services.

The Five On Your Side program referenced two faxes and one letter which we have examined closely. The Wake Forest fax dated February 2008 questioned the co-mingling of recycling. This customer was not complaining of recycling being mixed with garbage. Like most haulers we began co-mingling recycling in 2007 and picking it up in a regular garbage truck instead of the old recycling truck with separate sections for glass, paper etc. Although we placed signs on the trucks stating "this truck recycles today" some customers were still expecting the old recycling trucks with the compartments. The Fuquay-Varina fax dated August 2008 complained that recycling was mixed with garbage. This should not have happened because it is against company policy! The undated letter referenced returning from a trip after the Christmas Holidays so the letter may have been written in January 2008 or 2009. This customer did not reference mixing recycling and garbage. This individual questioned whether the recycling was dumped in the landfill because it was being picked up in a garbage truck. These referenced (3) pieces of correspondence received over an 18 month period should not be construed as representative of the service Shaw Sanitation Services renders to its 14,000 customers or its ability to render excellent service to The Town of Garner.

Shaw Sanitation Services has grown to 14,000 customers even though the City of Raleigh continues to annex our service areas. But we have grown by providing excellent service. Excellent Service is what categorizes Shaw Sanitation Services. We hope we have earned the opportunity to provide excellent service to The Town of Garner.

Respectfully Submitted

Nancy J Shaw, President

Cc: Honorable Buck Kennedy, Mayor Protem
Honorable Jackie Johns, Sr., Council Member
Honorable Ken Marshburn, Council Member
Honorable Gra Singleton, Council Member
Honorable Kathy Behringer, Council Member
Mr. Hardin Watkins, Town Manager