

Settlement Agreement and Amendment
to the Landfill Agreement

This Settlement Agreement and Amendment to the Landfill Agreement ("Amendment") is made and entered into on the 25th day of March, 2014, between the County of Peoria, Illinois and the City of Peoria, Illinois (hereinafter "Owners"), the City of Peoria/County of Peoria Joint Solid Waste Facility Committee (hereinafter "Committee") and Waste Management of Illinois, Inc. (hereinafter "Contractor").

Recitals

WHEREAS, the Owners, Committee, and Contractor are parties to a Landfill Agreement made on the 26th day of December, 1996 (the "Landfill Agreement") regarding Peoria City/County Landfill No. 2 (the "Landfill"); and

WHEREAS, issues have arisen among the parties to the Landfill Agreement involving most favored nations pricing, landscape waste, soil stockpiling, repair and permitting of the entrance road dam, and the host fee to be paid to the Committee; and

WHEREAS, the Owners claim past damages for Contractor's alleged breach of the most favored nations pricing set forth in Section 6.5a of Exhibit A to the Landfill Agreement, and Contractor claims past damages for the City of Peoria's alleged breach of the landscape waste guarantee set forth in Section 6.5b of Exhibit A to the Landfill Agreement (together, the "Disputes").

NOW THEREFORE, for and in consideration of the mutual promises, obligations, rights, and covenants set forth herein, the Owners, Committee, and Contractor have amicably agreed to resolve the Disputes and agree to amend the Landfill Agreement as set forth below.

Agreements

1. Host Fee. Effective as of January 1, 2013, Sections III.1 and III.3 of the Landfill Agreement are hereby amended by increasing the referenced host fee from

\$1.50 to \$2.15 per ton, with annual increases on each January 1 thereafter of 2½% per year. Any back payments due hereunder shall be made within sixty (60) days of the execution of this Amendment.

2. City of Peoria Rebate. Section III. of the Landfill Agreement is hereby amended by adding a new Section III.6 which states:

“Contractor will pay the City of Peoria a rebate for all Solid Waste (as defined in Exhibit A) delivered to the Landfill on behalf of the City of Peoria in the amount of \$2.80 per ton (“Rebate Multiplier”), effective January 1, 2013, with annual increases of the Rebate Multiplier of 2½% per year on each January 1 thereafter. Any rebates due from Contractor pursuant to this Section shall be paid by January 31st of each year for rebates earned in the immediately preceding year.”

Any back payments due hereunder shall be made within sixty (60) days of the execution of this Amendment.

3. Regulatory Submittals. Section II. of the Landfill Agreement is hereby amended by adding a new Section II.2 which states:

“The Committee agrees to act promptly and in good faith in respect to regulatory submittals made by Contractor with respect to the Landfill, including permit modifications submitted to the Illinois Environmental Protection Agency.”

4. Entrance Road Dam. At Contractor’s expense, Contractor will exercise reasonable efforts to resolve all issues with respect to the entrance road dam, consistent with the November 5, 2012 letter from Mackie Consultants attached hereto as Exhibit P, provided that such a resolution can be accomplished for \$150,000 or less. If such a resolution is not feasible or the cost exceeds \$150,000, the Committee and Contractor will discuss alternatives, in good faith, in an effort to resolve the entrance road dam issues. If they are unable to resolve them, either party may submit the issues to arbitration pursuant to the terms and conditions set forth in the Landfill Agreement.

5. Most Favored Nations Pricing. Section 6.5a of the General Conditions within Exhibit A (Specifications) to the Landfill Agreement is hereby deleted in its entirety and replaced with the following:

“In exchange for the City of Peoria’s guarantee to deliver refuse collected and not recycled via its residential collection contract to the Facility, the City of Peoria’s discounted tipping fee shall never exceed the lowest Municipal Waste tipping fee at the Facility under the terms of any contract between a municipality and the Contractor and/or any of its subsidiaries. For the purpose of this Section, municipality means counties, townships, cities, villages, incorporated towns or any committee of such local governmental units. The annual volume historically has been in the range of 35,000 – 37,000 tons per year. The City of Peoria makes no guarantee of volumes.”

6. Landscape Waste. Section 6.5b of the General Conditions within Exhibit A (Specifications) to the Landfill Agreement is hereby deleted in its entirety and marked “Reserved” thereby eliminating the City of Peoria’s obligation to deliver Landscape Waste to the Landfill. Furthermore, Section II.1 of the Landfill Agreement is deleted in its entirety and replaced with the following:

“Contractor shall perform all services listed in the Specifications attached hereto as Exhibit A, including but not limited to permitting, developing, constructing, operating and managing Landfill No. 2 and the Landscape Waste Composting Facility, and certain items of post-closure care for Landfill No. 1, provided however, Contractor may in its sole discretion cease operations of the Landscape Waste Composting Facility at any time.”

7. Operating Hours. Section 2.13 of the General Conditions within Exhibit A (Specifications) to the Landfill Agreement is hereby deleted in its entirety and replaced with the following:

“The Committee agrees to allow Contractor to reasonably limit its operating hours for Landfill No. 2 (including the Landscape Waste Composting Facility, if operated), provided, however, that Contractor will not open after 7:00 a.m. on weekdays and Saturdays, or close before 4:00 p.m. on weekdays and Noon on Saturdays without the prior written approval of the Committee. With twenty-four (24) hours notice, the parties may temporarily change the hours of operation of the Facility within permit limitations to respond to emergency conditions provided, however, the hours shall return to the normal hours of operation as soon as the emergency conditions no longer exist. The Contractor may close the Facility to observe the following holidays:

January 1;
Memorial Day;
July 4;
Labor Day;
Thanksgiving Day; and
December 25.”

8. Stockpile Agreement. The parties to this Agreement acknowledge that a January 28, 2003 agreement between the Owners, the Committee, and Contractor provided, *inter alia*, certain rights to the Contractor for use of the Option Property (therein identified) for soil stockpile purposes and for alternative access to Landfill No. 2 (the “Soil Stockpile Agreement”). The parties acknowledge that the timeframe for such rights expressed in the Soil Stockpile Agreement should be extended. However, the parties further anticipate that Peoria City/County Landfill, Inc. will be conducting investigation, siting, development, construction, and/or operation activities on parts of the Option Property in respect to the Expansion Solid Waste Facility (Landfill No. 3) during this extended timeframe.

In order to address any conflict which may arise in respect to an extension of the timeframe for those soil stockpile and access rights of CONTRACTOR expressed in the Soil Stockpile Agreement and the rights and requirements of Peoria City/County

Landfill, Inc. in respect to its activities regarding the Expansion Solid Waste Facility (Landfill No. 3) during this extended timeframe, the parties agree that Section 2 of the Soil Stockpile Agreement shall be deleted in its entirety and replaced with the following:

"2. Use of Option Property; Notice of Projected Date for Cessation of Acceptance of Waste At Landfill No. 2.

(a) Subject to the provisions of this Section 2, CONTRACTOR will have the right to use the Option Property, as shown in Exhibit A hereto, as a location to stockpile soil materials as needed to construct, operate and close Landfill No. 2, and as an alternative means of access to and from Landfill No. 2. Unless terminated or modified as stated below, this right shall continue until eighteen months after CONTRACTOR ceases accepting waste for disposal at Landfill No. 2.

Soil materials shall be stockpiled only in those areas which: (1) are identified on the attached Exhibit A as the "Soil Stockpile Area"; (2) are agreed upon in writing by the Parties; or (3) are being used by the Contractor as of January 10, 2014 for soil stockpile purposes and which are identified by handwriting and confirmed by the Parties' initials placed on Exhibit A as of the date of executing this Agreement amendment.

(b) CONTRACTOR shall advise the COMMITTEE twenty-four months in advance of that date when the CONTRACTOR projects it will cease accepting waste for disposal at Landfill No.2. Thereafter, CONTRACTOR shall provide the COMMITTEE with monthly reports of information relating to said date, including the volume of waste accepted for disposal at Landfill No. 2 during the preceding month, available airspace for disposal of waste at Landfill No. 2 on the last date of the preceding month, and any potential changes in the date CONTRACTOR has projected that it will cease accepting

waste for disposal at Landfill No. 2. Said reports will be provided by CONTRACTOR to the COMMITTEE by the 15th of each month until such time as CONTRACTOR has ceased accepting waste for disposal at Landfill No. 2.

(c) So long as air space is available, CONTRACTOR shall continue to accept waste for disposal at Landfill No. 2 in the normal course of business and consistent with reasonable commercial practice in the industry and shall not manipulate or redirect waste streams away from Landfill No. 2 so as to intentionally extend the life of Landfill No. 2.

(d) The rights of CONTRACTOR to use the Option Property as set forth in Section 2(a) may be limited upon either of the following:

(i) If OWNERS, in their reasonable opinion, determine that an area(s) being used by CONTRACTOR for soil stockpile or access purposes pursuant to Section 2(a) is or will by the Triggering Date referenced below be needed for landfill space or for investigation, siting, development, construction, or operation purposes by Peoria City/County Landfill, Inc. in respect to the Expansion Solid Waste Facility (Landfill No. 3); or

(ii) If an area(s) being used by CONTRACTOR for soil stockpile or access purposes pursuant to Section 2(a) is or will by the Triggering Date referenced below be needed by the OWNERS in order for the OWNERS to comply with the terms of the existing Landfill Agreement between the OWNERS and Peoria City/County Landfill, Inc. dated December 11, 2009, as amended on May 10, 2012.

In the instance of either (d)(i) or (d)(ii), OWNERS shall provide at least six months, but no more than twelve months, prior written notice to CONTRACTOR of the expected date (the "Triggering Date") upon which such area(s) shall be so needed by OWNERS and the written notice shall identify the area(s) so needed. Upon receipt of said written notice, CONTRACTOR shall, prior to the Triggering Date: (1) remove from the Option Property any soil stockpiled on the Option Property in the area(s) so identified in the written notice or move such soil to an agreed-upon location on the Option Property; and (2) desist using the area(s) so identified in the written notice for alternative access to and from Landfill No. 2. After the Triggering Date, CONTRACTOR shall have no further right to use that portion of the Option Property identified in said written notice. Further, in the instance of either (d)(i) or (d)(ii), OWNERS shall work in good faith with CONTRACTOR to identify alternative areas of the Option Property which are efficient for CONTRACTOR'S soil stockpile activities and for access to and from Landfill No. 2.

(e) CONTRACTOR shall be solely responsible for the cost of removing any soil stockpiled on the Option Property.

(f) CONTRACTOR shall pay the OWNERS \$1.00 per cubic yard for any soil stockpiled by CONTRACTOR and not beneficially reused by CONTRACTOR or OWNERS. The existing survey for the designated area is shown in Exhibit B. At the conclusion of this contract, the CONTRACTOR shall resurvey the disturbed areas and calculate the volume for payment. The OWNER shall have the right to conduct independent surveys and calculations to verify the quantity. Payment shall be made before termination of the contract.

(g) CONTRACTOR shall be responsible to obtain all permit approvals prior to disturbing the soil. All CONTRACTOR operations

shall be conducted in compliance with all State and Federal laws and regulations. Any use by the CONTRACTOR other than stockpiling of soil will be subject to review and approval by the OWNERS, as described in the existing Landfill Agreement. The CONTRACTOR shall not have the exclusive use of the property. The OWNERS reserve the right to allow others to use the access road and develop areas outside of the stockpile areas.”

9. Mutual Release. The parties hereto hereby release and forever discharge each other, their respective officers, directors, employees, agents, parents, members, subsidiaries, affiliates, representatives, shareholders, attorneys, successors, heirs and assigns, from (i) such claims, demands, debts, liabilities and causes of action at law or in equity they may have arising out of the Disputes which accrued prior to the date of this Amendment; and (ii) such claims, demands, debts, liabilities and causes of action at law or in equity arising from any alleged delay(s) by the Committee and/or Owner in acting upon a regulatory submittal made by Contractor with respect to the Landfill, including permit modifications submitted to the Illinois Environmental Protection Agency, where such delay occurred prior to the date of this Amendment. The parties hereto state, certify, and affirm that they are the sole owner of the matters released hereby and have not assigned or had an assignment taken against them which might impair their right to make or execute this Amendment, or any provision herein. This release is limited exclusively to those matters described herein as the Disputes and such regulatory submittals described in this paragraph.

10. No Admission of Liability. The parties understand and acknowledge that this Amendment constitutes a compromise and settlement of disputed claims with no party being deemed or construed to have been at fault or to have liability of any kind to any other party arising out of the Disputes.

11. No Other Changes. Except as modified herein, all other terms and conditions of the Landfill Agreement and Soil Stockpile Agreement shall remain unchanged and continue in full force and effect without modification.

12. Interpretation. The parties agree that this Amendment is the result of negotiations of the parties and that this Amendment has been jointly drafted with the input, consent, and advice of counsel for all parties. Consequently, no presumption shall arise for, or against, any party in the interpretation of this document on the basis that such party was the draftsman of this Amendment. Capitalized words used but not otherwise defined herein shall have the meaning assigned to them in the Landfill Agreement.

13. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but taken together shall constitute one agreement. To expedite the execution of this Amendment, the parties agree that executed counterparts may be transmitted by facsimile or .pdf attachments to email, which copies shall be fully binding on the executing party.

14. Authority. Each person signing this document on behalf of a party hereto expressly warrants to all others that he or she is the duly authorized and acting agent of said party and that he or she has the full authority of that party to execute this Amendment on its behalf, and that in so doing, the party is bound by the terms hereof.

COUNTY OF PEORIA, ILLINOIS

By: *Dei Curtis Dutton*
 Its: *County Administrator*

CITY OF PEORIA, ILLINOIS

By: *Ch. Jett*
 Its: *Acting City Manager*

CITY OF PEORIA/COUNTY OF PEORIA
 JOINT SOLID WASTE FACILITY COMMITTEE

By: *Lester D. Bergsten*
 Its: *Chairman - Peoria
 City / County Landfill
 Committee*

WASTE MANAGEMENT OF
 ILLINOIS, INC.

By: *Jim M. Witt*
 Its: *Vice President*

APPROVED
 LEGAL DEPT.

BY *Soni Choi Dillion*



EXHIBIT P

November 5, 2012

Mr. Dan Erni
 Waste Management
 890 East 1500 North Road
 Taylorville, IL 62568

**RE: PEORIA CITY / COUNTY LANDFILL ENTRANCE ROAD DAM
 IDNR CLASS II DAM COMPLIANCE PROJECT ALTERNATIVES ANALYSIS
 BRIMFIELD, ILLINOIS**

Dear Mr. Erni:

At your request, Mackie Consultants has conducted an initial investigation into alternatives to the IDNR Class II Dam compliance improvements recommended by the City and County of Peoria and its consultant (Foth Environment and Infrastructure). Specifically, we have researched the possibility of eliminating the permanent pool upstream of the dam or replacing its hydrologic function with a much smaller pool and associated dam upstream of the landfill roadway which would qualify as a Class III, Small dam under IDNR definitions. Such dams do not constitute a measurable risk to human life or critical infrastructure in the event of a dam failure, so are not required to provide the same level of regulatory compliance burden. At this stage, our investigation is based upon record information provided by your office, Peoria County GIS aerial photograph and contour data, USGS mapping, NRCS soil maps and the Foth report and improvement drawings.

The subject dam currently is classified by the IDNR as a Class II dam due to the presence of Illinois State Route 8, downstream. The IDNR Class II definition is as follows: "Dams located where failure has a moderate probability for causing loss of life or may cause substantial economic loss in excess of that which would naturally occur downstream of the dam if the dam had not failed. A dam has a moderate probability for causing loss of life or substantial economic loss if it is located where its failure may cause additional damage to such structures as to a water treatment facility, a sewage treatment facility, a power substation, a city park, a US Route or Illinois Route highway, a railroad or similar type facilities where people are downstream for only a portion of the day or on a more sporadic basis..." Based on a previous analysis by Foth Infrastructure & Environment, the existing dam pool could, in the unlikely event of a catastrophic dam failure, pose a threat to the downstream state highway and our understanding of the documents provided suggests that IDNR based its Class II designation on that finding.

Outright elimination of a dam entirely at the site is not recommended since the area downstream has enjoyed the reduction in peak runoff rates that the dam impoundment has provided. Elimination of the dam would increase peak runoff rates downstream of the dam and potentially

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expose the dam owner to complaints from affected property owners. Arguably, these property owners are not entitled to the artificial benefit of the dam, but since the 2010 Foth report indicates that IDOT at some point eliminated a major drainage structure on Route 8 downstream, it is advisable to ensure that peak discharges are not increased. Instead, the installation of a large capacity culvert through the old dam and provision of a new, smaller dam and outlet control pipe at a much lower elevation (inside the footprint of the old lake) could reduce the pool volume to a point where, in the unlikely event of a dam failure, the resulting dam breach wave would not be large enough to overtop the entrance road embankment (former dam). The IDNR Class III definition is: "Dams located where failure has low probability for causing loss of life, where there are no permanent structures for human habitation, or minimal economic loss in excess of that which would naturally occur downstream of the dam if the dam had not failed. A dam has low probability for causing loss of life or minimal economic loss if it is located where its failure may cause damage to agricultural fields, timber areas, township roads or similar type areas where people are seldom present and where there are few structures..."

If further analysis finds that the size of the peak volume behind the smaller dam needed to maintain existing peak release rates is less than 50 acre feet (almost certainly this will be the case), then this action would allow the dam owner to apply to IDNR for elimination of the Class II dam. The replacement Class III, Small dam classification allows dam owners to retain a professional engineer to determine compliance without formal IDNR permitting and review and establishes a much smaller set of compliance criteria because of the lower inherent hazard level. Before undertaking this course, several potential obstacles have been identified that must be investigated in further detail. These are described below.

Several potential impacts must be investigated and quantified before initiating action.

1. Surface Water Hydrologic Impacts to Nearby Wetlands.

- a. In other projects, some dam owners have successfully asserted to the Army Corps of Engineers that lowering water elevation is not a "discharge" to waters of the United States under federal regulations, therefore a lowering of the normal water level of the lake is not, itself, a wetland impact that must be mitigated. The desired alternative does require some grading and fill in areas formerly inundated, so a finding of "no jurisdiction" from the Army Corps should be obtained prior to construction via preliminary stage coordination with the Corps.
- b. An existing wetland mitigation site is present about 0.5 mile northwest of the nearest portion of the lake. Review of county topography suggests that this mitigation site is not hydrologically connected to the dam lake in question, so alterations to the dam lake level are unlikely to affect the water level at the mitigation site. Wetland mitigation areas are often more tightly regulated by terms of individual permits than natural wetland areas, so this lack of impact is important to note in any discussions with the Army Corps.
- c. A second, apparently older wetland mitigation area is present along the shore of the dam lake itself. This wetland mitigation may be hydrologically affected by lake water elevations. Based on the Landfill #2 records provided, it appears that this mitigation area predates the second landfill development and the records reviewed to date do not record the nature of the wetlands originally impacted that required the mitigation. If there is no deed restriction on the mitigation area and a further search of records indicates that the wetlands originally impacted would be considered "isolated" under the Army Corps definitions in place since the 2001 SWANCC decision, it may not be necessary to replace the function of this

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wetland mitigation after the lake hydrology is removed. At worst, we expect that it might be necessary to replace the function of this mitigation area via purchase of equivalent credits in a regional wetland mitigation bank.

- d. It is unknown at this time if there are any wetland permits or mitigation activities offsite on properties south of Cottonwood Road. It will be necessary to check for any such potential impacts as the contour data suggest the possibility that the dam lake and lake south of Cottonwood Road are hydrologically connected (similar elevations and proximity).

2. Peak Runoff Rates Downstream of the Dam.

- a. The previous Foth investigation included an evaluation of tributary area to the dam lake for the purpose of conducting a dam breach wave analysis. This investigation should be expanded to include gathering data on culvert connections between water bodies and their respective elevations and impoundment volumes, so as to account for attenuation provided by those other lakes and restrictive outlets and to confirm the total size of the dam watershed. This will minimize the size of the remnant lake / detention volume needed at the subject site.
- b. Once an accurate existing conditions analysis of the peak discharge rate for the dam is completed, a proposed hydrologic design for the Class III, Small dam can be completed such that final peak release rates are limited to no more than existing peak release rates. We suggest this analysis consider both the 2 year and 100 year design storm as well as providing an overflow capacity for larger storms than the 100 year (No Probable Maximum Flood criteria exists for Class III, Small dams).
- c. Dam classification is not fixed at the time of application and is subject to changes in the downstream area. Dam owners are always at risk of being reclassified to a higher status if development occurs downstream that could be damaged in the event of a dam breach. In this case, the former Class II dam embankment will remain in the path downstream of the new, smaller Class III dam, so only low lying areas in between are significantly at risk. From document review, it appears this area is entirely owned by the County.

3. Ground Water Hydrology and Soils Implications

- a. The proximity of other bodies of water is important in two ways:
 - i. Permeable soils can create an underground hydrologic connection even in the absence of observable connections such as streams and culverts. If such connections exist, then lowering the lake elevation could similarly lower offsite lake elevations.
 - ii. If the soils underlying Cottonwood Road are fill soils in between the dam lake and lakes south of Cottonwood, then the lowering of the subject lake could result in the classification of Cottonwood Road as a regulated dam itself, which would generate further compliance challenges. Soil borings along Cottonwood Road where these two lakes are in close proximity should be taken in order to determine if fill was placed and at what elevation.
 - iii. Because of the mining history of the area and the mixing of broken shale with overburden soils associated with the mining, soil borings alone may not identify all underground connections between adjacent lakes. It may

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be warranted to temporarily lower the lake elevation using pumps or siphons for a period of time (preferably a dry summer period) in order to rule out major hidden connections between the dam lake and bodies of water with similar elevations (such as that south of Cottonwood Road). This experiment should lower water elevations by 10 feet and the lowering should be conducted gradually over a period of at least a week to prevent potential saturated bank slope failures inside the dam lake.

4. Slope Stability

- a. The documented slope stability problems of the back side of the current dam are almost certainly related to internal seepage occurring inside the dam structure. Soil borings provided in the Foth report indicate that the dam was originally constructed of native spoils containing more than merely trace amounts of sand and stone. Although the Foth recommendations include measures for the control of internal dam seepage, the bulk of the dam core would remain its current condition. Since the presence of continuous seams of permeable materials cannot be entirely ruled out without replacing the dam core, rehabilitation of the dam would leave the volume of the lake perched more than 60 feet above the toe of a dam containing a core with a poor performance history. While compliant with regulations, this outcome is still less ideal than either a dam with a known intact clay core or elimination of the dam entirely, given the significant potential energy of the lake pool in question.
- b. The elimination of the permanent pool will very likely have the benefit of eliminating saturation of the dam core and further movement of the slope face. Conventional vegetation establishment and maintenance should be all that will be required to prevent surface level erosion on the slopes once the hydrostatic pressure of the dam lake is eliminated and the existing slope damage repaired.

5. Endangered Species Effects

- a. Reduction or elimination of an open body of water potentially has impacts beyond wetland regulations. Even artificial water bodies can, over time, develop into habitat for endangered species. Due to the initial status of this inquiry, we did not contact any agencies regarding known threatened or endangered species in the vicinity. However, we did review the US Fish & Wildlife and IDNR Endangered Species inventories for Peoria County, IL (attached). Based on the species listed, it seems unlikely that elimination of the permanent pool would eliminate endangered species habitat.
- b. Because the IDNR currently classifies the dam and has opened a permit enforcement file, it will be necessary to procure an IDNR permit to modify the structure if the Class III replacement project is to go forward. All state permit agencies are required to require applicants to conduct an Endangered Species Consultation with the IDNR and an archeological / architectural review with the Illinois Historic Preservation Agency. Because of the initial nature of this investigation, this action has not yet been initiated.
- c. Although not likely to be a regulatory issue, the dam owner may wish to assess the potential for local sensitivity to the issue of fish affected by the dam lake elimination. Because there are no reasons to believe that threatened or endangered species are present, it is not warranted to do more than a pause in dewatering when the lake is nearly emptied to allow manual collection of fish into

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containers for immediate release in adjacent remaining water bodies. A wildlife ecologist should be retained to help identify undesirable species that should not be relocated, but instead eliminated.

Although there are significant factors that require more detailed investigation, our initial finding suggests that there is a substantial likelihood of success if the dam owner chooses to pursue an elimination of the dam lake permanent pool and construction of a much smaller IDNR Class III, Small dam inside the footprint of the old lake for the purpose of regulating discharges. Assuming the more detailed investigation described above does not identify any disqualifying factor, the scope of construction work would be limited to dewatering of the existing lake, grading of a positive drainage path and Class III detention pond dam, seeding / stabilization of formerly underwater soils and installation of a culvert in the former dam. The resulting landscape would be a valley in the former lake location with a bottom elevation about 36 feet lower than the current water surface elevation.

This scope of work and supporting engineering analysis would likely constitute a substantial reduction in total project cost compared to the repairs and compliance actions necessary to meet the standards for a Class II dam. In addition to the lower initial cost, the elimination of the dam lake will reduce ongoing compliance costs and potential liability for the dam owner compared to upgrading and maintaining the existing dam indefinitely.

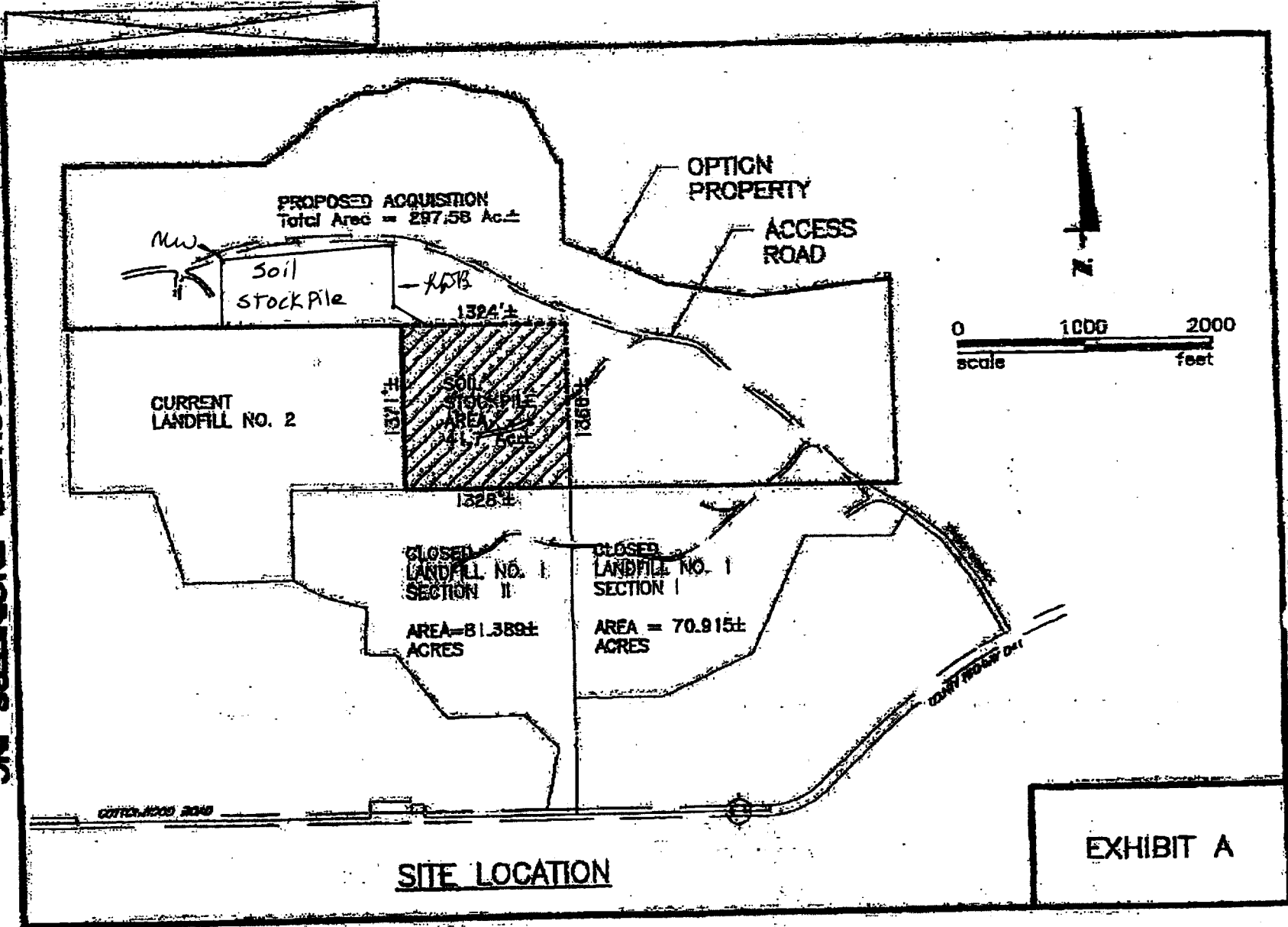
Should you have any questions, please contact me.

Very truly yours,
Mackie Consultants, LLC



Steven R. Kaminski, P.E.
Senior Project Manager

Prepared by **DAILY & ASSOCIATES, ENGINEERS, INC.**



SITE LOCATION

EXHIBIT A