Red River / Lewis Clark Information Packet

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Red River, Lewis Clark Summary through March 15, 2019

Red River Waste Solutions, LP (RRWS) has approached the City requesting to assign the contract to another corporation, Lewis Clark Recycling and Disposal. LLC (Lewis Clark). This is allowed under the second section 7, herein referred to as section 7B, of the current contract. The contract was renewed on November 18, 2013 and ends on June 30, 2023. Section 7B states "Contractor shall not be permitted to assign this Contract to another party, company, partnership, or corporation without specific approval in writing from the Council Bluffs City Council." I have attached a copy of the current RRWS collection contract for your reference.

Upon this request a review committee was formed consisting of Dick Wade, Pat Miller, Matt Cox, Kim Riebe and myself. We have brought Kathy Knott on board to review the financial standing of Lewis Clark.

Background and Relationship of Companies

Lewis Clark Recycling and Disposal, LLC is the corporation wishing to assume the City's solid waste collection contract. On December 9, 2016, Lewis Clark purchased the Iowa Waste Systems (IWS) Landfill located in Mills County as well as the transfer station in Montgomery County. The company name was changed to Iowa Waste Services, LLC (IWS). The City has a solid waste disposal (landfill) contract in place with IWS until June 30, 2029.

In January 2017, Ironwood Capital invested in Lewis Clark via subordinated debt and preferred equity. The transaction was sponsored by Laurel Mountain Partners.

In approximately 2017 Lewis Clark purchased a CD landfill at 3701 Dahlman Ave (31st and B area) in Omaha. Currently building a trash transfer station, projected opening spring 2019. Permitting is in place from State of Nebraska and City of Omaha.

Summary of Current Collection Contract

FY2017 - $3.297M FY2018 - $3.066M FY2019 YTD $1.891M

To date, RRWS has satisfactorily fulfilled their obligations of the current waste collection contract. In my experience with the City solid waste collection contracts, RRWS has provided the best level of service, adherence to the program guidelines, City code and the terms waste collection contract.

The key to the continuance of such performance will be support from corporate management. This level of service starts with the local management team, administrative staff, drivers and laborers on the street. The largest concern will be if Lewis Clark provides the corporate administrative support and capital to continue the high level of service and efficiency that our residents deserve.

Upon the request of contract assignment by Red River a list of questions for RRWS and Lewis Clark was sent for completion and submittal to the City. The responses from RRWS and Lewis Clark are attached.

Review of Lewis Clark Submittal

Red River, Lewis Clark Summary through March 15, 2019

Jeffrey Kendall, CEO appears to have an extensive background in the solid waste management field. Including a large tire recycling company, landfill and transfer station operations. He is a partner in Laurel Mountain Partners.

Ricky Turbeville, VP of Operations appears to have a diversified background in the solid waste management field.

Dickson Suit, Member Lewis Clark Board of Directors, Secretary. He is the managing director of Ironwood Capital and he is on the RRWS Board of Directors.

Donald Rea, Member Lewis Clark Board of Directors. He is a partner in Laurel Mountain Partners.

Transition Plan

Jeff Benson current Regional Manager is on board with the assignment and transition.

Lewis Clark stated that there will be no changes in their personal and staffing. There will be no changes to the number of trucks dedicated to MSW, yard waste and recycling collection.

In house maintenance staff will be utilized for regular maintenance and qualified suppliers for major maintenance issues.

They are ready to assume the contract in its entirety.

They will continue to support the recycling truck poster contest.

They will continue to utilize the MyWaste app for internal reporting and customer outreach.

Performance of Iowa Waste Services Solid Waste Disposal Contract

Since the acquisition there are no know issues of lack of performance of the contract. There are no known issues of violation of Federal, State and local laws.

Community Surveys

I reached out to seven communities on the Bulldog Systems current customer list provided by Lewis Clark. I received completed questionaries' from the following communities in Illinois.

- Eldorado, IL
- Metropolis, IL
- Sesser, IL
- Rosiclare, IL
- Vienna, IL

Most of the submissions are favorable however, there is one that stands out from the rest. The submission from Vienna has some very strong opinions differing from the rest of the questionnaires. It leads me to believe there are other issues than the performance of the contract.

Red River, Lewis Clark Summary through March 15, 2019

We met with Steve Smith of Red River, Jeff Kendel and Rick Turberville of Lewis Clark. We discussed the specifics of the purchase agreement and the execution of the assignment transition. During the conversation they gave assurances that they would be able to handle the size and scope of the contract. They indicated that they intended to keep the same staff and hire the current Area Manager, Jeff Benson to manage the contract.

Summary of Red River / Lewis Clark Asset Purchase Agreement

The agreement is for the purchase of all Red River's assets and contracts in the Council Bluffs and Omaha metro area. Including rights to the Council Bluffs and Carter Lake, Iowa collection contracts.

The agreement will transfer ownership of twenty-six trucks in the purchase agreement. Seven CNG rear load trucks, three CNG recycle trucks, two satellite trucks and two support vehicles that relate directly to the Council Bluffs Contract. The balance is used in the regional contracts and operations that RR performs.

The agreement will also transfer the ownership of 472 trash containers ranging in size from 2 – 40 cubic yard capacity.

The timeline for the execution of the agreement is March 31. This can be extended by mutual agreement.

Jeffrey D. Kendall, CEO

Years of experience in industry: 29 years
Professional achievements or accomplishments:

- CEO for the acquisition, development, integration and operation of over 100 companies
- CEO for founding and building of the largest scrap tire recycling business in North America-processed 40% of North America's scrap tires
- CEO and developer of 5000 tpd rail served landfill in Eastern Ohio, including a shortline railroad and transloading operation in S. Kearney, NJ

Education: BA-Penn State, MILR-Cornell, JD-Pitt

Lewis Clark current municipal contracts/contacts:

See attached schedule for contact information of Bulldog Operation. Lewis Clark also has an agreement with Shenandoah in Page County, IA amongst other - contact information for these operations can be made available upon request.

Relationships serving and supporting needs of numerous municipalities through prior owned businesses, including suburbs municipalities around the greater Chicago-land and Memphis, TN regions. Additionally, Liberty Tire Recycling Company maintained numerous municipal relationships for the collection of tires. Liberty was a large company with over 30-plants collecting more than 40% of North America's scrap tires (roughly 140 million tires annually) – the municipal relationships were a small portion of the volume.

Number of customers:

Bulldog:
City Contract: 14,322 homes;
Residential: 4,373 homes;
Active Commercial Customers: 1,970;
Roll Off active customers: 155;

Shenandoah:
City Contracts: 2,000 homes;
Shenandoah Residential: 2,762 homes;
Shenandoah Active Commercial Customers: 341;
Roll Off Active Customers: 57

LCRD Total:
City Contract: 16,322 homes
Residential: 7,135 homes
Active Commercial Customers: 2,311
Roll Off Active Customer: 212

Transition plan:

Please provide a detailed transition plan including but not limited to; What are the plans for personnel and staffing? Please include corporate and local management, administrative, and drivers/laborers and job descriptions. No changes in their personnel and staffing.

Please provide the location, zoning and size of your current facilities and any expansion plans. What are the plans for collection equipment?

West End Landfill 296 acres with 125 acres in our foot print, 65 years of airspace left at current volume's and a total of 6 employees.

Loess Hills Landfill has 170 acres with 150 acres in our foot print, 50years of air space left at our current volume's and has 20 employees including 8 drivers that service our transfer station's.

Montgomery Landfill / Transfer station has 160 acres with 14 million yards of air space left. There are 2 employees that run our transfer station.

Shenandoah Sanitation run 5 residential trucks and 2 roll off truck with a total of 11 employees.

Bulldog Services runs 14 residential trucks, 5 roll off trucks and 1 tractor trailer that hauls our Metropolis transfer station volume with 47 employees.

Provide the minimum number of full body enclosed packer trucks, equipped with appropriate hydraulic lifts to properly lift City approved 90/95 gallon carts, for use in solid and yard waste collection. 7 CNG Rear Load to service the 90/95 gallon carts in the city and to service the MSW and Yard Waste.

Provide the minimum number of full body enclosed collection trucks, for use in recycling collection. 4 total Recycle trucks with 3 being CNG

What is the equipment maintenance plan? Continue to use in-house personnel for regular maintenance and qualified suppliers for major maintenance issues.

Will there be on-site maintenance staff or will it be contracted with a local repair facility? We will have on site mechanics and use 3rd party when necessary.

Is Lewis Clark able to assume all terms and conditions of the existing contract and execute it in its entirety? Ready to assume contract in its entirety.

Is Lewis Clark prepared to provide administrative and financial support for the school recycling truck poster contest? Yes, Lewis Clark will continue to support this program.

Ricky A. Turbeville, VP of Operations

Years of experience in industry: 47 years

Professional achievements or accomplishments:

- 1973 part owner in A&R Disposal. Sold business in 1982 to Browning Ferris Ind.
- 1986 Regional Operation Manager, 1990 District Manager of company we sold in Nashville TN.
- 2002 – 2007 went to work for Waste Management getting their operations in order in Ohio, Kentucky and Virginia.
- 2007 – 2015 Republic Services getting their operations in order in Kentucky, Tennessee and Indiana.
- 2015 thru June 2016 Progressive Waste of Missouri.
- December 2016 to current Lewis Clark Recycle and Disposal.

Education: High School Diploma

Prior Solid Waste Municipal Contract Experience: Dealt with numerous municipalities while working with Browning Ferris Ind., Waste Management and Republic Services.

Dickson Suit, Member of Board of Directors

Operational and Administrative Duties: Board Member, Board Secretary

Year of Experience in Field: 21 years

Profession Experience: During his tenure with Ironwood Capital, Dickson has completed 10 platform investments representing over $100 million of invested capital in the environmental services industry. He has held numerous board of director positions or board observer positions related to these investments. Past and present board roles include those with Action Carting Environmental, American Residuals Group, Gold Medal Environmental, Lewis Clark Recycling and Disposal, Impero Waste Services, Interstate Waste Services, Curtis Bay Medical Services, Red River Waste Solutions, VLS Recovery Services, and Tunnel Hill Partners.

Prior to joining Ironwood in 2001, Dickson was an investment professional at Environmental Opportunities I&II (1998-2001), private equity funds that provided growth and expansion equity capital for companies in this

space. During his tenure there, he was involved in a dozen transactions. His responsibilities included: modeling (sole modeler) each transaction and assisted in the structuring, business and financial due diligence.

Prior to that, Dickson was a senior associate at PriceWaterhouseCoopers, Financial Advisory Services, and was involved in transactional due diligence. He is a CPA.

Education: Brown University, BA, Economics and English. Columbia Business School, MBA, Finance

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Donald E. Rea, Member of Board of Directors

Operational and Administrative Duties: Board Member, will not have any direct operational or administrative responsibilities.

Professional achievements or accomplishments: Founded and served as President of several solid waste companies, a tire recycling company, as well as developer of a large waste to energy plant

Education: Master of Business Administration from the University of Chicago

Organization: City of Eldorado Phone# 618-273-6566

Contact Name: Stacy James Email eldclerk@clearwave.com

What was/is the duration of your contract with Bulldog Systems?

There was a 2 year extension beginning August 31, 2017 subbed to Bulldog

Would you extend another contract to Bulldog Systems?

That would be a City Council decision

What was/is your biggest concern with Bulldog Systems?

Prompt response to the complaints or missed pickups

On a scale 1 – 5, 5 being the best please rate their service.

Total Service?

☐ 1 ☐ 2 ☐ 3 ☑ 4 ☐ 5

How well did they handle complaints, missed pickups?

☐ 1 ☐ 2 ☐ 3 ☑ 4 ☐ 5

Business relations with you directly?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☑ 5

What types of service did they provide?

Curbside garbage-	☑	limited	☐	unlimited	☐	automated	☐	semi-automated	☑ manual
Curbside yard waste-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☐ manual
Curbside recycling-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☐ manual

Population: 4100 Households Served: 627 1/2 of the city

Any other comments about Lewis Clark?

none

Organization: City of Rosiclare Phone# 618-285-3445

Contact Name: Traci Bishop Email cor@shawneelink.net

What was/is the duration of your contract with Bulldog Systems?

Three

Would you extend another contract to Bulldog Systems?

Yes

What was/is your biggest concern with Bulldog Systems?

Consistency

On a scale 1 – 5, 5 being the best please rate their service.

Total Service?

☐ 1 ☐ 2 ☐ 3 ☑ 4 ☐ 5

How well did they handle complaints, missed pickups?

☐ 1 ☐ 2 ☐ 3 ☑ 4 ☐ 5

Business relations with you directly?

☐ 1 ☐ 2 ☑ 3 ☐ 4 ☐ 5

What types of service did they provide?

Curbside garbage-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☑	manual
Curbside yard waste-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☑	manual
Curbside recycling-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☐	manual

Population: 2500 Households Served: about 356

Any other comments about Lewis Clark?

Organization: City of Rosiclare Phone# 618-285-3445

Contact Name: Traci Bishop Email cor@shawneelink.net

What was/is the duration of your contract with Bulldog Systems?

Three

Would you extend another contract to Bulldog Systems?

Yes

What was/is your biggest concern with Bulldog Systems?

Consistency

On a scale 1 – 5, 5 being the best please rate their service.

Total Service?

☐ 1 ☐ 2 ☐ 3 ☑ 4 ☐ 5

How well did they handle complaints, missed pickups?

☐ 1 ☐ 2 ☐ 3 ☑ 4 ☐ 5

Business relations with you directly?

☐ 1 ☐ 2 ☑ 3 ☐ 4 ☐ 5

What types of service did they provide?

Curbside garbage-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☑	manual
Curbside yard waste-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☑	manual
Curbside recycling-	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☐	manual

Population: 2500 Households Served: about 356

Any other comments about Lewis Clark?

Organization: City of Sesser Phone# 618 218-1036

Contact Name: Jason Ashmore Email Mayor@sesser.org

What was/is the duration of your contract with Bulldog Systems?

10 +

Would you extend another contract to Bulldog Systems?

Yes

What was/is your biggest concern with Bulldog Systems?

NONE, very satisfied with their service

On a scale 1 – 5, 5 being the best please rate their service.

Total Service?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☒ 5

How well did they handle complaints, missed pickups?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☒ 5

Business relations with you directly?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☒ 5

What types of service did they provide?

Curbside garbage-	☐	limited	☒	unlimited	☐	automated	☐	semi-automated	☐ manual
Curbside yard waste-	☐	limited	☒	unlimited	☐	automated	☐	semi-automated	☐ manual
Curbside recycling- N/A	☐	limited	☐	unlimited	☐	automated	☐	semi-automated	☐ manual

Population: 2,000 Households Served: 1,000

Any other comments about Lewis Clark?

Organization: City of Vienna, IL Phone# 618-658-5161

Contact Name: Shane Racey, Supt Email awright@cityofviennail.net

Shane Racey – City Superintendent 618-771-6720

What was/is the duration of your contract with Bulldog Systems?

5 YEARS – 2 YEARS LEFT

Would you extend another contract to Bulldog Systems?

unsure

What was/is your biggest concern with Bulldog Systems?

NOT BEING CONSISTENT WITH ANY # OF AREAS BEING PICKED UP – I HAVE TO CALL CONSTANTLY ABOUT AREAS THAT ARE MISSED ON A REGULAR BASIS – THEN ITS RARELY TAKEN CARE OF WITHOUT A FEW MORE CALLS ON THE SUBJECT.

On a scale 1 – 5, 5 being the best please rate their service.

Total Service?

☐ 1 ☑ 2 ☐ 3 ☐ 4 ☐ 5

How well did they handle complaints, missed pickups?

☐ 1 ☑ 2 ☐ 3 ☐ 4 ☐ 5

Business relations with you directly?

☐ 1 ☐ 2 ☑ 3 ☐ 4 ☐ 5

What types of service did they provide?

Curbside garbage-	☐	limited	☐	unlimited	☑	automated	☐	semi-automated	☐ manual
Curbside yard waste-	☑	limited	☐	unlimited	☐	automated	☐	semi-automated	☐ manual
Curbside recycling-	☑	limited	☐	unlimited	☐	automated	☐	semi-automated	☐ manual

Population: 1434 Households Served: 500

Any other comments about Lewis Clark?

AT THIS POINT I WILL DO EVERY THING IN MY POWER TO NEVER GET ANOTHER CONTRACT WITH THIS COMPANY AGAIN. I UNDERSTAND SOME EVENTS WILL HAPPEN, BUT THIS SERVICE IS HORRIBLE, HALF THE TRASH CANS AROUND OUR CITY SQUARE ARE MISSED EVERY WEEK BECAUSE OF PURE LAZINESS – THIS IS JUST ONE EXAMPLE

(/bottrap)



Ironwood Capital invests in Lewis Clark Recycling and Disposal LLC

Lewis Clark serves the southern Illinois and greater Omaha markets.

January 25, 2017
Recycling Today Staff (/author/2836)

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Avon, Connecticut-based Ironwood Capital (http://www.ironwoodcap.com) has announced a subordinated debt and preferred equity investment in Lewis Clark Recycling and Disposal LLC, headquartered in Harrisburg, Illinois. Ironwood Capital says it partnered with sponsor Laurel Mountain Partners (http://www.laurelmountain.com) of Pittsburgh on the transaction.

Lewis Clark is a solid waste company providing nonhazardous solid waste collection and disposal services to the southern Illinois and greater Omaha markets. The company is led by Laurel Mountain Partners' principal Jeff Kendall, who will serve as CEO, along with a deeply experienced senior management team with a track record of growing solid waste companies organically and through acquisition, Ironwood Capital says.

"Laurel Mountain Partners has a long history of building companies and developing assets," says Carolyn Galiette, president and chief investment



(https://giecdn.azurewebsites.net/advertisement/click?adId=43190&siteId=8&subscriptionId=0)

officer at Ironwood Capital. “Their successful track record in environmental services combined with Ironwood's deep experience in this area creates a dynamic partnership.”

“Lewis Clark has tremendous potential, and we are excited to work with Laurel Mountain Partners to achieve the company’s objectives and create value,” says Dickson Suit, Ironwood Capital managing director.

Prior to Lewis Clark, Laurel Mountain Partners have developed, acquired and operated numerous businesses in the environmental services industry. Laurel Mountain has completed five consolidation plays in the sector, acquiring more than 100 companies and selling those businesses either to strategic or to financial acquirers. Laurel Mountain says it seeks opportunities to build companies starting with a platform acquisition and subsequently creating value via operational improvements and acquisitions.

Ironwood Capital says it provides noncontrol growth capital to middle-market companies, investing more than $600 million in more than 100 companies throughout the past 15 years. Ironwood invests in the form of subordinated debt and preferred stock in amounts ranging from $5 million to $20 million to support business owners and financial sponsors in growth financings, full and partial recapitalizations, generational transitions and buyouts.

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