

COVID-19 UPDATE



Date: March 22, 2020

Time: 1:00 pm

To: Municipalities, Franchises, Gov't/Large Open Market Customers & Regulators

RE: Notice of Force Majeure Event Preventing Full Contract Compliance

Coronavirus/COVID-19 and Resulting Declarations of Emergency and Executive Orders

To Our Valued Community Partners:

This past week brought into sharp focus the collective effort we must mount against the COVID-19 pandemic along with the uncertainty of when we can claim victory. As one of the essential services providers in this uncharted event, USA Waste of California, Inc., Modesto Garbage Co., Inc., Waste Management of California, Inc., Waste Management of Nevada, Inc., Waste Management Collection and Recycling, Inc., and their affiliates (collectively referred to as "Waste Management") - especially our hard-working front-line employees - are working around the clock to ensure that we can continue to serve our customers and communities safely and with the least disruption reasonably possible in the face of the many challenges created by the COVID-19 virus, the resulting Declarations of Emergency, including the California Governor's Executive Order N-33-20 (March 19, 2020), the Nevada Governor's Health Response Covid-19 Risk Mitigation Initiative (March 17, 2020), and the many local county and city health and safety orders and guidelines to which all responsible citizens are attempting to comply (collectively, the "Orders").

As Waste Management works earnestly to continue to provide waste collection and disposal services to our communities, the health and safety of our employees, customers and communities are our highest priority. This is the first of a regular COVID-19 Update we are instituting to keep our partners informed of our efforts to maintain garbage collection services. We are committed to transparency during this fluid situation and will issue updates frequently, whether daily or as events dictate.

Temporary Call Centers Closure

Waste Management is striving to comply with the federal health and safety directives that have been issued in this time of unprecedented nationwide emergency. One example of the operational changes implemented by Waste Management as a result of COVID-19 occurred on March 18, 2020, when Waste Management temporarily closed regional call centers in five



states and numerous local call centers to promote social distancing among our call center employees to help prevent the spread of COVID-19. This unprecedented move affected 3,000 call center employees and 24 million residential and commercial customers across North America including our Canadian operations.

We are actively coordinating remote work-from-home (“WFH”) operations to serve our customers during this situation, with the goal of resuming commercial and residential call handling by WFH employees as soon as possible. These efforts included ordering, receiving and provisioning 5,000 laptops and Surface Pros, increasing our VPN access from 2,500 to 10,000 users and implementing a work-from-home Virtual Desktop. Additionally, our Digital Team is working around the clock to train every call center employee and many other WFH employees on use of the WFH/VPN-Virtual Desktop protocol. No expense has been spared to implement this safety measure. As of Sunday, March 22, 2020, field tests indicate services should resume in our WFH call center for our commercial customers on Monday, March 23. We are anticipating that our WFH residential call center will be up sometime mid-next week. We regret this unavoidable interruption in call center service, but it was in the best interest of our employees and, in the long run, of our customers too.

Although a number of our municipal contracts require Waste Management to provide call centers to provide residential customer support services, the decision to suspend operation of these centers temporarily and to shift to a work-from-home capability was the direct result of the COVID-19 pandemic, the state of emergency that exists, and the mandates from California and Nevada regarding social distancing with minimal congregation of employees. Nonetheless, Waste Management is continuing to collect refuse for its residential, commercial and roll-off customers.

Notice of Force Majeure

The COVID-19 situation is very fluid, and Waste Management expects, unfortunately, that other unforeseeable disruptions to our services has and will occur in the coming days. As a result, we are providing this **Notice of Force Majeure** to advise you that the COVID-19 pandemic is a force majeure event under every Waste Management contract in California and Nevada. While we have not experienced any significant disruptions in collection and disposal services, we anticipate that such disruptions will likely occur as a result of the Orders and the COVID-19 pandemic, including:

- Inter-city, intrastate, interstate, or cross-border travel restrictions;
- Quarantines at, or shutdowns of, Waste Management facilities;
- Additional Stay at Home, Shelter-in-Place or other restrictive orders that restrict travel and business operations;
- Closure of Call Centers; shutdown of Waste Management and/or third-party recycling, transfer and disposal facilities that restrict our ability to operate as normal;



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- Suspension of requirements regarding pre-approval and advanced notifications to our franchises and municipalities regarding customer communications;
- Suspension of non-essential waste collection (e.g., bulky, yard waste, etc.);
- Worker shortages due to quarantines, sickness and COVID-19 exposure;
- Fuel and other critical equipment, materials and supply shortages caused by, vendor shutdowns including tires, parts and third-party services; and,
- Shutdown of commercial customers' businesses and requests for cessation of services.

At this time, no one can reliably predict the length of this event or how long potential service disruptions may last, but clearly until the Governors' orders are lifted. Waste Management will continue to provide you with prompt notice of our operational capabilities and changes as they occur.

NCN COVID-19 Communication Task Force

To safeguard our employees and protect our customers, we are streamlining our communications on COVID-19 related issues, including operational changes, partial and complete closures of facilities, changes in services, etc. All future notifications will be sent to you by the Northern California/Nevada (NCN) Covid-19 Communication Task Force via email: "**NCNCovid19@wm.com**". We further ask that you direct all questions, comments and concerns to the Covid-19 Communication Task Force via the **NCNCovid19@wm.com** email address. Further, please refrain from and discontinue contacting District Managers, Route Managers, Supervisors, Public Sector Managers, Sales personnel, EP Managers and Directors on Covid-19 related issues and follow the above communication protocol.

In the Northern California-Nevada Area, we have 2,500 employees located at 57 sites servicing millions of customers. Our drivers, technicians, landfill operators and frontline management team are all working in the field, and our management team is making every effort to protect our frontline employees from COVID-19 and maintaining calm within the workforce. Again, they do not have the luxury of working from home or sheltering in place. As a result, our frontline employees' risk of exposure and infection from COVID-19 is significantly higher than most US citizens. We are in the trenches in this fight against COVID-19 and marshalling all our resources to maintain service and protect our employees in the process.

In return, the NCN Covid-19 Communication Task Force promises to (a) communicate with our municipalities and franchises regularly, (b) provide additional intra-day communication as required, and (c) respond back to your questions, comments and concerns as soon as possible, even if to say, "we don't have an answer yet". Moreover, many of the questions we receive



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from our municipalities and franchises are the same or similar and should be answered by one communication source versus numerous employees.

This communication protocol is necessary so our frontline employees and management team can focus on the safety of our employees, the safety of the public, provide essential solid waste collection and disposal services to our communities and ensure there is one source of truth in our communications. Above all, we are focused on the safety of our employees and their families and will subordinate all other considerations.

We appreciate your understanding and flexibility in these challenging times.

Sincerely,

USA Waste of California, Inc., Modesto Garbage Co., Inc., Waste Management of California, Inc.,
Waste Management of Nevada, Inc., Waste Management Collection and Recycling, Inc.

A handwritten signature in black ink, reading 'Barry Skolnick'. The signature is written in a cursive, flowing style.

Barry Skolnick

President of the above referenced legal entities

cc: WM Corp Legal, Northern California-Nevada Leadership Team, NCN Covid-19 Task Force
NCN Covid-19 Communication Task Force, Collection, Processing & Disposal District
Managers, Public Sector Managers, Sales Team and Coordinators, Customer Service
Team, Environmental Protection Team