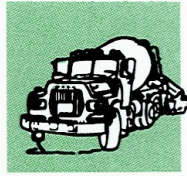


Everything in Concrete

ARROWHEAD Concrete Works, Inc.

5572 MILLER TRUNK HIGHWAY • DULUTH, MINNESOTA 55811

Telephone 218/729-8274 • Fax 218/729-6724



GERALD CARLSON

DOUGLAS CARLSON



To our valued customers,

December 5, 2008

The Minnesota Pollution Control Agency (MPCA) has modified regulations affecting how we do business in the concrete industry. On August 1st, 2008, the MPCA approved the reissuance of the General Permit Authorization to Discharge Stormwater Associated with Construction Activity (Construction Activity Permit).

A major change in this permit **affecting ready mix concrete deliveries in the state of Minnesota** is the section pertaining to concrete wash water. The Construction Activity Permit does not allow any concrete chute rinse water or water used to wash off concrete tools to come into contact with the ground. Excess concrete from forms, pumps, and chutes may come into contact with the ground as long as they are disposed of in accordance with MPCA regulations when in a hardened state.

Additionally, in 2009 the MPCA plans to issue changes as to the proper handling of waste waters at our ready mix plants. These changes will call for us to invest in equipment for our plants to ensure we are meeting the standards for protecting our environment put forth by the MPCA.

Meeting the criteria put out by the MPCA will not come without investment in our equipment, training for our employees, and working with our customers in the proper way to handle the wash out water.

In order to comply with the new regulations, we are equipping all of our mixer trucks with self contained washout systems. These systems will allow our drivers to wash their chutes without allowing wash water to come into contact with the ground. The wash water will be carried back to the plant with the truck for proper disposal. We have been testing a few different systems over the past few months so that we may choose the most efficient and reliable system available for our different equipment.

Investment at the plants will include installation of equipment to handle these returned wash waters, leftover concrete and other slurry water that are byproducts of producing ready mix concrete. These systems will be designed to accommodate winter conditions, allowing us the ability to deliver concrete year round while meeting the MPCA requirements.

In order to cover the costs of providing these necessary services, we will be implementing a \$40 per load environmental charge to all deliveries in the state of Minnesota starting on February 1st, 2009. For deliveries in Wisconsin, customers will be given the option to utilize the self-contained washout systems, but will not be required to do so. We will continue to honor any previously quoted work, but we ask you to plan accordingly when bidding your future work.

We have been providing concrete to the Northland for many decades now and plan to do so well into the future. Past practices of washing out in ditches or storm water basins are no longer viable or legal options. Meeting these regulations will be a small cost of doing business the right way.

We have anticipated potential questions on this issue and have posted answers, along with other information on our website at: www.arrowheadconcreteworks.com/environmental.htm Please feel free to call us with your questions and concerns. We will do our best to answer them and if unable, will use our resources to try and find someone who can get an answer for you.