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Bio-Solids Treatment Proposal

Subject to City Council approval

November 3, 2011

20 year agreement term

Cost per Gallon 2012	\$0.06
Annual % increase	2.6%
Cost per Gallon 2032	\$0.10

No limit of the volume delivered to the City. Any deliveries in excess of what is normal will be accepted, however, the delivery will have to be coordinated with the plant operator to schedule the time and rate of delivery.

If the City of Sequim's annual operating cost for Bio-solids processing and disposal increased by a sum total of more than 10% for any three (3) consecutive years, the parties agree to renegotiate the annual costs to the district.

Participation Cost for 25 Dry tons/yr **\$12,967/year**
(\$210,000 @ 2.1% for 20yrs) The balance may be paid off at any time.

Information provided to the City by Sunland Water District is as follows:

2007	16.7	DT
2008	20	DT
2009	23	DT
2010	30	DT
2011	25	DT (estimate)
2012	28	DT (estimate)
2013	31	DT (estimate)

If Sunland does not want to rely on surplus capacity at the city of Sequim's WRF for more than 25 DT/yr, there will be additional cost for the additional "set aside" capacity.

If, due to regulatory rules or required capital improvements, City Bio-solids handling costs go up by more than 20% aggregate total during the life of this contract, the City and Sunland Water District agree to renegotiate the annual costs to the District at the point the total of all changes is reached. If agreement in costs is not reached, either party may terminate the agreement.

The final contract shall include language on quality, testing, remittance and other specification for the acceptance and disposal of the bio-solids.