



March 11, 2025 Revised

Mr. Rafael De La Rosa
Water Treatment Plant Supervisor
City of Mission
2801 N. Holland Avenue
Mission, TX 78574

Email: rdelarosa@missiontexas.us

RE: Liquid Aluminum Sulfate Contract Renewal 2 of 2 – Bid 23-290-03-24

Liquid Ammonium Sulfate Contract Renewal 2 of 2 – Bid 23-291-03-24

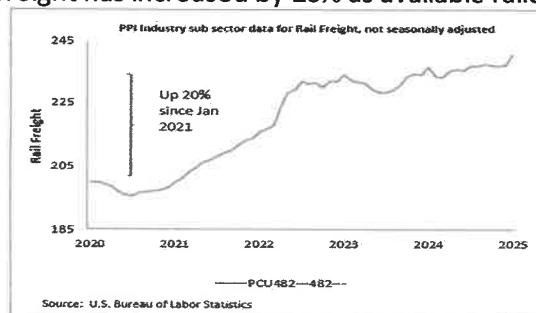
Dear Mr. De La Rosa,

Chemtrade is incredibly grateful for your business and strives to continue providing you with quality product and service.

Unfortunately, costs have yet to return to historic norms. We continue to be faced with significant headwinds impacting our cost to manufacture and deliver Liquid Aluminum Sulfate to your facilities.

Overall, the market continues to be faced with challenges relating to:

- Significant increases in the Aluminum Markets
 - Alumina Demand in China is at all-time high.
 - Reduced capacity for Global Alumina to the tune of >600KTons amid custom disputes, vendor consolidations, gas shortages and closures in Australia.
 - Alumina Ore smelters continue to be hit hard by high energy costs.
 - Chemtrade's Alumina Ore is 100% imported.
 - Ocean freight to bring vessels and port fees continue to increase mostly due to staff shortages at dock to load/unload cargo resulting in more dwelling time at ports.
 - Rail freight has increased by 20% as available railcars and trucks are limited.

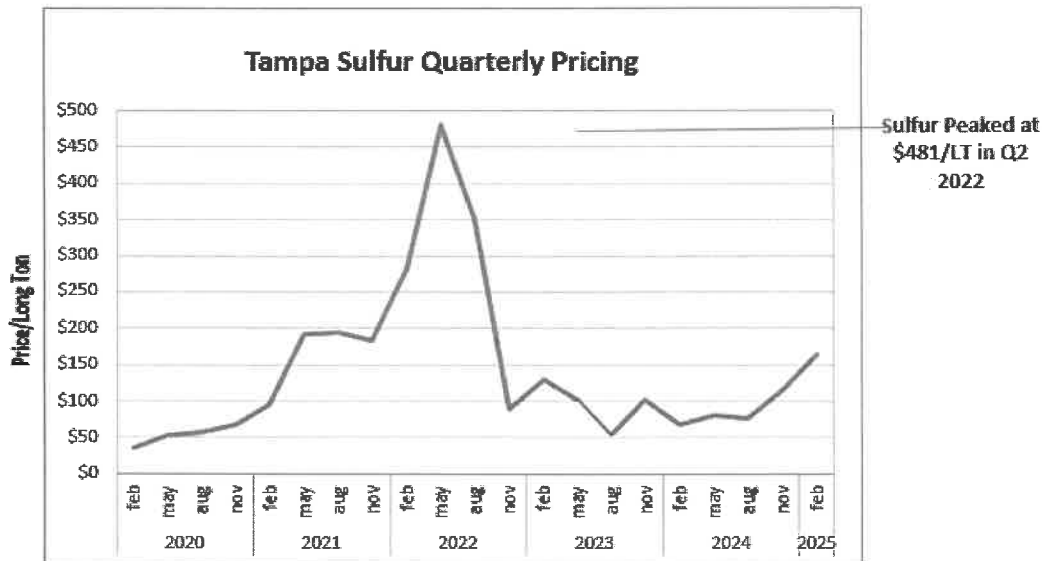


- For 2025, we will see increases > +20% on Aluminum products.



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- Although Sulfuric Acid costs have normalized following the historic highs in 2022, we are seeing an uptick for Q1 2025:

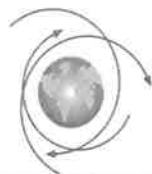


Green Markets: Tampa Sulfur Index

- Based on historical data, on Average, expect Sulfur to be in the \$110 – 120/LT range. Global markets have been trending upwards and remaining strong with new demand in Indonesia which has impacted the latest Tampa index, driving it up +\$49/LT to \$165/LT for Q1 2025.
- Continued increases on freight costs.
 - Freight contract costs continue to rise annually partly due to carriers' needs to retain responsible, qualified, and safe drivers, as well as to maintain safe equipment and cover increased insurance costs.
 - The shortage of hazmat drivers is a top critical issue according to the American Transportation Research Institute. Contributing factors are an aging workforce, demographics and driver pay.
 - In 2023, we saw increases of up to 14% on our Freight contracts.
 - Freight Rate contracts for 2024 have increased 7-10%.
 - For 2025, we expect to see similar increases.

To renew for the second of two possible renewals effective 4/12/2025– 4/11/2026, Chemtrade is seeking an increase to renew our contract for Liquid Aluminum Sulfate to cover our costs and maintain our standards of superior product and priority service for the City of Mission.

Renewal pricing for Liquid Aluminum Sulfate and Liquid Ammonium Sulfate products that we currently supply is below for your consideration:



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| Product | Current Price Effective through 4/11/25 | Price Effective 4/12/2025 – 4/11/2026 |
|--|---|---|
| Liquid Aluminum Sulfate, Full Truck Deliveries | \$0.118/Wet LB. | \$0.128/Wet LB. |
| Liquid Ammonium Sulfate, Full Truck Deliveries | \$0.198/Wet LB. | \$0.208/Wet LB. |

All other terms and conditions of the original bid would remain the same. Upon acceptance, please sign below and return via e-mail to bids@chemtradelogistics.com or send us your required paperwork.

We look forward to continuing our relationship and business for a long time to come.

Please contact your Account Manager Robert Naranjo (RNaranjo@Chemtradelogistics.com) with any questions regarding this quote.

Best Regards,

Michele Schroeder

Michele Schroeder – Pricing Manager
Chemtrade Chemicals US

ACCEPTED: City of Mission, TX

BY: _____

TITLE: _____

DATE: _____