



## BUDGETARY LETTER

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**Customer Name:** Robbins, NC

**Date:** March 29, 2023

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Utility Service Group Water Solutions is pleased to submit the following budgetary estimate to Robbins, NC for the installation of our Trihalomethane (THM) removal system. As detailed below, this estimate includes all labor and materials required to provide a turnkey solution. The cost estimate and associated scope of supply are preliminary offerings for budgetary purposes. We look forward to meeting with Robbins to discuss project details and how to further tailor this technology to your specific needs. Our THM removal system is not a product, but rather a comprehensive solution built around the specifications of your water system to maximize performance and optimize results. We welcome the opportunity to review and address any questions or comments Robbins has on this proposal and provide additional information.

Aeration is proven as a reliable treatment process to remove volatile compounds from water. Over the last ten years, USG has delivered numerous installations of various types of aeration systems for THM removal. The THM Model utilized allows us to optimize the size of each aeration system by balancing the overall capital cost and operating costs with the necessary THM reduction. This approach allows us to provide a system that meets the THM reduction needs of our clients at the lowest total cost. Unlike other aeration systems, our system is customized for each tank's operating conditions to maximize effectiveness while minimizing cost.

This budgetary proposal has been made with initial data provided, and it is subject to any modifications that may arise during project definition. This document is intended to provide a general idea of costs and benefits to Robbins. Some assumptions have been made when no or partial data was available. USG is keen to discuss this further to adjust any assumptions that may not be considered fit. In addition, notwithstanding anything herein to the contrary, this budgetary proposal is solely a non-binding indication of our interest in the potential project and does not constitute an offer, commitment, or agreement on the part of USG. The terms of any such project would be set forth in definitive documentation in form and substance satisfactory to the parties, and executed and delivered by both parties, the provisions of which will supersede this and all other understandings (written or oral) between the parties.

Below, please find the budgetary estimate for the installation of our THM removal system using the system specifications and operational information provided by Robbins. This information, along with the preliminary cost estimate, is summarized on the following pages.

There are three major components to a THM removal system. Component 1: Proper mixing of the tank to ensure you have a homogenous mix of water temperature, residual and THM concentration. Component 2: Proper forced air ventilation to alleviate the headspace of volatilized THM laden air. Component 3: A form of aeration to volatilize a higher concentration of THM's in the headspace. When all 3 components are used in conjunction, a rate of THM removal can be calculated via a proprietary THM Removal Model. This is the preliminary offering for Components 1, 2 and 3.

**Tank Information**

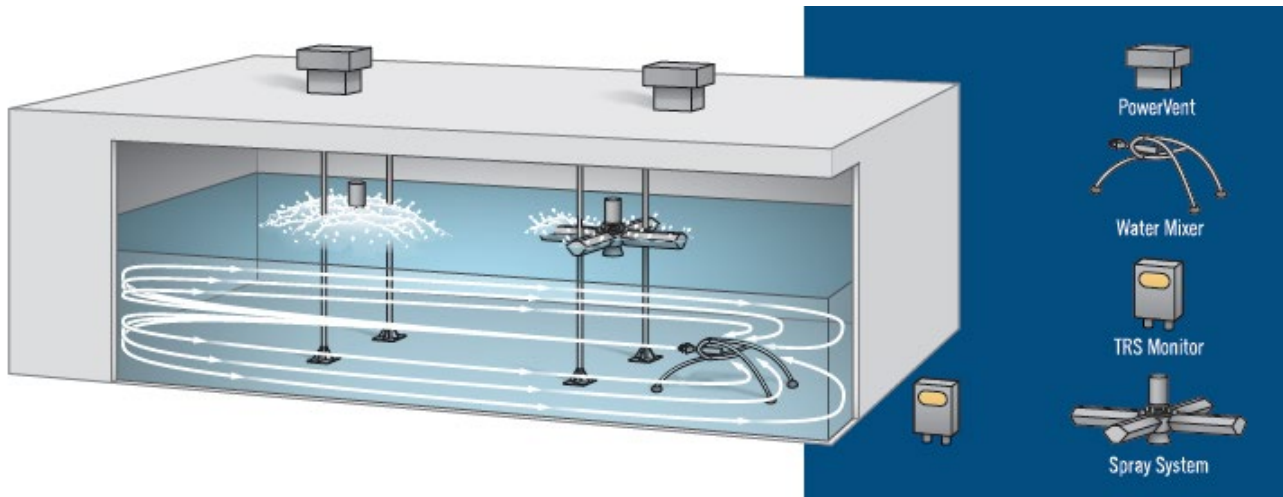
Tank	Capacity (MG)	Turnover (MGPD)	Max Water Level (FT)
Downtown	0.100	0.020	17.0*

**Target Removal and Pricing**

Tank	Target Removal	Proposed System	Price
Downtown	50% @ 20,000 GPD	Surface Aeration	\$274,300 ± 20%

\* Five feet (5') of headspace required for equipment to operate, optimally

**Illustration of a Surface Aeration System with Major Equipment**



## Scope of Work (Surface Aeration)

1. The budgetary price listed is for the complete installation of Components 1, 2 and 3 of the THM removal system solution in the Downtown Tank.
2. USG shall assist in obtaining the necessary permits/approvals from the appropriate regulatory agencies. CLIENT is responsible for determining what permits/approvals are necessary. USG assistance includes: preparation of approval documents such as reports summarizing scope of work, application forms conceptual and installation drawings, manufacture design report and product data, and any follow-up documentation necessary.
3. A date shall be coordinated by both parties for draining of the tank and installation of the aeration system.
4. The interior floor and lower walls of the tank will be thoroughly cleaned using a pressure washer to remove all mud, silt and foreign sediment. The tank is not to be rigged to pressure wash the upper walls above the high-water line, and roof.
5. Surface aeration for the Downtown Tank: The aeration system shall consist of one (1) 3hp surface aerator installed inside the tank and will include electrical motors, floating support systems, wiring, mooring, etc. One (1) powervent (PPV200), along with one (1) additional vent, is required to remove THMs from the headspace in accordance with the AWWA D100. One (1) PWM 100 jet-mixing system will also be installed in the tank.
6. Upon completion of the installation, the tank will be disinfected in accordance with AWWA C652 Spray Method #2. The tank is then sealed and made ready for service.
7. The Owner shall furnish 240V single-phase grid power to the base of the tank, where control panel will be placed, and will be responsible for all trenching, conduit and electrical connections outside the tank. USG will furnish all electrical control boxes and conduit on the tank. USG will work with a certified electrician as required for licensed electrical work and ensure the final connections are properly installed.
8. USG will power up the aeration system and complete electrical and control panel operational testing to verify the proper power operation of the system. USG will provide start-up and a validation protocol to the Owner for future use.

Again, the project specifications and budgetary estimate listed above are based on the system specific information provided to USG as well as our experience and knowledge of THM removal and optimization. Each THM removal system design is based on specific tank dimensions, turnover rates, water quality conditions and treatment goals. Please note that a minimum headspace of five (5) feet is required for this design to be valid. In the event there are changes in turnover rate or removal target, the design and budgetary estimate listed above may be significantly affected. Additionally, site and tank specific considerations may affect the overall pricing.

We appreciate your interest in our custom USG THM removal solutions and the opportunity to elaborate on our capabilities. Our goal is to provide the most comprehensive, cost-effective, and sustainable solutions to our clients. Please be aware that we have recently experienced significant pricing volatility with certain supplies associated with the quoted system. While we suggest considering a 20% inflationary assumption during budgeting processes, we cannot guarantee the future purchase price will fall within that range due to circumstances beyond our control. We sincerely apologize for any inconvenience. However, we look forward to working with Robbins on this project and serving as a resource in the management of your water system. If you have any questions, please feel free to contact me or Cortez Rankin, Water Quality Product Manager.

Sincerely,

Scotty Wilkins  
Water System Consultant