



April 27, 2022

City of Ann Arbor  
 Wastewater Treatment Services  
 49 S. Dixboro Road  
 Ann Arbor, MI 48105

Re: New Pricing July 1, 2022 – June 30, 2025

Dear Keith:

Thank you in advance for the opportunity to continue to serve the City of Ann Arbor.

As you are aware, current economic market conditions in regards to costs of transportation, packaging and raw materials has been significantly accelerating. In some cases, raw material costs have increased at a rate over 100%. Over the last two years of the prior agreement, as a committed partner to the City of Ann Arbor, D3W was able to maintain the lowest agreed upon price rate for US EPA approved Planet Breeze (\$57/g).

2019 thru 2022			
Year	Current Published Rate/Gallon	Current Rate/Gallon	Actual Rate/Gallon
2019-2020	\$70.00	\$62.00	\$57.00 - \$62.00
2020-2021	\$70.00	\$62.00	\$57.00 - \$62.00
2021-2022	\$70.00	\$62.00	\$57.00 - \$62.00

Moving forward, D3W continues to be committed to doing our part to help manage the continued changes in market dynamics by providing a 15% to 20% partnership discount off our published (and/or anticipated) price rate for the next three seasons. As stated and executed in our prior agreements, **it is our intention, at a minimum, to extend a significant discount in order to provide a reduced rate per gallon of \$62.00.**

2022 thru 2025 Offered and Anticipated Structure			
Year	Anticipated Published Rate/Gallon	10% Discount Partnership Rate/Gallon	Ann Arbor Partnership Rate/Gallon
2022-2023	\$77.00	\$70.00	\$62.00 - \$66.00
2023-2024	\$80.00	\$72.00	\$62.00 - \$68.00
2024-2025	\$80.00	\$72.00	\$62.00 - \$68.00

The identified price ranges (up to \$68/gallon) offer some protection against continued economic dynamics including accelerated raw material, fuel, or packaging increases. As always, any invoiced price change due to fluctuating market conditions would be discussed with you at least 30 days prior to any price change. Additionally, please keep in mind that if our costs potentially decrease, we could pass potential savings on to you. **In summary, the proposed price per gallon rate for Planet Breeze is increasing, but as a local partner, our intention is to continue to extend a significant discount throughout the agreement term. This provides a reduced rate of \$62.00 per gallon.**

We ask that those purchases continue to be made in orders of 275 gallons or greater.

We at D3W truly appreciate your business and the pride you and your staff put into running your facility.

Thank you, if you have questions please advise.

Best Regards,  
 Nick

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