

THATCHER COMPANY OF NEVADA, INC.

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September 6, 2018

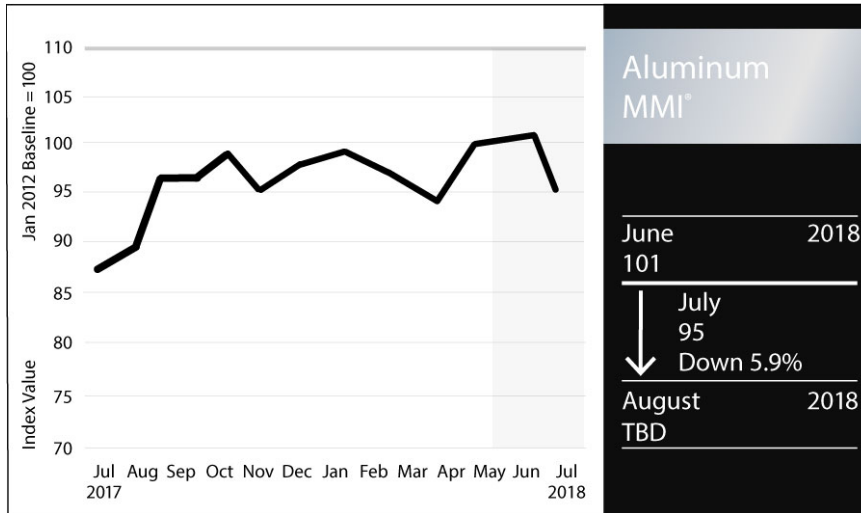
Dan Marran
City of Sparks
Contracts and Risk Manager
431 Prater Way
Sparks, NV 89432

SUBJECT: 2019 Aluminum Sulfate Pricing

Dan,

Thatcher Company of Nevada, Inc. can support the bulk aluminum sulfate pricing for the 2018-2019 contract using our NIPA pricing at \$375/dst.

Aluminum sulfate costs are driven by three factors; aluminum, sulfuric acid and freight. Aluminum costs in the US have been impacted by the shutdown of Alunorte in Brazil as well as the threat of tariffs on Russian and Chinese aluminum producers. The chart below demonstrates the increase over the last 14 months as well as the leveling off of costs over the last quarter.

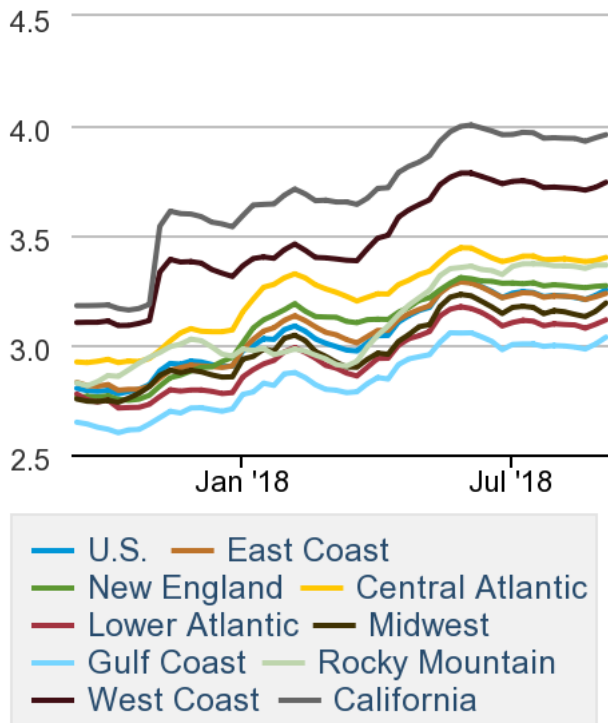


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Sulfuric acid pricing is driven by the Tampa Sulfur Index and freight. Diesel fuel has increased \$0.58/G for the West Coast States less California.

On-Highway Diesel Fuel Prices

(dollars per gallon)



 Source: Energy Information Administration

Despite the cost increases, Thatcher Company of Nevada, Inc. will hold the aluminum sulfate pricing to \$375/dst for the 2018-2019 contract year.

We appreciate the opportunity to support the City of Sparks and look forward to continuing this dialogue.

Please contact me if there are further questions.

Mike



Michael T. Mitchell
Thatcher Company