EFFLUENT OPTION AGREEMENT

THIS WASTEWATER EFFLUENT OPTION AGREEMENT ("Option Agreement") is made and entered into as of July 25, 2023 (the "Effective Date"), by and between Coles Gray LLC, ("DEVELOPER"), a Florida limited liability company, and the CITY OF GALLUP ("CITY"), a New Mexico home rule municipal corporation with respect to the following:

RECITALS

A. Developer intends to acquire approximately 330 acres of land located in McKinley County, New Mexico adjacent to the City and within the City's service area (the "Property");

B. City owns and operates the City of Gallup Wastewater Treatment Plant ("Plant"), which serves the Gallup area. The Plant presently produces an average of two and one-third (2.33) million gallons per day (2.3 mgd) of treated wastewater effluent ("Effluent");

C. Developer desires to purchase Effluent from City for industrial and commercial uses that will provide economic benefits to City and surrounding areas, including at a recycling and manufacturing complex (the "Complex") planned for the Property, and City desires to sell Effluent to Developer for such uses; and

D. The Parties desire to enter into this Option Agreement to set forth their rights and obligations relating to the purchase and use of Effluent and related matters.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms, covenants and conditions set forth below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Option to Purchase Effluent. For and in consideration of a non-refundable sum of FIVE THOUSAND DOLLARS ($5,000.00) (the "Option Payment"), City hereby grants to Developer a first priority right and option ("Option") to purchase Effluent from the Plant under the terms and conditions hereinafter set forth. The Option Payment shall be applied toward the purchase price of Effluent stated herein. Developer may exercise the Option by delivery of written notice of exercise to the City not later than three (3) years after the Effective Date (the "Option Exercise Date") and, upon exercise of the Option, shall have the vested right to purchase and take Effluent for Developer's uses during the term and subject to the conditions of this Option Agreement, until such right is voluntarily relinquished by the Developer in accordance with this Option Agreement or until this Option Agreement is modified by the Parties or terminated. The City shall have the right to terminate this Option Agreement by sending written notice of termination to Developer in accordance with Paragraph 9 of this

Agreement and subject to the following terms and conditions:

A. Purchase of Property: City may terminate this Option Agreement if Developer does not take fee title to the Property within one (1) year following the Effective Date. City must exercise its right of termination under this Paragraph 1.A., if at all, within fifteen (15) days following the one (1) year anniversary of the Effective Date.

B. Construction of Complex and System: City may terminate this Option Agreement if Developer does not commence construction of the Complex at and on the Property and the System addressed in Paragraph 5 below within three (3) years following the Effective Date. City must exercise its right of termination under this Paragraph 1.B., if at all, within fifteen (15) days following the three (3) year anniversary of the Effective Date.

C. Take or Pay Obligation: City may terminate this Option Agreement if, beginning at the commencement of the fifth (5th) year following the Effective Date and in each year thereafter during the term of this Option Agreement, Developer does not purchase and take at least one-third (33.33%) of the Guaranteed Amount (as defined in Paragraph 3 below) for use at the Complex, and/or pay for the equivalent of at least one-third (33.33%) of the Guaranteed Amount (the "Take or Pay Obligation"). City must exercise its right of termination under this Paragraph 1.C., if at all, within fifteen (15) days following the end of a year in which Developer has failed to comply with its Take or Pay Obligation.

2. Purchase Price of Effluent. The initial purchase price for Effluent shall be the based on the Reclaimed Wastewater Charge published in the 2023 City of Gallup Utility Rate Schedule (attached as **Exhibit A**), and shall remain in effect for fifteen (15) years following the Effective Date. Thereafter, the purchase price will be adjusted in accordance with the Reclaimed Wastewater Charge published in the 2038 City of Gallup Utility Rate Schedule, which price shall remain in effect for the duration of the Initial Term (defined below in Paragraph 4), and if extended, for the duration of the Extension Term (defined below in Paragraph 4).

3. Quantity of Effluent. In accordance with Paragraph 1 above, Developer is hereby granted the right to purchase Effluent from the City in an amount up to ONE HUNDRED NINE MILLION, FIVE HUNDRED THOUSAND (109,500,000) gallons per the City's fiscal year (starting July 1 and ending June 30, the "Fiscal Year") (approximately THREE HUNDRED THIRTY SIX (336) acre-feet per Fiscal Year) (the "Guaranteed Amount"). The Guaranteed Amount is an annual quantity; any portion of the Guaranteed Amount Developer does not purchase during a Fiscal Year will not be added to or otherwise available for purchase in any succeeding Fiscal Year. Developer understands and acknowledges that the City has other commitments for the use and purchase of Effluent from the Plant, including for City purposes. Consistent with that acknowledgment and those commitments, Developer will be offered the opportunity to purchase any portion of the

Effluent not consumed by City or others above the Guaranteed Amount. Such purchases, if any, will occur pursuant to the terms of this Option Agreement, including its price terms. The Parties agree that nothing in this Paragraph 4 requires Developer to purchase any amount of Effluent beyond the amount stated in Paragraph 1.C. above; provided, however, the Parties further agree that should Developer decline to purchase the Guaranteed Amount or any portion thereof during a fiscal year, the City will be free to sell or use the unpurchased portion. To facilitate the foregoing agreements, Developer shall, within fifteen (15) days following the start of the fifth (5th) Fiscal Year following the Effective Date and within fifteen (15) days following the start each Fiscal Year thereafter during the term of this Option Agreement, provide the City with written notice, pursuant to Paragraph 9 below, of the amount of Effluent it will purchase and take during the coming Fiscal Year, up to and including the Guaranteed Amount (the "Yearly Call Amount"). Upon receipt of such notice, the City will reserve and hold the Yearly Call Amount for purchase by and delivery to Developer during the coming Fiscal Year and, if the Yearly Call Amount is below the Guaranteed Amount, will be entitled to use or sell the remaining amount during the coming Fiscal Year. Purely by way of example, if the Developer gives notice of a Yearly Call Amount equal to 200 acre feet, the City will reserve and hold that amount for purchase and delivery to the Developer during the Fiscal Year, and will be entitled to sell or use the remaining 136 acre feet comprising the Guaranteed Amount.

4. **Option Agreement Term.** This Option Agreement shall be in force and effect for a period of twenty (20) years, commencing on the Option Exercise Date and expiring at midnight twenty (20) years thereafter (the "Initial Term"); provided however that prior to the expiration of the Initial Term, Developer may extend the term of this Option Agreement for an additional ten (10) years (the "Extension Term") by delivering written notice to City during the Initial Term (the "Option Extension Date") and payment of the additional sum of a non-refundable payment to City of FIVE THOUSAND DOLLARS ($5,000.00) (the "Extension Payment"). The Extension Term shall be in force and effect for a period of ten (10) years from the Option Extension Date, ending at midnight ten years thereafter. The Extension Payment shall be applied to the purchase of Effluent in the same manner as the Option Payment.

5. **Delivery System.**

   a. **Construction and Management.** Developer and City hereby agree that the Developer shall be solely responsible for the planning, permitting, design, construction and operation of a new effluent delivery system ("System") as required to pump and transmit Effluent commencing at the Plant and terminating at Developer's water treatment facilities at the Property. Developer shall control, monitor, operate (including supplying and paying for all necessary power) and manage the System and shall make and pay for all necessary and appropriate repairs and replacements (the "Operating Costs").

   b. **Cooperation and Access.** The City and Developer shall work cooperatively to designate a site for the System's pump station and associated pipeline at and on the City's existing Plant property, which site shall continue to be owned by the

City throughout the term of this Option Agreement and following its termination. The City shall provide all reasonable and necessary access to the components of the System situated on City property for purposes of Developer's operation, monitoring, maintenance, and repair.

c. **Construction Period.** During the period in which Developer is actively constructing improvements on the Property, and prior to the completion of the System components required to deliver Effluent from the Plant to the Property, City shall permit Developer to collect Effluent in amounts permitted under this Option Agreement directly from the Plant via tanker truck or other similar vehicles for construction-related uses. Developer shall bear all expenses relating to such collection and transportation.

6. Point of Delivery. The point of delivery for the Effluent shall be mutually selected and agreed upon by the Developer and City and shall be at or near the System's planned effluent pump station located at the Plant. In the event Developer and City cannot agree on the point of delivery, and should Developer choose a point of delivery to which the City does not agree, Developer may do so provided its choice does not create any risk to, or impose any cost upon, the City.

7. Effluent Quality. The Effluent delivered to Developer by City shall meet all applicable federal and New Mexico treatment standards for delivery into the Puerco River ("Qualifying Effluent"). Once Developer takes possession of Qualifying Effluent at the delivery point, Developer shall be solely responsible for the quality of the Effluent as well as any liability attending its transmission or use in or through the System, at or on the Property, or at, in or on any other location. Developer reserves the right to refuse to take delivery of Effluent if its quality does not satisfy the standards governing Qualifying Effluent. City will incur no liability if this should occur, but if City fails to deliver Qualifying Effluent, and such failure results in a failure to deliver Effluent in the amount of Developer's Take or Pay Obligation, then that Obligation shall be abated *pro tanto*. Purely by way of example, if, in a given year, the City is able only to deliver Qualifying Effluent in an amount equal to twenty five percent (25%) of the Guaranteed Amount, Developer's Take or Pay Obligation will be reduced from one-third (33.33%) to twenty five percent (25%).

8. Assurances by City and Developer. City and Developer hereby assure one another that they have all authority and capacity needed to enter into this Option Agreement, that this Option Agreement is in the public interest, and that all actions taken by City and Developer in entering into and/or in furtherance of this Option Agreement have been taken and shall be taken in accordance with applicable law.

9. Notice. All notices and other communications required or permitted hereunder shall be in writing and shall be given by personal delivery, e-mail transmission, overnight courier or by deposit in the United States mail, first class, registered or certified, return receipt requested, postage prepaid, addressed to the intended recipient at the address(es) shown below:

City:	JM DeYoung Interim City Manager P.O. Box 1270 Gallup, NM 87305 jdeyoung@gallupnm.gov
With a copy to :	David R. Eason Gallup City Attorney P.O. Box 1270 Gallup, NM deason@gallupnm.gov
Developer:	Coles Gray, LLC 515 E. Las Olas Blvd., Suite 120 Fort Lauderdale, FL 33301 David.Cheney@colesgray.com
With a copy to:	Connell Foley 56 Livingstone Avenue Roseland, NJ 07068 Attn: Mitchell W. Taraschi MTaraschi@connellfoley.com
And a copy to:	Rodey, Dickson, Sloan, Akin & Robb, P.A. 201 Third St, NW, Suite 2200 Albuquerque, NM 87102 Or P.O. Box 1888 Albuquerque, New Mexico 87103 Attn: John P. Salazar, Esq. JSalazar@rodey.com

Such notices and other written communications shall be deemed to be received (a) upon actual receipt, if delivered personally or by e-mail transmission, (b) the next business day, if delivered by courier, or (c) three (3) days following deposit in the mail, if delivered by mail. Developer and City may, from time to time, designate a different address by notice given in the manner provided for above, not less than five (5) days prior to the effective date of the change.

11. Condition to Effectiveness. This Option Agreement shall not be effective unless and until it is approved by the City's Council at a duly called and noticed meeting of the Council.

12. Miscellaneous Provisions

a. **Assignment.** This Agreement is freely assignable by Developer.

b. **Binding and Beneficial Effect, Obligations Continue.** The rights and obligations of the Developer and City as stated in this Option Agreement will run to the benefit of, and will be exercisable and enforceable by and binding upon, the City and Developer and their respective successors and assigns, but do not and will not bind or benefit any other person or entity.

c. **Remedies.** If any Party shall breach any warranty or default in the timely performance of its obligations under the terms of this Option Agreement, the Party not in default shall have the right to pursue any and all remedies available at law or in equity, including specific performance, injunction, and/or an action to recover all damages arising from the breach or default, together with reasonable attorneys' fees and costs of suit as determined by the court. The Parties agree that a Party shall not be in breach or default because it has been prevented from performing its obligations under this Agreement by a judicial order or judgment.

d. **Force majeure.** Developer shall have no liability to City, nor shall City have any right to terminate this Option Agreement, because of Developer's failure to perform its obligations under this Option Agreement if the failure is due to causes beyond Developer's control, including without limitation, acts of God, government preemption in connection with changes to relevant statutes or laws, or national emergency. City shall have no liability to Developer, nor shall Developer have any right to terminate this Option Agreement, because of City's failure to perform its obligations under this Option Agreement if the failure is due to causes beyond the City's control including without limitation, acts of God, government preemption in connection with changes to relevant statutes or laws, or national emergency.

e. **Further Documentation, Cooperation, Time of the Essence.** The Parties understand and agree that the implementation of this Agreement may, and in some cases will, require the preparation and execution of additional documents, including documents of conveyance (including easements) and other written agreements, and may or will require their cooperation and joint efforts on other matters relevant to the implementation and performance of this Option Agreement. The Parties will cooperate and reasonably negotiate and agree to the form and terms of such documents of implementation, and will cooperate and agree on other relevant matters, including matters pertaining to the ownership and operation of the System, as needed to perform this Option Agreement and make it fully effective. The Parties also understand and agree that State or Federal regulations may prohibit one or more transactions contemplated by this Option Agreement, or may require the issuance of permits or approvals in the absence of which this Agreement may be rendered unperformable or void, and

the Parties will cooperate with one another and employ good faith efforts to address and obtain all approvals, permits, consents or waivers needed for the performance of this Option Agreement. The Parties agree that time is of the essence in effectuating the performances and transactions contemplated in this Option Agreement including, without limitation, the execution or obtaining of any document, agreement, permit, consent or waiver, or the taking of any action necessary to allow and achieve the performances and results intended herein.

f. **Governing Law and Construction.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico and, to the extent applicable, the laws of the United States.

g. **Counterparts.** This Option Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

h. **Waiver.** A failure to exercise or enforce any term, provision, right or remedy under this Option Agreement shall not be deemed a waiver of such term, provision, right or remedy, or of any other provision of this Option Agreement, unless made in writing. Any waiver of the exercise or enforcement of any term, condition, right or remedy under this Option Agreement shall not operate as a waiver of any other term, provision, right or remedy, nor shall it operate as a waiver of any future exercise or enforcement of any term, provision, right or remedy under this Option Agreement.

i. **Severability.** If any provision of this Option Agreement is deemed invalid, illegal, or otherwise unenforceable such that the central, material terms of the Option Agreement relating to the delivery of Effluent from the Plant to the Property (the "Material Terms") are unaffected, then the validity, legality, and enforceability of the Material Terms shall not be affected or impaired, and the Option Agreement will remain in effect absent the invalid, non-material term.

j. **No Partnership.** The Parties shall not be deemed to have formed a partnership or joint venture by their execution or performance of this Option Agreement.

k. **Entire Agreement.** This Option Agreement constitutes the entire agreement between parties concerning the subjects addressed herein, and no understandings or obligations not expressly set forth in this Option Agreement shall be binding upon the Parties, or either of them.

l. **Modification.** No modification of this Agreement shall be valid or binding unless executed in writing an duly approved by both Parties.

m. **Annexation**. Developer covenants to support efforts to annex the Property and contiguous or other properties deemed necessary by City to such annexation.

IN WITNESS WHEREOF, the Parties hereto have executed this Effluent Option Agreement to be effective as of the day and year first above written.

Coles Gray LLC

By: _____

David Cheney
[Name and Title]

August 1, 2023
[Date]

City of Gallup, a New Mexico municipality

By: _____

[Name and Title]

7/27/2023
[Date]

Attest: _____ [seal]
City Clerk

EXHIBIT A

[2023 City of Gallup Rate Schedule]

SOLID WASTE RATES

(A) **Residential Weekly Pick-up:**		
Monthly Service Charge	$	15.20
(B) **Residential Weekly Pick-up Senior (62 & Over):**		
Monthly Service Charge	$	9.15
(C) **Residential Weekly Pick-up County Residents:**		
Monthly Service Charge	$	21.29
(D) **Residential Special Pick-up:**		
Service Charge	$	9.15
(E) **Residential Monthly Rate for Extra Containers:**		
City Resident	$	8.82
Senior (62 & Over)	$	5.30
County Resident	$	15.43
(F) **Commercial Pick-up Weekly (Monthly Fee):**		
90 Gallons	$	18.09
2.0 Cubic Yards	$	48.08
4.0 Cubic Yards	$	72.62
6.0 Cubic Yards	$	97.13
8.0 Cubic Yards	$	121.41
(G) **Pick-up Two (2) Times per Week (Monthly Fee):**		
2.0 Cubic Yards	$	88.79
4.0 Cubic Yards	$	134.12
6.0 Cubic Yards	$	179.35
8.0 Cubic Yards	$	224.18
(H) **Pick-up Three (3) Times per Week (Monthly Fee):**		
2.0 Cubic Yards	$	130.86
4.0 Cubic Yards	$	197.63
6.0 Cubic Yards	$	264.32
8.0 Cubic Yards	$	330.39
(I) **Pick-up Four (4) Times per Week (Monthly Fee):**		
2.0 Cubic Yards	$	172.91
4.0 Cubic Yards	$	261.15
6.0 Cubic Yards	$	349.27
8.0 Cubic Yards	$	436.58
(J) **Pick-up Five (5) Times per Week (Monthly Fee):**		
2.0 Cubic Yards	$	214.97
4.0 Cubic Yards	$	324.68
6.0 Cubic Yards	$	434.23
8.0 Cubic Yards	$	542.77
(K) **Special Pick-up Charge (per Pick-up):**		
2.0 Cubic Yards	$	48.08
4.0 Cubic Yards	$	72.62
6.0 Cubic Yards	$	97.13
8.0 Cubic Yards	$	121.41
(L) **Open Truck Charge (per Pick-up):**		
Residential	$	36.16
Commercial	$	59.10

SOLID WASTE (continued)

(M) **Compacted Trash (per Pick-up):**			
4.0 Cubic Yards		$	290.49
6.0 Cubic Yards		$	388.50
(N) **Roll-Off Containers:**			
8 & 10 Cubic Yards	Set	$	28.04
	Per Haul	$	84.12
20,30, & 40 Cubic Yards	Set	$	84.12
	Per Haul	$	140.21

All sizes subject to Tipping Fees (weight charge)
Current Rate: $42.00 per Ton (subject to change)

UTILITIES SERVICE CONNECTION / INITIATION

Electric

There will be a fee for all temporary and upgraded service connections. For permanent service, Electric Engineering will generate an estimate of all equipment, engineering, materials, labor with overhead, and taxes or other applicable fees. Coordinate with Electric Engineering.

Water

Service / Meter Size	Tap Fee
5/8 x 3/4 - inch	$1,151.42
1 - inch	$1,429.39
2 - inch	$3,869.53

Sewer

All Sewer Tap Fees	$ 3.00

Solid Waste

Container Size	Non-Refundable Fee (1/2 actual cost)
64 Gallons	$ 21.79
90 Gallons	$ 41.06
2 Cu. Yards	$ 240.00
4 Cu. Yards	$ 325.00
6 Cu. Yards	$ 397.50
8 Cu. Yards	$ 490.00

CONTACT US

110 W. Aztec Avenue
(P.O. Box 1270)
Gallup, NM 87301

8:00 a.m. – 5:00 p.m. (Mon. – Fri.)
9:00 a.m. – 5:00 p.m. (Wed. ONLY)
Closed on Weekends & Holidays

Utility Account Management (aka Customer Care)
Utility bill, new/disconnect service, collections, & non-payment shut-off
(505) 863–1201

Internet Payments
www.gallupnm.gov

Solid Waste
Trash Containers (505) 863-1212

Utilities Engineering Services
(505) 863-1289

ELECTRIC / WATER OUTAGES PLEASE CALL
(505) 863-1200

CITY OF GALLUP

RATE SCHEDULE

ELECTRIC

WATER

WASTEWATER

SOLID WASTE

RATES EFFECTIVE FOR ALL BILLINGS RENDERED ON AND AFTER

JULY 1, 2022

EXHIBIT A

ELECTRIC RATES

Monthly bills include two basic components, Energy Charge (kWh) and Demand (kW) for large commercial customers. The charges for all electricity consumed shall be at the following rates:

(A) **Residential Service Rate:** applies to electric service for single-family dwellings, where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Energy Charge:

First 50 kWh:	Included in min. service charge of $8.34
Thereafter all kWh:	$0.1391 per kWh

(B) **General Service-Small (Non-Residential) Rate:** available for single and three-phase service for non-residential service. This rate applies to customers whose consumption is ***less than*** 40,000 kWh per month or a demand ***less than*** 100 kW.

If the demand is ***over*** 100 kW per month for three consecutive months within a twelve month period, or consumption is ***equal to or greater*** than 40,000 kWh, **service will not be provided under this rate.**

Energy Charge:

First 100 kWh:	Included in min. service charge of $16.71
Thereafter all kWh:	$0.1488 per kWh

(C) **General Service-Medium (Non-residential) Rate:** available for single and three-phase service to customers whose consumption is ***greater than or equal to*** 40,000 kWh or 100 kW per month for three consecutive months within a twelve month period.

Demand charge is the sum to be paid by large electric consumers for their peak usage level for which GJU recovers the cost of providing facilities to accommodate the peak demand.

Demand Charge:

First 100 kW or less:	Included in min. service charge of $1,824.33
Additional Demand:	$15.59 per kW

Energy Charge:

All kWh at:	$0.0950 per kWh

(D) **Municipal Service General Rate:** available to municipal buildings and some streetlight consumption:

Energy Charge:

All kWh at:	$0.0691 per kWh

(E) **Municipal Service Joint Utilities Rate:** available to Joint Utilities including Water Department, Wastewater Department and Electric Department:

Energy Charge:

All kWh at:	$0.0962 per kWh

ELECTRIC RATES (continued)

(F) **Outdoor Area Lighting:** Effective on or after December 1, 2007, the following monthly charge shall apply to the rental rates for outdoor area lighting:

City-owned and operated fixture:

150 Watt	$ 8.31
250 Watt	$19.04
400 Watt	$23.83

(G) **Metered Street and Highway Lighting Rate Not Owned By City**

Energy Charge:

All kWh at:	$0.1315 per kWh

WATER RATES

A monthly service charge is assessed to all consumers based on water meter size:

Meter Size	Charge	Meter Size	Charge
5/8"	$ 10.56	3"	$ 141.57
1"	$ 23.59	4"	$ 226.52
1½"	$ 44.17	6"	$ 490.79
2"	$ 65.13	8"	$ 875.86

(A) **Residential Commodity Charge:**

Zero to 500 cubic feet	0.031636 per cubic foot
501 to 1,000 cubic feet	0.046936 per cubic foot
1,001 to 2,000 cubic feet	0.078937 per cubic foot
2,001 to 5,000 cubic feet	0.125873 per cubic foot
Over 5,000 cubic feet	0.145073 per cubic foot

(B) **Commercial Commodity Charge:**

Zero to 1,000 cubic feet	0.058366 per cubic foot
1,001 to 2,000 cubic feet	0.059949 per cubic foot
2,001 to 4,000 cubic feet	0.066028 per cubic foot
4,001 to 100,000 cubic feet	0.071325 per cubic foot
Over 100,000 cubic feet	0.071398 per cubic foot

(C) **Separate Irrigation Meter Charge:**

All usage	0.102140 per cubic foot

(D) **Municipal Commodity Charge:**

All usage	0.064203 per cubic foot

(E) **Unmetered Water Sales Charge**

All usage	0.116732 per cubic foot

(Equivalent to $15.61 per 1,000 gallons)

(F) **Multi-Family Dwellings and Mobile Home Parks having private sub meters on each individual dwelling shall be at:**

Commercial Rate	0.058366 per cubic foot

WATER RATES (continued)

(G) **For service outside the city limits the water rate shall be at:**

All Usage	One and one-half the rate of service inside City Limits

(H) **Navajo-Gallup Water Supply Project:** For revenue requirements to reimburse costs to provide for this project there will be an additional Volumetric Charge at:

All Usage	$0.0196 per cubic foot

(Per City of Gallup Ordinance No. C2014-5)
(Rate labeled as "Navajo/Gallup Proj")

WASTEWATER RATES

A monthly service charge is assessed to all consumers based on water meter size:

Meter Size	Charge	Meter Size	Charge
5/8"	$7.66	2"	$32.47
1"	$13.93	3"	$59.16
1 ½"	$24.37	4" to 8"	$97.44

(A) **Residential service charge is applicable to one water meter per residence no larger than two inches (2") in size:**

Monthly Service Charge	$7.66

(B) **Residential Volume Charge:**

Zero to 2,674 cubic feet	$0.053899 per cubic foot

(Based on water consumption)

(C) **Commercial Volume Charge:**

All usage	$0.059293 per cubic foot

(Based on water consumption)

(D) The wastewater rate for residents that ***do not*** have City water service will be charged a maximum of 2,000 cubic feet per month, with applicable service charges.

(E) The wastewater rate for commercial accounts that ***do not*** have City water will be based on the previous year's average commercial usage.

(F) For service outside the city limits, the wastewater rate shall be twice that for service inside the city limits.

(G) The wastewater rate for residential and commercial accounts not having City water service but which have a metered water service shall be based on water usage and be billed at the applicable rate.

(H) **Reclaimed Wastewater Charge:**

All usage	$0.030240 per cubic foot

(Equivalent to $4.04 per 1,000 gallons)

(I) **Septic Treatment Charge:**

All usage	$0.665233 per cubic foot

(Equivalent to $88.93 per 1,000 gallons)

EXHIBIT A

SOLID WASTE (continued)

D. Closed Access Fee: Businesses establishments with Refuse Enclosures

WEEKLY PICK UP YARDS	1	2	3	4	5	SPECIAL PICK UP
2 CUBIC	$48.08	$88.79	$130.86	$172.91	$214.97	$48.08
4 CUBIC	$72.62	$134.12	$197.63	$261.15	$324.68	$72.62
6 CUBIC	$97.13	$179.35	$264.32	$349.27	$434.23	$97.13
8 CUBIC	$121.41	$224.18	$330.39	$436.58	$542.77	$121.41
ENCLOSURE ACCESS FEE	**$10.00**	**$20.00**	**$30.00**	**$40.00**	**$50.00**	**$10.00**

Closed Access Fee is for each time the container is emptied. On a special service fee, the fee is charged only once.

E. Automatic Container Locking Mechanism for open space Commercial establishments:
Locks available through the Solid Waste Department and purchased by owner / tenant at full cost value to be billed on the utility account. (One-time fee)

F. Compacted Trash: The rate for compacted trash per pick up shall be:
Container Size Charge Per Pick Up
4 cubic yards $ 290.49
6 cubic yards $ 388.50

10-40 cubic yard Compactor Roll-offs:

Service & Connect Fee $168.24 (per container)

Haul Fee: $280.42 (per container per haul) plus tipping fee charged by the Northwest New Mexico Regional Solid Waste Authority. Plus applicable taxes and surcharges. Fees subject to change.

4. Temporary Service: The rate for the collection and disposal of waste on a temporary basis shall be (term subject to contract):

Containers Fee
15, 12, 10, and 8 Yard Containers:
$ 28.04 (one-time fee per container)

Haul Fee/Gallup $84.12 (per container per haul) plus tipping fees charged by the Northwest New Mexico Regional Solid Waste Authority plus applicable taxes and surcharges. Fees subject to change.

Haul Fee Thoreau $300.00 (per container, per haul) plus tipping fees charged by the Northwest New Mexico Regional Solid Waste Authority plus applicable taxes and surcharges. Fees subject to change.

Monthly Rental Fee $100.00 (fee waived if first pick up completed within 30 days or two (2) or more hauls per pickups completed per month)

OVERLOAD & OVER WEIGHT EQUIVALENT TO COMMERCIAL OPEN TRUCK RATES. FEES SUBJECT TO CHANGE.
CAPACITY

40, 30, AND 20 YARD CONTAINERS:

Setup and removal $84.12 (one-time fee per container)

Haul Fee/Gallup $140.21 (per container per haul) plus tipping fees charged by the Northwest New Mexico Regional Solid Waste Authority plus applicable taxes and surcharges. Fees subject to change.

Haul Fee Thoreau $300.00 (per container, per haul) plus tipping fees charged by the Northwest New Mexico Regional Solid Waste Authority plus applicable taxes and surcharges. Fees subject to change.

Monthly Rental Fee $150.00 (fee waived if first pick up completed within 30 days or two (2) or more hauls per pickups completed per month)

Overload & Over Weight: Equivalent to Commercial Open Truck Rates Capacity

EXHIBIT A