Dear Ms Rose:

I have reviewed the information provided to me concerning the HJ Heinz facility in Jacksonville. In my opinion the Phase II Waste Water Metering Project does not qualify as pollution control equipment. It does not remove, decrease, stop or mitigate, by physical or chemical action, pollutants which are part of liquid released to ambient water. The Wastewater Pretreatment Improvements system does qualify for assessment subject to ss 193.621, Florida Statutes, because the system utilizes a chemical treatment system to control the pH of the plant discharge.

If you have any questions concerning this matter, I may be reached at 850-245-8002 or Suncom 205-8002.

Hamilton S. Oven, P.E.

-----Original Message-----
From: Sandra Rose [mailto:Srose@coj.net]
Sent: Tuesday, October 11, 2005 10:00 AM
To: Oven, Hamilton
Subject: RE: HJ Heinz Pollution Control Request for Waste WaterTreatment

Mr. Oven,

You assisted me in the past with pollution control equipment. Attached, is information that H J Heinz has given our office to review and tax as pollution control. The taxpayer is requesting that this equipment be assessed for the 2005 tax year as pollution control. We have a scheduled hearing for November 2, 2005 with the Value Adjustment Board. I hope this information will help with your determination.

I am forwarding this e-mail with the taxpayers contact information in case you need their assistance.

If you have any questions, please feel free to call me.

Thank you,
Sandra Rose
Duval County Property Appraisers Office

Sandra G. Rose
Appraiser, CFE
Property Appraiser's Office
(904) 630-1212 ext. 6381
(904) 630-5918/fax
srose@coj.net

>>> "Hall, Andrew" <andrew.hall@ryanco.com> 10/10/05 9:55 AM >>>

Ms. Rose,

I am sorry for the delay as we have had a difficult time finding the invoices for the Waste Water Treatment and Waste Water Meter line items. Please find attached H.J. Heinz's Capital Appropriation Requests for each asset. These documents provide the contractor's costs, a listing of the equipment included, and detailed descriptions of each project's purpose.

Please contact me at 972.934.0022 if you have any questions or comments or if this does not satisfy your requirements.

Thank you for your help,

Andrew

From: Sandra Rose [mailto:Srose@coj.net]
Sent: Thursday, September 15, 2005 10:08 AM
To: Hall, Andrew
Subject: Re: HJ Heinz - Account 9167390000 - 2005 Appeal Data

Andrew,

Below is an Excel spreadsheet, of which I have given each asset its line and life. The spread sheet has your codes and you and I differ on some. The spreadsheet also has the deprecation that would apply to each asset. I have some questions and would like to talk with you on the assets that we have differences on.

Please give me a call when you get this e-mail.

Sandra G. Rose
Appraiser, CFE
Property Appraiser's Office
(904) 630-1212 ext. 6381
(904) 630-5918/fax
srose@coj.net

>>> <andrew.hall@ryanco.com> 09/13/05 11:18 AM >>>

Ms. Rose,

Thank you very much for speaking with me this morning. Per our conversation, please find attached an Excel spreadsheet listing all fixed assets at HJ Heinz's facility at 7500 Forshee in Jacksonville as of 1/1/05.

<<HJH Jacksonville, FL - 1-1-05 Assets - S. Rose.xls>>

Please do not hesitate to contact me if you have any questions or comments or if you require any further data.

Thank you for your help in this matter.

Andrew Hall

Senior Consultant

Ryan & Company

Three Galleria Tower

13155 Noel Road

12th Floor, LB 72

Dallas, Texas 75240

Phone: 972.934.0022

Fax: 972.934.4939

Email:andrew.hall@ryanco.com

WASTEWATER PRETREATMENT IMPROVEMENTS

Purpose:

The purpose is to bring the PPI Jacksonville Plant into compliance with all applicable regulations, standards and requirements for effluent pH discharge under local, state, and federal laws.

Background:

The Jacksonville facility was a "green field" project to move the portion control operation out of the Chambersburg Plant, which had been acquired during the Borden Foodservice acquisition. Groundbreaking occurred in September 1995, and plant construction was completed in March 1996. The Plant became fully operational in February 1997.

Several meetings were held prior to and during construction of the PPI Jacksonville facility with representatives of PPI, Patillo, and the City of Jacksonville's Department of Public Utilities. During these meetings, representatives from the Department of Public Utilities assured PPI there was plenty of capacity to handle the facility's effluent discharge and that PPI would be subject to a surcharge in addition to the normal sewer charge if C.O.D. and T.S.S. pollutant levels were exceeded. At that time, there was no mention that special permits would be needed in order for PPI to discharge such effluent. Also during these meetings, there was no discussion on pH parameters for effluent discharge (see attachment #1).

The Jacksonville Plant started effluent discharge in July 1996. Notification was made to the Department of Public Utilities on September 26, 1996 that the Plant was in operation; effluent discharge regulations were requested. They were received October 3, 1996. Regulation #2 restricts the discharges of pH lower than 5.5 and higher than 9.5 (see attachment #2).

On December 11, 1996, the Jacksonville Plant was notified by the Department of Public Utilities that a wastewater permit was required to continue to operate as an industrial user of the public sewer system. A meeting was held with representatives from the Department of Public Utilities and the Jacksonville Plant on December 18, 1996. The purpose of the meeting was to outline the permit application process. During the meeting, it was noted by Public Utility officials that they had undergone reorganization and recognized they failed to be involved in the construction and start-up of the Jacksonville facility.

The Jacksonville Plant was issued an Industrial User Permit on March 5, 1996; the permit was effective March 11, 1996 with an expiration of March 10, 2000. The permit outlines pH limits and reporting requirements (see attachment #3).

- Part 1 A – Effluent Limitations of the permit states that during that period, effluent limits for pH shall not exceed a daily maximum of 9.5 or a daily minimum of 5.5. This is part of Chapter 750 of the Water and Sewer Code.
- Part 3 – Special Conditions #1 requires daily monitoring of pH on a continuous chart recorder. The daily maximum and minimum shall be logged daily.
- Part 4 – Monitoring, Section E, states the permittee must report immediately any occurrence of discharge of substances prohibited in Chapter 750. This would include excursions of pH higher than 9.5 or lower than 5.5.
- Part 6 – Permit Termination #4 states that failure to meet effluent limitations is grounds for immediate termination.

In December 1996, the Plant installed an in-line pH monitoring and control system. This system monitors pH flow in the main sewer line prior to the sampling manhole. When pH readings exceed the effluent limits, it pumps either caustic or acid into the wastewater stream to compensate. Initially, this system prevented discharge of pH levels outside permit limits. However, as Plant operations increased this system proved to be inadequate, and the Plant experienced minor excursions daily of pH levels exceeding the permit limits. Each day this occurs, the Plant files reports with the Department of Public Utilities as required by the Industrial User Permit (see attachment #4).

In November of 1997, a Heinz U.S.A. Factory Audit was conducted at the Jacksonville facility. The pH non-compliance issue was addressed in Audit Point A.2. Since the audit, the Plant has been working with Scott Krall, Heinz U.S.A. Manufacturing Compliance Coordinator, and Applied Engineering to effectively address the pH non-compliance issue (see attachment #5).

On July 13, 1998, a meeting was held to discuss wastewater metering with officials from the Jacksonville Electric Authority (who took control of the Department of Public Utilities in March 1997). At the conclusion of the meeting, Susan Flores, Industrial Pretreatment Manager, notified the Plant Manager that the Jacksonville Plant would have to enter into a compliance schedule to meet pH effluent discharge limits or face possible punitive action which includes fines or suspension of operating permit. Ms. Flores added that the City was under pressure from the State EPA to have all users in compliance.

A second meeting was held on July 30, 1998, with Jacksonville Electric Authority officials during which the Plant was presented a draft of a Pretreatment Agreement (see attachment #6). During the meeting, possible schedules were discussed. The meeting was summarized in Scott Krall's letter to Susan Flores (see attachment #7).

/Attachments 1 through 7

WASTEWATER PRETREATMENT IMPROVEMENTS

Proposal:

Appropriate $370,780.00 in capital funds for design engineering, equipment, and construction of a process wastewater pH adjustment/control and monitoring system.

Complete the design engineering segment of the project to include a detailed set of engineering drawings and specifications. Included will be drawings for site work, civil/concrete, mechanical, electrical, instrumentation and a brief engineering report describing the flowsheet and the project goals. The drawings will be in sufficient detail to obtain bids from qualified contractors and for submission to local authorities for permit approval.

The qualified contractors shall furnish all the necessary personnel, equipment, material, services and facilities to complete the described work detailed in the engineering documentation. Upon approval of the appropriation request, written notification will be issued to the contractors. Work shall commence within 5 days of such notification and shall be completed within 100 days.

The project scope consists of installation of several pieces of equipment in the northwest corner of the receiving warehouse, where a 42' x 26' containment room will be built. An 8' diameter x 10' deep wetwell will be installed into the floor slab to connect to our existing industrial sewer line. The effluent will then be pumped from the wetwell to a 9,400-gallon tank for first-stage pH control and equalization. It is then gravity transferred to a second-stage 1,000-gallon pH adjustment tank. After pH is in compliance, the effluent is then gravity transferred to a fiberglass monitoring station which will be located between our existing three-stage grit separator and the front of the building. The monitoring station will contain a 3-inch parshall flume to meter and record our effluent flow and to activate the city and PPI's sampling devices, which determines our monthly surcharge.

Alternatives:

To do nothing would put the Jacksonville Plant in violation of the current Industrial User Permit as well as state, local and federal EPA pH discharge regulations. Continued non-compliance will result in federal and local agency penalties, fines and eventual termination of effluent discharge.

Discussion:

- PPI to submit plans and specifications to Jacksonville Electric Authority for consultants Black & Vetch to review. The pretreatment concept must be approved prior to submittal of the final package.

- Submittal of appropriation request for approval--8 weeks.
- Enter into a "Pretreatment Agreement" to comply with the Industrial User Discharge Permit (#110).
- Secure construction contracts and notification to Jacksonville Electric Authority of project start date--1 week.
- Commencement of project; Construction and installation of equipment--11 weeks.
- Equipment setup and calibration--1 week.
- System adjustments- 1 week.

Currency U.S. DOLLARS	PROJECT DETAIL- MACHINERY AND EQUIPMENT

Project Title Waste Water Pretreatment Improvements	Affilinte Company HEINZ U.S.A.

Cost Detail

Item No.	Description	No. of units	Total Costs	Basic Equip.	Auxiliaries & Installation	Freight	Rearrange-ment
1	Design-Engineering	1	$37,500	$37,500			
	Mechanical and Civil Scope						
2	Piping	1	$5,421	$5,421			
3	Specialties & valves	1	$11,085	$11,085			
4	Hangers, insulation, penetrations	1	$3,568	$3,568			
5	Equipment	1	$133,468	$133,468			
6	Controls & Instrumentation	1	$11,409	$11,409			
7	HVAC & Roofing	1	$4,801	$4,801			
8	Floor coating	1	$8,085	$8,085			
9	Concrete	1	$18,777	$18,777			
10	Block	1	$13,998	$13,998			
11	Drywall & Decking	1	$2,903	$2,903			
12	Doors	1	$4,576	$4,576			
13	Start-up	1	$3,515	$3,515			
14	Supervision	1	$4,554	$4,554			
15	Equipment rental	1	$17,234	$17,234			
16	Labor	1	$51,386	$51,386			
17	Lab sink & cabinet	1	$2,000	$2,000			
18	Permits	1	$2,000	$2,000			
	Electrical Scope						
19	Labor	1	$15,800	$15,800			
20	Material	1	$13,600	$13,600			
21	Equipment	1	$5,100	$5,100			
	Total		$370,780				

Prepared by	Approved by	Project No.
James Kirton		

Currency US DOLLARS	ALTERNATIVES	
Affiliate Company HEINZ U.S.A.	Title Waste Water Pretreatment Improvements	
ALTERNATIVE		SELECTION/REJECTION RATIONALE
Final Choice Waste Water Pretreatment Improvements	Total Investment $370,780 IRR (%) Payback from Commencement of Spending	REQUIRED TO MEET FEDERAL AND LOCAL DISCHARGE REGULATIONS.
Alternative 1 DO NOTHING	Total Investment $0.00 IRR (%) Payback from Commencement of Spending	REJECTION RATIONALE CONTINUED NON-COMPLIANCE WILL RESULT IN FEDERAL AND LOCAL FINES AND PENALTIES AND EVENTUAL TERMINATION OF EFFLUENT DISCHARGE.
Alternative 2	Total Investment IRR (%) Payback from Commencement of Spending	
Alternative 3	Total Investment IRR (%) Payback from Commencement of Spending	

FY BUDGET/FORECAST: FY99

PLEASE CHECK ONE OF THE (TWO) FOLLOWING AND ATTACH TO THE CAPITAL APPROPRIATION:

1. X BUDGETED/FORECASTED:

IF CHECKED:
NAME OF PROJECT AS LISTED ON FINAL COPY OF CAPITAL BUDGET/FORECAST:

($250M) pH Neutralization System - Jacksonville

(IF FALLS UNDER A/O PLEASE MARK AS A/O)

BALANCE WILL FALL INTO FY00

2. ___ NEW PROJECT (NOT LISTED ON CAPITAL BUDGET/FORECAST)

IF CHECKED:
USING FUNDS LISTED ON CAPITAL BUDGET/FORECAST UNDER PROJECT TITLE:

CHECK ONE OF THE FOLLOWING:

X CANCELS ENTIRE EXISTING PROJECT AS LISTED ON CAPITAL BUDGET/FORECAST

___ USES PORTION OF EXISTING PROJECT FUNDS (REDUCES AMOUNT ALLOCATED FOR EXISTING PROJECT AS LISTED ON CAPITAL BUDGET/FORECAST)

NOTE: WHEN REVIEWING FOR AVAILABILITY OF FUNDS, PLEASE USE THE MOST RECENT BUDGET OR FORECAST REPORT

ent #1

Westside Industrial Park

A PATTILLO DEVELOPMENT

FAXED
DEC 23 1996
Pages 1 + Attachment

December 23, 1996

Mr. Mike Jackson
Portion Pac, Inc.
7500 Forshee Drive
Jacksonville, Florida 32219

Via Fax #695-1399

Dear Mike:

Mr. Thomas J. Lund in the Engineering Division of the Department of Public Utilities for the City of Jacksonville was the primary contact for the PPI project. Mr. Lund was present at several meetings which were attended by representatives of PPI, Pattillo, and the City of Jacksonville to discuss the water and sewer requirements of PPI.

Mr. Lund indicated that the Buckman Wastewater Reclamation Facility had the capacity to treat PPI's anticipated monthly quantity of 200,000 GPD and anticipated quality of 4,500 mg/l of C.O.D. and 534 mg/l of T.S.S. in the sewer discharge. Mr. Lund informed us that the C.O.D. and T.S.S. levels would exceed the City's 600 ppm and 300 ppm thresholds respectively, and therefore PPI would be subject to a surcharge in addition to the City's normal sewer service charges. Mr. Lund did not indicate that any special permits would be required in order for Portion Pac, Inc. to discharge such effluent.

Suzanne Flores was involved in several meetings with Mr. Lund. Bob Olsen of the City Economic Development Department was also involved throughout the PPI project and might be a good source of reference, as well.

If I can provide any further information, please contact me.

Best regards,

THE PATTILLO COMPANIES

Peter R. Anderson

PA/jj/1902

4102 Bulls Bay Highway • Jacksonville, Florida 32219 • FAX 904/695-2456 • 904/695-2452
Home Office • P.O. Box 67 • Tucker, GA 30085-0067 • 404/938-6366

Attachment #2

DEPARTMENT OF PUBLIC UTILITIES
Water Reclamation Division
Industrial Pretreatment

October 3, 1996

Wil Dodson
Maintenance Manager
Portion Pac
7500 Forshee Drive
Jacksonville, Florida 32219

Dear Mr. Dodson:

Enclosed, please find a copy of the City of Jacksonville's local discharge limits which you requested during our conversation on September 26, 1996.

If you should have any questions, please do not hesitate to contact me at (904) 630-4233.

Sincerely,

Rodney Birdwell
Industrial Pretreatment
Specialist

FYI.
Copy MIKE JACKSON
JOHN TAGARELLI

Enclosures (1)

cc: IP file

CITY OF JACKSONVILLE, FLORIDA
DEPARTMENT OF PUBLIC UTILITIES
WASTEWATER DIVISION
INDUSTRIAL PRETREATMENT

PRETREATMENT PROHIBITIONS AND STANDARDS REGULATING DISCHARGES TO THE SANITARY SEWER SYSTEM

No person shall introduce into the POTW any of the following pollutants which, acting alone or in conjunction with other substances present in the POTW, interfere with the operation of the POTW:

1) Liquids, solids or gases which by reason of their nature or quantity, are or may be sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the POTW or the operation of the POTW. At no time shall two successive readings on an explosion hazard meter at the point of discharge into the system or at any point in the system be more than five percent of the lower explosive limit of the meter nor shall a single reading be over ten percent of the lower explosive limit of the meter. Prohibited materials include gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides and sulfides and any other substance which the City, the State or the EPA has notified the User is a fire hazard or a hazard to the system. [Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, waste streams with a closed-cup flashpoint of less than 140 degrees Fahrenheit (60 degrees Centigrade) using the test methods specified in 40 CFR 261.21.]

2) Pollutants which cause corrosive structural damage to the POTW, but in no case discharges with a pH lower than 5.5 or higher than 9.5 Standard Units.

3) Solid or viscous pollutants in amounts which cause obstruction to the flow of the sewers or other interference with the operation of or which cause injury to the POTW, including waxy or other materials which tend to coat and clog a sewer line or other appurtenances thereto.

4) A pollutant, including oxygen-demanding pollutants, released in a discharge of such volume or strength as to cause interference with the POTW. In no case shall a peak discharge have a rate that exceeds two and one-half times the average concentration or flow during normal operation.

5) Heat in amounts which will inhibit biological activity in the POTW resulting in interference, but in no case, heat in such quantities that the temperature at the treatment works influent exceeds 104 degrees Fahrenheit (40 degrees Centigrade). Unless a higher temperature is allowed in the Users wastewater discharge permit, no User shall discharge into a sewer line or other appurtenance of the POTW wastewater with a temperature exceeding 150 degrees Fahrenheit (65.5 degrees Centigrade).

6) Wastewater containing toxic pollutants in sufficient quantity, either singly or by interaction with other pollutants, to injure or interfere with a wastewater treatment process, constitute a hazard to humans or animals, create a toxic effect in the receiving water of the POTW or exceed the limitations set forth in a categorical pretreatment standard. A toxic pollutant shall include a pollutant identified pursuant to Section 307(a) of the Clean Water Act.

7) Water or waste containing fats, wax, grease or oils, whether or not emulsified, in excess of 100 parts per million by weight, which may solidify or become viscous at temperatures between 40 and 150 degrees Fahrenheit.

8) Storm water, surface water, groundwater, roof run-off, subsurface drainage, uncontaminated cooling water or unpolluted industrial process waters; provided that this water may be discharged into approved storm sewers, but not into sanitary sewers.

9) A noxious or malodorous gas or substance capable of creating a public nuisance or hazard to life, or preventing the entry of persons into the POTW for maintenance, inspection and repair.

10) Water containing quantities of radioactive waste or isotopes in excess of applicable Federal or State regulations or permits issued by Federal or State Agencies.

11) Concentrated dye wastes, spent tanning solutions or other wastes which are highly colored, or wastes which are of unusual volume, concentration of solids or composition, that may create obstruction to the flow in sewers, or other interference with the POTW.

12) Waters or wastes containing phenols or other taste or odor-producing substances, in such concentrations exceeding limits established by the Manager as necessary after treatment of the composite sewage to meet requirements of Federal, State or other public agencies having jurisdiction for the discharge to the receiving waters.

13) Garbage that is not properly shredded garbage. The installation and operation of a garbage grinder equipped with a motor of three-fourths of a horsepower (seventy-six hundredths horse power metric) or greater shall be subject to the review and approval of the Manager.

The following pretreatment standards have been established to protect against pass through and interference. No person shall discharge wastewater in excess of these pollutants. These standards apply at the point where the Users wastewater is discharged to the POTW. Pretreatment standards may differ for Users that are identified as "Categorical".

Pollutant	Minimum	Maximum
Cadmium		1.20 mg/l
Chromium		10.00 mg/l
Copper		3.38 mg/l
Cyanide		3.38 mg/l
Lead		1.90 mg/l
Mercury		0.006 mg/l
Nickel		3.98 mg/l
Silver		0.43 mg/l
Zinc		2.61 mg/l
Oil/Grease		100 mg/l
pH	5.5 S.U.	9.5 S.U.

Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) are regulated as a sewer surcharge. The standard for COD is 600 mg/l and the standard for TSS is 300 mg/l.

City [illegible] Beach EXS

lregs/10-92

Perimeter Crest Office Park
2261 Perimeter Park Drive
Atlanta, Georgia 30341
Telephone (770) 454-1810
FAX (770) 454-1816
Internet: appengsci@aol.com
Engineering
Environmental
Consultants

August 18, 1998

6438-41

James G. Kirton
Engineering Manager
Portion PAC, Inc.
7500 Forshee Drive
Jacksonville, FL 32219

RE: Proposal for Engineering Services
Design for pH Control System

Dear Mr. Kirton:

Applied Engineering & Science, Inc. (AES) is pleased to provide Portion PAC, Inc. (PPI) with the following Proposal for Engineering Services relative to providing detailed engineering design for a wastewater pH control system to be constructed at the Jacksonville, Florida, plant. This proposal is based upon our knowledge of existing site conditions, understanding of the process facilities and operations, and existing effluent data provided to AES.

The current pH control systems at the Jacksonville plant are unable to consistently maintain effluent pH within the City of Jacksonville's discharge limitations. The plant's wastewater is discharged through an oil/water and grit separator where the pH is measured and adjusted with the addition of acid and caustic. The separator is currently mixed with air to assist the process.

The current separator was not designed for pH adjustment and has very little detention time for pH measurement and adjustment. In addition, the addition of acid into the concrete oil water and grit separator eventually will cause damage to the concrete structure. We have seen significant damage occur in other locations under similar circumstances.

In order to provide adequate effluent pH control, PPI will be required to install a process wastewater pumping station to pump wastewater to a pH control system, after which the water will be discharged to a flow monitoring station. This proposal addresses the detailed engineering design for the pumping station, equalization and neutralization tanks, pH control and chemical feed systems.

I. SCOPE-OF-WORK

Based upon our understanding of the project goals, we propose the following Scope-of-Work:

1. AES will visit the plant, review effluent discharge records, building design drawings and site conditions, including sewer invert elevations. PPI will provide any available copies (electronic) of drawings of the facility that are relative to this project. We will develop on-site pH titration curves using representative wastewater samples collected from the visit.

2. We will review plant process operations with plant production personnel to determine daily water use, maximum flow rates and operational concerns.

3. A process flow sheet, equipment sizing, and equipment layout will be developed for review with PPI personnel and the city, if appropriate. The process flow sheet will be based upon information obtained during the site visit.

4. After the review process, AES will develop detailed engineering drawings for site work, civil/concrete, mechanical, electrical and instrumentation. Engineering specifications will also be developed for the project.

5. Engineering drawings will be in sufficient detail to obtain bids from qualified contractors and for submission to local authorities for permit approval.

6. A brief engineering report describing the flow sheet and project goals will be prepared to submit to the City of Jacksonville, along with the construction drawings.

7. A final design review meeting will be held in Jacksonville for the purpose of reviewing the detailed engineering drawings with PPI's contractors or the City of Jacksonville sewer authorities.

II. COST AND SCHEDULING

AES will provide the services outlined in the above Scope-of-Work on a time and material basis with a not to exceed cost of $19,000. We will submit invoices on a monthly basis. Our invoices are payable within 30 days of receipt. Any work completed outside of the above Scope-of-Work will be provided on the basis of our current per diem rates. Rates for 1998 are attached. Travel and miscellaneous expenses will be billed at cost times a 1.1 multiplier.

We have allocated money in the Scope-of-Work for three visits to the plant. Additional trips, if requested by PPI, will be outside of the Scope-of-Work.

We are prepared to begin work on this project within five days of your notice to proceed. We will begin work upon your verbal approval of this project, but will require a purchase order or similar letter of authorization to proceed within seven days of our beginning work on the project. It is anticipated that the final design documents can be issued within seven weeks of your notice to proceed.

We trust that the foregoing meets with your approval and look forward to working with you on this project. Should you have any questions concerning this Proposal, please call either me of Bobby Hadden at (770) 454-1810.

Sincerely,

Mal Burman (M.E.)

Malcolm E. Burman, P.E.
Vice President

MEB:mn
Enclosure
cc: Mike Jackson, PPI
Ken Martin, PPI
Bobby Hadden, AES

Perimeter Crest Office Park
2261 Perimeter Park Drive
Atlanta, Georgia 30341
Telephone (770) 454-1810
FAX (770) 454-1816
Internet: appengsci@aol.com
Engineering
Environmental
Consultants

August 18, 1998

6438-41

James G. Kirton
Engineering Manager
Portion PAC, Inc.
7500 Forshee Drive
Jacksonville, FL 32219

RE: Proposal for Engineering Services
Discharge Monitoring Station

Dear Mr. Kirton:

Applied Engineering & Science, Inc. (AES) is pleased to provide Portion PAC, Inc. (PPI) with the following Proposal for Engineering Services relative to providing detailed engineering design for effluent flow monitoring facilities to be constructed at the Jacksonville, Florida, plant. This proposal is based upon our knowledge of the existing site conditions, understanding of the process facilities and the Jacksonville industrial wastewater flow measurement requirements.

In accordance with the requirements, the plant is in need of an effluent flow monitoring station that will allow for continued flow measurement and provide a place for the City of Jacksonville to set up flow paced sampling and flow measurement equipment. Based on our understanding, it may be necessary to include the facility sanitary wastewater in the flow measuring device. Based on the elevations of the existing discharge sewer line, it may be necessary to pump the sanitary wastewater to achieve sufficient flow velocities to minimize solids deposition in the pipe and upstream approach section of the primary flow device. Therefore, we have included provisions to design a sanitary wastewater pump station.

This proposal addresses the detailed engineering design of the effluent monitoring station and sanitary wastewater pump station.

I. SCOPE-OF-WORK

Based upon our understanding of the project goals, we propose the following Scope-of-Work:

1. AES will visit the plant, review existing building design drawings and site conditions, including sewer invert elevations. PPI will provide any available copies (electronic) of drawings of the facility that are relative to this project.

2. We will review plant process operations with plant production personnel to determine daily water use, maximum flow rates and operational concerns.

3. Preliminary drawings of the monitoring station will be developed for review with PPI personnel. The design will incorporate any covenant requirements for the property that we are made aware. At this point we anticipate an in-ground station consisting of a flow measuring primary device (Parshall flume, Parmer-Bowlus flume or mag-meter) and a secondary device (continuous flow meter and recorder with appropriate sampler output signal). The station will require electrical power, and based on our conversation, a building may be required. We have included provisions for designing a small brick building to house the monitoring station.

4. After PPI reviews the drawings, it would be appropriate to meet with the City to discuss the proposed flow monitoring facility. After PPI and the City approves the preliminary drawings, AES will develop detailed engineering drawings for site work, civil/concrete, mechanical, electrical and instrumentation. Engineering specifications will also be developed for the project.

5. The size and type of primary flow measuring device will be developed. Engineering and construction drawings will be prepared in sufficient detail to obtain bids from qualified contractors and for submission to local authorities for permit approval. These drawings will be adequate for construction by a contractor qualified for such construction.

6. A brief engineering report will be provided describing design and sizing criteria and calculations, and other pertinent information as required by the regulations. This report will be prepared for submittal to the City of Jacksonville, along with the construction drawings.

7. A final design review meeting will be held in Jacksonville for the purpose of reviewing the detailed engineering drawings with PPI's contractors or the City of Jacksonville sewer authorities.

II. COST AND SCHEDULING

AES will provide the services outlined in the above Scope-of-Work on a time and material basis with a not to exceed cost of $18,500. We will submit invoices on a

monthly basis. Our invoices are payable within 30 days of receipt. Any work completed outside of the above Scope-of-Work will be provided on the basis of our current per diem rates. Rates for 1998 are attached. Travel and miscellaneous expenses will be billed at cost times a 1.1 multiplier.

We have allocated money in the Scope-of-Work for three visits to the plant. Additional trips, if requested by PPI, will be outside of the Scope-of-Work.

We are prepared to begin work on this project within five days of your notice to proceed. We will begin work upon your verbal approval of this project, but will require a purchase order or similar letter of authorization to proceed within seven days of our beginning work on the project. It is anticipated that the final design documents can be issued within eight weeks of your notice to proceed.

We trust that the foregoing meets with your approval and look forward to working with you on this project. Should you have any questions concerning this Proposal, please call either me or Bobby Hadden at (770) 454-1810.

Sincerely,

Mal Burman (dtz)

Malcolm E. Burman, P.E.
Vice President

MEB:mn
Enclosure
cc: Mike Jackson, PPI
Ken Martin, PPI
Bobby Hadden, AES

W.W. GAY MECHANICAL CONTRACTOR, INC. 524 Stockton Street - Jacksonville, FL 32204-2500 • 904-388-2696
MECHANICAL - CMC-008140 PLUMBING - CFC-019164

January 27, 1999

Mr. Jim Kirton
Portion Pac, Inc.
7500 Forshee Drive
Westside Industrial Park
Jacksonville, FL 32219

Re: Portion Pac, Jacksonville, Florida
W.W. Gay Job #: 760045-X18C (Revision 4)
Wastewater Pretreatment Improvement

Dear Jim:

We offer you a lump sum price of $298,980.00 to furnish and install the mechanical and civil scope of the Wastewater Pretreatment Improvement system as indicated by the AES specifications and drawings dated December, 1998. Our price can be broken down as follows:

Piping	5,421.00
Specialties & valves	11,085.00
Hangers, insulation, penetrations	3,568.00
Equipment	133,468.00
Controls & instruments	11,409.00
HVAC & roofing	4,801.00
Floor coating	8,085.00
Concrete	18,777.00
Block	13,998.00
Drywall & decking	2,903.00
Doors	4,576.00
Start-up	3,515.00
Supervision	4,554.00
Equipment rental	17,234.00
Labor	51,386.00
Lab sink and cabinet	2,000.00
Permits	2,200.00

Our price is based on the following:

1. Deduct $11,270.00 from our price if equivalent equipment may be purchased from other than the sole source vendor specified.
2. The sump shall located over the existing 8" industrial waste line. No additional line re-routing is included.

3. Our price does not include any de-watering. If de-watering is required, it will need to be addressed at that time.
4. Our price does not include any sheet piling. If sheet piling is required, it will need to be addressed at that time.
5. Our price includes a budget of $2,000.00 for a lab sink and cabinet.
6. Our price is based on furnishing four (4) LMI chemical feed pumps. However, please note that the largest LMI pump will only deliver 20 GPH versus the 25 GPH specified. If this is a problem, either two (2) LMI pumps will need to be furnished or a mechanically driven pump will need to be furnished.
7. Our price does not include the pH/temperature probe or software.

Should you have any questions regarding this quotation, please feel free to contact us.

Sincerely yours,

W.W. GAY MECHANICAL CONTRACTOR, INC.

Michael E. Scribbins
Project Manager

MILLER ELECTRIC COMPANY
"Quality Service Since 1939"

December 31, 1998

Portion Pac, Inc.
7500 Forshee Drive
Jacksonville FL 32219

Attn: Mr. Jim Kirton

RE: Wastewater Improvements
Electrical Proposal

Gentlemen:

We are pleased to submit our Time and Material, "Not To Exceed", Proposal to perform the electrical and electronic instrumentation work associated with the above-referenced project. Our proposal is based upon bid documents dated December 1998 and the following Scope of Work.

SCOPE OF WORK:

Our Proposal includes the following:

- Electrical Bill of Material shown on Drawing E02.
- Circuitry shown on Drawings E03 and E04, Conduit & Cable Schedules.
- Boiler Room Pump Circuitry.
- Labor and Supervision, as required.
- Electrical Construction Equipment.
- Check-Out and Start-Up Assistance.

PROPOSAL BREAKDOWN:

LABOR	$ 15,800.00
MATERIAL	13,600.00
EQUIPMENT	5,100.00
TOTAL BUDGET AMOUNT	**$ 44,500.00**

We appreciate the opportunity to submit our proposal and look forward to working with you on this project. Should you have any questions, please contact us.

Sincerely,
MILLER ELECTRIC COMPANY

Ed Witt, Jr.
Project Manager

EEWjr/ch

2251 ROSSELLE STREET (32204) P.O. BOX 1799 JACKSONVILLE, FLORIDA 32201 904/388-8000 FAX 904/389-8653

NO. EC-13

Perimeter Crest Office Park
2261 Perimeter Park Drive
Atlanta, Georgia 30341
Telephone (770) 454-1810
FAX (770) 454-1816
Internet: appengsci@aol.com
Engineerin
Environme
Consultant

January 4, 1999

James G. Kirton
Engineering Manager
Portion PAC, Inc.
7500 Forshee Drive
Jacksonville, FL 32219

8589A&B

RE: Cost Estimate
Wastewater Pretreatment Upgrades

Dear Mr. Kirton:

Please find attached the breakdown of the estimated cost for completion of the wastewater pretreatment facility upgrade. The estimated cost for construction of the facilities is $263,565. At your request we have included engineering and construction management costs of $91,992. This includes design and construction management costs, in addition to cost for permitting, startup assistance, monitoring system calibration and preparation of an operation and maintenance manual. The total estimated project cost is $355,557. A cost for any contingencies has not been included.

Should you have any questions, please call either Mal Burman or me at (770) 454-1810.

Sincerely,

Robert E. Hadden
Manager, Industrial Waste Services

cc: Mal Burman, AES

8589A/cor/kirton-7

TABLE 1
COST SUMMARY
WASTEWATER PRETREATMENT UPGRADES
Portion Pac, Inc.
Jacksonville, Florida
Applied Engineering & Science, Inc.
Jan-99

ITEM	TOTALS
EQUIPMENT COST (including installation)	
INFLUENT PUMPING STATION	$65,950
pH CONTROL SYSTEM	$47,000
BUILDING	$26,550
MONITORING STATION	$27,750
BOILER ROOM MODIFICATIONS	$4,750
EQUIPMENT COST	$172,000
CONSTRUCTION COST	
PIPING & VALVES	$36,790
CONCRETE	$9,200
MISCELLANEOUS METALS	$2,000
PAINTING	$5,300
SITE WORK	$4,600
ELECTRICAL	$33,675
EQUIPMENT AND CONSTRUCTION COST	$263,565
ENGINEERING AND MANAGEMENT COST	
Permitting (Contractor)	$5,000
ENGINEERING AND DESIGN	$48,662
CONSTRUCTION MANAGEMENT	$27,780
STARTUP	$6,550
OPERATION AND MAINTENANCE MANUAL	$4,000
TOTAL ENGINEERING AND MANAGEMENT COST	$91,992
COST SUMMARY	
CONSTRUCTION AND EQUIPMENT COST	$263,565
ENGINEERING AND MANAGEMENT COST	$91,992
TOTAL PROJECT COST	$355,557

1/5/99

Portion Pac, Inc.
Jacksonville, Florida
INFLUENT PUMPING STATION

ITEM	TYPE/ SIZE	MATERIAL COST	LABOR COST	TOTAL COST
EQUIPMENT				
Strainer Basket		$5,000	$100	$5,100
Pumps		$41,000	$400	$41,400
Control System		$2,000	$200	$2,200
Sump		$8,500	$2,000	$10,500
Strainer System (2)		$6,500	$250	$6,750
SUBTOTAL - EQUIPMENT		**$63,000**	**$2,950**	**$65,950**
PIPING & VALVES				
Process		$6,400	$3,000	$9,400
Air				$0
Chemical				$0
Water				$0
Underground				$0
Miscellaneous				$0
				$0
SUBTOTAL - PIPING AND VALVES		**$6,400**	**$3,000**	**$9,400**
CONCRETE		$2,500		$2,500
MISCELLANEOUS METALS		$300		$300
PAINTING			$100	$100
SAW CUT & EXCAVATE		$1,500		$1,500
ELECTRICAL/INSTRUMENTATION		$850	$1,300	$2,150
SUBTOTAL - MISC. CONSTRUCTION		**$5,150**	**$1,400**	**$6,550**
Cost Total		**$74,550**	**$7,350**	**$81,900**

1/5/99

Jacksonville, Florida
pH CONTROL SYSTEM

ITEM	TYPE/ SIZE	MATERIAL COST	LABOR COST	TOTAL COST
EQUIPMENT				
1st stage tank				
mixer		$16,000	$1,500	$17,500
pH control system		$8,000	$200	$8,200
2 chemical feed pumps		$3,000	$100	$3,100
2nd stage tank		$2,500	$200	$2,700
mixer		$5,500	$500	$6,000
pH control system		$3,500	$200	$3,700
2 chemical feed pumps		$3,000	$100	$3,100
		$2,500	$200	$2,700
				$0
				$0
				$0
				$0
SUBTOTAL - EQUIPMENT		$44,000	$3,000	$47,000
PIPING & VALVES				
Process		INSTALLED COST		
Air		$9,490	$5,000	$14,490
Chemical				$0
Water		$500	$500	$1,000
Underground - discharge piping				$0
tank vent system		$1,350	$1,000	$2,350
		$1,200	$800	$2,000
SUBTOTAL - PIPING AND VALVES				$0
CONCRETE		$12,540	$7,300	$19,840
MISCELLANEOUS METALS		$1,600		$1,600
PAINTING		$1,200		$1,200
SITE WORK			$200	$200
ELECTRICAL/INSTRUMENTATION				$0
SUBTOTAL - MISC. CONSTRUCTION		$3,800	$1,700	$5,500
		$4,600	$1,900	$6,500
Cost Total		$61,140	$12,200	$73,340

1/5/99

Portion Pac, Inc.
Jacksonville, Florida
BUILDING

ITEM	TYPE/ SIZE	MATERIAL COST	LABOR COST	TOTAL COST
EQUIPMENT & SUPPLIES				
Walls (incl. Lintels, pilasters,etc.)		$4,500	$12,500	$17,000
Laboratory Sink/Cabinet		$750	$200	$950
Man Door (2)		$850	$400	$1,250
Rollup Door		$1,250	$300	$1,550
Small Room Ceiling		$1,000	$800	$1,800
Safety Shower		$650	$300	$950
Water Heater		$250	$200	$450
Exhaust Fan and Vent		$2,100	$500	$2,600
				$0
				$0
				$0
SUBTOTAL - EQUIPMENT		$11,350	$15,200	$26,550
PIPING & VALVES				
Process		INSTALLED COST		
Air				$0
Chemical				$0
Water (3 hose bibs)				$0
Underground		$1,500	$1,500	$3,000
Miscellaneous				$0
				$0
SUBTOTAL - PIPING AND VALVES		$1,500	$1,500	$3,000
CONCRETE		$1,900	$1,000	$2,900
MISCELLANEOUS METALS		$300		$300
PAINTING		$4,000	$1,000	$5,000
RELOCATE FENCE			$1,500	$1,500
ELECTRICAL/INSTRUMENTATION		$13,225	$11,500	$24,725
Subtotal		$19,425	$15,000	$34,425
Cost Total		$32,275	$31,700	$63,975

1/5/99

Portion Pac, Inc.
Jacksonville, Florida
MONITORING STATION

ITEM	TYPE/ SIZE	MATERIAL COST	LABOR COST	TOTAL COST
EQUIPMENT				
Flow & pH meter/recorder		$10,000	$500	$10,500
Sampling Equipment				$0
Flume				$0
Manhole/Vault		$16,500	$750	$17,250
pH Monitoring System				$0
Hatches				$0
				$0
SUBTOTAL - EQUIPMENT		$26,500	$1,250	$27,750
PIPING & VALVES		INSTALLED COST		
Process				$0
Air				$0
Water Piping		$250		$250
Water & Electrical Trench			$1,500	$1,500
Underground				$0
Miscellaneous			$1,000	$1,000
				$0
SUBTOTAL - PIPING AND VALVES		$250	$2,500	$2,750
CONCRETE		$400		$400
MISCELLANEOUS METALS		$200		$200
PAINTING				$0
SITE WORK		$1,600		$1,600
ELECTRICAL/INSTRUMENTATION		$1,150	$1,150	$2,300
Subtotal		$3,350	$1,150	$4,500
Cost Total		$30,100	$4,900	$35,000

1/5/99

Portion Pac, Inc.
Jacksonville, Florida
BOILER ROOM MODIFICATIONS

ITEM	TYPE/ SIZE	MATERIAL COST	LABOR COST	TOTAL COST
EQUIPMENT (List)				
Condensate Sump		$250	$500	$1,250
Boiler Modifications		$1,500	$2,000	$3,500
				$0
				$0
				$0
SUBTOTAL - EQUIPMENT		$2,250	$2,500	$4,750
PIPING & VALVES				
Process			INSTALLED COST	
Air				$0
Chemical				$0
Water				$0
Underground				$0
Miscellaneous		$1,800		$1,800
				$0
SUBTOTAL - PIPING AND VALVES		$1,800	$0	$1,800
CONCRETE		$300	$1,500	$1,800
MISCELLANEOUS METALS				$0
PAINTING				$0
SITE WORK				$0
ELECTRICAL/INSTRUMENTATION		$300	$700	$1,000
Subtotal		$600	$2,200	$2,800
Cost Total		$4,650	$4,700	$9,350

1/5/99

(Currency) U.S. Dollars	CAPITAL APPROPRIATION REQUEST - HEINZ	(Appropriation Number) (Request Date) 6-08-98
(1) Affiliate Company: HEINZ U.S.A.	(2) Department/Affiliate: PPI - JACKSONVILLE	(3) Project Number: 8
(4) Project Title: PHAZE 2 WASTE WATER	(5) Purchase X Lease	(6) Lease Payments Per Year
	(7) Lease Term	(8) Present Value of Lease Payments Discounted at
(9) Category: New Product Capacity Cost Savings X Replacement Other	(10) Latest Approval Date	(11) Commencement Date: 7/98 (12) Completion Date: 8/98
(13) Budgeted Amount: 32,170	(14) Original Request: 32,170	(15) Supplemental Request	(16) Total Project: $32,170

CLASSIFICATION OF ITEMS	EXPENDITURES CAPITALIZED (17)	EXPENSED (18)	OTHER (19)	TOTALS (20)
(20) Land	0			
(21) Buildings	0			
(22) Machinery and Equipment	32,170			
(23) Other	0			
(24) Total Purchase	32,170	0	0	32,170
(25) Leased Equipment				
(26) Leased Space, Other				
(27) Total Lease	0	0	0	0
(28) TOTAL REQUEST	32,170	0	0	$32,170
(29) Memo: Capitalized Interest (Not Included Above)				

FISCAL YEAR	FY98	FY99	FY00	FY01	FY02
(30) CHANGE IN WORKING CAPITAL	0	0	0	0	0
(31) NET PROFIT AFTER TAX	47,080	48,039	50,000	52,024	54,097
(32) RETURN ON INVESTED CAPITAL	Proj %/Budget % 144.4%	Proj %/Budget % 286.0%	Proj %/Budget % 340.1%	Proj %/Budget % 401.5%	Proj %/Budget % 468.9%

(33) Project IRR: 159.7%

(34) Current Business Plan ROIC includes / excludes this project

(35) Payback (Purchase Only): From Commencement: / From Start-up:

(36) Advantage of Owning (Lease):

(37) Description of Proposal:

PURCHASE AND INSTALL WASTE WATER METERING EFFLUENT PIPING.

RECOMMENDED FOR APPROVAL BY	LOCAL APPROVAL	HEADQUARTERS APPROVAL
Date	Date	Senior Vice President Date
Date	Date	President Date
Date	Date	Exec.Cmtee. or Board of Directors Date
	Date	

AR-100A

Affiliate Company: HEINZ U.S.A. Location: PPI - JACKSONVILLE Project No.: 8

Title: PHAZE 2 WASTE WATER Request Date: 6-08-98

	EFFECT ON FISCAL YEAR PROFIT				
	FY98	FY99	FY00	FY01	FY02
	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
VARIABLE COSTS/(SAVINGS)						
Manufacturing	0.0	(80,048.0)	(80,048.0)	(80,048.0)	(80,048.0)	(80,048.0)
Selling & Distribution		0.0	0.0	0.0	0.0	0.0
TOTAL VARIABLE	0.0	(80,048.0)	(80,048.0)	(80,048.0)	(80,048.0)	(80,048.0)
GROSS RETURN/NET SAVINGS	0.0	80,048.0	80,048.0	80,048.0	80,048.0	80,048.0
(%)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Marketing						
Advertising						
Promotion						
TOTAL MARKETING	0.0	0.0	0.0	0.0	0.0	0.0
CONTRIBUTION	0.0	80,048.0	80,048.0	80,048.0	80,048.0	80,048.0
(%)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
FIXED COSTS/(SAVINGS)						
Depreciation	0.0	1,608.5	1,608.5	1,608.5	1,608.5	1,608.5
Manufacturing		0.0	0.0	0.0	0.0	0.0
Selling & Distribution						
Administrative						
Pre-Prod/Write-offs/Other						
TOTAL FIXED	0.0	1,608.5	1,608.5	1,608.5	1,608.5	1,608.5
OPERATING INCOME	0.0	78,439.5	78,439.5	78,439.5	78,439.5	78,439.5
Non-Operating Expenses						
NET PROFIT BEFORE TAX AND INTEREST	0.0	78,439.5	78,439.5	78,439.5	78,439.5	78,439.5
Tax Rate 38.4%	0.0	30,120.8	30,120.8	30,120.8	30,120.8	30,120.8
Grants/ITC Rate 6%		0.0				
NET PROFIT AFTER TAX BEFORE INTEREST	0.0	48,318.7	48,318.7	48,318.7	48,318.7	48,318.7
Interest (6.25%) After Tax Rate 3.85%		(1,238.5)	(279.4)	1,681.3	3,705.7	5,778.6
NET PROFIT AFTER TAX	0.0	47,080.2	48,039.3	50,000.0	52,024.4	54,097.4
NPAT/Sales (%)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

	RETURN ON INVESTED CAPITAL					
	FY98	FY99	FY00	FY01	FY02
INVESTED CAPITAL (YEAR END)	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Net Profit Before Tax and Interest	0.0	78439.5	78439.5	78439.5	78439.5	78439.5
Add Pre-Tax Interest Income		0.0	0.0	2729.3	6015.8	9380.9
Total ROIC Numerator	0.0	78439.5	78439.5	81168.8	84455.3	87820.4
Avg Cum Cash Flow Incl Int Exp/Inc	32170.0	7258.1	-43669.0	-96252.1	-150094.5	-205462.0
Add Avg Cum Net Profit After-Tax	0.0	47080.2	71099.8	120119.5	171131.7	224192.6
Total ROIC Denominator	32170.0	54338.3	27430.8	23867.4	21037.2	18730.6
ROIC	#N/A	144.4%	286.0%	340.1%	401.5%	468.9%

AR-100B

Affiliate Company: HEINZ U.S.A. PPI - JACKSONVILLE Project No.: 8

Title: PHAZE 2 WASTE WATER Request Date:

CLASSIFICATION OF ITEMS	TIMING OF EXPENDITURES - FISCAL YEAR					
	YEAR 0	FY98 YEAR 1	FY99 YEAR 2	FY00 YEAR 3	FY01 YEAR 4	TOTAL
Land	0					0
Buildings	0					0
Machinery and Equipment	32,170	0				32,170
Other	0					0
TOTAL CAPITALIZED INVESTMENT	32,170	0	0	0	0	32,170

CASH FLOW

PROJ YEAR	FISCAL YEAR		(OUTFLOW) TOTAL CAPITD INVEST	(OUTFLOW) CHANGE IN WK CAP	INFLOW NPAT BEFORE INTEREST	INFLOW BOOK DEPREC ADD-BACK	INFLOW NET DEP TAX SHIELD	INFLOW OTHER	NET CASH FLOW	CUM CASH FLOW
0			(32,170)	0	0				(32,170)	(32,170)
1	FY	1	0	0	48,319	1,609	1,135		51,062	18,892
2	FY	2	0	0	48,319	1,609	2,383		52,310	71,202
3	FY	3	0	0	48,319	1,609	1,527		51,454	122,657
4	FY	4	0	0	48,319	1,609	916		50,843	173,500
5	FY	5		0	48,319	1,609	480		50,407	223,907
6	FY	6		0	48,319	1,609	480		50,407	274,314
7	FY	7		0	48,319	1,609	480		50,407	324,721
8	FY	8		0	48,319	1,609	(66)		49,861	374,583
9	FY	9		0	48,319	1,609	(611)		49,316	423,899
10	FY	10		0	48,319	1,609	(611)		49,316	473,215
11	FY	11			0	0	0		0	0
12	FY	12			0	0	0		0	0
13	FY	13			0	0	0		0	0
14	FY	14			0	0	0		0	0
15	FY	15			0	0	0		0	0

INTERNAL RATE OF RETURN 159.7% Payback:

NET PRESENT VALUE 20.0% $151,108 From commencement years

From start-up years

AR-100C

ROIC CALCULATION	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
REG CASH FLOW	(32,170)	51,662	52,319	51,484	50,843	50,407
INTEREST @ 6.25%		(2,011)	(454)	2,729	6,016	9,381
INTEREST A.T.		(1,239)	(279)	1,681	3,706	5,779
REV CASH FLOW	(32,170)	49,824	52,039	53,136	54,549	56,186
CUM CASH FLOW	(32,170)	17,654	69,694	122,829	177,379	233,565
AVG CUM C.F.	(32,170)	(7,258)	43,668	96,252	150,095	205,462
N.P.A.T.		48,319	48,319	48,319	48,319	48,319
REV NPAT		47,080	48,039	50,060	52,024	54,097
CUM NPAT		47,080	95,119	145,119	197,144	251,241
AVG CUM NPAT		47,080	71,100	120,119	171,132	224,193
ROIC						
NPBT		78,440	78,440	78,440	78,440	78,440
INTEREST INC.		0	0	2,729	6,016	9,381
NUMERATOR		78,440	78,440	81,169	84,455	87,820
AVG CUM C.F.		7,258	(43,668)	(96,252)	(150,095)	(205,462)
AVG CUM NPAT		47,080	71,100	120,119	171,132	224,193
DENOMINATOR		54,338	27,431	23,867	21,037	18,731
ROIC		144.4%	286.0%	340.1%	401.5%	468.9%

PHASE II WASTE WATER METERING

During the engineering process to comply with the Department Of Public Utilities. Hydraulic load calculations were done to insure that proper flow across the purposed open channel flume would be in compliance. These calculations show if the meter could be subject to submergence, which would affect its accuracy.

It was determined that lateral main effluent line going from the facility to the city sewage discharge pipe did not have adequate slope to insure none submergence. To correct this we propose to install a new 8-inch line between our existing manhole (C) and (D) and a 12-inch line between manhole (D) and the new metering manhole. The new line would be raised one pipe diameter. The higher elevation of the line is required to eliminate submergence and develop a hydraulic drop leaving the sewer meter flume.

W.W. GAY MECHANICAL CONTRACTOR, INC. 524 Stockton Street • Jacksonville, FL 32204-2500 • 904-388-2698
MECHANICAL - CMC - 008140 PLUMBING - CFC - 019184

May 19, 1998

Mr. Jim Kirton
Portion Pac, Inc.
7500 Forshee Drive
Westside Industrial Park
Jacksonville, FL 32219

Re: Portion Pac, Jacksonville, Florida
W.W.G # 760045-X34
Relay Sewer Line Between Manholes C/D and D/Sewer Meter Manhole

Dear Jim:

We offer you a lump sum price of $32,170.00 to relay the sewer main from manhole C to the site of the new proposed sewer metering manhole. The new line would be raised one pipe diameter. The higher elevation of the incoming line is necessitated to eliminate submergence in the sewer meter flume and develop a hydraulic drop leaving the sewer meter flume.

Our price is based on relaying an 8", SDR 35 line between manhole C and D and a 12", SDR 35 line, between manhole D and the new proposed sewer metering manhole.

This price includes resurfacing the excavated parking lot area and reworking the domestic waste sewer tie-in between manholes C and D as necessitated.

We have also included temporary pumping when casting the new elevations in the existing manholes C and D. This will require a 480V source of power. We will furnish the required extension cords.

Should you have any questions regarding this quotation, please feel free to contact us.

Sincerely yours,

W. W. GAY MECHANICAL CONTRACTOR, INC.

Michael E. Scribbins
Project Manager

SEWER OUTFLOW METER
COST JUSTIFICATION

CURRENT SITUATION:

The Jacksonville Plant is currently charged sewage rates on all consumption which is considered the amount of incoming water. This same volume is used to calculate our sewer surcharge. Since a considerable amount of water is used in the formulas and for other applications which do not flow into the sewer system, we feel that a sewer outflow meter is appropriate.

CURRENT COST:

Our current average daily usage (incoming) is 90,000 gallons. In a 30 day month this amounts to 2,700,000 gallons or 360,000 CuFt. Using current rates, a 360,000 CuFt month would result in the following water & sewer charges:

360,000 CuFt X $.00652 = $ 2,347.20 Water Charge
360,000 CuFt X $.02900 = $10,440.00 Sewer Charge

$12,787.20

Since the sewer surcharge is based on the same volume, the calculation for this would be as follows:

Std. Formula:

Volume X {Excess COD Charge (COD - 600) + Excess TSS Charge (TSS - 300)}

Where our average COD and TSS readings for the month would be used and Volume would be in Hundred Cubic Feet.

3,600 X {$.000577(8,500 - 600) + $.000705(1400-300)}
= 3,600 X ($4.5583 + $0.7755)
= 3,600 X $5.3338
= $19,201.68 Total Sewer Surcharge

Adding the sewer and water charges to the sewer surcharge amount results in a total bill of $31,988.88.

SAVINGS CALCULATION:

We have calculated that approximately 22.5% or 606,000 gallons/month of our incoming water does not flow into the sewer system. The is broken down among the following areas:

Formula Usage	21.0%
Sludge Tank	1.1%
Cooling Tower	0.4%

Converting the 606,000 gallons to cubic feet and running it through the formulas above gives you the savings possible with the addition of the outflow meter:

Water & Sewer:

360,000 CuFt X $.00652 = $ 2,347.20 Water
278,984 CuFt X $.02900 = $ 8,090.54 Sewer

$10,437.74

Surcharge:

2,789.84 X $5.3338 = $14,880.45

This results in a total bill of $25,318.19 or a savings of $6,670.69 per month.

Dollars

CAPITAL APPROPRIATION REQUEST - HEINZ

Appropriation Number:

Request Date: 2/1/99

HEINZ U.S.A.

(2) Department Location: FPI-JACKSONVILLE

(3) Project Number: J-99-90

Wastewater Pretreatment Improvements

(5) Purchase X Lease

(6) Lease Payments Per Year

(7) Lease Term

(8) Present Value of Lease Payments Discounted at

(9) Category: New Product Capacity Cost Savings Replacement Other X

(10) Board Approval Date

(11) Commencement Date: 3/99

(12) Completion Date: 7/99

(13) Requested Amount

(14) Original Request: $370,780

(15) Supplemental Request

(16) Total Project: $370,780

CLASSIFICATION OF ITEMS	EXPENDITURES CAPITALIZED (17)	EXPENSED (18)	OTHER (19)	TOTALS (20)
(21) Land	0			
(22) Buildings	53,140			
-21 Machinery and Equipment	317,640			
(23) Other	0			
(24) Total Purchase	370,780	0	0	370,780
(25) Leased Equipment				
(26) Leased Space, Other				
(27) Total Lease	0	0	0	0
(28) TOTAL REQUEST	370,780	0	0	$370,780
(29) Memo: Capitalized Interest (Not Included Above)				

FISCAL YEAR					
(30) CHANGE IN WORKING CAPITAL	0	0	0	0	0
(31) NET PROFIT AFTER TAX	0	0	0	0	0
(32) RETURN ON INVESTED CAPITAL	Proj %/ Impact % 0.0%	Proj %/ Impact % 0.0%	Proj %/ Impact % 0.0%	Proj %/ Impact % 0.0%	Proj %/ Impact % 0.0%

(33) Project IRR:

(34) Current Business Plan ROIC includes / excludes this project

(35) Payback (Purchase Only): From Commencement: From Start-up:

(36) Advantage of Owning (Lease)

(37) Description of Proposal:

The attached appropriation requests $370,780.00 in funds for design engineering, equipment and construction of process wastewater pH adjustment/control and monitoring system.

RECOMMENDED FOR APPROVAL BY	LOCAL APPROVAL	HEADQUARTERS APPROVAL
Date	Date	Senior Vice President Date
Date	Date	President Date
Date	Date	Asst. Closet. or Board of Directors Date
	Date	

AR-100A