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Stauffer CHEMICALS

STAUFFER CHEMICAL COMPANY AND AFFILIATED COMPANIES

APPROPRIATION REQUEST

DATE: 10-13-64

LOCATION: Montrose Chemical Torrance, Calif.

MONTH	YEAR		ANT. OF ORIG. REQ	SUPPLEMENTAL REQ	TOTAL AMOUNT
			$20,000.00		$20,000.00

DATE APPROVED	EST. COMPLETION DATE	REVISED COMPLETION DATE	LOCATION NO	APP. REQ. NO.	EST. YEARLY SAVINGS OR EARNINGS
/	12/15 64	/	186	186-59	$5,090.00

COMPANY	SUBMITTED BY	CLASSIFICATION	OTHER
Montrose Chemical Corp. of Calif.	B. I. Bratter	☑ NEW ADDITION ☐ REPLACEMENT ☐ MAINT.	

ACCOUNT NO. (CONSTRUCTION IN PROGRESS)	DEPRECIATION RATE	DEPARTMENT NAME	DEPT. NO

BRIEF DESCRIPTION OF PROJECT

Install 100,000 gallon sulfuric acid storage tank.

RECEIVED
NOV 3 1964
MONTROSE L.A.

OTHER REASONS FOR REQUEST

YEARS REQUIRED TO COVER COST AFTER TAXES	% RETURN ON INVESTMENT	% RETURN ON SALES	REVISION OF PREV. UNAPPROVED A. R.	PREV. A. R. NO	PROPOSED STARTING DATE
2.2	25.5		☐ YES ☑ NO		10-19-64

ROUTE TO	ACTION: APPROVED	DISAPPROVED	DEFERRED	DATE	SIGNATURE
Max Sobelman				10-13-64	ORIGINAL SIGNED BY M. SOBELMAN
A. R. Wilcox				10-13-64	ORIGINAL SIGNED BY A. R. WILCOX
B. L. Rothberg				10-26-64	Original Signed by B. ROTHBERG
J. F. Luther	✓			11-2-64	Original Signed By J. F. LUTHER

DISTRIBUTION			
1 Plant Manager	President Montrose	Treasurer Montrose	✓ Accounting Montrose
Production Mgr. West (2)	Vice Pres. Prod. ICD	Secy. & Asst. Contr.	Chief Acct. West
9	10	11	12

FORM D-75A 6-64

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Appropriation Request No. 1[illegible]

1. Description of Project

Purchase and install a new 100,000 gallon Recovered Acid Storage Tank complete with foundations, pumps, and piping.

2. Inadequacy of Present Facilities

At present there is storage capacity for 100,000 gallons of acid which can accomodate the output of the Acid Recovery Plant for 10 to 12 days assuming none is shipped. Normally this is adequate because shilments to Dominguez Fertilizer or Stauffer, Vernon keep these tanks at a low level. However, during low or no production periods at these plants other arrangements must be made to dispose of this acid. This has been handled by burning a limited amount of the acid at Dominguez and storing the balance at Stauffer's Vernon or Dominguez plants. This is costly because of the double handling and we don't receive payment for any acid burned. For this reason it would be more economical and convenient to have our own facilities for storing the acid.

3. Additional Use of General Plant Facilities

None except area to be occupied by this tank.

4. Alternatives to This Appropriation Request.

If this appropriation request is rejected, there are two alternatives. One is to shut down the entire plant (including Henderson) whenever the acid storage is full. The other alternative is to make arrangements to haul the acid to the ocean or desert. This would cost about $10 a ton to dispose of our excess acid if arrangements could be made.

5. Estimated Cost of Proposed Work

1.	Purchase and install 100,000 gallon steel tank	$14,400
2.	Foundation	2,000
3.	Piping, valves, and instrumentation	1,800
		$18,200
	Contingencies 10%	1,800
	Total	$20,000

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6. Estimate Annual Savings

The savings in this project will [illegible] two sources. Now when our storage is full, we [illegible] recover [illegible] acid to Stauffer to burn in their acid plants. [illegible] do not receive any payment for this acid. With additional storage, this acid could be saved for Dominguez Fertilizer and sold at $6 per ton.

As this tank holds 500 tons and we could sell the acid in this tank at least 2 times per year, the annual savings will be:

500 x 6 x 2 = $6,000 per year

The other source of savings is not to have to shut down the plant whenever the present acid storage tanks are too full. This savings is much larger than the one listed above, but the writer, not having any good data to base an accurate estimate on, did not include this savings in the cost estimate.

Savings per year	$15,000
Less depreciation 5-year write-off	4,000
Profit before taxes:	$11,000
Profit after taxes: 11,000 x .4625 =	$ 5,090

J.A.

Years to recover investment:

$\frac{20,000}{4,000 + 5,090}$ = 2.2 years

Return on investment:

$\frac{5,090}{20,000} \times 100$ = 25.5%

7. Advantages Other Than Savings

The additional acid storage will give us more settling time for recovered acid and allow more tars to float out. This will produce a cleaner and more salvable product.

B. I. Bratter

BIB:cm

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