



moulton niguel water district

**ENGINEERING & OPERATIONS
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT**

27500 La Paz Road, Laguna Niguel

March 14, 2016

8:30 AM

Approximate Meeting Time: 2 Hours

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE FEBRUARY 16, 2016 SPECIAL ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

3. PUBLIC COMMENTS

Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

DISCUSSION ITEMS

4. AMI Implementation Pilot Project Phase 1
5. Amendment to Professional Services Agreement for Strategic Real Estate Consulting

INFORMATION ITEMS

6. Water Softener Rules and Regulations Update
7. Baker Water Treatment Plant Project Update
8. Joint Powers Authority Quarterly Update
9. Operations Center Consolidation and Improvement Project Update
10. Future Agenda Items (Any items added under this section are for discussion at future meetings only)

11. Late Items (Appropriate Findings to be Made)
 - a. Need to take immediate action; and
 - b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

CLOSED SESSION

12. CONFERENCE INVOLVING A JOINT POWERS AGENCY – SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Discussion will concern: POTENTIAL LITIGATION – IN 1 MATTER

Pursuant to Government Code Section 54956.9 Closed Session will be conducted to confer with legal counsel RE: potential litigation in 1 matter

ADJOURNMENT

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



moulton niguel water district

DRAFT
MINUTES OF THE SPECIAL MEETING OF THE
ENGINEERING & OPERATIONS BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT

February 16, 2016

A Special Meeting of the Engineering & Operations Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 8:30 AM on February 16, 2016. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President/Chair
Richard Fiore	Director
Donald Froelich	President (arrived at 9:15 a.m.)
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived at 8:33 a.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Drew Atwater	MNWD
Johnathan Cruz	MNWD
Todd Dmytryshyn	MNWD
Steve Merk	MNWD
Mark Mountford	MNWD
Todd Novacek	MNWD

#2.

Eva Plajzer	MNWD
Megan Schneider	MNWD
Rod Woods	MNWD
Andrew Zelinko	MNWD
Kelly Rowe	Member of the Public

1. CALL MEETING TO ORDER

The meeting was called to order by Scott Colton at 8:30 a.m.

2. APPROVE THE MINUTES OF THE JANUARY 18, 2016 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY GARY KURTZ, MINUTES OF THE JANUARY 18, 2016 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTORS DONALD FROELICH AND BRIAN PROBOLSKY WERE ABSENT

3. PUBLIC COMMENTS

None.

PRESENTATION ITEMS

4. Condition Assessment of the Central Intertie Pipeline

Rod Woods presented the Condition Assessment of the Central Intertie Pipeline. Key topics presented were the project goals and scope, magnetic flux leakage tool build, inspection and analysis, and results and conclusions.

Brian Probolsky arrived at 8:33 a.m.

5. Baker Water Treatment Plant Project Update

Marc Serna presented the Baker Water Treatment Plant Project Update. Key topics presented were the major project components and project overview thru December 2015.

Don Froelich arrived at 9:15 a.m.

DISCUSSION ITEMS/ACTION ITEMS

6. RECYCLED WATER SYSTEM EXTENSION LABOR COMPLIANCE PROGRAM (RESOLUTION NO. 16-)

It is recommended that the Board of Directors approved resolution entitled, “To Establish a Labor Compliance Program.”

Joone Lopez gave a brief introduction of the item. Eva Plajzer provided background information on the labor compliance program. Discussion ensued regarding the labor compliance program.

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY BRIAN PROBOLSKY, ITEM 6 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING ‘AYE’.

INFORMATION ITEMS

7. Private Development Status

Mark Mountford provided information on the Private Development Status.

8. Agora Concept Water Supply Assessment

Mark Mountford provided information on the Agora Concept proposed development. The District has entered into a reimbursement agreement with the City of Laguna Niguel to complete a Water Supply Assessment (WSA). The WSA will be discussed at a future meeting.

9. Plant 3A Creek Mitigation Plan

Eva Plajzer presented the Plant 3A Creek Mitigation Plan.

10. Quarterly Capital Improvement Program Report

This item will be discussed at the Finance and Committee meeting.

11. Quarterly Communications License Program Report

This item will be discussed at the Finance and Committee meeting.

#2.

ADJOURNMENT

The meeting was adjourned at 10:35 a.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

DRAFT



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** March 14, 2016
FROM: Marc Serna, Director of Engineering and Operations
Doug Zytkevicz, Superintendent of Customer Service
SUBJECT: AMI Implementation Pilot Project Phase 1
DIVISION: District-wide

SUMMARY:

Issue: Board action is required to execute an agreement for the purchase and implementation of the Advanced Meter Infrastructure System (AMI), for Phase 1 of the District's AMI Pilot Project.

Recommendation: It is recommended that the Board of Directors authorize the General Manager to execute an agreement with Aqua Metric Sales Company, for the purchase and installation of the Phase 1 Sensus AMI Hardware and Software Application, in the amount of \$796,077; and authorize the General Manager or designee to approve change orders up to 5% of the contract value.

Fiscal Impact: The funds for this project are included in the FY 2015-16 and FY 2016-17 Capital Improvement Program Budget with a current project budget of \$822,000. The proposed budget for the project is \$968,381. The additional \$146,381 will be covered by savings from other projects. A WaterSMART Grant in the amount of \$300,000 in matching funds from the United States Bureau of Reclamation was obtained.

Background:

The Advanced Meter Infrastructure (AMI) system is a fixed-structure based meter management communication system. Fixed structures are installed at District

#4.

AMI Implementation Pilot Project

March 14, 2016

Page 2 of 4

reservoir sites that receive signals from radio transmitters with meter reads at hourly intervals. AMI combines interval data with continuously available communications, which enables frequent transfer of incremental time-based information to the District. Meter consumption data is then used for billing and assisting customers with questions regarding their water use. Data acquired through the AMI system can also be used to assess meter performance, analyze consumption, retrieve reads for customers, and to perform other analytical functions.

The AMI Pilot Project will serve as a critical component in the District's efforts to enhance customer service, promote the importance of water use efficiency, and expand the District's Water Loss Control Program. The AMI Pilot Project will establish a remote reading and communications network, consider acoustic leak detection and pressure sensors to detect distribution leaks, and implement a meter data management system with customer portal to complement data acquisition.

Due to its manageable size and consumption characteristics, the District's existing 2,670 potable and recycled water irrigation customers will be the primary customer class using the AMI pilot system. Radio transmitters will be attached to each irrigation meter for data collection. Irrigation customers will be provided with access to an interactive AMI customer portal, which can provide reliable, secure, and real time access to their water usage data. The customer portal will be a separate contract to be considered by the Board at a future meeting. In addition to these irrigation customers, approximately 1,800 existing residential customers previously installed with an alternate AMI system will be placed on the AMI Pilot Project and be provided with similar customer portal benefits as the irrigation customers.

Implementing AMI will assist the District in proactively identifying leaks, assist operations through demand-side time-of-use management, and benefit customers by providing tools for monitoring water usage. This project would serve as a pilot for potential future AMI deployment Districtwide, which would expand the program to include the additional remaining 53,600 potable water connections. This pilot phase will fully assess and test AMI functionality and performance relative to data retrieval, read accuracy, system reliability, water loss control support, and customer portal capabilities prior to potential Districtwide implementation. The cost associated with a future Districtwide expansion of the AMI system will be identified as part of the pilot phase. This pilot system is proposed to run for a duration of 18 months.

The AMI Pilot Project system will include installation of 7 collector structures across the District service area, radio transmitters, handheld programmers, leak detection devices, and a meter data management software package.

To support project funding, the District was awarded a WaterSMART Grant from the United States Bureau of Reclamation in the amount of \$300,000 in matching funds

AMI Implementation Pilot Project

March 14, 2016

Page 3 of 4

for the AMI Pilot Project. Grant funding requires the pilot project be completed by June 30, 2017.

The following timeline provides a summary of items previously completed, in addition to a projection of future milestones.

Project Task	Completion Date
USBR Grant Presentation	December 2014
USBR Grant Resolution	January 2015
USBR Grant Award	August 2015
AMI Project Update	January 2016
Infrastructure Contract Award Recommendation	March 2016
Customer Portal Board Update	May 2016
Infrastructure Installation Complete	October 2016

Discussion:

Staff issued a Request-for-Proposal to six (6) manufacturers/distributors and received three (3) proposals. The table below summarizes the proposals received:

Consultant / Firm	Proposed Installation Fee
Neptune (Equarius)	\$911,706
Aqua Metric (Sensus)	\$796,077
Aclara	\$762,898

The proposed fee includes 3-year maintenance agreement for 7 collector structures. Proposed infrastructure and software for the pilot phase will have the ability to support AMI for the District's entire service area if future expansion of the proposed system is desired.

Staff performed a thorough review of the proposals received to determine the overall best value provided for the services required. Based on the supplier's specific project understanding and approach, ability to meet performance requirements, overall proposal quality, and cost, staff recommends that Aqua Metric (Sensus) Sales Company be awarded the AMI Pilot Project agreement.

#4.

AMI Implementation Pilot Project

March 14, 2016

Page 4 of 4

The proposed agreement, which has been reviewed and approved by legal, is provided in Exhibit A.

SUMMARY OF PROJECT BUDGET:

	Project Budget*	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
AMI Pilot Services Contract	\$689,500	\$796,077	\$39,804	\$835,881
Customer Portal Software	\$117,500	\$0	\$0	\$117,500
Customer Outreach Program	\$15,000	\$0	\$0	\$15,000
Totals	\$822,000	\$ 796,077	\$39,804	\$968,381

*\$21,901 has been expended to date.

 Currently Proposed Amount

Attachment: Exhibit A – Aqua Metric FlexNet Agreement

FLEXNET AGREEMENT

(PILOT PHASE I)

This Flexnet Agreement (the “Master Agreement”) is made by and between Aqua Metric Sales Company, a California corporation, having its principal location at 4050 Flat Rock Drive, Riverside, CA 92505 (“Aqua Metric”), and the Moulton Niguel Water District, a California water district existing and operating pursuant to Division 13 of the California Water Code having its principal location at 27500 La Paz Road, Laguna Niguel, CA 92677 (“District”) as of _____, 2016 (the “Effective Date”). The Parties agree as follows:

- A. Aqua Metric is the exclusive value added reseller of certain services and advanced metering technology manufactured by Sensus, Inc. (“Manufacturer”) used by Aqua Metric’s public agency customers to meter and measure water, electricity and gas; and
- B. District completed a competitive procurement through the issuance of a Request for Proposal (“RFP”) for Advanced Metering Infrastructure Phase 1 (the “Project”) in the Fall of 2015, which RFP included a copy of the requested grant from the Federal Bureau of Reclamation (“BOR”); and
- C. Following a review of the proposals received in response to the RFP, Aqua Metric has been selected as the best system provider for the Project following an evaluation using the selection criteria included in the RFP; and
- D. District desires, and Aqua Metric desires to provide to District, certain Services and Products to facilitate the measurement and metering of District’s water utilities as specified in the Statement of Work (Exhibit A) and in the Support Services (Exhibit C) and Maintenance Services (Exhibit G); and
- E. Aqua Metric desires to provide District a 18-month pilot period to use certain Products and Services which Aqua Metric will install in the District’s service territory (the “Pilot”) without further commitment of the District; and at its sole option, District may purchase additional Services and Products to be used after the Pilot.
- F. Aqua Metric and District have agreed to certain pricing for the Products and Services as specified in the Fees (Exhibit B); and
- G. Aqua Metric desires to provide to the District the Manufacturer warranties related to Products sold hereunder (Exhibit D); and
- H. Aqua Metric and District have agreed that certain of the Services and Licenses will be provided by Manufacturer pursuant to the additional terms in that certain Advanced Metering Infrastructure Agreement between District and Manufacturer effective _____, 2016 (“Manufacturer Agreement”) (Exhibit E), which agreement shall be considered separate from the Master Agreement and for which no federal funds shall be used; and
- I. The parties acknowledge that the District is the recipient of a grant from the BOR for this Project and agree to comply with the contract terms required by such grant, including the special provisions attached hereto (“Special Provisions”) (Exhibit F); and
- J. Aqua Metric has agreed to provide payment and performance bonds in the form attached hereto as Exhibits H and I.

1. **DEFINED TERMS; EXHIBITS.** All capitalized terms used herein are defined in Section 20 or in the location used herein, but if not defined herein or in Section 20, such terms shall have the commercial meanings

#4.

commonly used in the software or utility industry, as applicable. This Master Agreement includes this document and the following Exhibits all of which are attached hereto and made a part hereof, and any amendments, modifications or supplements thereto or attachments incorporated therein. In interpreting this Master Agreement and resolving any ambiguities, the language in the Master Agreement takes precedence over the language in the Exhibits:

Exhibit A, Statement of Work

Exhibit B, Fees

Exhibit C, Support Services

Exhibit D, Manufacturer's Warranties

Exhibit E, Manufacturer Agreement

Exhibit F, Special Conditions

Exhibit G, Maintenance Services

Exhibit H, Payment Bond

Exhibit I, Performance Bond

Exhibit J, Subcontractor Listing

2. SERVICES.

2.1 Aqua Metric agrees to perform and provide to District the Services that are described in Exhibits A, and G including Subscription Services. For purposes of this Master Agreement, Aqua Metric will be deemed to have provided Services to the extent that any Services are provided by Manufacturer or any other third party approved by District. The parties agree that certain Services, including Subscription Services during the Pilot, will be provided by Manufacturer pursuant to the additional terms in that certain Advanced Metering Infrastructure Agreement between District and Manufacturer effective _____, 2016 ("Manufacturer Agreement"). Any services provided under the Manufacturer Agreement shall not be paid for using any Federal funds. Manufacturer shall not be considered a pass-through entity concerning any federal grant funding received for the Project.

2.2 The parties acknowledge and agree that the estimated quantities of Basestations is based on Aqua Metric's propagation study dated January 14, 2016, ("Propagation Study") a copy of which is incorporated herein as Exhibit A, Attachment 1. If the estimated number of Basestations is insufficient to achieve the standards referenced Section 10.1 of this Agreement, the Customer Acceptance Plan (CAP) attached as Exhibit A, Attachment 3, and 99.5% redundancy reads of each meter, Aqua Metric agrees that it shall be required to provide, at no cost to the District, the hardware and installation of additional Basestations.

3. PURCHASE PRICE.

3.1 The total purchase price for the Products and Services to be provided pursuant to this Agreement is **Seven Hundred Ninety-Six Thousand Seventy-Six and 29/100 Dollars (\$796,076.29)** (the "Purchase Price"), and is further detailed in Exhibit B. The manner in which the Purchase Price shall be paid is set forth in Section 5 herein. Except for any additional maintenance charges, subscription service fees, and any additional Product purchases, the purchase price to be paid by District shall be Aqua Metric's sole compensation for the Products to be delivered herein.

4. LICENSES.

4.1 Subscription Services. For no additional fees during the Pilot, and if District desires to continue such services after the Pilot, for an annual subscription fee paid by the District to Aqua Metric after the Pilot, Aqua Metric will ensure Manufacturer provides the Subscription Services pursuant to the Manufacturer Agreement.

5. FEES AND OTHER AMOUNTS.

5.1 Payments. The District shall pay for goods and services as follows:

- i. Payment for each Basestation is due within thirty (30) days of invoice following a demonstration of successful single radio to Basestation communication.
- ii. Payment for each Flex Net Smart Point transmitter radio is due within thirty (30) days of invoice following receipt by District of such transmitters.
- iii. District shall pay all other goods, Service Fees and amounts authorized by District and invoiced by Aqua Metric within 30 calendar days of receipt of an applicable and approved invoice

5.2 Invoice. The approved invoice shall include a detailed and accurate progress report describing all work performed the previous month, accurate and up to date percentages of progress toward the completion of all deliverables, and information on all payments to subcontractors made the previous month, including Manufacturer. As necessary, Aqua Metric shall clearly document any and all payments covering services provided under the Manufacturer Agreement, for which no federal funds have been allocated. Aqua Metric acknowledges the importance of accurate invoices, especially since federal grant funds are involved, and any failure to keep accurate records may cause financial harm to the District.

5.3 Expenses. Aqua Metric shall not be entitled to reimbursement of any costs or expenses except to the extent approved in advance by District and consistent with District's expense and reimbursement guidelines and applicable federal regulations, including 2 CFR Subtitle A, Chapter II, Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards". Aqua Metric shall be responsible for payment of all expenses related to salaries, benefits, employment taxes, insurance, travel and per diem for its staff, in addition to keeping accurate records to justify any expenses and costs as further described in the Special Provisions.

6. OWNERSHIP.

6.1 Aqua Metric Materials. Aqua Metric or its suppliers shall retain all right, title and interest (including but not limited to copyright and other proprietary or intellectual property rights) in the Aqua Metric Confidential Information, the Aqua Metric Proprietary Materials (excluding District Work Product, District Data and District Confidential Information).

6.2 District Materials. District shall retain all right, title and interest (including copyright and other proprietary or intellectual property rights) in the District Work Product, District Confidential Information and District Data. Aqua Metric may access District Data only to respond to technical problems or at District's request. Without limiting the generality of the foregoing, Aqua Metric agrees that information and data (such as, but not limited to, benchmarking data, usage patterns and roles) constitute District Confidential Information and may only be used by Aqua Metric during the term to improve the delivery of Services for District, and may not be used for other purposes, and may not be distributed, transferred in detail or summary form to any third party without the express written consent of District.

6.3 District Work Product. Aqua Metric acknowledges that District may develop its own best practices and intellectual property using the Subscription Services, which may include, but shall not be limited to, scripts, forms, applications, modules or other system elements ("District Work Product") to support District's business operations as contemplated by this Master Agreement. All rights of patent, copyright, trademark, trade secret and other proprietary rights to such District Work Product will be the sole and exclusive property

#4.

of District (excluding the Software) upon its inception, conception, creation, development or reduction to practice. To the extent the Software is used or embodied in District Work Product, (i) Aqua Metric shall not be deemed to have assigned its intellectual property rights in the Software to District; and (ii) District's use of that District Work Product with the Software shall cease upon the expiration or termination of the License Agreement.

7. CONFIDENTIAL INFORMATION. Each party shall hold the other party's Confidential Information in confidence and shall not disclose such Confidential Information to third parties other than to consultants or contractors, subject to similar terms of confidentiality, when disclosure is necessary for the purposes set forth herein, nor use the other party's Confidential Information for any purpose other than the purposes set forth under this Master Agreement. The foregoing restrictions on disclosure shall not apply to information which is: (i) already known by the recipient, (ii) becomes, through no act or fault of the recipient, publicly known, (iii) received by recipient from a third party without a restriction on disclosure or use, (iv) independently developed by recipient without reference to the other party's Confidential Information, or (v) is a public record under applicable laws, subject to the terms of this Section. District will maintain the confidentiality of all Aqua Metric Confidential Information, and Aqua Metric will maintain the confidentiality of all District Confidential Information, with each party taking all reasonable precautions to protect the same, at a minimum taking those precautions used to protect its own Confidential Information from unauthorized use or disclosure. All District Data shall be deemed District Confidential Information for purposes of this Master Agreement and the protections and requirements set forth herein. Aqua Metric acknowledges that District is a public agency that is subject to document requests from the public and understands that the District's obligation to hold Aqua Metric's Confidential Information in confidence and to not disclose it to third parties shall not apply to any information the District is obligated or believes itself obligated to make public under applicable law, including without limitation the California Public Records Act. If public disclosure of any Confidential Information is believed necessary, the District will use commercially reasonable efforts to inform Aqua Metric in writing at least five (5) business days prior to the release, in order to allow Aqua Metric the opportunity to object to such release or to obtain appropriate court orders preventing such release and the District will cooperate with Aqua Metric in preventing such release during the pendency of any court proceeding that provides for a stay of such release. Notwithstanding any provision of this Master Agreement to the contrary, Aqua Metric will indemnify, defend, and hold harmless the District for any and all costs and attorney fees awarded to a prevailing plaintiff arising out of a suit brought by the prevailing plaintiff which results from the District's actions, taken at Aqua Metric's request, in protecting Aqua Metric's Confidential Information from public disclosure.
8. OBLIGATIONS OF DISTRICT. District acknowledges and agrees that it is solely responsible for assessing its own internal computer, Internet service provider, and/or private line needs and that Aqua Metric exercises no control whatsoever over the Internet.
9. DISPUTE RESOLUTION. This Master Agreement will be construed and enforced in accordance with, and governed by, the laws of the State of California in the United States of America without giving effect to any conflict of laws principles. The parties hereby consent to the personal jurisdiction of the state courts located in Orange County, California or the federal courts located in southern division, Central District of California, and waive any rights to change venue.
10. LIMITED WARRANTIES, REPRESENTATIONS AND COVENANTS.

10.1 Services and System. Aqua Metric represents, warrants and covenants that it will perform all Services hereunder in a proper and workmanlike manner, that the Services will be performed in accordance with applicable Documentation and this Master Agreement. Aqua Metric represents, warrants and covenants to District that the Products and Services as a system ("System") shall function without critical error and in accordance with the applicable Performance Standards and Documentation. Aqua Metric represents, warrants and covenants that the System will perform at a Raw Throughput Rate equal to or exceeding 99.5% over seventy-two (72) hours. The parties agree that the Raw Throughput Rate guarantee is based on installation of the Basestations at the District's sites identified in Aqua Metric's Propagation Study. If Aqua Metric breaches any of the representations, warranties or covenants stated herein, Aqua Metric at its own expense, and at

District's sole option, will: (i) re-perform the Services within a reasonable time such that they comply with the warranty; or (ii) replace the Services or Products (as applicable). In addition, should the Raw Throughput Rate not meet the 99.5% threshold over a 72 hour period consecutively for one month, Aqua-Metric shall install such infrastructure at its own cost as needed to meet said threshold. The Raw Throughput Rate guarantee referenced in this Section shall be effective immediately following District's acceptance of the System, as defined in Attachment 3 to Exhibit A.

10.2 Products. Aqua Metric represents, warrants and covenants that Products shall operate in compliance with their Documentation and all warranties, protections and indemnifications offered by the Manufacturer, including those provided in Exhibit D hereto, shall be passed through to District; provided, however, to the extent that such warranties, protections or indemnifications cannot be passed through to District to the fullest extent as originally provided by Manufacturer, Aqua Metric represents, warrants and covenants that Aqua Metric shall provide such warranties, protections and indemnifications to the fullest possible extent, but no less than the minimum standards as offered by Manufacturer or as stated in this Master Agreement, whichever is greater. Further, Aqua Metric warrants that all parts and materials necessary for the operation of the System are included in the Purchase Price as detailed on Exhibit B.

10.3 Infringement. Aqua Metric warrants that the Aqua Metric Proprietary Materials, Services and Software do not and will not infringe upon or misappropriate any registered copyright, trademark or patent, nor the trade secrets of any third person.

10.4 Lost or Destroyed District Data. Aqua Metric will not delete or destroy any District Data or media on which District Data resides without prior authorization from District. In the event any District Data is lost or destroyed due to any act or omission of Aqua Metric, including any breach of the security procedures described herein, Aqua Metric shall restore such District Data using the most recent available back-up. District agrees to cooperate with Aqua Metric to provide any available information, files or raw data needed for the regeneration, reconstruction or replacement of the District Data. If Aqua Metric fails to fully regenerate, reconstruct and/or replace any lost or destroyed District Data within the time reasonably set by District, then District may, at Aqua Metric's expense, obtain data reconstruction services from a third party, and Aqua Metric shall cooperate with such third party as requested by District. If it is determined that District Data has been lost or destroyed as a result of the willful, intentional or negligent acts or omissions of Aqua Metric, District may terminate this Master Agreement pursuant to Section 14.2 and pursue any civil and criminal actions available to it.

10.5 Aqua Metric Compliance with Laws. Aqua Metric will perform its obligations under this Master Agreement in a manner that complies with all Laws: (i) applicable to Aqua Metric and Aqua Metric's business, activities, Aqua Metric's facilities and the provision of Services hereunder, including Laws of any country or jurisdiction from which or through which Aqua Metric provides the Services or obtains resources or personnel to do so; and (ii) applicable to District and District's affiliates. "Laws" shall include and refer to any and all federal (national), state, provincial, municipal or local laws, regulations, rules, judicial decrees, decisions and judgments, executive and government orders and ordinances, and any and all directives of regional legislative and regulatory bodies and implementing legislation, as well as rules and regulations of any self-regulatory organization by which any party may be bound, including the Laws of each and every jurisdiction applicable to District, Aqua Metric, this Master Agreement and the performance of the Services.

10.6 District Compliance with Laws. District will perform its obligations under this Master Agreement in a manner that complies with all Laws applicable to District's business, activities, and facilities. "Laws" shall include and refer to any and all federal (national), state, provincial, municipal or local laws, regulations, rules, judicial decrees, decisions and judgments, executive and government orders and ordinances, and any and all directives of regional legislative and regulatory bodies and implementing legislation, as well as rules and regulations of any self-regulatory organization by which any party may be bound.

10.7 With its response to the RFP, Aqua Metric expressly represented that it has a clear understanding of the Project, in addition to the skills, experience and qualifications to complete the proposed work and Aqua Metric acknowledges that District has reasonably relied on such representations.

11. DISCLAIMER OF WARRANTIES.

11.1 Disclaimer. EXCEPT AS SPECIFICALLY SET FORTH IN THIS MASTER AGREEMENT, THE SERVICES AND SOFTWARE ARE PROVIDED BY AQUA METRIC ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11.2 Limitations. Unless otherwise expressly provided herein, neither Aqua Metric nor any of its service providers, licensors, employees or agents warrant that the operation of the Services will be uninterrupted or error free.

12. LIMITATIONS AND DISCLAIMERS OF LIABILITY.

12.1 DISCLAIMER OF CERTAIN DAMAGES. EXCEPT FOR A PARTY’S LIABILITY UNDER SECTIONS 7 (CONFIDENTIALITY) AND AQUA METRIC’S LIABILITY FOR SECTION 10 (LIMITED WARRANTIES, REPRESENTATIONS AND COVENANTS) AND A PARTY’S LIABILITY UNDER SECTION 13 (INDEMNIFICATION), IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS (WHETHER DIRECT OR INDIRECT), LOSS OF USE, COSTS OF COVER, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT, WARRANTY OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

12.2 LIMITATION ON LIABILITY. EXCEPT FOR A PARTY’S LIABILITY UNDER SECTIONS 7 (CONFIDENTIALITY) AND AQUA METRIC’S LIABILITY FOR SECTION 10 (LIMITED WARRANTIES, REPRESENTATIONS AND COVENANTS) AND A PARTY’S LIABILITY UNDER SECTION 13 (INDEMNIFICATION) EACH PARTY’S AGGREGATE LIABILITY TO THE OTHER PARTY ARISING OUT OF OR PURSUANT TO THIS MASTER AGREEMENT WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), WARRANTY OR UNDER ANY OTHER THEORY OF LIABILITY, REGARDLESS OF THE CAUSE OF ACTION, WILL NOT EXCEED AN AMOUNT EQUAL TO THE FEES PAID BY DISTRICT TO AQUA METRIC.

12.3 Exclusion. Nothing in this Master Agreement excludes or limits the liability of a Party for (i) death or personal injury caused by that Party’s negligence or willful misconduct, or (ii) fraud or fraudulent misrepresentation.

13. INDEMNIFICATION.

13.1 Aqua Metric Obligation. Aqua Metric shall defend, indemnify and hold each District Indemnitee (as defined below) harmless from any and all losses, costs, fines, penalties, damages and other amounts (including reasonable attorney fees) incurred by, assessed against or imposed on a District Indemnitee arising from or in connection with any and all third party suits, claims, actions or demands (a “Claim”): (A) alleging any Product, Software or any Service infringes any valid and issued patent, copyright, or trademark, service mark, trade or business secret, or any other similar property right of a third party, (B) for personal injuries, death or damage to tangible personal and real property caused by the negligence or willful misconduct of Aqua Metric, its employees, contractors or agents; (C) relating to or arising out of Aqua Metric’s failure to comply with applicable law as required by Section 10.5; and (D) relating to or arising out of Aqua Metric’s breach of its confidentiality obligations under Section 7. "District Indemnitee" shall mean District, and its respective officers, directors, employees, agents, successors and assigns.

13.2 Infringement. If the Aqua Metric Proprietary Materials, Services or Software are, or in Aqua Metric’s opinion are likely to be, held to be, infringing, Aqua Metric shall at its expense and option either: (i) procure the right for District to continue using the Aqua Metric Proprietary Materials, Services and/or Software (as

applicable); (ii) replace the Aqua Metric Proprietary Materials, Services and/or Software (as applicable) with a non-infringing equivalent; (iii) modify the Aqua Metric Proprietary Materials, Services and/or Software (as applicable) to be non-infringing; or (iv) have the right to terminate the Master Agreement, in which event, Aqua Metric shall refund to District any and all Fees paid under this Master Agreement.

13.3 Process. District will notify Aqua Metric promptly in writing of any claim after District receives any written communication of the claim providing notice and a description of the nature of the claim; provided that any failure by District to give such notice promptly will affect the obligations of Aqua Metric only if and to the extent the ability of Aqua Metric to defend the claim is prejudiced thereby, and District reasonably cooperating and, at Aqua Metric's request and expense, assisting in such defense. District shall have the right, at its option, to select its own counsel to represent it and any District Indemnitee in connection with defense and/or settlement of the Claim, subject to approval of Aqua Metric, which approval shall not be unreasonably withheld.

13.4 District Obligation. District shall defend, indemnify and hold each Aqua Metric Indemnitee (as defined below) harmless from any and all losses, costs, fines, penalties, damages and other amounts (including reasonable attorney fees) incurred by, assessed against or imposed on an Aqua Metric Indemnitee arising from or in connection with any and all third party suits, claims, actions or demands (a "Claim"): (A) for personal injuries, death or damage to tangible personal and real property caused by the negligence or willful misconduct of District, its employees, contractors or agents other than Aqua Metric; (B) relating to or arising out of District's failure to comply with applicable law as required by Section 10.6; and (C) relating to or arising out of District's breach of its confidentiality obligations under Section 7. "Aqua Metric" shall mean Aqua Metric, and its respective officers, directors, employees, agents, successors and assigns.

13.5 Process. Aqua Metric will notify District promptly in writing of any claim after Aqua Metric receives any written communication of the claim providing notice and a description of the nature of the claim; provided that any failure by Aqua Metric to give such notice promptly will affect the obligations of District only if and to the extent the ability of District to defend the claim is prejudiced thereby, and Aqua Metric reasonably cooperating and, at District's request and expense, assisting in such defense. Aqua Metric shall have the right, at its option, to select its own counsel to represent it and any Aqua Metric Indemnitee in connection with defense and/or settlement of the Claim, subject to approval of District, which approval shall not be unreasonably withheld.

14. TERM, TERMINATION, AND SUSPENSION OF SERVICES.

14.1 Term. The term of this Master Agreement shall commence on the Effective Date and shall remain in effect during Pilot setup period (not to exceed six (6) months) plus twelve (12) months during the Pilot, subject to earlier termination as provided herein. This Agreement will automatically renew for 1-year terms unless District gives Aqua Metric notice of its non-renewal within 30 calendar days prior to end of the initial term or any renewal term or is otherwise terminated pursuant to the terms of this Section 14.

14.2 Termination for Cause. Without prejudice to any other rights and remedies to which the parties may be entitled, either Party may terminate this Master Agreement for cause without liability to the other with thirty (30) days written notice to the other party: (i) for material breach of this Master Agreement, granted the breached party provides notice of the breach in its intent to terminate, and the breach remains uncured for that 30-day period, provided said breach is capable of cure in a 30-day period; or (ii) in the event either party becomes the subject of a petition in bankruptcy or any proceeding related to its insolvency, receivership, liquidation that is not dismissed within sixty (60) days of its commencement or an assignment for the benefit of creditors. In addition, District may terminate this Master Agreement immediately or upon the later date set forth in its notice of termination: (x) if District objects to any proposed assignment of this Master Agreement by Aqua Metric; (y) if District objects to any proposed change of hosting vendors or location for the District Data by Aqua Metric (including vendors for its back-up services), or (z) if there exists a series of material

#4.

breaches that are cured within the permissible periods, and/or a series of non-material or persistent breaches by Aqua Metric that in the aggregate have an adverse impact on the provisions or use of Subscription Software and/or District's business.

14.3 Termination for Convenience. The District may terminate the Master Agreement for any reason and without cause upon ninety (90) days prior written notice to Aqua Metric.

14.4 Action on Termination. In the event of any termination (except for Aqua Metric's cause as described in Section 14.2) of the Master Agreement, District shall pay to Aqua Metric all Fees, expenses for any work performed or Services provided prior to the date of the notice of termination, and other amounts owed through and including the date of termination. Any pre-paid amounts for Services to be performed by Aqua Metric after the date of termination shall be promptly refunded to District. Upon termination, each party will promptly return to the other party its Confidential Information.

14.5 Transitional Services. Aqua Metric shall cooperate with District, and shall make good faith efforts to cause Manufacturer to cooperate with District to the extent applicable, and Aqua Metric shall assist District in the orderly, uninterrupted transfer and migration of the Subscription Services (including, without limitation, continuing to perform and provide the Software and Services) to District and/or its Affiliates or another services provider in connection with the expiration or earlier termination of the Master Agreement for any reason, however described ("Transitional Services"). Such Transitional Services shall include assistance in the orderly migration of all District Data and District Work Product held or maintained by Aqua Metric in such media or format(s) that is usable to District and/or another services provider. The quality of the Services and Aqua Metric's performance of its obligations shall not be degraded in any manner during the Transitional Services period. The term of the Master Agreement shall not be deemed to have expired or terminated until the Transitional Services have been completed. The parties agree to work together in good faith to complete the Transitional Services as soon as reasonably practical and no later than forty-five (45) days following the expiration of the Master Agreement or earlier termination. As part of Transitional Services, Aqua Metric shall provide such information as District may reasonably request relating to its usage of the Subscription Services. Fees for Services due to Aqua Metric as described in Exhibit B shall continue to apply during the Transitional Services period.

14.6 Return of District Data. In addition to the other requirements set forth in this Master Agreement, upon any termination or expiration of this Master Agreement, Aqua Metric shall promptly deliver to District a copy in commercially reasonable format of the last weekly full backup of District Data that was performed prior to the date of termination or expiration.

14.7 Survival. Sections 4.1, 6, 7, 8, 9, 10, 11, 12, 13, 14.4, 14.5, 14.6, 14.7, 16, and 20 shall survive termination or expiration of this Master Agreement, and those defined terms used in such sections and defined herein.

15. NOTICE TO PROCEED AND TIMING.

15.1 Purchase Order: Aqua Metric shall order the equipment to be furnished under this Agreement immediately upon receipt of a Purchase Order from District. The purchase of the equipment will be subject to all terms of this Agreement.

15.2 Notice to Proceed. No work or services shall be performed or furnished under this Agreement unless and until a written "Notice to Proceed" has been given to Aqua Metric by District and all bonds and certificates of insurance required pursuant hereto have been furnished to and approved by District.

15.3 Time of Completion. Aqua Metric agrees to commence the work to be performed under this Agreement on the start of the date specified in the Notice to Proceed and to diligently prosecute the work to completion by the date specified in the Notice to Proceed, which the parties agree is 150 calendar days from the date of

Purchase Order issuance, (the “Completion Date”).

15.4 Time of the Essence. Time is of the essence of this Agreement.

15.5 Liquidated Damages/Additional Actual Damages. It is agreed by the parties hereto that in case of the total work called for hereunder in all parts and requirements is not finished or completed within the number of working days as set forth herein, damage will be sustained by the District, and that it is and will be impractical and extremely difficult to ascertain and determine the actual damage which the District will sustain in the event of and by reason of such delay. It is therefore agreed that Aqua Metric will pay to District the sum of One Thousand One Hundred Fifty-Nine and 55/100 Dollars (\$1,159.55) per calendar day for each and every day of delay in finishing the work in excess of the number of days prescribed in Section 15.3, and Aqua Metric agrees to pay said liquidated damages herein provided for and further agrees that the District may deduct the amount thereof from any monies due or that may become due to Aqua Metric hereunder. Liquidated damages shall be a measurement of the sum to compensate the public for inconvenience from not having the work completed on time and the cost of District staff to monitor the job beyond the completion date. District shall further be entitled to recover its additional actual damages incurred, which shall be supplemental to the liquidated damages. Notwithstanding the foregoing, Aqua Metric shall not be responsible for delays caused by the unavailability of a Basestation Installation Site prior to the Completion Date. In the event District identifies a Basestation Installation Site as unsuitable for installation, in District’s sole discretion, Aqua Metric agrees to work with District to locate a reasonable alternative location in order to complete the work by the Completion Date.

16. INSURANCE.

16.1 Aqua Metric will maintain, at its own cost and expense, insurance coverage as necessary and reasonable to insure itself and its employees in connection with the performance of its duties and responsibilities under this Master Agreement. Upon request, Aqua Metric agrees to provide District with a Certificate of Insurance evidencing said insurance. Aqua Metric will maintain during the term of this Master Agreement and for two (2) years thereafter the following minimum insurance coverages and limits:

16.2 Commercial General Liability (CGL) with a limit of \$1,000,000.00 per occurrence for bodily injury, including death resulting therefrom, personal injury, property damage and advertising injury. Such coverage shall include contractual liability coverage recognizing this Master Agreement, products and/or completed operations liability and premises liability. Such coverage shall also cover District as an additional insured; and

16.3 Commercial Automobile Liability with a \$1,000,000.00 combined single limit for bodily injury, including death resulting therefrom, and property damage, covering all owned, non-owned and hired automobiles. Such coverage shall also cover District as an additional insured; and

16.4 Workers’ Compensation coverage as required by statute, covering all employees, including Employer’s Liability coverage with limits of \$1,000,000.00 each employee, each accident. In the event the Aqua Metric engages leased workers, contingent workers, temporary workers, volunteer labor, contractors and/or subcontractors, Aqua Metric shall ensure that such parties are adequately insured as required by statute, and upon request of District, shall produce evidence of such coverage to District; and

16.5 Umbrella or Excess Liability coverage with a limit of \$3,000,000.00 with coverage extending over primary Commercial General Liability, Commercial Automobile Liability and Employer’s Liability. Such coverage shall also cover District as an additional insured.

#4.

17. BONDS.

17.1 All bonds required hereunder shall be in the amount of 100% of the Purchase Price, and shall be in such form, and with such California corporate surety, as is satisfactory to the District, in the District's sole discretion. Aqua Metric shall deliver all bonds required hereunder to the District prior to the commencement of work, or if the work is commenced prior thereto in response to a Notice to Proceed, the Aqua Metric shall, prior to commencement of the work, submit evidence satisfactory to the District that such bonds will be issued.

17.2 Aqua Metric shall furnish a payment bond approved by District as required by Section 9550 of the Civil Code from a single surety licensed and admitted in the State with an agent for service of process in California. Aqua Metric shall pay the cost of obtaining the payment bond and Aqua Metric shall use District's form for the payment bond, which is attached as Exhibit H.

17.3 Aqua Metric shall furnish a performance bond securing the faithful performance of the Agreement covering the work. Contractor shall pay the cost of obtaining the performance bond and Aqua Metric shall use District's form for the performance bond, which is attached as Exhibit I.

18. SUBCONTRACTING.

18.1 Aqua Metric's hiring or retaining of any Subcontractors to perform work pursuant to this Agreement is subject to prior approval by the District. The District hereby approves Aqua Metric's retention of each Subcontractor listed on the Subcontractor List attached hereto as Exhibit J, Subcontractor Listing (each a "Subcontractor"), which contains all potential Subcontractors known to Aqua Metric at the time this Agreement is entered who may perform work under a subcontract with Aqua Metric pursuant to this Agreement.

18.2 Aqua Metric shall be as fully responsible to District for the acts and omissions of its Subcontractor and of the persons either directly or indirectly employed by its Subcontractor as it is for the acts and omissions of persons directly employed by Aqua Metric. Nothing contained in the Agreement shall create any contractual relationship between any Subcontractor and the District. Aqua Metric shall bind every Subcontractor to be bound by the terms of the Agreement as applicable to its work.

18.3 Aqua Metric is prohibited from performing any of the work with a Subcontractor who is ineligible to perform such work pursuant to Section 1777.1 or 1777.7 of the Labor Code. Aqua Metric agrees that in accordance with Public Contract Code Section 6109, a subcontract with an ineligible Subcontractor is void as a matter of law, amounts paid to the Subcontractor shall be returned to District, and Aqua Metric is responsible for paying wages Subcontractor of the Subcontractor's employees if the Subcontractor is allowed to perform any part of the work.

18.4 Aqua Metric shall give prompt written notice to District as to the identity and qualifications of any Subcontractor, supplier, or other person or organization to whom Aqua Metric intends to award work, and of Aqua Metric's intent to remove or replace a Subcontractor, supplier, or other person.

18.5 All work performed for Aqua Metric by a Subcontractor, supplier or other person or organization will be in accordance with an appropriate sub-agreement between Aqua Metric and the Subcontractor, supplier, or other person or organization which specifically binds the Subcontractor, supplier, or other person or organization to the applicable terms and conditions of the Agreement for the benefit of District, including the Special Provisions attached hereto as Exhibit F.

18.6 If requested in writing by District, Aqua Metric shall deliver to District a copy of each sub-agreement with a Subcontractor, supplier, or other person or organization performing a part of the work within seven days of District's request.

19. GENERAL.

19.1 Agreement Authorized. Each party represents to the other party that: (i) it has the power and authority to execute and deliver this Master Agreement and perform its obligations hereunder; (ii) the execution, delivery, and performance of this Master Agreement has been duly approved and authorized by it; and (iii) the execution and delivery of, and performance by, such party of this Master Agreement does not and will not, directly or indirectly, (x) require the consent, approval, or action of, or any filing or notice to (collectively, "Consents"), any corporation, firm, person or other entity or any public, governmental or judicial authority, which Consents have not already been obtained, (y) violate the terms of any instrument, document or agreement to which it is a party, or by which it is bound, or be in conflict with, result in a breach of or constitute (upon the giving of notice or lapse of time or both) a default under any such instrument, document or agreement, or (z) violate any order, writ, injunction, decree, judgment, ruling, law rule or regulation of any federal, state, county, municipal, or foreign court or governmental authority applicable to it.

19.2 Force Majeure. Neither party shall be held liable for delay in fulfilling or failure to fulfill its obligations under this Agreement, if such delay or failure is caused by events beyond the reasonable control of such party, including, without limitation, natural calamity, acts of God, or terrorist events, provided payment obligations shall not be so excused. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this Master Agreement.

19.3 District Non-Appropriation. In the event that District funds or federal grant funds are not appropriated for a fiscal period subsequent to the one in which this Master Agreement was entered into where funds were sufficient to satisfy terms of this Master Agreement, where such non-appropriation did not result from any act or failure to act of the District, the District shall notify Aqua Metric thirty (30) days prior to the default of the Master Agreement and the Master Agreement shall terminate.

19.4 Independent Contractor. The relationship of Aqua Metric to District is that of an independent contractor, and this Master Agreement shall not create any joint venture, partnership, or similar relationship. Neither party shall represent itself as an agent or employee of the other party. Further, Aqua Metric expressly warrants and represents that it alone is exclusively responsible for all terms and conditions of employment, including the compensation, of any and all personnel whom Aqua Metric assigns to perform any of the Services contemplated by this Master Agreement. Aqua Metric further expressly represents and warrants that it maintains all applicable and required insurance (including workers compensation insurance) with respect to such personnel and that in no event shall District be liable to any Aqua Metric employee or other Aqua Metric personnel for any of the terms and conditions of their employment with Aqua Metric.

19.5 Modifications, Amendments or Waivers. No modifications or amendments to the Master Agreement, and no waiver of any provisions hereof shall be valid unless in writing signed by duly authorized representatives of the parties.

19.6 Nonwaiver. Any failure or delay by either party to exercise or partially exercise any right, power or privilege hereunder shall not be deemed a waiver of any of the rights, powers or privileges under this Master Agreement. The waiver by either party of a breach of any term, condition or provision of this Master Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

19.7 Notices. Except as otherwise provided in the Master Agreement, all notices or other communications hereunder shall be deemed to have been duly given when made in writing and delivered in person or mailed, postage prepaid, by first class, certified or registered mail, by messenger or courier, and addressed as provided below the signatures to this Master Agreement. The address to which the notice(s) or communications may be given by either party may be changed by notice given by such party to the other pursuant to this Section or by other form of notice agreed to by the parties.

#4.

19.8 Remedies. Except for remedies specifically designated as exclusive, no remedy conferred by the Master Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

19.9 Severability. If any term, provision or part of the Master Agreement is to any extent held invalid, void or unenforceable by a court of competent jurisdiction, the remainder of the Master Agreement shall not be impaired or affected thereby, and each term, provision, and part shall continue in full force and effect, and shall be valid and enforceable to the fullest extent permitted by law.

19.10 Successors. This Master Agreement shall inure to the benefit of and be binding on the parties hereto and their respective successors and assigns (if such assignment was properly made pursuant to this Master Agreement).

19.11 Assignment. Aqua Metric may not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party, including any assignment or transfer in connection with a merger, reorganization, or sale of all or substantially all of the assets or equity of such party. Any attempted assignment in breach of this Section shall be void and District shall have the right to terminate this Master Agreement as set forth herein. This Master Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

19.12 Construction. The term “including” and its derivatives (such as “include” and “includes”) shall be construed as meaning “including, but not limited to” or “including, without limitation.” Defined terms in this Master Agreement shall be deemed to include their respective derivatives so as to give due and proper intended meaning within the context of their usage. Unless otherwise specified, whenever approvals or consents are required or permitted, such approvals or consents shall be determined in good faith and shall not be unreasonably withheld or delayed. Words importing the singular include the plural and vice versa and words importing gender include all genders.

19.13 Security and Supervision. Aqua Metric, when on District’s premises or accessing District’s networks or providing Support Services hereunder, will comply with all of District’s security, supervision and other standard procedures applicable to such representatives.

19.14 Public Law Requirements; Prevailing Wage; Contractor Registration.

- a) The District is a public agency in the State and is subject to the provisions of law relating to public contracts. It is agreed that all provisions of law applicable to public contracts are a part of this Master Agreement to the same extent as though set forth herein. Aqua Metric represents and warrants that it is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 1600, *et seq.*, (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “Public Works” and “Maintenance” projects, and will comply with the Prevailing Wage Laws, when applicable, including but not limited to the payment of prevailing wages. Copies of mandated prevailing wage rates are on file with the Department of Industrial Relations and can be found online with the State of California at <http://www.dir.ca.gov/dlsr/pwd>. A copy of such prevailing wage rates shall be posted on the jobsite by Aqua Metric when required by applicable law. As noted in the RFP issued for the Project, it shall be mandatory that Aqua Metric pay not less than the specified prevailing wage rates to all workers employed by them in the execution of “public works” on the Project as defined by Labor Code Sections 1720 *et seq.*
- b) Further, Aqua Metric must be registered with the Department of Industrial Relations pursuant to the

requirements of Sections 1725.5 and 1771.1 of the California Labor Code. Under the Labor Code, public works contracts/subcontracts shall not be entered into after April 1, 2015, with any contractor without proof of current registration to perform work consistent and in compliance with the requirements of Sections 1725.5 and 1771.1. Aqua Metric acknowledges that this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations for any work considered a “public work” as defined under Labor Code Sections 1720 *et seq.* Contracts entered into with any contractor or subcontractor, in violation of Section 1771.1(a), shall be subject to cancellation by the District at the sole discretion of the District consistent with Section 1771.1(e). Where applicable, Aqua Metric is responsible for furnishing and storing those records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, pursuant to the procedures set forth in Section 1771.4 of the Labor Code. Aqua Metric’s DIR Registration No. is _____. When applicable, Aqua Metric shall post job site notices, pursuant to the requirements set forth in the Labor Code and related applicable regulations, including but not limited to, those provisions addressing the posting of notice relating to prevailing wage compliance.

19.15 Federal Grant; Special Provisions. The parties agree to the Special Provisions in Exhibit F in accordance with the federal grant funding that has been received for the project. In the event of any conflict with any terms of the Master Agreement, the Special Provisions in Exhibit F shall govern.

20. DEFINITIONS

20.1 "Basestation" means a Tower Gateway Base station consisting of hardware, firmware and software installed at a Tower Site and used to communicate by radio with SmartPoints and the RNI.

20.2 "Confidential Information" means documents, data, work product and any other sources of information designated as confidential in writing by District or Aqua Metric, as applicable, and any other information that a party should reasonably know is confidential in light of the circumstances surrounding its disclosure.

20.3 "District Confidential Information" means the District Data, District Proprietary Materials, and any other District owned or licensed information or material that is designated in writing by District as proprietary and confidential, or that Aqua Metric should reasonably know is confidential in light of the circumstances surrounding its disclosure.

20.4 "District Data" means any or all of the following, and all copies thereof, regardless of the form or media in which such items are held: (i) Confidential Information of District, including, but not limited to, Personally Identifiable Information; (ii) data and/or information provided or submitted by or on behalf of District or any District Affiliate to Aqua Metric regardless of whether considered Confidential Information; and (iii) data and/or information stored, recorded, processed, created, derived or generated by Aqua Metric as a result of and/or as part of the Services, regardless of whether considered Confidential Information.

20.5 “Defect” means any deviation, error, or malfunction of the Software or Subscription Services.

20.6 "Documentation" means all publications and documentation relating to the use or operation of the Products, Software and Services provided hereunder, such as reference, user, installation, systems administration and technical guides.

20.7 "Fees" mean the Product Costs and Service Fees.

20.8 "Installation Services" mean the work performed by Aqua Metric to enable District's access to and use of the Software in an operational environment in accordance with all requirements set forth in the Documentation, including all testing.

20.9 “Maintenance Services” mean the maintenance work to be performed by Aqua Metric as described in Exhibit G.

20.10 “Performance Standards” means collectively the warranties and performance standards set forth in Section 10 and all associated Exhibits and attachments referenced therein.

#4.

- 20.11 "Product Costs" means costs for Products as described in Exhibit B.
- 20.12 "Raw Throughput Success Rate" means raw percentage of successful transmissions from radio to Basestation received vs. scheduled number of transmissions.
- 20.13 "Service Fees" means the fees for Services performed by Aqua Metric, as described in Exhibit B.
- 20.14 "Services" mean the work performed by and/or available from Aqua Metric, including the Installation Services, Support Services, Maintenance Services and Training as may be more fully described in Exhibits A, C and G.
- 20.15 "Software" means the computer software described as such in the Manufacturer Agreement, in machine-readable form only, as well as any Updates which may be provided pursuant to the terms of this Master Agreement.
- 20.16 "Subscription Services" mean the hosting and processing Services performed by Manufacturer and Aqua Metric using Software, as described in the Manufacturer Agreement.
- 20.17 "Support Services Fees" means the annual fees for District's use of the Support Services, as described in Exhibit B.
- 20.18 "Training" means the instructional training provided by Aqua Metric to District regarding access to and proper use and operation of the Software and Services, as described in Exhibit A.
- 20.19 "Updates" mean any and all modifications and updates to Software developed by Manufacturer and available to District as part of the Support Services.
- 20.20 "Aqua Metric Confidential Information" means the Aqua Metric Proprietary Materials and any other Aqua Metric owned or licensed information or material that Aqua Metric designates in writing as confidential.
- 20.21 "Aqua Metric Proprietary Materials" mean (i) Software and all computer programs, Documentation, products, forms, tools, methodologies, processes and procedures which were developed and owned by Aqua Metric or its subcontractors prior to the Effective Date or which are developed during the term of the Master Agreement by Aqua Metric staff (including employees and subcontractors), expressly excluding any District Work Product; and (ii) any modifications thereof and derivative works based thereon.

IN WITNESS WHEREOF, the parties hereto have executed this Master Agreement as of the Effective Date.

AQUA METRIC SALES COMPANY

MOULTON NIGUEL WATER DISTRICT

By: _____
 Printed Name: _____
 Title: _____
 Date: _____
 Notice Address: _____

By: _____
 Printed Name: _____
 Title: _____
 Date: _____
 Notice Address: 27500 La Paz Road, Laguna
 Niguel, CA 92677

EXHIBIT A

STATEMENT OF WORK

This Statement of Work is Exhibit A to the Flexnet Agreement (the "Master Agreement"), dated as of _____, 2016, by and between the Moulton Niguel Water District and Aqua Metric ("Aqua Metric"). All defined terms used herein but not otherwise defined herein shall have the meanings assigned to them in the Master Agreement or Manufacturer Agreement.

This document is designed to assist the District with planning the installation of the Sensus FlexNet Advanced Metering Infrastructure (AMI) system as provided by Aqua Metric. The following pages provide details pertaining to responsibilities of Aqua Metric and the District during the planning, installation and commissioning of the FlexNet System.

1. **GENERAL RESPONSIBILITIES**

1.1. Aqua Metric will:

- a) Provide a project manager to coordinate all FlexNet installation activities with the District and be the main contact point between the District and Aqua Metric and Manufacturer during deployment. The Aqua Metric project manager will also coordinate all installation activities with the field engineers and contract installation crews to install any equipment,
- b) Hire a qualified installation contractor to install the Basestation equipment at the District locations described in the propagation study in Attachment 1 (each a "Basestation Installation Site") and run all data and power cables between the antennae and the Basestation (Basestations are available as indoor units and outdoor units), and
- c) Commission the RNI hardware and software and provide training to operate the software and manage the RNI to identified personnel at the District location as described in Attachment 2.
- d) Conduct acceptance tests and provide written report of results to District as described in Attachment 3.

1.2. The District will:

- a) Provide a key point of contact and contact information (as defined in the FlexNet Solution Specification Details), for project management activities to work with the Aqua Metric project manager to help facilitate a timely installation of the FlexNet system,
- b) Be responsible to provide the network infrastructure at the Basestation location, and
- c) Be responsible for monthly fees associated with the network access for all sites where network access is needed.

2. **RNI RESPONSIBILITIES**

2.1. Aqua Metric will be responsible for the following:

- a) All RNI hosting responsibilities for length of the pilot project.

3. **BASESTATION SITE RESPONSIBILITIES**

3.1. Aqua Metric will be responsible for the following:

- a) The Basestation is available in two configurations, indoor unit and outdoor unit. The configuration for this Project will be an outdoor unit at the locations defined in the FlexNet Solution Specification Details and Propagation Study attached as Attachment 1 to this Statement of Work,
- b) Aqua Metric will make all data and power terminal, and antennae connections at the

#4.

BasestationCabinet, this includes the connection from the power source, connection of the CAT 5 data line from the network access point at the site,

- c) Aqua Metric will provide all bracketing needed to mount the antennae at the site,
- d) Mount the Basestation cabinet (if needed) to the structure provided and identified by the District,
- e) Provide all strapping hardware needed to run the data and power cables from the base of the Basestation site to the antennae if needed,
- f) Provide the Basestation and antennae sufficient to receive meter data and provide the meter data to the RNI via the network connection provided by the District,
- g) Provide a qualified installation team to install the Basestation equipment and make final end connections to the equipment,
- h) Properly ground the Basestation and antenna equipment.

3.2. The District will:

- a) Provide an area at the Basestation site for installation if the Basestation is installed at a District provided site,
- b) Provide a 120/240 VAC power source to the Basestation (all necessary electric requirements receptacles to be located within 1 foot of the final location of the Basestation installation). If trenching of the power line is needed, the District will be responsible to provide the necessary trenching, conduit, and cabling needed to supply power from the power source outlet to the base station cabinet. All electrical equipment will be installed in accordance with local codes,
- c) Provide network access at the site where the Basestation is located (District may consult with Aqua Metric representative regarding the available options for network connections between Basestation and RNI),
- d) Provide security padlocks at Basestation location, and
- e) Obtain access and permission to any structure required to be accessed by Aqua Metric personnel for the above activities.

4. END POINTS AND FIELD INSTALLATION RESPONSIBILITIES

4.1. The District will be responsible for the following:

- a) Purchase end points,
- b) Pay for installation of all end points transmitters to be used in the FlexNet AMI system.
- c) Quality assurance for District personnel and/or an installation contractor as it relates to proper installation of SmartPoints,
- d) Perform initial visit and troubleshoot endpoints that are not reporting into the FlexNet AMI system,
- e) Perform initial investigation of any non-reporting SmartPoints to ensure that there are no cut wires, improper installations or improper programming by District and resolve any identified District data entry errors.
- f) Assign a SmartPoint installation auditor to ensure installation work is acceptable (Aqua Metric will train this individual to properly identify and correct any known problems in the field. This individual will be the primary contact to troubleshoot, identify and correct non-reporting SmartPoints and installation errors),
- g) Once the Aqua Metric installer has completed troubleshooting of installation issues, Aqua Metric will investigate the remaining endpoints to identify and fix any coverage issues, and
- h) Coordinate with Aqua Metric to establish the SmartPoint installation schedule, shipment quantities, and overall project timeline.

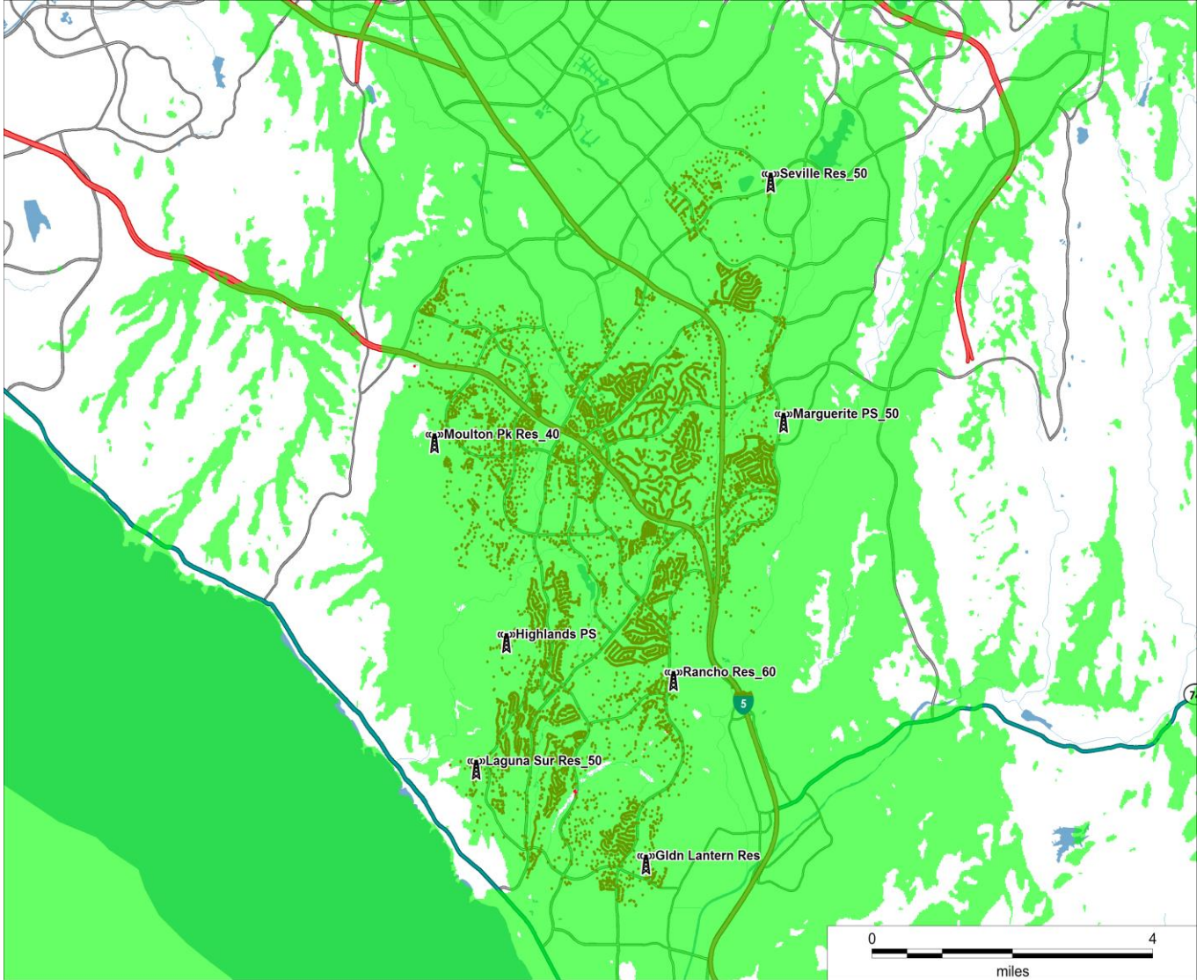
5. DEFINITIONS

The definitions set forth below shall apply for the purposes of this Statement of Work.

- "Basestation" means a Tower Gateway Base station consisting of hardware, firmware and software installed at a Tower Site and used to communicate by radio with SmartPoints and the RNI.
- "Billing Window" means, with respect to the three or four day period beginning one or two days prior to, and ending two days following, the District's preferred billing day for a particular meter.
- "FlexNet"TM means the system comprised of the Sensus Network and the approved SmartPoints in service in the Territory, including back-end hardware and Software. The back-end hardware consists of the RNI hardware and Basestation hardware.
- "FlexNet SmartPoints" means collectively any FlexNet communicating device intended to transmit meter reading and other information as appropriate from water District meters.
- "FlexWare"TM software, developed by Sensus Metering Systems, is the software utilized in the RNI to collect the data from meters, filter the data by application, and route the data appropriately to the utility District. FlexWareTM includes the software in all of the RNI components.
- "RNI" means the Regional Network Interface consisting of equipment and FlexWare software used to gather, store and report data collected from SmartPoints and Basestations that are part of the Sensus Network. The FlexWare software operates on the RNI.
- "SmartPoint" is a printed circuit board that provides an AMI endpoint the ability to acquire data from its connected meter and transmit the data to AMI collection devices located at AMI towers. SmartPoints are mounted either integral to the meter or remotely depending upon meter type and manufacturer.
- "Tower Site" means a site on a radio tower, building, or elsewhere where a Basestation is located or intended to be installed.

ATTACHMENT 1
TO EXHIBIT A - STATEMENT OF WORK
PROPAGATION STUDY

SUBMITTED BY AQUA METRIC – DATED JANUARY 14, 2016



**ATTACHMENT 2
TO EXHIBIT A - STATEMENT OF WORK
TRAINING**

Aqua Metric Training Plan

The success of a FlexNet system deployment is largely dependent on the knowledge and proficiency of the project team members. From the initial installation to project closure and beyond, Aqua Metric Technology team will work with the District to provide instructor-led, field, and one-on-one training needed for optimal system operation.

As a part of Aqua Metric's initial project start-up, members of the technology team will perform on-site training for Moulton Niguel Water District as detailed below. Product documentation and handouts will also be provided at this time. Additional services and training can be provided to the District as requested. We highly suggest the District to maintain their annual support to ensure proper use of our Technology Team and their services.

Over the 6-month system start-up period, minimum 5-7 days of training are provided. Depending on project complexity and training requirements, Aqua Metric will provide additional and/or refresher training as necessary.

Step One – 1/2 to 1 Day: In the Field SmartPoint Module Field Training

Once the AMI infrastructure is installed, training of field personnel or installation contractor in radio installation and activation will be held.

- Handheld Operation
- Proper Documentation of Work Orders
- Safety & Security
- Quality Audits of Installations
- Residential Meter and Commercial Meter Installation
- SmartPoint Installation and Activation
- Verification of SmartPoint Activation
- Troubleshooting SmartPoint Issues

Step Two – 1/2 to 1 Day: Overview Sensus FlexNet

Once the infrastructure is installed and the system has at least 2 weeks of data for a sampling of meters, we will have overview training that is a one-hour overview and an additional two-hour session for billing personnel.

Overview (field and billing personnel – 1 hr)

- Sensus FlexNet Architecture and Components
- Field Activation - overview of field activation
- Google Earth integration – system overview
- Billing integration
- Reports
- Two-Way communications

Details (focus on billing – additional 2 hrs)

- Monitor options
- Billing setup and integration
- FlexWare overview - alternate way to show information and troubleshoot
- Diagnostic Tab

Step Three - 2 Days: Expand on System Capabilities

Additional formal training is provided on the Sensus FlexNet system including administration. These sessions provide a deeper dive into the systems' capabilities. This training will occur 2-3 months into the project to expand the knowledge and capacities of the utility personnel now that they are familiarized with the Sensus FlexNet.

Step Four – 2 to 3 Days: Additional Training Support

During the next few months of the project there will be on-site visits or web based training for groups or individuals to answer questions and provide additional support and training as needed.

Step Five – 1/2 - 1 Day: Project Closeout Training

Project close out training and transitioning the project to the support team will occur once all meters have been installed.

System Optimization

- Evaluate network performance
- Change any non-performing meters
- Re-program radios to different modes
- Run acceptance test – (~5.50 days)

System Acceptance Test

- Criteria development
- System Hardware Installed
- Performance Testing

Conclusion

Aqua Metric will provide comprehensive Customer Service, Delivery, & Support program to ensure we meet the District's objectives and exceed expectations. Aqua Metric integrated AMI solution, supported by full turnkey Project Management and IT integration, will enable the District to maximize the full AMI system benefits in a shorter timeframe while also protecting the District's investment from any potential hidden costs.

**ATTACHMENT 3
TO EXHIBIT A - STATEMENT OF WORK
ACCEPTANCE TESTING PROCEDURES**

Customer Acceptance Plan (CAP)

As part of the System deployment under the Agreement, four milestones have been established and defined. The District, as customer, will accept and operate the System once milestone four has been completed. At that point, Aqua Metric will provide support per the service levels provided for in the Agreement.

MILESTONE TERMS AND REQUIREMENTS

1) Milestone 1: Network Deployment

Milestone 1, Network Deployment, is achieved when all (7) seven TGBs have been installed at the identified locations, as set forth in Exhibit A, Attachment 3. Aqua Metric shall send the District a written notice promptly after Milestone 1 is achieved; such notice shall include the date on which Milestone 1 is satisfied.

2) Milestone 2: AMI Radio Delivery and Installation

AMI system radio delivery and installation is considered achieved after installation of radios on all meters to be automated in each of three cycles (each a "Cycle") has been completed by District. Cycles include: Recycled/Irrigation; Potable/Irrigation; and Residential Tracts. District shall send Aqua Metric written notice promptly after Milestone 2 is achieved for each Cycle; such notice will include the date on which Milestone 2 was satisfied. District shall work diligently to complete Milestone 2 for each Cycle.

3) Milestone 3: Successful System Performance Test

Once Aqua Metric has been notified by District that all radios have been installed in a Cycle, system performance shall be tested for a Cycle during a billing window (a "System Performance Test"). During any System Performance Test, system performance shall be measured by calculating the Raw Throughput Success Rate percentage of successful transmissions from radio to Basestation received vs scheduled number of transmissions. Whether the System Performance Test is successful depends upon the conditions provided below:

(A) When Initial System Performance Testing Occurs. Initial System Performance Testing for a Cycle shall commence on a mutually agreed upon date, not to exceed 30 days after the District has notified Aqua Metric that Milestone 2 is achieved for each Cycle, unless any of the following conditions are present during the testing or within the 24-hour period immediately prior to the date and time scheduled:

- i. A power failure greater than eight (8) hours;
- ii. Illegal jamming of the radio spectrum is preventing or interfering with radio communication to or from the meter; or
- iii. A failure of insufficiency of the back haul telecommunications network of the District.

If any of the conditions in Section (A) (i)- (iii) are present, the Parties shall work diligently to address and remove the conditions. Further testing shall be delayed until the above conditions are removed.

(B) Determining Success of Initial System Performance Test. The initial System Performance Test shall be successful if the system performance measurement is 100% over a four-day period for each Cycle.

(C) Optimization and Meter Inspections. If the initial system performance is not successful, Aqua Metric shall provide additional hardware according to the terms of the Agreement, if necessary. In addition, the District shall promptly inspect all failed units and take reasonable steps to correct any force majeure conditions. Aqua Metric shall then conduct a System Performance Test for the second time. This procedure shall continue until the System Performance Test for each Cycle is successful. The second System Performance Test and any System Performance Tests thereafter for the Cycle, shall be successful if the system performance measurement for the cycle is 99.5% or greater over a four-day period; provided, however, that any meters failing due to force majeure conditions shall not be counted as failed units.

(D) Force Majeure Conditions at Testing. For purposes of system testing, force majeure conditions shall include damaged or failed unit(s) (this may include failed registered, damaged antennas, damages radio packages, broken clips, broken TouchCouplers, etc.); units not properly installed or installed outside the service territory; or intentional or unintentional acts or omission of third parties, the District, or the District's contractors (this may include cut wires, vandalism, units removed from the system, etc.); and any other conditions that are beyond the control of Aqua Metric.

4) Milestone 4: Acceptance of the AMI System

Milestone 4 is achieved when Milestone 3 is satisfied for all Cycles cumulatively. The District will provide Aqua Metric written notice of acceptance after Milestone 4 is achieved.

#4.

EXHIBIT B

FEES

B-1

Detail Cost Analysis

Legend

A	Item number of cost component
B	Cost item description
C	Cost item specification. Version, CPU, DASD, Mem, etc..
D	Vendor for the cost item
E	Quantity required
F	Unit Cost
G	Extended cost (E*F=G)

Core Solution Costs

A	B	C	D	E	F	G
Item	Cost Category	Specifications	Vendor	Qty	Unit Cost	Extended Cost
1.00 MTU (Meter Transmission Unit)						\$433,824.00
1.01	MXU 520M single port	Touch Coupler Connection (Sensus Meters)	Sensus	2,828	\$96.00	\$271,488.00
1.02	MXU 520M single port wired	Wired Connection (Neptune Meters)	Sensus	1,691	\$96.00	\$162,336.00
2.00 Other AMI System Equipment						\$242,268.63
		Meter Make, Type				
2.01	Fixed Data Collection Units, including firmware, installation and network connections	M400 Collector (Annual Support Beginning Year 2 listed in Annual Cost)	Sensus	7	\$27,000.00	\$189,000.00
2.02	Field Programmers, including cradles, accessories, firmware and software	6502GB Handheld, Command Link, Unipro Communicator	Sensus	5	\$9,426.01	\$47,130.05
2.03	Backhaul			7	\$876.94	\$6,138.58
3.00 Professional Services						\$93,055.55
3.01	Project Management	Project Management	AMSC	1	\$10,000.00	\$10,000.00
3.02	Training Services	Sensus Analytics & Customer Portal Training	AMSC	1	\$6,444.44	\$6,444.44
3.03	Configuration & Integration Support	Sensus Analytics & Customer Portal Configuration & Setup One-Time Fees (Does Not Include Integration Cost(s) incurred from Billing Provider)		1	\$27,111.11	\$27,111.11
3.04	AMI System Annual Maintenance	Three Year Maintenance Package			\$49,500.00	\$49,500.00
4.00 Leak Detection and Other Costs						\$11,063.00
4.01	System-Wide Leak Detection System:					
4.02	Acoustic Leak Detectors	Permalog+ Wired Units	FCS	23	\$385.00	\$8,855.00
4.03	MTUs for AMI Network Communications	MXU 520M Single Port Wired	Sensus	23	\$96.00	\$2,208.00
4.04	Other Leak Detection System Equipment	Patroller II System W/ Nautiz 7 PDA (No Charge for Phase 1)			\$9,650.00	
4.05	Professional Services	Leak Correlation/Localization Service (Unit Price per location, Actual Quantities Unknown)			\$200.00	
5.00 Meter Data Management System (MDMS)						\$11,111.11
5.01	MDMS Software	Sensus Essential Analytics SaaS	Sensus	1	\$11,111.11	\$11,111.11
6.00 Other Costs						\$4,754.00
6.01	Performance & Payment Bonds			1	\$4,754.00	\$4,754.00
Total Core Solution Cost						\$796,076.29

-33-

EXHIBIT C**SUPPORT SERVICES**

1. Aqua Metric Obligations. Aqua Metric shall provide the following additional Support Services to District:
 - 1.1. Telephone Hotline/Help Desk. Aqua Metric shall continuously provide a telephone number for District personnel to call for all purposes regarding Support Services. District's help desk shall be monitored by members of the Aqua Metric support team.
 - 1.2. Support and Maintenance History and Tracking System. Aqua Metric shall maintain a current record of District's Support Services history. Upon District's request, Aqua Metric shall provide a detailed history of all Support Services performed by Aqua Metric. District shall own all such records.
 - 1.3. Enhancements and New Features. Aqua Metric shall provide or ensure Manufacturer provides all enhancements to the Subscription Services.
 - 1.4. Documentation. Aqua Metric shall provide any and all updated Documentation, as applicable, for the Services, Products, and any enhancements provided to District as such Documentation are generally released, or more frequently if significant errors and/or discrepancies are discovered in such Documentation.
2. District Responsibilities. District shall cooperate with Aqua Metric in the performance of Aqua Metric's obligations by performing the tasks set forth below. Provided however, that in no event shall any failure by District to act as described below shall not be interpreted as or result in a breach of this Master Agreement:
 - 2.1. Assist Aqua Metric in the development of support procedures.
 - 2.2. Ensure end users follow established support procedures.
 - 2.3. End users will employ reasonable efforts to solve problems/address requests before calling the help desk.
 - 2.4. Maintain local network and devices.
3. Resolution of Defects.
 - 3.1. Defect Levels. District shall classify, or reclassify, as applicable, all Defects as Critical, Impactful, Routine, and Application Question pursuant to the definitions set forth below in Section 4.
 - 3.2. Reporting of Defects. Reports of Defects (an "Incident Report") will be made through Aqua Metric's support center via email or telephone at numbers to be provided by Aqua Metric to District. Aqua Metric shall provide coverage and respond to incidents and defects according to Section 4 below.
4. Service Level Agreement.
 - 4.1. Critical. Critical issues are problems with the Services or Products which delay or preclude completion of District's billing cycle or cycles. Critical issues include but are not limited to major communications issues, software component failures or software interaction failures, or failures of the District's non-individual customer hardware which interfere with communications, post-processing or significant transfers of data. The District may elevate any non-Critical issue to a Critical status when Aqua Metric cannot develop a work-around or fix a non-Critical issue in a timely manner or when a non-Critical issue severely impacts District resources. The District may demote a Critical issue to a non-Critical status upon notice to Aqua Metric.
 - 4.2. Impactful. Impactful issues are problems with the Services or Products that are less severe than Critical issues but delay completion of District's billing cycle or cycles or interfere with the intended use of the overall metering infrastructure. While Aqua Metric may be able to provide a work around on an individual customer basis for Impactful issues, due to the number of customers affected Impactful

issues severely impact District resources to effect the work-around. The District may elevate or demote non-Impactful issues to Impactful status upon notice to Aqua Metric.

- 4.3. **Routine.** Routine issues are problems with the Services or Products which affect a small number of customers, and which do not imperil the completion of a billing cycle, and which may be worked around without significant impact to District resources. Routine issues will typically comprise requests for guidance on best practices for use of the overall system, Service or Product usage, assistance with specific metering or post-processing adjustments or modifications, or other issues which can be readily resolved. The District may elevate or demote non-Routine issues to Routine status upon notice to Aqua Metric.
- 4.4. **Application Questions.** Application Questions are problems, clarifications, or explanations related to the Services or Products which are intended to assist District in making the best use of the overall metering infrastructure system. Application Questions may be in the form of “how-to” questions or instructions designed to facilitate interaction with the metering infrastructure system, and will typically require “look-up” responses instead of active troubleshooting. The District may elevate or demote non-Application Questions to Application Question upon notice to Aqua Metric.
- 4.5. **Business Hours.** Business hours shall be considered to be 0800 to 1700 CST (Or CDT as appropriate) weekdays, excluding statutory holidays in the State of California. It is unlikely that issues would be discovered and support requested outside stated business hours. Provided, however, Aqua Metric will provide non-Business Hours support to the District for Critical and Impactful issues.
- 4.6. **Call-Back.** When support services are requested, Aqua Metric shall make return contact with District to: (1) confirm that the request for support has been received; (2) to receive District troubleshooting processes and results, and to make a counter-request for any additional information if so needed; and (3) to mutually agree upon a support level pursuant to the above definitions.
- 4.7. **Troubleshooting.** Troubleshooting begins when Aqua Metric support personnel actively begin researching, investigating, and or testing the cause of the reported issue. Typically, troubleshooting activities will be performed in conjunction with District personnel. Troubleshooting resources shall be provided consistent with the criticality and anticipated time line of the supported issue.
- 4.8. **Resolution Expectation.** While fully understanding that not all issues can be fully resolved in the timeframe desired, District will be injured and it shall be a material breach by Aqua Metric of this Agreement if Aqua Metric cannot manage District support issues within the listed target time limits below. In addition, after the Pilot, more than three Critical issues in a rolling 3-month period (i.e., chronic Critical issues) shall be deemed a material breach of the Agreement by Aqua Metric.

		Critical Issue	Impactful Issue	Routine Issue	Application Question
Call Back	Normal Business Hours	1/2 Hour	1 Hour	2 Hours	1 Hour
	Outside Business Hours	2 Hours	Next Business Day	2nd Business Day	Next Business Day
Troubleshooting	Normal Business Hours	2 Hours	1/2 Day	Next Business Day	N/A
	Outside Business Hours	8 Hours	Next Business Day	2nd Business Day	N/A
Resolution	Normal Business Hours	3 Days	4 Business Days	6 Business Days	1 Business Day
	Outside Business Hours	5 Days	5 Business Days	7 Business Days	2 Business Days

#4.

EXHIBIT D

MANUFACTURER'S WARRANTIES

I. General Product Coverage

Sensus USA Inc. ("Sensus") warrants its products and parts to be free from defects in material and workmanship for one (1) year from the date of Sensus shipment and as set forth below. All products are sold to customer ("Customer") pursuant to Sensus' Terms of Sale, available at: <http://sensus.com/TC/> ("Terms of Sale").

II. SR II® and accuSTREAM™ 5/8", 3/4" & 1" Meters...

are warranted to perform to AWWA New Meter Accuracy Standards for five (5) years from the date of Sensus shipment or until the registration shown below, whichever occurs first. Sensus further warrants that the SR II meter will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

	New Meter Accuracy	Repair Meter Accuracy
5/8" SR II Meter and accuSTREAM Meter	500,000 gallons	1,500,000 gallons
3/4" SR II Meter and accuSTREAM Meter	750,000 gallons	2,250,000 gallons
1" SR II Meter and accuSTREAM Meter	1,000,000 gallons	3,000,000 gallons

III. SR® 5/8", 3/4" & 1" Meters...

are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 5/8", 3/4" and 1" SR meter will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

	Repair Meter Accuracy
5/8" SR Meter	1,500,000 gallons
3/4" SR Meter	2,250,000 gallons
1" SR Meter	3,000,000 gallons

IV. SR 1-1/2" & 2" Meters...

are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 1-1/2" and 2" SR meter will perform to at least AWWA Repaired Meter Accuracy Standards for ten (10) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

	Repair Meter Accuracy
1-1/2" SR Meter	5,000,000 gallons
2" SR Meter	8,000,000 gallons

V. PMM® 5/8", 3/4", 1" Meters...

are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 5/8", 3/4", and 1" PMM meter will perform to at least AWWA Repaired Meter Accuracy Standards for fifteen (15) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

	Repair Meter Accuracy
5/8" PMM	1,500,000 gallons
3/4" PMM	2,000,000 gallons
1" PMM	3,000,000 gallons

VI. PMM 1-1/2", 2" Meters...

are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment. Sensus further warrants that the 1-1/2", and 2" PMM meter will perform to at least AWWA Repaired Meter Accuracy Standards for ten (10) years from the date of Sensus shipment or until the registration shown below, whichever occurs first:

	Repair Meter Accuracy
1-1/2" PMM	5,000,000 gallons
2" PMM	8,000,000 gallons

VII. iPERL™ Water Management Systems...

that register water flow are warranted to perform to the accuracy levels set forth in the iPERL Water Management System Data Sheet (IPL-110), available at www.sensus.com.

com/iPerl or by request from 1-800-METER-IT, for twenty (20) years from the date of Sensus shipment. The iPERL System warranty does not include the external housing.

VIII. Maincase...

of the SR, SR II and PMM in both standard and low lead alloy meters are warranted to be free from defects in material and workmanship for twenty-five (25) years from the date of Sensus shipment. Composite and E-coated maincases will be free from defects in material and workmanship for fifteen (15) years from the date of Sensus shipment.

IX. Sensus "W" Series Turbo Meters, OMNI™ Meters and Propeller Meters...

are warranted to perform to AWWA New Meter Accuracy Standards for one (1) year from the date of Sensus shipment.

X. Sensus accuMAG™ Meters...

are warranted to be free from defects in material and workmanship, under normal use and service, for 18 months from the date of Sensus shipment or 12 months from startup, whichever occurs first.

XI. Sensus Registers...

are warranted to be free from defects in material and workmanship from the date of Sensus shipment for the periods stated below or until the applicable registration for AWWA Repaired Meter Accuracy Standards, as set forth above, are surpassed, whichever occurs first:

5/8" thru 2" SR, SR II, PMM, accuSTREAM Standard Registers	25 years
5/8" thru 2" SR, SR II, PMM, accuSTREAM Encoder Registers	10 years
Electronic Communication Index (ECI)	10 years
All HSPU, IMP Contactor, R.E.R. Elec. ROFI	1 year
Standard and Encoder Registers for: "W" Turbo and Propeller Meters	1 year
OMNI Register with Battery	10 years

XII. Sensus Electric Meters...

are warranted to be free from defects in material and workmanship for one (1) year from the date of Sensus shipment. Spare parts and components are warranted to be free from defects in material and workmanship for one (1) year from the date of Sensus shipment.

Repaired or refurbished equipment repaired by Sensus is warranted to be free from defects in material and workmanship for ninety (90) days from the date of Sensus shipment or for the time remaining on the original warranty period, whichever is longer.

XIII. Batteries, iPERL System Components, AMR and FlexNet™ System AMI Interface Devices...

are warranted to be free from defects in material and workmanship from the date of Sensus shipment for the period stated below:

Electronic TouchPads	10 years
RadioRead® MXU (Model 505C, 510R or 520R) and Batteries	20 years*
Act-Pak® Instrumentation	1 year
TouchRead® Coupler and AMR Equipment	1 year
FlexNet Water or Gas SmartPoint™ Modules and Batteries	20 years*
Hand Held Device	1 year
Vehicle Gateway Base Station	1 year
FlexNet Base Station (including the Metro and M400 base stations)	1 year
Echo Transceiver	1 year

XIII. Batteries, iPERL System Components, AMR and FlexNet™ System AMI Interface Devices... (continued)

Remote Transceiver	1 year
iConA and FlexNet Electricity SmartPoint Module	1 year
iPERL System Battery and iPERL System Components	20 years*
Residential Electronic Register	20 years*

(continued)

#4 Sensus Limited Warranty

*Sensus will repair or replace non-performing:

- RadioRead® MXU (Model 505C, 510R and 520R) and Batteries,
- FlexNet Water or Gas SmartPoint Modules (configured to the factory setting of six transmissions per day under normal system operation of up to one demand read to each SmartPoint Module per month and up to two firmware downloads during the life of the product) and batteries,
- Residential Electronic Register with hourly reads
- iPERL System Batteries, and/or the iPERL System flowtube, the flow sensing and data processing assemblies, and the register (“iPERL System Components”) with hourly reads at no cost for the first ten (10) years from the date of Sensus shipment, and for the remaining ten (10) years, at a prorated percentage, applied towards the published list prices in effect for the year product is accepted by Sensus under warranty conditions according to the following schedule:

Years	Replacement Price	Years	Replacement Price
1-10	0%	16	55%
11	30%	17	60%
12	35%	18	65%
13	40%	19	70%
14	45%	20	75%
15	50%	>20	100%

Note: Software supplied and licensed by Sensus is warranted according to the terms of the applicable software license agreement. Sensus warrants that network and monitoring services shall be performed in a professional and workmanlike manner.

XIV. Return...

Sensus’ obligation, and Customer’s exclusive remedy, under this Sensus Limited Warranty is, at Sensus’ option, to either (i) repair or replace the product, provided the Customer (a) returns the product to the location designated by Sensus within the warranty period; and (b) prepays the freight costs both to and from such location; or (ii) deliver replacement components to the Customer, provided the Customer installs, at its cost, such components in or on the product (as instructed by Sensus).

The return of products for warranty claims must follow Sensus’ Returned Materials Authorization (RMA) procedures. Water meter returns must include documentation of the Customer’s test results. Test results must be obtained according to AWWA standards and must specify the meter serial number. The test results will not be valid if the meter is found to contain foreign materials. If Customer chooses not to test a Sensus water meter prior to returning it to Sensus, Sensus will repair or replace the meter, at Sensus’ option, after the meter has been tested by Sensus. The Customer will be charged Sensus’ then current testing fee. Sensus SmartPoints modules and MXU’s returned must be affixed with a completed return evaluation label. For all returns, Sensus reserves the right to request meter reading records by serial number to validate warranty claims.

For products that have become discontinued or obsolete (“Obsolete Product”), Sensus may, at its discretion, replace such Obsolete Product with a different product model (“New Product”), provided that the New Product has substantially similar features as the Obsolete Product. The New Product shall be warranted as set forth in this Sensus Limited Warranty.

THIS SECTION XIV SETS FORTH CUSTOMER’S SOLE REMEDY FOR THE FAILURE OF THE PRODUCTS, SERVICES OR LICENSED SOFTWARE TO CONFORM TO THEIR RESPECTIVE WARRANTIES.

XV. Warranty Exceptions and No Implied Warranties...

This Sensus Limited Warranty does not include costs for removal or installation of products, or costs for replacement labor or materials, which are the responsibility of the Customer. The warranties in this Sensus Limited Warranty do not apply to goods that have been: installed improperly or in non-recommended installations; installed to

a socket that is not functional, or is not in safe operating condition, or is damaged, or is in need of repair; tampered with; modified or repaired with parts or assemblies not certified in writing by Sensus, including without limitation, communication parts and assemblies; improperly modified or repaired (including as a result of modifications required by Sensus); converted; altered; damaged; read by equipment not approved by Sensus; for water meters, used with substances other than water, used with non-potable water, or used with water that contains dirt, debris, deposits, or other impurities; subjected to misuse, improper storage, improper care, improper maintenance, or improper periodic testing (collectively, “Exceptions.”). If Sensus identifies any Exceptions during examination, troubleshooting or performing any type of support on behalf of Customer, then Customer shall pay for and/or reimburse Sensus for all expenses incurred by Sensus in examining, troubleshooting, performing support activities, repairing or replacing any Equipment that satisfies any of the Exceptions defined above. The above warranties do not apply in the event of Force Majeure, as defined in the Terms of Sale.

THE WARRANTIES SET FORTH IN THIS SENSUS LIMITED WARRANTY ARE THE ONLY WARRANTIES GIVEN WITH RESPECT TO THE GOODS, SOFTWARE LICENSES AND SERVICES SOLD OR OTHERWISE PROVIDED BY SENSUS. SENSUS EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT AND TITLE.

SENSUS ASSUMES NO LIABILITY FOR COSTS OR EXPENSES ASSOCIATED WITH LOST REVENUE OR WITH THE REMOVAL OR INSTALLATION OF EQUIPMENT. THE FOREGOING REMEDIES ARE CUSTOMER’S SOLE AND EXCLUSIVE REMEDIES FOR THE FAILURE OF EQUIPMENT, LICENSED SOFTWARE OR SERVICES TO CONFORM TO THEIR RESPECTIVE WARRANTIES.

XVI. Limitation of Liability...

SENSUS’ AGGREGATE LIABILITY IN ANY AND ALL CAUSES OF ACTION ARISING UNDER, OUT OF OR IN RELATION TO THIS AGREEMENT, ITS NEGOTIATION, PERFORMANCE, BREACH OR TERMINATION (COLLECTIVELY “CAUSES OF ACTION”) SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO SENSUS UNDER THIS AGREEMENT. THIS IS SO WHETHER THE CAUSES OF ACTION ARE IN TORT, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY, IN CONTRACT, UNDER STATUTE OR OTHERWISE.

AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, SENSUS’ LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. SENSUS SHALL NOT BE LIABLE FOR: (I) ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; NOR (II) ANY REVENUE OR PROFITS LOST BY CUSTOMER OR ITS AFFILIATES FROM ANY END USER(S), IRRESPECTIVE OF WHETHER SUCH LOST REVENUE OR PROFITS IS CATEGORIZED AS DIRECT DAMAGES OR OTHERWISE; NOR (III) ANY IN/OUT COSTS; NOR (IV) MANUAL METER READ COSTS AND EXPENSES; NOR (V) DAMAGES ARISING FROM MAINCASE OR BOTTOM PLATE BREAKAGE CAUSED BY FREEZING TEMPERATURES, WATER HAMMER CONDITIONS, OR EXCESSIVE WATER PRESSURE. “IN/OUT COSTS” MEANS ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN TRANSPORTING GOODS BETWEEN ITS WAREHOUSE AND ITS END USER’S PREMISES AND ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN INSTALLING, UNINSTALLING AND REMOVING GOODS. “END USER” MEANS ANY END USER OF ELECTRICITY/WATER/GAS THAT PAYS CUSTOMER FOR THE CONSUMPTION OF ELECTRICITY/WATER/GAS, AS APPLICABLE.

The limitations on liability set forth in this Agreement are fundamental inducements to Sensus entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give Sensus the maximum protection permitted under law.

To the maximum extent permitted by law, no Cause of Action may be instituted by Customer against Sensus more than TWELVE (12) MONTHS after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than TWELVE (12) MONTHS prior to the filing of the Cause of Action shall be recoverable.

EXHIBIT E

MANUFACTURER AGREEMENT

Advanced Metering Infrastructure (AMI) Agreement

between

Moulton Niguel Water District
 (“Customer”)

and
Sensus USA Inc.
 (“Sensus”)

This Advanced Metering Infrastructure Agreement (the “Agreement”) is made by and between Sensus USA Inc., a Delaware corporation, having its principal location at 8601 Six Forks Road, Suite 700, Raleigh, NC 27615 (“Sensus”), and the Moulton Niguel Water District, a California water district existing and operating pursuant to Division 13 of the California Water Code having its principal location at 27500 La Paz Road, Laguna Niguel, CA 92677 (“Customer”).

RECITALS

- A. Customer initiated a competitive procurement through the issuance of a Request for Proposal (“RFP”) for Advanced Metering Infrastructure Phase 1 (the “Project”) in the Fall of 2015; and
- B. Sensus manufactures water, electricity and gas meters as well as AMI and software solutions for multiple utility markets; and
- C. Aqua Metric Sales Company (“Aqua Metric”) is an authorized distributor of Sensus products and services.
- D. Aqua Metric submitted a proposal in response to the RFP which the Customer has selected as the best system provider for the Project following an evaluation using the selection criteria included in the RFP; and
- E. In Aqua Metric’s RFP proposal, Aqua Metric represented that certain services and licenses for the Project will be provided by Sensus; and
- F. Customer desires and Sensus desires to provide to Customer certain services and licenses further described herein pursuant to the terms and conditions of this AMI Agreement; and
- G. The parties acknowledge that Customer is the recipient of a grant from the Bureau of Reclamation for this Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Authorized Distributor, Warranties.

- A. **Authorized Distributor.** The parties acknowledge that, contemporaneously with the execution of this Agreement, Customer and Aqua Metric will enter into a separate agreement for the Project (“Master Agreement”) which will reference this AMI Agreement, and specify the fees to be paid by Customer to Aqua Metric for services rendered by Sensus pursuant to this AMI Agreement, which services shall not be paid for with any federal grant funds. For the avoidance of doubt, Customer acknowledges that (i) Sensus is not a party to the Master Agreement and has no obligations to Customer under the Master Agreement and (ii) Aqua Metric is not a party to this Agreement and has no obligations to Customer under this Agreement.
 - i. Notwithstanding anything to the contrary in this AMI Agreement, Sensus agrees that it will be compensated for the performance of the AMI Agreement solely through payment arrangements between Aqua Metric and Sensus, and Customer’s only obligation to make payments for the performance of the AMI Agreement is to Aqua Metric pursuant to the terms of the Master Agreement. Further, Sensus agrees that it shall have no right to demand payment directly from Customer nor shall it have the right to refuse to perform any obligations under the AMI Agreement due to any failure or delay of Aqua Metric to make payments to Sensus except if such failure or delay is due solely to non-payment by Customer to Aqua Metric.
 - ii. Sensus on good faith believes, that no federal funds have been allocated or will be used for the services to be provided by Sensus under this AMI Agreement, and Sensus is not a pass-through entity concerning any federal grant funding received for the Project due to any payments made by Aqua Metric to Sensus. In the event of any audit or inspection of records by the Bureau of Reclamation or any other federal agency, Sensus agrees to assist Customer, as reasonably requested, to confirm no use of federal funds for any portion of this AMI Agreement through project records or otherwise. In the event an audit determines that federal grant funds were used to fund any portion of the AMI Agreement, Sensus shall reasonably cooperate with the Bureau of Reclamation or other federal agency.
- B. **Purchase of Equipment.** Customer shall not purchase any equipment hereunder. Any purchase of equipment shall be pursuant to a separate agreement.

2. WARRANTIES. THERE ARE NO WARRANTIES IN THIS AGREEMENT, EXPRESS OR IMPLIED. SENSUS EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES AND/OR CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT AND TITLE.

Services.

- A. **Software Implementation.** Sensus shall install and configure the Software and shall install the Software on the Server Hardware.
- B. **Technical Support.** Sensus shall provide Customer the technical support set forth in Exhibit B.

3. Software.

- A. **Software as a Service (SaaS).** Sensus shall provide Customer with Software as a Service, as defined in Exhibit A, only so long as Customer is current in its payments for such services.

4. Spectrum

- A. **Definitions in this Section 4.** In this Section 4 only, "Sensus" shall mean Sensus USA Inc. and its wholly owned subsidiary, Sensus Spectrum LLC.
- B. **Spectrum Lease.** Sensus hereby grants to Customer, and Customer accepts, a spectrum manager lease ("Lease") over the frequencies of certain FCC license(s) ("FCC License") solely within Customer's Service Territory. (The frequencies of the FCC License within Customer's geographic Service Territory are called the "Leased Spectrum"). Customer shall pay the Ongoing Fees for use of the Leased Spectrum.
- C. **FCC Forms.** At the Federal Communications Commission (FCC), Sensus will; (1) obtain an FCC Registration Number (FRN) for Customer; (2) submit on behalf of Customer the FCC Form 602 Ownership Disclosure Information if Customer has not already done so; and (3) file a FCC Form 608, notification/application for long-term spectrum manager lease. This Lease becomes effective when the FCC accepts the FCC Form 608.
- D. **Lease Application.** In order to complete the FCC lease application, Customer will promptly:
- Complete and sign the representations in Exhibit C of this Agreement such that Customer demonstrates it qualifies for a spectrum lease under FCC rules. Customer's signature will indicate that Customer authorizes Sensus to; (1) obtain an FRN on behalf of Customer; (2) submit the FCC Form 602 Ownership Disclosure Information on behalf of Customer if Customer has not already done so; and (3) file the spectrum manager lease notification on FCC Form 608 with the Customer as spectrum lessee.
 - Give Sensus the coordinates of the boundaries of Customer's Service Territory or, alternatively, approve Sensus' estimation of the same.
 - If Customer has not already done so; Customer hereby authorizes Sensus to apply on Customer's behalf and obtain for Customer a Federal Registration Number (FRN, the FCC's unique identifier for each licensee) and shall supply Sensus with Customer's Taxpayer Identification Number (TIN).
 - Provide any other information or other cooperation reasonably necessary for the Parties to perform as set forth herein.
- E. **Permitted Use of Spectrum Lease.** Customer may transmit or receive over the Leased Spectrum only in the Service Territory and only using FlexNet equipment manufactured by Sensus and used in accordance with Sensus' specifications. Customer may use the Leased Spectrum only to read and direct meters in support of Customer's primary utility business or any other operation approved by Sensus in writing. Without limiting the foregoing, Customer is prohibited from reselling, subleasing or sublicensing the Leased Spectrum or from transmitting voice communications over the Leased Spectrum. For each piece of RF Field Equipment used by Customer, Customer shall affix a Sensus-supplied label to the exterior of the RF Field Equipment cabinet or other appropriate visible place to indicate that RF operation is conducted under authority of FCC License(s) issued to Sensus.
- F. **Term of Spectrum Lease.** Unless terminated earlier (because, for example, Customer stops using the FlexNet equipment or because this Agreement terminates or expires for any reason), this Lease will have the same term as the FCC license. If Customer is operating in compliance with this Agreement and is current on any payments owed to Sensus, when the FCC License renews, the Parties will apply to the FCC to renew this Lease.
- G. **Termination of Spectrum Lease.** The Lease will terminate: (a) two months after Customer stops transmitting with FlexNet equipment manufactured by Sensus; (b) upon termination, revocation or expiration of the FCC License; (c) upon termination of this Agreement due to Customer's breach of this Agreement; or (d) upon termination or expiration of this Agreement for any reason.
- H. **FCC Compliance.** The following FCC requirements apply
- Pursuant to 47 CFR 1.9040(a);
 - Customer must comply at all times with applicable FCC rules. This Agreement may be revoked by Sensus or the FCC if Customer fails to so comply;
 - If the FCC License is terminated, Customer has no continuing right to use the Leased Spectrum unless otherwise authorized by the FCC;
 - This Agreement is not an assignment, sale or other transfer of the FCC License;
 - This Agreement may not be assigned except upon written consent of Sensus, which consent may be withheld in its discretion; and
 - In any event, Sensus will not consent to an assignment that does not satisfy FCC rules.
 - Referencing 47 CFR 1.9010, Sensus retains *de jure* and *de facto* control over the Leased Spectrum, including that,
 - Sensus will be responsible for Customer's compliance with FCC policies and rules. Sensus represents and warrants that it has engineered the FlexNet equipment and accompanying software and other programs to comply with FCC rules. Customer will operate the FlexNet equipment subject to Sensus' supervision and control and solely in accordance with Sensus' specifications. Sensus retains the right to inspect Customer's radio operations hereunder and to terminate this Agreement or take any other necessary steps to resolve a violation of FCC rules, including to order Customer to cease transmission. Sensus will act as spectrum manager in assigning spectrum under the FCC License so as to avoid any harmful interference or other violation of FCC rules. Sensus will be responsible for resolving any interference complaints or other FCC rule violations that may arise; and
 - Sensus will file any necessary FCC forms or applications and Customer agrees to reasonably assist Sensus with such filing by providing any necessary information or other cooperation. Sensus will otherwise interact with the FCC with respect to this Agreement, the FCC License or FlexNet equipment. Sensus shall be responsible for procuring and maintaining the FCC License in compliance with FCC rules.
- I. **Interference.** Customer agrees to report to Sensus promptly, and in no event later than 72 hours afterward, any incident related to the Leased Spectrum, including where Customer experiences harmful interference, receives a complaint or other notice of having caused harmful interference, or receives any type of communication from the FCC or other government agency regarding radio transmission.

5. General Terms and Conditions.

- A. **Infringement Indemnity.** Sensus shall indemnify and hold harmless Customer from and against any judgment by a court of competent jurisdiction or settlement reached from any litigation instituted against Customer by a third party which alleges that the AMI System provided hereunder infringes upon the patents or copyrights of such third party, provided that Sensus shall have the right to select counsel in such proceedings and control such proceedings. Notwithstanding the foregoing, Sensus shall have no liability under this indemnity unless Customer cooperates with and assists Sensus in any such proceedings and gives Sensus written notice of any claim hereunder within fourteen (14) days of receiving it. Further, Sensus shall have no liability hereunder if such claim is related to; (i) any change, modification or alteration made to the AMI System by Customer or a third party not authorized by Sensus, (ii) use of the AMI System in combination with any goods or services not provided by Sensus hereunder or third parties authorized by Sensus, (iii) Customer's failure to use the most recent version of the Software or to otherwise take any corrective action as reasonably directed by Sensus, (iv) any change, modification or alteration made to the AMI System made by Sensus to comply with any designs, specifications, industry standards, or instructions provided in writing and required by Customer, or (v) any use of the AMI System other than for the Permitted Use. In the event the AMI System is adjudicated to infringe a patent or copyright or other intellectual property of a third party and its use is enjoined, or, if in the reasonable opinion of Sensus, the AMI System is likely to become the subject of an infringement claim, Sensus, at its sole discretion and expense, may; (i) procure for Customer the right to continue using the AMI System or (ii) modify or replace the AMI System so that it becomes non-infringing. **THIS SECTION STATES CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND SENSUS' ENTIRE LIABILITY FOR ANY CLAIM OF INFRINGEMENT.**
- B. **Limitation of Liability.**
- Except for Sensus' obligations to indemnify Customer pursuant to Section 5.A, Sensus' aggregate liability in any and all causes of action arising under, out of or in relation to this Agreement, its negotiation, performance, breach or termination (collectively "Causes of Action") shall not exceed the greater of (a) the total amount paid by Customer directly to Sensus under this Agreement; or (b) ten thousand US dollars (USD 10,000.00). This is so whether the

Causes of Action are in tort, including, without limitation, negligence or strict liability, in contract, under statute or otherwise. As separate and independent limitations on liability, Sensus' liability shall be limited to direct damages. Neither party shall be liable to the other party for; (i) any indirect, incidental, special or consequential damages; nor (ii) any revenue or profits lost by either party or its Affiliates, irrespective whether such lost revenue or profits is categorized as direct damages or otherwise; nor (iii) any In/Out Costs; nor (iv) manual meter read costs and expenses; nor (v) damages arising from maincase or bottom plate breakage caused by freezing temperatures, water hammer conditions, or excessive water pressure. The limitations on liability set forth in this Agreement are fundamental inducements to the parties entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give the parties the maximum protection permitted under law.

- C. **Term.** This AMI Agreement shall commence on the Effective Date, which is defined as the date that the last party signs the Agreement. The Agreement shall continue until it terminates, either in accordance with the terms of (i) or (ii) below, or in accordance with section 5.D, Termination for Breach.
- i. **Pilot Term.** Beginning on the Effective Date, Customer may use the Spectrum Lease, Usage License, and other services provided in this Agreement for eighteen (18) months (the "Pilot"). During the Pilot, Customer may terminate this Agreement at any time for any reason and without cause upon ninety (90) days prior written notice to Sensus.
 - ii. **Initial and Renewal Term.** At the end of the Pilot, provided Customer has not given Sensus written notice of its desire to terminate the Agreement prior to the end of the Pilot, the Agreement shall continue for one (1) year (the "Initial Term"). At the end of the Initial Term, this Agreement shall automatically renew for additional terms of one (1) year (each a "Renewal Term") unless Customer provides written notice at least 30 days in advance of the expiration of the Initial Term of its intent not to renew the Agreement. "Term" shall refer to both the Initial Term and the Renewal Term.
- D. **Termination for Breach.** Either party may terminate this Agreement earlier if the other party commits a material breach of this Agreement and such material breach is not cured within forty-five (45) days of written notice by the other party. Upon any expiration or termination of this Agreement, Sensus' and Customer's obligations hereunder shall cease and the software as a service and spectrum Lease shall immediately cease. For the avoidance of doubt, Customer's only right to terminate the Agreement without cause is during the Pilot term in Sec. 5.C (i) or as provided in Sec. 5.C (ii).
- E. **Force Majeure.** If either party becomes unable, either wholly or in part, by an event of Force Majeure, to fulfill its obligations under this Agreement, the obligations affected by the event of Force Majeure will be suspended during the continuance of that inability. The party affected by the force majeure will take reasonable steps to mitigate the Force Majeure.
- F. **Intellectual Property.** No Intellectual Property is assigned to Customer hereunder. Sensus shall own or continue to own all Intellectual Property used, created, and/or derived in the course of performing this Agreement. To the extent, if any, that any ownership interest in and to such Intellectual Property does not automatically vest in Sensus by virtue of this Agreement or otherwise, and instead vests in Customer, Customer agrees to grant and assign and hereby does grant and assign to Sensus all right, title, and interest that Customer may have in and to such Intellectual Property. Customer agrees not to reverse engineer any Equipment purchased or provided hereunder.
- G. **Confidentiality.** Both parties shall (and shall cause their employees and contractors to) keep all Confidential Information strictly confidential and shall not disclose it to any third party, except to the extent reasonably required to perform and enforce this Agreement or as required under applicable law, court order or regulation. The Confidential Information may be transmitted orally, in writing, electronically or otherwise observed by either party. Notwithstanding the foregoing, "Confidential Information" shall not include; (i) any information that is in the public domain other than due to Recipient's breach of this Agreement; (ii) any information in the possession of the Recipient without restriction prior to disclosure by the Discloser; or (iii) any information independently developed by the Recipient without reliance on the information disclosed hereunder by the Discloser. "Discloser" means either party that discloses Confidential Information, and "Recipient" means either party that receives it. Sensus acknowledges that Customer is a public agency that is subject to document requests from the public and understands that the Customer's obligation to hold Sensus' Confidential Information in confidence and to not disclose it to third parties shall not apply to any information the Customer is obligated or believes itself obligated to make public under applicable law, including without limitation the California Public Records Act. If public disclosure of any Confidential Information is believed necessary, the Customer will use commercially reasonable efforts to inform Sensus in writing (email is sufficient) within three (3) business days of receiving a request from the public to disclose Sensus Confidential Information, in order to allow Sensus the opportunity to object to such release or to obtain appropriate court orders preventing such release and the Customer will cooperate with Sensus in preventing such release during the pendency of any court proceeding that provides for a stay of such release. Notwithstanding any provision of this Agreement to the contrary, Sensus will indemnify, defend, and hold harmless the Customer for any and all costs and attorney fees awarded to a prevailing plaintiff arising out of a suit brought by the prevailing plaintiff which results from the Customer's actions, taken at Sensus' request, in protecting Sensus' Confidential Information from public disclosure.
- H. **Non-Waiver of Rights.** A waiver by either party of any breach of this Agreement or the failure or delay of either party to enforce any of the articles or other provisions of this Agreement will not in any way affect, limit or waive that party's right to enforce and compel strict compliance with the same or other articles or provisions.
- I. **Assignment and Sub-contracting.** Either party may assign, transfer or delegate this Agreement without requiring the other party's consent; (i) to an Affiliate; (ii) as part of a merger; or (iii) to a purchaser of all or substantially all of its assets. Apart from the foregoing, neither party may assign, transfer or delegate this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Sensus shall ensure any and all assignees, transferees, delegates and subcontractors are expressly required to comply with the requirements of the AMI Agreement.
- J. **Amendments.** No alteration, amendment, or other modification shall be binding unless in writing and signed by both Customer and by a vice president (or higher) of Sensus.
- K. **Governing Law and Dispute Resolution.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Any and all disputes arising under, out of, or in relation to this Agreement, its negotiation, performance or termination ("Disputes") shall first be resolved by the Parties attempting mediation in California. The parties hereby consent to the personal jurisdiction of the state courts located in Orange County, California or the federal courts located in southern division, Central District of California, and waive any rights to change venue. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES AGREE TO A BENCH TRIAL AND THAT THERE SHALL BE NO JURY IN ANY DISPUTES To the extent the waiver of a jury trial is determined to be invalid, the parties hereby agree that any Disputes shall be submitted to judicial reference as a trial before a judge.
- L. **Survival.** The provisions of this Agreement that are applicable to circumstances arising after its termination or expiration shall survive such termination or expiration.
- M. **Severability.** In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible, and the Agreement, as so modified, will continue to be in full force and effect.
- N. **Four Corners.** This written Agreement, including all of its exhibits, represents the entire understanding between and obligations of the parties and supersedes all prior understandings, agreements, negotiations, and proposals, whether written or oral, formal or informal between the parties. Any additional writings shall not modify any limitations or remedies provided in the Agreement. There are no other terms or conditions, oral, written, electronic or otherwise. There are no implied obligations. All obligations are specifically set forth in this Agreement. Further, there are no representations that induced this Agreement that are not included in it. The ONLY operative provisions are set forth in writing in this Agreement. Without limiting the generality of the foregoing, no purchase order placed

by or on behalf of Customer shall alter any of the terms of this Agreement. The parties agree that such documents are for administrative purposes only, even if they have terms and conditions printed on them and even if and when they are accepted and/or processed by Sensus. Any goods, software or services delivered or provided in anticipation of this Agreement (for e.g., as part of a pilot or because this Agreement has not yet been signed but the parties have begun the deployment) under purchase orders placed prior to the execution of this Agreement are governed by this Agreement upon its execution and it replaces and supersedes any such purchase orders.

- O. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Additionally, this Agreement may be executed by facsimile or electronic copies, all of which shall be considered an original for all purposes.
6. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:
- A. **"Affiliate"** of a party means any other entity controlling, controlled by, or under common control with such party, where "control" of an entity means the ownership, directly or indirectly, of 50% or more of either; (i) the shares or other equity in such entity; or (ii) the voting rights in such entity.
- B. **"AMI System"** identifies the Sensus FlexNet Advanced Meter Infrastructure System comprised of the SmartPoint Modules, RF Field Equipment, Server Hardware, software licenses, FCC licenses, and other equipment provided to Customer hereunder. The AMI System only includes the foregoing, as provided by Sensus. The AMI System does not include goods, equipment, software, licenses or rights provided by a third party or parties to this Agreement.
- C. **"Confidential Information"** means any and all non-public information of either party, including all technical information about either party's products or services, pricing information, marketing and marketing plans, Customer's End Users' data, AMI System performance, AMI System architecture and design, AMI System software, other business and financial information of either party, and all trade secrets of either party.
- D. **"Echo Transceiver"** identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them by radio frequency to the relevant FlexNet Base Station.
- E. **"End User"** means any end user of electricity, water, and/or gas (as applicable) that pays Customer for the consumption of electricity, water, and/or gas, as applicable.
- F. **"Field Devices"** means the meters and SmartPoint Modules.
- G. **"FlexNet Base Station"** identifies the Sensus manufactured device consisting of one transceiver, to be located on a tower that receives readings from the SmartPoint Modules (either directly or via an Echo Transceiver) by radio frequency and passes those readings to the RNI by TCP/IP backhaul communication. For clarity, FlexNet Base Stations include Metro Base Stations.
- H. **"FlexWare™ Software"** identifies the Sensus proprietary software used in the RNI and any Patches, Updates, and Upgrades that are provided to Customer pursuant to the terms of this Agreement.
- I. **"Harris Software"** means the specific items of software provided by N. Harris Computer Corporation only to the extent Customer; (i) has been provided pricing for that specific item of Harris Software; and (ii) is current in its payments for that specific item of Harris Software.
- J. **"Force Majeure"** means an event beyond a party's reasonable control, including, without limitation, acts of God, hurricane, flood, volcano, tsunami, tornado, storm, tempest, mudslide, vandalism, illegal or unauthorized radio frequency interference, strikes, lockouts, or other industrial disturbances, unavailability of component parts of any goods provided hereunder, acts of public enemies, wars, blockades, insurrections, riots, epidemics, earthquakes, fires, restraints or prohibitions by any court, board, department, commission or agency of the United States or any States, any arrests and restraints, civil disturbances and explosion.
- K. **"In/Out Costs"** means any costs and expenses incurred by Customer in transporting goods between its warehouse and its End User's premises and any costs and expenses incurred by Customer in installing, uninstalling and removing goods.
- L. **"Intellectual Property"** means patents and patent applications, inventions (whether patentable or not), trademarks, service marks, trade dress, copyrights, trade secrets, know-how, data rights, specifications, drawings, designs, maskwork rights, moral rights, author's rights, and other intellectual property rights, including any derivations and/or derivative works, as may exist now or hereafter come into existence, and all renewals and extensions thereof, regardless of whether any of such rights arise under the laws of the United States or of any other state, country or jurisdiction, any registrations or applications thereof, and all goodwill pertinent thereto.
- M. **"LCM"** identifies the load control modules.
- N. **"Ongoing Fee"** means the annual or monthly fees, as applicable, to be paid by Customer during the Term of this Agreement.
- O. **"Patches"** means patches or other maintenance releases of the Software that correct processing errors and other faults and defects found previous versions of the Software. For clarity, Patches are not Updates or Upgrades.
- P. **"Permitted Use"** means only for reading Customer's meters in the Service Territory. The Permitted Use does not include reading third party meters or reading meters outside the Service Territory.
- Q. **"Release"** means both Updates and Upgrades.
- R. **"Remote Transceiver"** identifies the Sensus standalone, mounted relay device that takes the radio frequency readings from the SmartPoint Modules and relays them directly to the RNI by TCP/IP backhaul communication.
- S. **"RF Field Equipment"** means, collectively, FlexNet Base Stations, Echo Transceivers and Remote Transceivers.
- T. **"RNI"** identifies the regional network interfaces consisting of hardware and software used to gather, store, and report data collected by the FlexNet Base Stations from the SmartPoint Modules. The RNI hardware specifications will be provided by Sensus upon written request from Customer.
- U. **"Service Territory"** identifies the geographic area where Customer is authorized to provide electricity, water, and/or gas (as applicable) services to End Users as of the Effective Date. This area will be described in the parties' spectrum lease filing with the FCC.
- V. **"Server Hardware"** means the RNI hardware.
- W. **"SmartPoint™ Modules"** identifies the Sensus transmission devices installed on devices such as meters, distribution automation equipment and demand/response devices located at Customer's End Users' premises that take the readings of the meters and transmit those readings by radio frequency to the relevant FlexNet Base Station, Remote Transceiver or Echo Transceiver.
- X. **"Software"** means all the Sensus proprietary software provided pursuant to this Agreement, and any Patches, Updates, and Upgrades that are provided to Customer pursuant to the terms of this Agreement.
- Y. **"Touch Coupler Unit"** identifies an inductive coupler connection from a water register to the SmartPoint Module.
- Z. **"Updates"** means releases of the Software that constitute a minor improvement in functionality.
- AA. **"Upgrades"** means releases of the Software which constitute a significant improvement in functionality or architecture of the Software.
- BB. **"WAN Backhaul"** means the communication link between FlexNet Base Stations and Remote Transceivers and RNI.

IN WITNESS WHEREOF, the parties have caused this AMI Agreement to be executed by their duly authorized representatives as of the day and year written below. The date of the last party to sign is the "Effective Date."

Sensus USA Inc.

By: _____

Name: _____

Title: _____

Date: _____

Customer: Moulton Niguel Water District

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A
Software as a Service

I. Description of Services

This exhibit contains the details of the Software as a Service that Sensus shall provide to Customer if both; (i) pricing for Software as a Service has been provided to the Customer; and (ii) the Customer is current in its payments for Software as a Service.

A. Software as a Service Generally.

Software as a Service is a managed service in which Sensus will be responsible for the day-to-day monitoring, maintenance, management, and supporting of Customer's software applications. In a Software as a Service solution, Sensus owns all components of the solution (server hardware, storage, network equipment, Sensus software, and all third-party software) required to run and operate the application. These software applications consist of the following (each an "Application"):

- Regional Network Interface (RNI) Software
- Sensus Analytics
 - Enhanced Package

The managed application systems consist of the hardware, Sensus Software, and other third-party software that is required to operate the software applications. Each Application will have a production, and Disaster Recovery (as described below) environment. Test environments are not provided unless otherwise specifically agreed by Sensus in writing. Sensus will manage the Applications by providing 24 x 7 x 365 monitoring of the availability and performance of the Applications.

B. Usage License. Subject to all the terms and conditions of this Agreement, Sensus hereby gives Customer a license under Sensus' intellectual property rights to use the Sensus Applications for the Permitted Use for so long as Customer is current in its payments for the Applications ("Usage License"). This Usage License for each individual Application shall commence on the Effective Date and shall terminate upon the earlier of; (i) the expiration or termination of this Agreement for any reason; or (ii) the Application is terminated by Customer as set forth in 1.C below.

C. Termination of Software as a Service. Customer shall have the option to terminate an Application or all the Applications comprising the Software as a Service (i) at any time during the Pilot upon providing Sensus written notice, or (ii) after the Pilot but before the end of the Term by providing Sensus written notice specifying the Application(s) to be terminated. For termination of any Applications other than the RNI Software, such written notice shall be provided at least thirty days prior to the desired termination date. For termination of all the Applications including the RNI Software such written notice shall be provided at least one hundred twenty (120) days prior to the desired termination date. A written termination notice which includes termination of all the Applications, including the RNI Software, once delivered to Sensus, is irrevocable. Should Customer elect to terminate all the Applications that comprise the Software as a Service, Customer acknowledges that (a) Customer shall purchase the RNI hardware and shall pay all applicable fees, including any unpaid Software as a Service fees; (b) Customer will purchase the necessary software license(s); (c) Sensus will cease to provide the Software as a Service.

D. Software as a Service Definition.

1. **"Software as a Service"** means only the following services:

- i. Use of RNI hardware, located at Sensus' or a third party's data center facility (as determined by Sensus), that is necessary to operate the AMI System.
- ii. Providing Patches, Updates, and Upgrades to latest Sensus FlexWare Software releases.
- iii. Providing remote firmware maintenance for FlexNet Base Stations (Customer must provide IP access to each FlexNet Base Station in order to perform secure shell (SSH) functions).
- iv. Providing certain third party software required to operate the RNI (specifically, Microsoft SQL server, Microsoft Windows Server, Red Hat Linux OS, and other Bundled Software).
- v. Providing secure Web portal access to the managed FlexWare Software application for the Customer (Customer system administrator grants RNI access to authorized Customer personnel as they are added).
- vi. If requested (for an additional fee), submitting a "daily reading file" in standard file format containing hourly consumption reads and all available alarms collected by the AMI System, including exception reports, such as zero consumption reads and non-responding meters (including traceability to the meter location when the meter installer provides the location information).
- vii. 24x7x365 server and FlexNet Base Station monitoring and trouble ticket generation, advanced security monitoring and preventative maintenance monitoring using diagnostic software tools.
- viii. Performing daily off-site vaulting of encrypted backup tapes containing one year of history for auditing purposes.
- ix. Providing telephone support consistent with the Sensus Technical Support as set forth in Exhibit B.
- x. Providing "hot failover" disaster recovery solution within forty-eight (48) hours.

2. **"Software as a Service"** does not include any of the following services:

- i. Normal periodic processing of accounts or readings for Customer's billing system for billing or other analysis purposes.
- ii. Field labor to troubleshoot any SmartPoint Modules in the field in meter populations that have been previously accepted.
- iii. First response labor to troubleshoot FlexNet Base Station, Echo Transceivers, Remote Transceivers or other field network equipment.
- iv. Parts or labor required to repair damage to any field network equipment that is the result of a Force Majeure event.

If an item is not listed in subparagraphs (1) above, such item is excluded from the Software as a Service and is subject to additional pricing.

II. Further Agreements

A. System Uptime Rate

1. Sensus (or its contractor) shall manage and maintain the FlexWare Software application on computers owned or controlled by Sensus (or its contractors) and shall provide Customer access to the managed FlexWare Software application via internet or point to point connection (i.e., Managed-Access use), according to the terms below. Sensus endeavors to maintain an average System Uptime Rate equal to ninety-nine (99.0) per Month (as defined below). The System Uptime Rate shall be calculated as follows:

$$\text{System Uptime Rate} = 100 \times \frac{\text{TMO} - \text{Total Non-Scheduled Downtime minutes in the Month}}{\text{TMO}}$$

2. **Calculations**

- i. **"Targeted Minutes of Operation"** or **"TMO"** means total minutes in the applicable month ("Month") minus the Scheduled Downtime in the Month.

- ii. **"Scheduled Downtime"** means the number of minutes during the Month, as measured by Sensus, in which access to the FlexWare Software is scheduled to be unavailable for use by Customer due to planned system maintenance. Sensus shall provide Customer notice (via email or otherwise) at least seven (7) days in advance of commencement of the Scheduled Downtime.
 - iii. **"Non-Scheduled Downtime"** means the number of minutes during the Month, as measured by Sensus, in which access to FlexWare Software is unavailable for use by Customer due to reasons other than Scheduled Downtime or the Exceptions, as defined below (e.g., due to a need for unplanned maintenance or repair).
3. **Exceptions.** "Exceptions" mean the following events:
- i. Force Majeure;
 - ii. Emergency Work, as defined below; and
 - iii. Lack of Internet Availability, as described below.
4. **Emergency Work.** In the event that Force Majeure, dangerous conditions or other exceptional circumstances affecting system security arise or continue during TMO, Sensus shall be entitled to take any actions that Sensus, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security or like concern to any of the Managed Systems or the FlexWare Software ("Emergency Work"). Such Emergency Work may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials and systems through which access to and/or use of the FlexWare Software by the Customer is made available (the "Managed Systems"). Sensus shall endeavor to provide advance notice of such Emergency Work to Customer when practicable and possible.
5. **Lack of Internet Availability.** Sensus shall not be responsible for any deterioration of performance attributable to latencies in the public internet or point-to-point network connection operated by a third party. Customer expressly acknowledges and agrees that Sensus does not and cannot control the flow of data to or from Sensus' networks and other portions of the Internet, and that such flow depends in part on the performance of Internet services provided or controlled by third parties, and that at times, actions or inactions of such third parties can impair or disrupt data transmitted through, and/or Customer's connections to, the Internet or point-to-point data connection (or portions thereof). Although Sensus will use commercially reasonable efforts to take actions Sensus may deem appropriate to mitigate the effects of any such events, Sensus cannot guarantee that such events will not occur. Accordingly, Sensus disclaims any and all liability resulting from or relating to such events.

B. Data Center Site-Security. Although Sensus may modify such security arrangements without consent or notice to Customer, Customer acknowledges the following are the current arrangements regarding physical access to and support of the primary hardware components of the Managed Systems:

- 1. The computer room(s) in which the hardware is installed is accessible only to authorized individuals.
- 2. Power infrastructure includes one or more uninterruptible power supply (UPS) devices and diesel generators or other alternative power for back-up electrical power.
- 3. Air-conditioning facilities (for humidity and temperature controls) are provided in or for such computer room(s) and can be monitored and adjusted for humidity and temperature settings and control. Such air systems are supported by redundant, back-up and/or switch-over environmental units.
- 4. Such electrical and A/C systems are monitored on an ongoing basis and personnel are available to respond to system emergencies (if any) in real time.
- 5. Dry pipe pre-action fire detection and suppression systems are provided.
- 6. Data circuits are available via multiple providers and diverse paths, giving access redundancy.

C. Responsibilities of Customer

- 1. Customer shall promptly pay all Software as a Service fees.
- 2. Customer may not (i) carelessly, knowingly, intentionally or maliciously threaten, disrupt, harm, abuse or interfere with the FlexWare Software, Managed Systems or any of their functionality, performance, security or integrity, nor attempt to do so; (ii) impersonate any person or entity, including, but not limited to, Sensus, a Sensus employee or another user; or (iii) forge, falsify, disguise or otherwise manipulate any identification information associated with Customer's access to or use of the FlexWare Software application.
- 3. The provisioning, compatibility, operation, security, support, and maintenance of Customer's hardware and software ("Customer's Systems") is exclusively the responsibility of Customer. Customer is also responsible, in particular, for correctly configuring and maintaining (i) the desktop environment used by Customer to access the FlexWare application managed by Sensus; and (ii) Customer's network router and firewall, if applicable, to allow data to flow between the Customer's Systems and Sensus' Managed Systems in a secure manner via the public Internet.
- 4. Upon receiving the system administrator account from Sensus, Customer shall create username and passwords for each of Customer's authorized users and complete the applicable Sensus registration process ("Authorized Users"). Such usernames and passwords will allow Authorized Users to access the FlexWare Software application. Customer shall be solely responsible for maintaining the security and confidentiality of each user ID and password pair associated with Customer's account, and Sensus will not be liable for any loss, damage or liability arising from Customer's account or any user ID and password pairs associated with Customer. Customer is fully responsible for all acts and omissions that occur through the use of Customer's account and any user ID and password pairs. Customer agrees (i) not to allow anyone other than the Authorized Users to have any access to, or use of Customer's account or any user ID and password pairs at any time; (ii) to notify Sensus immediately of any actual or suspected unauthorized use of Customer's account or any of such user ID and password pairs, or any other breach or suspected breach of security, restricted use or confidentiality; and (iii) to take the Sensus-recommended steps to log out from and otherwise exit the FlexWare Software application and Managed Systems at the end of each session. Customer agrees that Sensus shall be entitled to rely, without inquiry, on the validity of the user accessing the FlexWare Software application through Customer's account, account ID, usernames or passwords.
- 5. Customer shall be responsible for the day-to-day operations of the FlexWare Software and AMI System. This includes, without limitation, (i) researching problems with meter reads and system performance, (ii) creating and managing user accounts, (iii) customizing application configurations, (iv) supporting application users, (v) investigating application operational issues, (vi) responding to alarms and notifications, and (vii) performing over-the-air commands (such as firmware updates or configuration changes)

D. Disaster Recovery. In the case of a disaster and loss of access to or use of the FlexWare Software application, Sensus shall use commercially reasonable efforts to restore operations at the same location or at a backup location within twenty four (24) hours. Customer acknowledges and agrees that such an event may result in partial or degraded service when restored. The pre-disaster/loss level of service shall be restored as a soon as commercially reasonable.

III. Sensus Analytics

A. Essential Package. The Essential Package of the Sensus Analytics Application shall consist of the following modules:

- i. Device Access

- a. Allows search for meter details by using data imported from the Billing system or the Sensus Device ID or AMI ID.
- b. Allows a view of the meter interval or register reads.
- c. Meter data is available to be copied, printed, or saved to certain user programs or file formats, specifically CSV, PDF, and Spreadsheet.
- d. Allows the current and historical data to be viewed.
- e. Allows the current usage to be compared to historical distribution averages.
- f. Allows the user to see the meter location on a map view.
- g. Allows notifications for an event on a single meter to be forwarded to a Customer employee.
- h. Allows details to be viewed about a meter – (dependent on the data integrated from other systems).
- ii. Meter Insight (provides the following)
 - a. # of active meters.
 - b. # of orphaned meters with drill down to the list of meters.
 - c. # of inactive meters with drill down to the list of meters.
 - d. # of stale meters with drill down to the list of meters.
 - e. # of almost stale meters with drill down to the list of meters.
 - f. # of meters where no read is available with drill down to the list of meters.
 - g. # of meters with high threshold exceptions with drill down to the list of meters.
 - h. # of unknown radios with drill down to the list of meters.
- iii. Report Access
 - a. Allows the user to see meter alarms and choose a report from a list of standard reports.
 - b. Master Route Register Reads: Shows the latest reads for all meters within specified time window.
 - c. Meter Route Intervals Reads: Allows users to inspect intervals of a single meter over a period of time.
 - d. Master Route No Readings: List all meters that are active in the system, but have not been sending reads within the specified time window.
 - e. Consumption Report: List meters' consumption based on meter readings within the specified time window.
 - f. Zero Consumption for Period: List meters whose readings do not change over a period of time.
 - g. Negative Consumption: Shows the number of occurrences and readings of negative consumption for the last 24hr, 48hr and 72hr from the entered roll up date.
 - h. High Low Exception Report: Displays meters whose reads exceed minimum or/and maximum threshold, within a time range.
 - i. Consumption vs Previous Reported Read: Compares latest reading (from RNI) with last known read received from CIS.
 - j. Consumption Exception 24 hour Report: This report shows meters that satisfy these two conditions: (1) The daily average consumptions exceed entered "daily consumption threshold;" (2) The number of days when daily thresholds are exceeded are greater than the entered "exception per day threshold."
 - k. Endpoint Details: Shows the current state of meters that are created within the specified time range.
 - l. Orphaned Meters: List meters that are marked as 'orphaned', which are created as of entered "Created as of" parameter.
 - m. Billing Request Mismatch: Displays meters in a billing request that have different AMR id with the ones sent by RNI. It also shows AMR id in billing request that have different meter Id in the RNI.
 - n. Users need to enter which billing request file prior to running the report.
 - o. Alarms Report: List all alarms occurred during a time window. Users can select which alarm to show.
- iv. Billing Access
 - a. Initiate the creation of billing export files formatted to the import needs of the billing system.
 - b. Receive billing request files from the billing system to identify what meters to include in the billing export file in the case where billing request file option is used.
 - c. Provides a repository of past billing files that were either used for billing preparation or actually send to the billing system.
 - d. Will store created billing files for a period of three years unless otherwise denoted.
 - e. The system will allow creation of test files before export to the billing system.
- v. Billing Adaptor
 - a. The underlying configurator and tools mapping the extraction of billing data to enable integration to the utility's billing system.
- vi. Data Store
 - a. Allows storage of meter reading data including Intervals, Registers, and Alarms to be stored.
 - b. Stored data is available online for reports and analysis.
 - c. Data will be retained for 3 years. Additional duration can be purchased.
- B. **Enhanced Package.** The Enhanced Package shall consist of the modules listed above in the Essential Package, as well as the following additional modules:
 - i. Alarm Dashboard
 - a. Allows the user to summarize and filter alarms by a date range.
 - b. Allows the user to review all alarm types on a single screen.
 - c. The user can filter out the alarms not wanted on the screen.
 - d. Alarm totals can be visualized.
 - e. Adds a view of trending alarms over time.
 - f. Click to drill down on an alarm to gain more information on specific events.
 - g. Click to analyze a specific event on a particular device.
 - ii. Alarm Console
 - a. Follow real time monitors of the alarms coming from Customer's meters.
 - b. Provides a single view for all alarms across the entire network.
 - c. Allows the user to view trending of each alarm over time.
 - iii. Alert Manager
 - a. Allows creation of alert groups who will be notified when an alarm occurs.
 - b. Users can manage alert groups by adding and removing group members.
 - c. Allows selection of notification method for how end users in the group will be notified; email or SMS (text message).
 - d. Allows creation of an alert from the available system events from smart points and assign to a group.
 - e. Monitors the systems meters for events. When an event is triggered, all users in the group will be notified.
- C. **Integration of Sensus Analytics.** Sensus shall provide integration support services to Customer only to the extent specifically provided below:
 - i. Sensus shall provide Customer with a simple flat file specification known as VFlex for the integration of the Customer's back office system to the Sensus Analytics modules. This flat file may be delimited or fixed width. This specification allows Customer to transmit each day or as needed: the devices and

end users in the system, end user status, end user account information, end user name, and other end user details. When sent to the Sensus FTP servers, this file exchange will enable the system to become operational with the Customer's systems. Customer shall produce this file and transmit it to the FTP location designated by Sensus. Sensus will provide reasonable support to explain to Customer the required vs. optional fields that are in the specification, testing and validation of the file format and content.

- a. In scope of the included integration efforts is the mapping the Customer's fields to the VFlex specification.
 - b. Out of scope and subject to additional charges will be the transformation of data where business logic including code must be written to modify the field content or format of the data to meet the VFlex specification.
- ii. Sensus' integration services consists of four (4) hours of assistance (remote or on-site, as determined by Sensus). If additional time is needed to complete the integration efforts, Sensus shall invoice Customer for additional fees on an actual time and materials basis.
 - iii. **If an item is not listed in subparagraphs (i) or (ii) above, such item is excluded from the integration of Sensus Analytics Support and is subject to additional pricing.**
- D. **Data Import.** The Sensus Analytics Application contains adapters for the import of data from; (a) Customer's FlexNet AMI System; and/or (b) AutoRead application for handheld and drive by systems, as applicable.
- E. **Customer Acknowledgements.**
- i. Customer acknowledges that the Sensus Analytics Application provides up to fifty (50) user logins for Customer's use.
 - ii. Customer acknowledges and agrees the Sensus Analytics Application is based upon the actual number of End Users within Customer's Service Territory. Pricing may increase if Customer's Service Territory or actual number of End Users expands.
 - iii. Customer acknowledges and agrees that the Intellectual Property provisions of this Agreement apply in all respects to Customer's access to and use of the Sensus Analytics Applications.
 - iv. Customer is responsible for validating the data analyzed by the Sensus Analytics Applications. Sensus makes no promises of improving Customer's operations or saving Customer money, nor is Sensus liable for any damages resulting from decisions made by Customer related to Customer's use of Sensus Analytics.

Exhibit B Technical Support

1. Introduction

Aqua Metric will be the first point of contact for Technical Services for Customer for Sensus products and services, as further described in the Master Agreement with Aqua Metric. Aqua Metric will serve as Customer's single point of contact for Tier 1 support of technical issues as well as any coordination of additional resources required to resolve the issue. Should direct Sensus support be required, Aqua Metric will handle all coordination with the Sensus support team and continue to manage the Technical Services process through completion. Sensus' technical support is further described in this Exhibit B. The Technical Services/Support process proceeds as follows:

- a) The Customer (for assistance with the easiest and lowest time-consuming activities such as power on/power off).
- b) Aqua Metric Sales Company personnel.
- c) If required, Aqua Metric to involve Sensus employees or contracted personnel if required to resolve a contract commitment.

2. Support Categories

- 2.1. General questions regarding functionality, use of product, how-to, and requests for assistance on Sensus AMR, AMI, RF Network Equipment, Metering Products and Sensus Lighting Control.
- 2.2. Proactive reporting and resolution of problems.
- 2.3. Reactive reporting to isolate, document, and solve reported hardware/software defects.
- 2.4. Responding to service requests and product changes.
- 2.5. Addressing customer inquiries with printed or electronic documentation, examples, or additional explanation/clarification.

3. Support Hours

- 3.1. Standard Support Hours: Toll-free telephone support (1-800-638-3748 option #2) is available Monday thru Friday from 8:00AM EST to 6:00PM EST. After-hours, holiday and weekend support for Severity 1 and Severity 2 issues is available by calling 1-800-638-3748, option #8.

4. Support Procedures

- 4.1. Customer identifies an issue or potential problem and calls Technical Services at 1-800-638-3748 Option #2. The Customer Service Associate or Technical Support Engineer will submit a Support ticket.
- 4.2. The Customer Service Associate or Technical Support Engineer will identify the caller name and utility by the assigned software serial number, city, and state in which the call originated. The nature of the problem and severity levels will be agreed upon by both parties (either at the time the issue is entered or prior to upgrading or downgrading an existing issue) using the severity definitions below as a guideline. The severity level is then captured into a support ticket for creation and resolution processing. Any time during the processing of this ticket, if the severity level is changed by Sensus, the customer will be updated.

Severity Levels Description:

Sev1 Customer's production system is down. The system is unusable resulting in total disruption of work. No workaround is available and requires immediate attention.

Example: Network mass outage, all reading collection devices inoperable, inoperable head end software (e.g., FlexWare, Sensus MDM).

Sev2 Major system feature/function failure. Operations are severely restricted; there is a major disruption of work, no acceptable work-around is available, and failure requires immediate attention.

Examples: Network equipment failure (e.g., FlexNet Echo, FlexNet Remote, Base Station transceiver, or VGB); inoperable reading devices (e.g., AR5500, VXU, VGB, or CommandLink); head end software application has important functionality not working and cannot create export file for billing system operations.

Sev3 The system is usable and the issue doesn't affect critical overall operation.

Example: Minor network equipment failure (e.g., Echo/Remote false alarms or Base Station transceiver false alarms); head end software application operable but reports are not running properly, modification of view or some non-critical function of the software is not running.

Sev4 Minor system issues, questions, new features, or enhancement requests to be corrected in future versions.

Examples: Minor system issues, general questions, and "How-To" questions.

- 4.3. The Customer Service Associate or Technical Support Engineer identifies whether or not the customer is on support. If the customer is not on support, the customer is advised of the service options as well as any applicable charges that may be billed.
- 4.4. Calls are placed in a queue from which they are accessible to Technical Support Engineers on a first-come-first-serve basis. A first level Customer Service Associate may assist the customer, depending on the difficulty of the call and the representative's technical knowledge. Technical Support Engineers (Tier 1 support) typically respond/resolve the majority of calls based on their product knowledge and experience. A call history for the particular account is researched to note any existing pattern or if the call is a new report. This research provides the representative a basis and understanding of the account as well as any associated problems and/or resolutions that have been communicated.
 - a. Technical Services confirms that there is an issue or problem that needs further analysis to determine its cause. The following information must be collected: a detailed description of the issue's symptoms, details on the software/hardware product and version, a description of the environment in which the issue arises, and a list of any corrective action already taken.
 - b. Technical Services will check the internal database and product defect tracking system, to see if reports of a similar problem exist, and if any working solutions were provided. If an existing resolution is found that will address the reported issue, it shall be communicated to the customer. Once it is confirmed that the issue has been resolved, the ticket is closed.
 - c. If there is no known defect or support that defines the behavior, Technical Services will work with the customer to reproduce the issue. If the issue can be reproduced, either at the customer site or within support center test lab, Technical Services will escalate the ticket for further investigation / resolution.

If the issue involves units that are considered to be defective with no known reason, the representative will open a Special Investigation RMA through the Support system. If it is determined that a sample is required for further analysis, the customer will be provided with instructions that detail where to send the product sample(s) for a root cause analysis. Once it is determined that the issue cannot be resolved by Tier 1 resources, the ticket will be escalated to Tier 2 support for confirmation/workarounds to resolve immediate issue. Technical Services will immediately contact the customer to advise of the escalation. The response and escalation times are listed in Section 5. At this time, screen shots, log files, configuration files, and database backups will be created and attached to the ticket.

5. **Response and Resolution Targets.**

Sensus Technical Support will make every reasonable effort to meet the following response and resolution targets :

Severity	Standard Target Response	Standard Target Resolution	Resolution (one or more of the following)
1	30 Minutes	Immediately assign trained and qualified Services Staff to correct the error on an expedited basis. Provide ongoing communication on the status of a correction.	<ul style="list-style-type: none"> • Satisfactory workaround is provided. • Program patch is provided. • Fix incorporated into future release. • Fix or workaround incorporated into the Support Knowledge Base.
2	4 hours	Assign trained and qualified Services Staff to correct the error. Provide communication as updates occur.	<ul style="list-style-type: none"> • Satisfactory workaround is provided. • Program patch is provided. • Fix incorporated into future release. • Fix or workaround incorporated into the Support Knowledge Base.
3	1 Business Day	90 business days	<ul style="list-style-type: none"> • Answer to question is provided. • Satisfactory workaround is provided. • Fix or workaround incorporated into the Support Knowledge Base. • Fix incorporated into future release.
4	2 Business Days	12 months	<ul style="list-style-type: none"> • Answer to question is provided. • Fix or workaround incorporated into the Support Knowledge Base.

6. **Problem Escalation Process.**

- 6.1. If the normal support process does not produce the desired results, or if the severity has changed, the issue may be escalated as follows to a higher level of authority .
 - 6.1.1. Severity 1 issues are escalated by Sales or Technical Services to a Supervisor if not resolved within 2 hours; to the Manager level if not resolved within 4 hours; to the Director level if not resolved within the same business day; and to the VP level if not resolved within 24 hours.
 - 6.1.2. A customer may escalate an issue by calling 1-800-638-3748, Option 2. Please specify the Support ticket number and the reason why the issue is being escalated.
 - 6.1.3. In the event that a customer is not satisfied with the level of support or continual problem with their products, they may escalate a given Support ticket to Manager of Technical Services (1-800-638-3748, Option 2).

7. **General Support Provisions and Exclusions.**

- 7.1. Sensus provides online documentation for Sensus products through the Sensus User Forum (<http://myflexnetsystem.com/Module/User/Login>). All Sensus customers are provided access to this online database, which includes operation, configuration and technical manuals. Sensus also hosts periodic user group teleconferences to facilitate the interchange of product ideas, product enhancements, and overall customer experiences. The customer shall provide names and email accounts to Sensus so Sensus may provide access to the Portal.
- 7.2. Specialized support from Sensus is available on a fee basis to address support issues outside the scope of this support plan or if not covered under another specific maintenance contract. For example, specialized systems integration services or out of warranty network equipment repair that is not covered under a separate maintenance contract.



Exhibit C

Notification for Spectrum Manager Lease

In order for Sensus to apply to the FCC on the Customer's behalf for a spectrum manager lease, Customer must complete the information below in boxes one (1) through ten (10) and certify via authorized signature. Customer's signature will indicate that Customer authorizes Sensus to file the spectrum manager lease notification on FCC Form 608 with the Customer as spectrum Lessee, and if Customer does not already have one, ownership disclosure information on FCC Form 602.

1

Customer/Lessee Name:			
Attention To:		Name of Real Party in Interest:	
Street Address:			City:
State:	Zip:	Phone:	
Fax:		Email:	

Is Customer contact information same as above? Yes No (If No, complete box 2 below)

Additional Customer/Lessee Contact Information

2

Company Name:			
Attention To:			
Street Address:			City:
State:	Zip:	Phone:	
Fax:		Email:	

3

Customer/Lessee is a(n) (Select one): Individual | Unincorporated Association | Trust
 Government Entity | Corporation | Limited Liability Company | General Partnership
 Limited Partnership | Limited Liability Partnership | Consortium | Other _____

FCC Form 602: FCC File Number of Customer's Form 602 Ownership Information: _____. If Customer has not filed a Form 602, Sensus will file one for Customer. Please complete questions 5, 6, and 7 below if Customer does not have a Form 602 on file. Customer must complete items 8, 9 and 10 irrespective of whether Customer has an ownership report on file.

Customer Tax ID:

Individual Contact For FCC Matters

6

Please designate one individual (the Director of Public Works or similar person) who is responsible to the FCC for the operation of the Flex Net radio system.

Name	
Title:	
Email:	Phone:

Ownership Disclosure Information

7

Please list the names of the Board President and all Board Members below, as well as verify citizenship and ownership interests in any entity regulated by the FCC. Such ownership must be disclosed where a board member member owns 10% or more, directly or indirectly, or has operating control of any entity subject to FCC regulation. If any answer to Ownership question is Yes, or any answer to Citizenship question is No, provide an attachment with further explanation.

	US Citizen?	Ownership Disclosure?
Board President:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Board Member:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

8 Alien Ownership Questions (if the answer is Yes, provide an attachment explaining the circumstances)

1) Is the Customer/Lessee a foreign government or the representative of any foreign government?	<input type="checkbox"/> Yes <input type="checkbox"/> No
---	--

9 Basic Qualification Information

1) Has the Customer or any party to this application had any FCC station authorization, license, or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license or construction permit denied by the Commission?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2) Has the Customer or any party to this filing, or any party directly or indirectly controlling the Customer or any party to this filing ever been convicted of a felony by any state or federal court?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3) Has any court finally adjudged the Customer or any party directly or indirectly controlling the Customer guilty of unlawfully monopolizing or attempting to unlawfully monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or unfair methods of competition?	<input type="checkbox"/> Yes <input type="checkbox"/> No

10 Customer/Lessee Certification Statements

1) The Customer/Lessee agrees that the Lease is not a sale or transfer of the license itself.	<input type="checkbox"/> Yes
2) The Customer/Lessee acknowledges that it is required to comply with the Commission's Rules and Regulations and other applicable law at all times, and if the Customer/Lessee fails to so comply, the Lease may be revoked, cancelled, or terminated by either the Licensee or the Commission.	<input type="checkbox"/> Yes
3) The Customer/Lessee certifies that neither it nor any other party to the Application/Notification is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C § 862, because of a conviction for possession or distribution of a controlled substance (See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.)	<input type="checkbox"/> Yes
4) The Customer/Lessee hereby accepts Commission oversight and enforcement consistent with the license and lease authorization. The Lessee acknowledges that it must cooperate fully with any investigation or inquiry conducted either by the Commission or the Licensee, allow the Commission or the Licensee to conduct on-site inspections of transmission facilities, and suspend operations at the direction of the Commission or the Licensee and to the extent that such suspension of operation would be consistent with applicable Commission policies.	<input type="checkbox"/> Yes
5) The Customer/Lessee acknowledges that in the event an authorization held by a Licensee that has associated with it a spectrum leasing arrangement that is the subject of this filing is revoked, cancelled, terminated, or otherwise ceases to be in effect, the Customer/Lessee will have no continuing authority to use the leased spectrum and will be required to terminate its operations no later than the date on which the Licensee ceases to have any authority to operate under the license, unless otherwise authorized by the Commission.	<input type="checkbox"/> Yes
6) The Customer/Lessee agrees the Lease shall not be assigned to any entity that is not eligible or qualified to enter into a spectrum leasing arrangement under the Commission's Rules and Regulations.	<input type="checkbox"/> Yes
7) The Customer/Lessee waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by spectrum lease or otherwise.	<input type="checkbox"/> Yes
8) The Customer/Lessee certifies that it is not in default on any payment for Commission licenses and that it is not delinquent on any non-tax debt owed to any federal agency.	<input type="checkbox"/> Yes

The Customer/Lessee certifies that all of its statements made in this Application/Notification and in the schedules, exhibits, attachments, or documents incorporated by reference are material, are part of this Application/Notification, and are true, complete, correct, and made in good faith. The Customer/Lessee shall notify Sensus in writing in the event any information supplied on this form changes.

Type or Printed Name of Party Authorized to Sign

First Name:	MI:	Last Name:	Suffix:
Title:		Customer Name:	
Signature:		Date:	
FAILURE TO SIGN THIS APPLICATION MAY RESULT IN DISMISSAL OF THE APPLICATION AND FORFEITURE OF ANY FEES PAID.			



#4.

WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)) AND/OR FORFEITURE (U.S. Code Title 47, Section 503).

EXHIBIT F

SPECIAL PROVISIONS

1) **Applicable Laws.** Aqua Metric agrees that it is familiar with the grant requirements included in the RFP and shall adhere to all Federal, state and local laws, regulations and codes, as applicable.

2) **Records.** Aqua Metric shall maintain accurate and orderly records and shall upon request assist the District in complying with any reporting requirements in accordance with the applicable federal grant. Aqua Metric records shall clearly support any requests for payment to the District for services performed or products provided to the project.

3) **Audit and Inspection of Records.** Aqua Metric agrees that the District (grantee), the Comptroller General of the United States, or any of their duly authorized representatives, shall for the purpose of audit and examination be permitted to inspect all work, materials, payrolls, and other data and records with regard to the project, and to audit the books, records, and accounts with regard to the project. Further, Aqua Metric agrees to maintain all required records for at least three (3) years after grantees make final payments and all other pending matters are closed.

4) **Wages.** Where required by law, Aqua Metric shall have the sole responsibility for paying each employee or subcontractor engaged in work on the project a wage rate not less than the prevailing wage rate, regardless of any contractual relationship alleged to exist between Aqua Metric or any employees or subcontractors. Aqua Metric shall comply with federal law concerning work hours and safety, including 40 U.S.C. 3701-3708.

Aqua Metric shall pay the higher of the two wage rates and conform to the higher labor standards specified in subsections (a) and (b) below. Aqua Metric may be subject to additional requirements with regard to labor compliance and prevailing wage reporting if state bond funds will be used on the project.

(a) **State Labor Code.** When applicable, the wage rates determined by the California Director of Industrial Relations. Aqua Metric shall be responsible for any future adjustments to prevailing wage rates, including but not limited to changes to wage orders, base hourly rates, and employer payments as determined by the Division of Industrial Relations (DIR), or any new classification or modification that may be added by the DIR or a collective bargaining agreement. A mistake, inadvertence, or neglect by Aqua Metric in failing to pay the correct rates of prevailing wage will be remedied solely by Aqua Metric and will not, under any circumstances, be considered as the basis of a claim against the District.

(b) **Federal Labor Code.** Aqua Metric shall comply with current federal Labor Standards, including the Davis Bacon Act, 40 U.S.C. 3141, and 3146-3148, and implementing U.S. Department of Labor (DOL) regulations.

5) **Small, Minority and Women's Business Participation.** Aqua Metric shall take reasonable steps to ensure that small and minority businesses and women's business enterprises have an opportunity to participate in the Master Agreement.

6) **Non-Discrimination.** Neither Aqua Metric, a subcontractor, nor any subrecipient shall willfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, gender, marital status, sexual orientation, age, political affiliation or disability. Aqua Metric agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment Practice Act and other

applicable federal, State and county laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

7) Federal Lobbying Restrictions. Section 1352 of Title 31 of the United States Code prohibits federal funds from being expended to pay for any person for influencing or attempting to influence a federal agency or Congress in connection with the awarding of any federal-aid contract, the making of any federal grant or loan, or the entering into of an cooperative agreement.

8) Energy Efficiency. Aqua Metric agrees to comply with the mandatory energy efficiency standards and policies within the applicable state energy conservation plans issued in compliance with the Energy Policy and Conservation Act, 42 U.S.C. 6201.

9) ADA. Aqua Metric shall comply with all applicable provisions of the Americans with Disabilities Act in performing work under this Agreement.

10) Drug-Free Workplace. Aqua Metric agrees to comply with the Drug Free Workplace Act of 1990 per Government Code Section 8350 et seq.

11) Provisions Required by Law Deemed Inserted. Each and every provision of law and language required by law or any applicable regulation, including laws and regulations required for Bureau of Reclamation funded projects, shall be deemed to be inserted herein and the Agreement shall be read and enforced as though included in the Master Agreement.

#4.

EXHIBIT G

MAINTENANCE SERVICES

Maintenance

SCHEDULED MAINTENANCE

Sensus recommends scheduling an initial checkup six months after installation for all Base Station versions. After this initial checkup, all units should be checked on a yearly basis.

Base Stations located in harsh, dusty environments should have initial service scheduled three months after installation.

Following the initial visit, the Base Station should be checked, at minimum, as outlined above. However the following factors may alter the length of time between service visits:

1. The maintenance required on the initial visit;
2. The Base Station's environmental conditions; and
3. Existing utility policies for equipment maintenance.

Utilities should develop their own Base Station scheduled maintenance policy based on their assessment of these conditions.

MAINTENANCE CHECKLIST

1. To ensure compliance with FCC requirements, verify that copies of the FCC License and Base Station Commissioning Document are located at the Base Station site. Printed copies should be stored in a water-tight bag; electronic copies may be stored at the site on a USB-style flash drive.
2. Check transceiver fan filters and clean, if necessary, with a high-power vacuum cleaner. Do not disassemble the fan assemblies.
For stubborn cases, take off the transceiver's top cover and use compressed air to blow dirt back through the filter, and then vacuum. Be sure to remove any dirt or debris that may have been forced into the transceiver component areas with compressed air before reinstalling the top cover.
3. Check the rectifier/fan assembly for excessive dirt buildup.
4. Tighten any loose bolts and/or screws.
5. Confirm that RF cabling and any electrical ground cables are securely attached.
6. Verify wiring integrity, especially any damage to wire coatings by rodents or insects.
7. Check the AC power connections for tightness.
8. Check batteries for corrosion on the terminals or other anomalous conditions, including leaking acid or loose battery bolts. Schedule replacement of any battery exhibiting signs of acid leakage.
9. Check for any signs of water intrusion.
10. Check the integrity of the GPS antenna seal, if equipped.
11. Check the pole mount for any signs of damage or deterioration.
12. Visually inspect the antenna with binoculars to ensure secure mounting and/or the presence of other antennas added since installation.
13. Ensure the latest firmware is installed on the transceiver and that warning lights are not illuminated. Information on the latest firmware is available at www.sensus.com.
14. Schedule the next service visit based on the observations and anticipated conditions.

WAREHOUSED BASE STATIONS

Maintaining adequate battery charge is very important. Failure to do so can result in permanent loss of battery capacity. M400 units come with red EnerSys batteries.

- Controlled environment (less than 77°F), recharge every two years.
- Uncontrolled environments (up to 91°F), recharge every year.
- Uncontrolled environments (up to 105°F), recharge every six months.
- Base Stations should not be stored in outside supply yards with direct sunlight as internal case temperatures can reach 180°F or more and discharge the batteries quickly.

MAINTENANCE RECORD

The following table is provided as a reference. Each time you check a Base Station you should record it in this log or something similar.

EXHIBIT H
PAYMENT BOND

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Moulton Niguel Water District (hereinafter referred to as "District") has awarded to _____, (hereinafter referred to as the "Contractor") an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, Principal is required to furnish a bond in connection with the contract described above; providing that if Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the District in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the District in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition,

alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the District and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract to be performed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of Contract. including but not limited to the provisions of Sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the ____ day of _____ 20____ the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

(Corporate Seal of Principal,
if corporation)

Principal (Property Name of Contractor)

By _____
(Signature of Contractor)

(Seal of Surety)

Surety

By _____
Attorney in Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

#4.

EXHIBIT I
PERFORMANCE BOND

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Moulton Niguel Water District (hereinafter referred to as "District") has awarded to _____, (hereinafter referred to as the "Contractor") an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by the Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of the Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the District in the sum of _____ DOLLARS, (\$_____), the sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the District, its officers and agents, as stipulated in the Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Project, unless otherwise provided for in the Contract Documents, the guarantee obligation shall hold good for a period of one (1) year after the acceptance of the work by District, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the District from loss or damage resulting from or caused by defective materials or faulty workmanship the above obligation in penal sum thereof shall remain in full force and effect. However, anything in this paragraph to the contrary notwithstanding, the obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit District's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

#4.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by the District in enforcing such obligation.

Whenever Contractor shall be, and is declared by the District to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the District's option:

1. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
2. Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the District, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.
3. Permit the District to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the District, when declaring the Contractor in default, notifies Surety of the District's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract to be performed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of Contract. including but not limited to the provisions of Sections 2819 and 2845 of the California Civil Code.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____.

CONTRACTOR/PRINCIPAL

Name

By _____

SURETY:

By: _____
Attorney-In-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.
(The above must be filled in by corporate attorney.)

THE FOLLOWING INFORMATION IS MANDATORY

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

#4.

EXHIBIT J

SUBCONTRACTOR LISTING

[To be completed prior to signing Agreement.]



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** March 14, 2015
FROM: Matt Collings, Assistant General Manager
SUBJECT: Amendment to Professional Services Agreement for Strategic Real Estate Consulting
DIVISION: District-wide

SUMMARY:

Issue: Staff negotiated Amendment No. 4 for a scope and fee change to the agreement for the Professional Services with StarPointe Ventures.

Recommendation: It is recommended that the Board of Directors approve Amendment No. 4 to the Professional Services Agreement with StarPointe Ventures valued at \$60,000 for a total not-to-exceed contract amount of \$195,200; and authorize the General Manager to execute the Amendment.

Fiscal Impact: Sufficient funds have been included in the Fiscal Year 2014-15 budget for these services.

BACKGROUND:

The District is performing the necessary environmental documents and developing the appropriate city permit application and supporting documents required for the development of the proposed Operations Center at the Plant 2A site. StarPointe Ventures was retained by the District in 2014 to provide strategic real estate consultation and direct the necessary entitlement processing. As the District has directed its Operations Center project efforts at Plant 2A, StarPointe has been managing the District's environmental consultant and coordinating the city permitting for the proposed project, which will conclude no later than the fall of 2016. Newport Real

#5.

Amendment to Professional Services Agreement for Strategic Real Estate Consulting

March 8, 2016

Page 2 of 2

Estate Services continues to provide project management support, specifically directing the District's architect and program development.

DISCUSSION:

The District entered into the original agreement with StarPointe in May 2014 for a not-to-exceed amount of \$36,000 under the General Manager's signing authority. The Board was informed about contracting with StarPointe prior to the execution of the agreement. To date, there have been three amendments to the contract, totaling a not-to-exceed amount of \$99,200. There are sufficient funds remaining to cover January and of February 2016. The agreement terms include a flat monthly rate of \$6,000 per month.

District staff recommends extending the term of the contract to October 31, 2016, at a cost of \$60,000 (10 months at \$6,000 per month). The total contract value upon execution of the Amendment No. 4 is \$195,200. The contract may be terminated within 10 days should the District no longer require the services of StarPointe Ventures.

Attachments:

1. Starpointe Ventures Amendment No. 4
2. Starpointe Ventures Amendment No. 3
3. Starpointe Ventures Amendment No. 2
4. Starpointe Ventures Amendment No. 1
5. Professional Services Agreement with Starpointe Ventures.

**AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
STARPOINTE VENTURES; CONTRACT NO. OM13-14.035**

This Amendment No. 4 (this "Amendment") is entered into and effective as of _____, 2016, amending the Professional Services Agreement, dated May 14, 2014 (the "Agreement"), by and between the Moulton Niguel Water District ("MNWD"), and Starpointe Ventures ("Consultant") (collectively, the "Parties") for strategic real estate consulting services.

RECITALS

A. On October 30, 2014, the Parties executed Amendment No. 3 to extend the Agreement through December 31, 2015 and increase the contract amount to a not-to-exceed agreement total of \$135,200.

B. The Parties desire to extend the Agreement for an additional ten month term at the same payment terms set forth in Amendment No. 1 to the Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. The Agreement term is hereby extended through October 31, 2016.

2. Payment under this Amendment shall be paid in accordance with the monthly payment and additional services terms set forth in Amendment No. 1. All payments for services associated with this Amendment shall not exceed the amount of **Sixty Thousand Dollars (\$60,000)**.

3. The Parties agree that the total Agreement amount, including this Amendment and all prior amendments, shall not exceed One-Hundred Ninety-Five Thousand Two Hundred Dollars (\$195,200).

4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.

5. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

6. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

STARPOINTE VENTURES

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By:

By:

(sign here)

General Manager

(print name/title)

AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
STARPOINTE VENTURES; CONTRACT NO. OM13-14.035

This Amendment No. 3 (this "Amendment") is entered into and effective as of March 10, 2015, amending the Professional Services Agreement, dated May 14, 2014 (the "Agreement"), by and between the Moulton Niguel Water District ("MNWD"), and Starpointe Ventures ("Consultant") (collectively, the "Parties") for strategic real estate consulting services.

RECITALS

A. On October 30, 2014, the Parties executed Amendment No. 2 to extend the Agreement through December 31, 2014 and increase the contract amount to a not-to-exceed agreement total of \$63,200.

B. The Parties desire to extend the Agreement for an additional twelve month term at the same payment terms set forth in Amendment No. 1 to the Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. The Agreement term is hereby extended through December 31, 2015.
2. Payment under this Amendment shall be paid in accordance with the monthly payment and additional services terms set forth in Amendment No. 1. All payments for services associated with this Amendment shall not exceed the amount of **Seventy-Two Thousand Dollars (\$72,000)**.
3. The Parties agree that the total Agreement amount, including this Amendment and all prior amendments, shall not exceed One-Hundred Thirty-Five Thousand Two Hundred Dollars (\$135,200).
4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.
5. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.
6. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

STARPOINTE VENTURES

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By: T. Strader
(sign here)

By: [Signature]
General Manager

TIM STRADER JR. / PRESIDENT
(print name/title)

**AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
STARPOINTE VENTURES; CONTRACT NO. OM13-14.035**

This Amendment No. 2 (this "Amendment") is entered into and effective as of October 2, 2014, amending the Professional Services Agreement, dated May 14, 2014 (the "Agreement"), by and between the Moulton Niguel Water District ("MNWD"), and Starpointe Ventures ("Consultant") (collectively, the "Parties") for strategic real estate consulting services.

RECITALS

A. On June 30, 2014, the Parties executed Amendment No. 1 to extend the Agreement through September 30, 2014 and increase the contract amount to a not-to-exceed agreement total of \$43,200.

B. The Parties desire to extend the Agreement for an additional three month term at the same payment terms set forth in Amendment No. 1 to the Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. The Agreement term is hereby extended through December 31, 2014.
2. Payment under this Amendment shall be paid in accordance with the monthly payment and additional services terms set forth in Amendment No. 1. All payments for services associated with this Amendment shall not exceed the amount of **Twenty Thousand Dollars (\$20,000)**.
3. The Parties agree that the total Agreement amount, including this Amendment and all prior amendments, shall not exceed Sixty-Three Thousand Two Hundred Dollars (\$63,200).
4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.
5. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.
6. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

STARPOINTE VENTURES

By: T. Strader
(sign here)
TIM STRADER JR.
(print name/title)

MOULTON NIGUEL WATER DISTRICT, a California Water District

By: [Signature]
General Manager

**AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
STARPOINTE VENTURES; CONTRACT NO. OM13-14.035**

This Amendment No. 1 (this "Amendment") is entered into and effective as of June 30, 2014, amending the Professional Services Agreement, dated May 14, 2014 (the "Agreement"), by and between the Moulton Niguel Water District ("MNWD"), and Starpointe Ventures ("Consultant") (collectively, the "Parties") for strategic real estate consulting services.

RECITALS

A. On May 14, 2014, the Parties entered into the Agreement for strategic real estate services to be performed through October 31, 2014 for a not-to-exceed amount of \$36,000; and

B. The Parties desire to supplement the Agreement's scope of work and Consultant's performance of services to provide digital mapping and site studies; and

C. The Parties have negotiated and agreed to a supplemental scope of work and related fees schedule, which is attached hereto and incorporated herein by this reference as Exhibit A-1, Supplemental Scope of Work and Fees.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

- 1. Amendment to Section 3.1, Compensation for Services. Section 3.1 shall be amended in its entirety and replaced with the following:

In consideration for providing the Services, MNWD agrees to compensate Consultant up to a not-to-exceed maximum Agreement amount of **Forty-Three Thousand Two Hundred Dollars (\$43,200.00)**, which is inclusive of all labor costs, direct costs and expenses. Consultant shall be compensated on a monthly flat fee basis at a rate of Six Thousand Dollars (\$6,000.00) per month for the Services defined in Exhibit A. Additional services as agreed upon by written amendment between the Parties shall be invoiced by Consultant on a monthly basis and paid by MNWD pursuant to the terms of the applicable amendment.

- 2. Amendment to Section 4.1 Term. Section 4.1 shall be deleted in its entirety and replaced with the following:

This Agreement shall commence on the Effective Date and continue through September 30, 2014 (the "Expiration Date") unless terminated earlier pursuant to Section VIII of this Agreement.

- 3. Addition of Exhibit A-1, Supplemental Scope of Work. Exhibit A-1, is added to the terms of the Agreement by reference. The services detailed in Exhibit A-1 shall be included in the definition of Services under the Agreement.

- 4. Authorization of Subconsultants.

a. Consultant is hereby authorized by MNWD to subcontract certain of its Services

#5.

to the subconsultants referenced on the attached Exhibit B, List of Approved Subconsultants, which is incorporated herein by this reference.

b. Consultant is as responsible to MNWD for the acts and omissions of its subconsultants as it is for persons directly employed by Consultant. Nothing contained in this Amendment or the Agreement creates any contractual relationship between any of Consultant's subconsultants and MNWD.

c. Consultant's subconsultants are required to maintain insurance policies in accordance with all terms, conditions and requirements under Section VII of the Agreement throughout the term of the Agreement and any Amendment. Additionally, each of Consultant's subconsultants shall maintain throughout the term of the Agreement an occurrence-based professional liability (errors and omissions) policy providing coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. Consultant shall provide evidence of subconsultants' insurance coverages, including but not limited to additional insured endorsements, as required under Section VII of the Agreement prior to any subconsultant commencing Services.

d. Subconsulting fees shall be billed by Consultant as a pass-through cost to MNWD without mark-up.

5. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.
6. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

STARPOINTE VENTURES

MOULTON NIGUEL WATER DISTRICT, a
California Water District

By:



(Sign here)

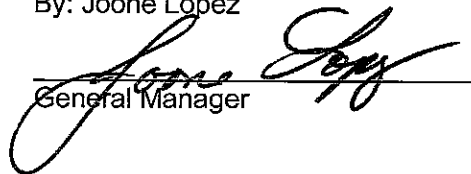
TIM STRADER JR.

Name

PRESIDENT

Title

By: Joone Lopez



General Manager

EXHIBIT A-1

SUPPLEMENTAL SCOPE OF WORK AND FEES

MNWD requires digital mapping and site studies in connection with its strategic planning and evaluation of a new headquarters. Consultant has agreed to coordinate with its subconsultants to provide the following services to MNWD:

I. Digital Engineering Base Mapping Services

A. Scope:

1. Record Digital Base Map and Constraints Map: Research record information with the City of Irvine and County of Orange and prepare a digital base file with the record mapping street and utility improvements information. Prepare a constraints map for the property that describes the site mapping, grading and drainage, utilities and building setbacks as required for the concept design phase. Utilities will be verified with the site survey topography as described below. Provide MNWD with digital file for its use in preliminary project design. This will include plotting the existing easements on the site as noted in the title reports. A preliminary title report will be provided by MNWD.
2. Aerial Topography Required Survey: Conduct a field survey to establish project control and to set six aerial targets for the aerial topographic flown survey described below. Coordinate with aerial topography company as required to complete the survey. All materials needed are included in the fee. Limits will be set approximately 300' outside the property as required by MNWD for context on the maps.
3. Flown Aerial Topography and Mapping: Conduct an aerial topographic survey of the entire site as shown on Attachment 1. Prepare a topographic map with a map compilation scale of 1"=40", and 1 foot contour intervals. This survey will be based on the six aerial survey targets as described above. Digital files will be provided for use by the aerial mapping consultants, and this information will be used as the existing ground topographic information in conjunction with the site specific field topographic survey described above.

B. Deliverables:

1. Record Digital Base Map and Constraints Map
2. Aerial Topography Required Survey
3. Flown Aerial Topography and Mapping

C. Completion Date: July 31, 2014.

D. Fee: \$9,200.00

E. Payment Terms: Billing for professional services and reimbursable costs will be invoiced on a monthly basis, up to the maximum fee amount listed above.

II. Residential Yield Study

A. Scope:

1. Prepare two site plans for the property generally located at the terminus of Gordon Road in the City of Laguna Hills. Using city zoning criteria, prepare yield studies under two different zoning classifications; Low Density Residential and Medium Low Density Residential. Yield studies will be based on client provided base map and will show lots, right-of ways, open space, and circulation. Accompanying each study will be a statistical summary.
2. Consultant and its subconsultant will participate in two meetings with MNWD's management team and its Board of Directors, as required by MNWD. Additional meetings will be charged based on Consultant's hourly rates.

B. Deliverables:

1. Two site plan yield studies for LDR and MLDR zoning criteria.
2. Statistical summary for each alternative.
3. Attendance at two MNWD meetings.

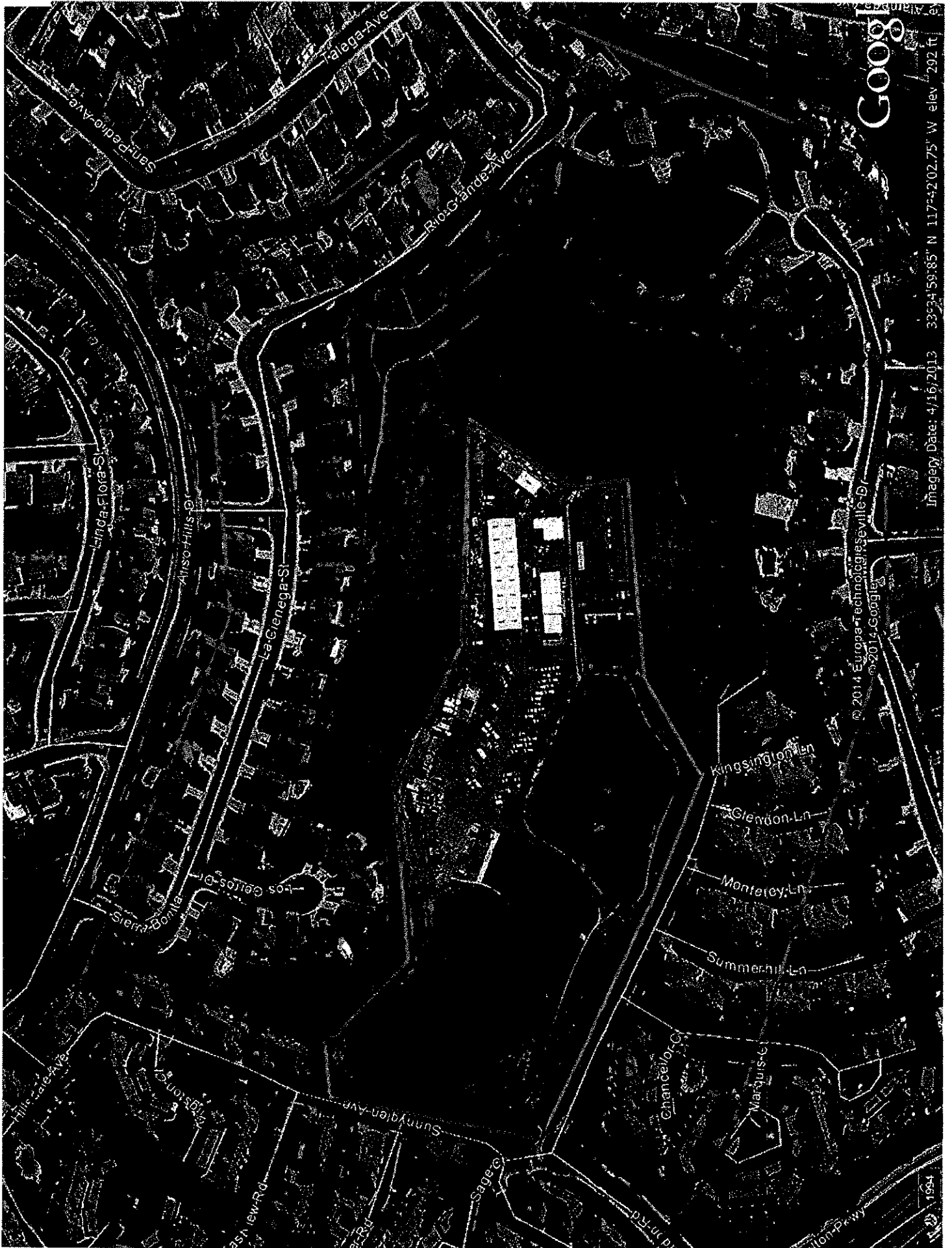
C. Project Completion Date: July 31, 2014.

D. Fee: \$4,000.00

E. Payment Terms: Billing for professional services and reimbursable costs will be invoiced on a monthly basis, up to the maximum fee amount listed above.

**ATTACHMENT 1
TO EXHIBIT A-1**

#5.



117 42 10

117 42 00

117 41 50

33 35 10

33 35 10

33 35 00

33 35 00

33 34 50

33 34 50

33 34 40

117 42 10

117 42 00

117 41 50



PC14423 26161 Gordon Lag Hills

423 40 scale 1 foot contours

Project No:	PC14423	Photo scale:	1/3600	Film type:	Color
Client name:	Urban Resource	Forward overlap:	60%	Pilot:	C. Lung
Plot scale:	1/4200	Total lines:	1	Navigator:	S. Young
Camera type:	RC-30	Total models:	2	Airplane:	27282
Lens type:	Wild 15-4 UAGA-F	Total photos:	3	Date planned:	6/16/2014

#5.

EXHIBIT B

LIST OF APPROVED SUBCONSULTANTS

Digital Engineering Base Mapping Services

Urban Resource Corporation
23 Mauchly, Suite 110
Irvine, CA 92618
(949) 727-9095

Residential Yield Study

JZMK Partners
3080 Bristol Street, Suite 650
Costa Mesa, CA
Phone: (714) 426-6900

**PROFESSIONAL SERVICES AGREEMENT FOR STRATEGIC
REAL ESTATE CONSULTING BETWEEN
MOULTON NIGUEL WATER DISTRICT AND STARPOINTE VENTURES
CONTRACT NO. OM13-14.035**

THIS AGREEMENT (the "Agreement") is dated as of May 14th, 2014 (the "Effective Date"), by and between Starpointe Ventures, hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD". MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

In CONSIDERATION of the covenants hereinafter set forth, the parties hereto mutually agree as follows:

AGREEMENT

SECTION I – SCOPE OF CONSULTANT’S SERVICES

Section 1.1 CONSULTANT shall perform professional services for strategic real estate sales and development consulting (the "Services") that are set forth in Exhibit A – Scope of Work (the "Scope of Work"), which is attached hereto and incorporated herein by this reference as **Exhibit A**.

Section 1.2 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Work, or delete services from the Scope of Work. Upon MNWD's request for additional or changed work, CONSULTANT shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Work, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and time for completion and shall execute a written addendum to this Agreement. Upon execution of each addendum, (i) the Scope of Work shall thereafter be as described in **Exhibit A**, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the work shall be as set forth in the addendum. Following execution of any addendum, all terms and provisions of the Agreement, except as expressly modified by such addendum, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an addendum covering the additional or changed work.

SECTION II – PERFORMANCE OF SERVICES

Section 2.1 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation services required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional and workmanlike manner in accordance with the generally accepted industry standards of professional real estate practices and principles, and to the satisfaction of MNWD. CONSULTANT shall have the sole and absolute discretion in determining the methods, details and means of performing the Services, and MNWD shall not have any right to direct the methods, details and means of the Services, provided that CONSULTANT must receive prior written approval from MNWD before using any subconsultants in accordance with Section 2.4 herein. In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

Section 2.2 CONSULTANT shall promptly notify MNWD of any anticipated delays, causes or casualties beyond CONSULTANT'S control which may affect the work schedule. In the event the time for completing the Scope of Work is projected to be exceeded due to circumstances beyond the control of CONSULTANT, CONSULTANT shall have an additional amount of time to be agreed upon in writing between the parties pursuant to Section 1.1 and an executed addendum, in which to complete the work. CONSULTANT shall not begin work on the Services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, CONSULTANT shall immediately commence the Services described in **Exhibit A**.

Section 2.3 CONSULTANT shall provide all personnel necessary to properly perform the Services and duties required under this Agreement, and shall at all times direct such personnel in the performance of such services and duties. Tim Strader, Jr. shall serve as CONSULTANT'S principal liaison between MNWD and CONSULTANT.

Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S representative, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Work.

Section 2.4 CONSULTANT shall not subcontract any of the Services without the prior written consent of MNWD, the authorization of which must be documented by an amendment to this Agreement, signed by both parties.

Section 2.5 MNWD shall provide or make available to CONSULTANT at no cost, all information, data, records, maps, reports, plans, equipment, or other material in its possession and other information reasonably required by CONSULTANT for carrying out the Services and duties contemplated under this Agreement.

SECTION III – COMPENSATION FOR SERVICES

Section 3.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT on a monthly flat fee basis at a rate of Six Thousand Dollars (\$6,000.00) per month with a not-to-exceed maximum Agreement amount of **Thirty-Six Thousand Dollars (\$36,000.00)** (which maximum amount is inclusive of labor costs and direct costs and expenses).

Section 3.2 Payments will be made based on monthly submittal of invoices by CONSULTANT. Invoices will include a detailed description of work completed, the number of hours worked, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by CONSULTANT.

SECTION IV - TERM

Section 4.1 This Agreement shall commence on the Effective Date and continue through October 31, 2014 (the "Expiration Date") unless terminated earlier pursuant to Section VIII of this Agreement.

SECTION V - OWNERSHIP OF DOCUMENTS

Section 5.1 MNWD and CONSULTANT agree that all records, data, reports or other documentation prepared by CONSULTANT, in response to, or as a result of the performance of this Agreement shall be the sole property of CONSULTANT. MNWD and CONSULTANT acknowledge and agree that all records, data, reports or other documentation prepared by

CONSULTANT pursuant to this Agreement shall be retained by CONSULTANT for a period of four years after the termination or expiration of the Agreement.

SECTION VI - WARRANTY/DISCLAIMER

Section 6.1 In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

SECTION VII - INSURANCE AND INDEMNIFICATION

Section 7.1 General/ Automobile Liability Insurance. CONSULTANT shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONSULTANT and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this section.

All insurance provided under this Section 7.1 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 7.2 Worker's Compensation. By its signature hereunder, CONSULTANT certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that CONSULTANT will comply with such provisions before commencing the performance of work under this Agreement. CONSULTANT shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 7.3 Requirements of All Policies. All policies of insurance required under this SECTION IV shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class XIII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of the Services. The policies required hereunder shall be endorsed to include contractual liability.

In the case of additional insured provisions, any insurance afforded the additional insureds by

#5.

this Agreement is primary insurance as to the additional insureds. Any insurance or self-insurance maintained by the additional insureds shall be excess of the CONSULTANT'S insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the CONSULTANT shall provide a financial guarantee satisfactory to MNWD guaranteeing payment of losses and related investigations, claim administration and defense expenses. Maintenance of insurance coverage as specified in this Agreement is a material term of this Agreement, and any failure to maintain or renew coverage, or to provide evidence thereof, as required by the terms is a material breach of this Agreement.

Section 7.4 Indemnification.

CONSULTANT shall indemnify, defend and hold harmless, including the cost to defend, MNWD and its' directors, officers, employees and representatives ("indemnitees") from and against all liability, claims, suits, causes of action, damages, demands, actions, losses, attorney's fees, costs and expenses (collectively referred to as "claims") (i) for personal injury, bodily injury or property damage that arise out of, pertain to, or relate to the operations and work of the CONSULTANT and its sub-consultants/subcontractors under this Agreement, (ii) to the extent caused by CONSULTANT'S or its sub-consultant's/ subcontractor's: (a) negligent acts, errors or omissions, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the services under this Agreement, or (b) breach or violation of any laws, statutes, ordinances, codes, regulations and requirements of any applicable federal, state or local government authorities or agencies; or (c) breach of any of its obligations under this Agreement.

The foregoing obligations include CONSULTANT's obligation to defend, at its cost and expense, the indemnitees with respect to the claims, which defense shall be conducted by qualified and appropriately experienced legal counsel, and at no cost to MNWD or other indemnitees.

CONSULTANT'S obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by CONSULTANT hereunder.

SECTION VIII - TERMINATION OR ABANDONMENT

Section 8.1 This Agreement may be terminated in whole or in part in writing by: (i) MNWD at any time, during any term or extended term, with or without cause, provided that no such termination may be effected unless MNWD provides CONSULTANT with not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of its intent to terminate; or (ii) with or without cause by CONSULTANT following CONSULTANT's satisfactory completion of its obligations under this Agreement, with not less than thirty (30) calendar days' written notice (by certified mail, return receipt requested) to MNWD of its intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Work under this Agreement by providing written notice to CONSULTANT at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, CONSULTANT shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 8.2 CONSULTANT shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and CONSULTANT agree that in the event MNWD suspends or terminates performance by CONSULTANT for any cause other than the intentional or negligent error or omission of CONSULTANT, CONSULTANT shall be entitled to payment of compensation incurred prior to the effective date of the suspension or termination, as determined under SECTION III of this Agreement.

Section 8.3 In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original reports and other documents developed for that portion of the work completed and/or being suspended or abandoned.

SECTION IX - CONFIDENTIALITY

Section 9.1 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement, including but not limited to draft reports, final reports and all data, information, documents, graphic displays and other items that are not proprietary to CONSULTANT and that are utilized or produced by CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 9.2 CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of Materials and records in its possession. All Materials shall be deemed confidential and shall remain the property of MNWD. CONSULTANT understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or subconsultants will release, disseminate, or otherwise publish said Materials except as provided herein or as authorized, in writing, by MNWD. CONSULTANT agrees not to make use of such Materials for any purpose not related to the performance of the Services under this Agreement. CONSULTANT shall not make written or oral disclosures thereof, other than as necessary for its performance of the Services hereunder, without the prior written approval of MNWD. Disclosure of confidential Materials shall not be made to any individual, agency, or organization except as provided for in the Agreement or as provided by law.

Section 9.3 All confidential Materials saved or stored by CONSULTANT in an electronic form shall be protected by adequate security measures to ensure that such confidential Materials are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this Section IX survive the termination or completion of the Agreement.

SECTION X - GENERAL

Section 10.1 CONSULTANT represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the Services, or which would impact its objectivity in performing such Services.

Section 10.2 This Agreement represents the entire understanding of MNWD and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if

both parties prepared it.

Section 10.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Matt Collings, Assistant General Manager
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677-3489

To CONSULTANT - Attn: Tim Strader, Jr.
Starpointe Ventures
19700 Fairchild Road, Suite 240
Irvine, CA 92612

Section 10.4 California law shall govern the interpretation of this Agreement. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

Section 10.5 In the event an action is commenced by either party to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all costs and expenses, including court costs, plus a reasonable amount for attorney's fees.

Section 10.6 If any section of this Agreement or provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

Section 10.7 It is expressly understood and agreed that CONSULTANT is retained is as an independent contractor for the sole purpose of rendering the Services, and is not an employee or agent of MNWD while engaged in carrying out this Agreement. CONSULTANT warrants that it will not represent, at any time or in any manner, that CONSULTANT is an employee or agent of MNWD. CONSULTANT shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD. CONSULTANT shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance CONSULTANT, as an independent contractor, is responsible for paying under federal, state or local law. CONSULTANT is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS.

Section 10.8 This Agreement shall not be assignable by either party without the prior written consent of the other party.

Section 10.9 The person signing this Agreement on behalf of each party hereto represents he/she has authority to sign on behalf of, respectively, MNWD or CONSULTANT.

Section 10.10 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by CONSULTANT without prior written consent of MNWD.

Section 10.11 This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of the Effective Date indicated above.

Moulton Niguel Water District

By: 
Joane Lopez
General Manager

CONSULTANT – Starpointe Ventures


By: 
Title: PRESIDENT

EXHIBIT A
SCOPE OF WORK

CONSULTANT'S Services under this Agreement shall include, but not be limited to the following:

- Meet with representatives of MNWD and its other consultants to ascertain MNWD's real estate needs relating to the development of a new headquarters.
- Assist MNWD in evaluating suitable sites for a new headquarters.
- Assist MNWD in evaluating the value and viability of the sale of MNWD's existing real estate holdings.
- Meet with MNWD's Board of Directors and Management as needed to discuss strategic real estate options and progress once such decisions are made.
- Once strategic real estate decisions have been made by MNWD, Consultant shall act as MNWD's representative in meetings with prospective land sellers, prospective purchasers of MNWD's real estate holdings, governmental agencies and other consultants.
- Assist MNWD with the selection of additional consultants required for the evaluation of a new headquarters including architects, engineers and other professional service providers.



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** March 14, 2016
FROM: Matt Collings, Assistant General Manager
SUBJECT: Joint Powers Authority Quarterly Update
DIVISION: District-wide

SUMMARY:

Issue: The District participates in several Joint Powers Authorities and other regional partnerships or programs that impact District operations and finances.

Recommendation: This is an information item only.

Fiscal Impact: The District has adopted a revised Fiscal Year 2015-16 budget of \$9,879,230 for Operating and Maintenance Expenses and \$15,137,940 for Capital Expenses associated with various Joint Powers Authorities and other regional partnerships and programs. A detailed breakdown is provided in Table 1.

BACKGROUND:

The District participates in several Joint Powers Authorities, including the South Orange County Wastewater Authority (SOCWA), San Juan Basin Authority (SJBA), and the Santiago Aqueduct Commission (SAC), and regional partnerships, such as the Joint Regional Water Supply System (JRWSS) or various facilities with Santa Margarita Water District (SMWD). District appointed individuals consisting of Board members and/or staff to represent the District at these various entities. Each entity is operated by either a staff of the Joint Power Authority or a contracted agency responsible for executing the operations and maintenance functions, completing necessary capital improvements, preparing annual budgets, and processing invoices as necessary. Table 1 provides a summary of the various Joint Powers Authorities and regional partnerships of which the District is a member and a breakdown of the annual District budget for each entity. The summary includes only entities with facilities currently in operation and on-going operations and maintenance requirements.

#8.

Joint Powers Authority Quarterly Update

March 14, 2016

Page 2 of 4

Table 1

Joint Powers Authority or Regional Partnership	Revised O&M Budget FY 2015-16	Adopted CIP Budget FY 2015-16
South Orange County Wastewater Authority (SOCWA)	\$7,324,538	\$12,256,912
San Juan Basin Authority (SJBA)	\$200,000	N/A
Joint Regional Water Supply System (JRWSS)	\$454,495	\$1,065,274
Santiago Aqueduct Commission (SAC)	\$20,000	N/A
Regional Facilities with SMWD (Upper Oso, Upper Chiquita, Plant 3A)	\$1,880,197	\$1,815,754
TOTAL	\$9,879,230	\$15,137,940

DISCUSSION:

During the period covered by this quarterly update (September, October and November) the following notable items were addressed:

South Orange County Wastewater Authority:

- Administrative:
 - SOCWA has continued with efforts to evaluate the cost allocation methodologies with the various member agencies' staff. The proposed cost allocation recommendations will be presented to the Board as part of the Budget preparation for Fiscal Year 16-17. The first budget workshop will be held with the Finance Committee on March 18th.
 - SOCWA staff has provided a draft Use Audit report for Fiscal Year 14-15 to the Finance Committee. The report is currently being reviewed by the member agencies' staff and will be brought back to the Finance Committee for further discussion.
 - The SOCWA Board adopted the Mitigated Negative Declaration for the closure and removal of the AWMA Bridge Project. The PC 15 Board continues to work on the next steps in addressing the bridge concerns.
 - The SOCWA Board extended the contract with Townsend Public Affairs, Inc. through the remainder of the Fiscal Year. Townsend has been primarily supporting the efforts to address the AWMA bridge.

Joint Powers Authority Quarterly Update

March 14, 2016

Page 3 of 4

- SOCWA staff is finalizing a Request for Proposals to provide biosolids services for SOCWA and its member agencies. The RFP is expected to be issued in Spring 2016 for a potential contract award in Fall 2016.
- Project Committee 17 (Regional Treatment Plant):
 - The disinfection conversion to sodium hypochlorite at the Regional Treatment Plant contract is near completion. The project, which included improvements to the wastewater influent system, is expected to be completed for nearly \$200,000 under budget.
- Project Committee 15 (Coastal Treatment Plant):
 - The PC 15 members of the SOCWA Board approved a contract with CH2MHill to develop a preliminary design review of improvements at the Coastal Treatment Plant, including a review of the necessary plant capacity. The final scope of the project will be developed based on the input of the various PC 15 agencies. Concurrently, the District is finalizing a contract with CH2MHill to evaluate the potential of moving the flow from the Coastal Treatment Plant to the Regional Treatment Plant. The District will work with SOCWA and the PC 15 agencies' staff to ensure a comprehensive review is prepared.
- Project Committee 2 (J.B. Latham Treatment Plant):
 - The PC 2 Board has been presented a draft agreement with the proposed developer of the property adjacent to the J.B. Latham Treatment Plant for consideration at a future meeting. The draft agreement includes the operation and maintenance of an existing storm water pump station that supports the treatment plant but would also support the proposed development.

San Juan Basin Authority:

- Governance Study:
 - The SJBA received a report from Rich Atwater on the first phase on the Governance Study per the authorized contract. The recommendations from the first phase suggested the Authority compile the administrative policies governing the Authority, but did conclude that no modifications to the organizational governance were appropriate. The SJBA Board directed a second phase of the study to evaluate staffing alternatives to support the SJBA. That contract scope will be considered at the March Board Meeting.
- Foundational Action Funding Work:
 - The SJBA received an update on the San Juan Basin optimization project to review storm water capture and recharge, recycled water recharge, and seawater extraction barrier. The proposed draft report is expected to be available for public review in March 2016 for future consideration by the SJBA Board.
- Groundwater Production:
 - Once the City of San Juan Capistrano resumed pumping per the Resolution adopted by the SJBA Board of Directors, the SCWD filed a complaint with the State Water Resources Control Board (SWRCB)

#8.

Joint Powers Authority Quarterly Update

March 14, 2016

Page 4 of 4

asserting a violation of the water rights permit from the SWRCB to the SJBA. An investigation is on-going by the SWRCB.

Joint Regional Water Supply System:

- Budget:
 - JRWSS staff has prepared a draft budget for review by the member agencies. District staff is currently reviewing the draft budget.
- Joint Transmission Main Unit 1 Condition Assessment:
 - South Coast Water District (SCWD) on behalf of the JRWSS has awarded a contract to Pure Technologies for approximately \$170,000 to complete an internal inspection of a portion of Unit 1 of the Joint Transmission Main.

Santiago Aqueduct Commission:

- No updates on the Santiago Aqueduct Commission at this time.

Regional Facilities with Santa Margarita Water District:

- Plant 3A
 - The aeration system is undergoing modifications at Plant 3A requiring a shutdown of the treatment plant for approximately 3-4 weeks. In the interim, all flows are being diverted to the Oso-Trabuco Trunk Sewer for treatment at the J.B. Latham Treatment Plant.