

Annual Maintenance Contract

Contract requirements for Annual Maintenance of Sensus FlexNet System Support between City of League City (hereafter referred to as LC) and Aqua Metric Sales Company (hereafter referred to as AMSC) detailed below.

Hereby AMSC is and will be LC’s first line of support for any and all Sensus FlexNet system requirements and/or concerns.

LC has ownership or legal control over the following Sensus FlexNet hardware as purchased from AMSC: Baststations, Hand Held equipment, water meters, and SmartPoint transceivers. Please refer to Exhibit 1 (G-500 Document) for Sensus hardware warranty specifications.

LC requires that equipment software be maintained in good working order and AMSC is able to provide these services. Annual Maintenance Contract fees paid by LC will guarantee the following services provided by AMSC. All services and support described below apply only to Sensus USA product and software purchased and do not apply to any other product.

Support Plan Inclusions:

Sensus Infrastructure Maintenance and Support	
Firmware Maintenance and Upgrades	Remote Diagnostics of Operational Issues
Sensus FlexNet Software Maintenance and Support	
FCC Spectrum License Renewals	Telephone Support
Remote Diagnostics of Software Problems	Software Updates
Loaner Programming Equipment	Linux Red Hat, Microsoft Windows Server, Microsoft SQL Server and Oracle Ongoing Maintenance
Data Replication to a Disaster Recovery Site	Daily Backup
Anti-Virus and Malware Subscription and Scanning	Operating System Support, Troubleshooting, Security Patching and Upgrades
Aqua Metric Maintenance and Support Value-Added Service	
On-Site and Remote Technology Support	Hardware and Software Troubleshooting and Diagnostics Assistance
Technical Support for Field Troubleshooting	Training and Support for Sensus Basestation Firmware Maintenance and Updates
Training and Subject Matter Expertise for BaseStation Backup/Restore Procedures	Training and Ongoing Subject Matter Expertise for the Sensus RNI
Training and Support for Broadcasting Meter Firmware Updates	Assistance with Creating and Maintaining Meter Profiles within Sensus RNI
Ongoing Subject Matter Expertise Related to Meter Installation and Configuration Processes	Ongoing Subject Matter Expertise on Sensus Products and Tools
Ongoing Subject Matter Expertise to Diagnose and Resolve AMI Network Issues	Ongoing Subject Matter Expertise and Recommendations for Updates of FlexNet Systems and Interfaces
Tracking Meter Return Material Authorization (RMA) Process	Periodic Sensus Basestation Health Check-Up
Technical support assistance with Billing integration	Training and Support for Sensus Analytics Software

AMSC will respond to any of LC’s request for emergency services within two business days of receiving notification via phone or email.



Aqua Metric Sales Company 6700 Guada Coma Dr., Schertz TX 78154 • Phone: (210) 967-6300 Fax: (210) 967-6305

AMSC shall provide experienced and properly trained personnel to perform services as noted in this contract.

LC agrees to the following fee structure provided by AMSC:

- Support Fees: Year One: \$12,000
- Support Fees: Year Two: \$12,000
- Support Fees: Year Three: \$12,000
- Support Fees: Year Four: \$12,000
- Support Fees: Year Five: \$12,000

This agreement is contingent on the current Sensus Analytics Hosted Software-as-a-Service Software. This agreement will be re-negotiated should League City choose to upgrade to any newer version of the Sensus AMI software.

Aqua-Metric/Sensus understands that City is a governmental entity, and should the Legislature fail to provide funding for any period during the term of this contract, City shall be excused for all liability for payment. City is required to give Aqua-Metric/Sensus written notice within thirty (30) days after learning that the funds will not be available. Upon receiving written notice from City, this contract will automatically terminate. In addition, the City shall be allowed to terminate this contract for any reason upon giving ninety (90) days written notice of its intent to terminate to Aqua-Metric/Sensus.

Each party's signature below hereby warranty they are authorized to enter into this contract agreement, and do so agree to all terms specified within these contract documents.

City of League City Authorized Representative

(Print Name & Title)

Date

Aqua Metric Sales Company Authorized Representative

Michael Cartwright, Operations Manager

(Print Name & Title)

December 1, 2016

Date



Kristy Segarra - Manager, Bids & Proposals
 6700 Guada Coma Drive • Schertz, TX 78154
 Phone: (210) 967-6300 • Fax: (210) 967-6305
 Email: kristy.segarra@aqua-metric.com



October 14, 2016

Quote for City of League City, Texas
 Attention Nancy Massey
 Address 300 W Walker Street
 City, State, ZIP League City, Texas 77573
 Phone (281) 554-1000
 Email nancy.massey@leaguecity.com

Quantity	Description	Unit Price	Extended
3	Base Station Annual Maintenance ⁹ (August 2016 - August 2017)	\$4,000.00	\$12,000.00
		Total:	\$12,000.00
Year Two Costs			
3	Base Station Annual Maintenance ⁹ (August 2017 - August 2018)	\$4,000.00	\$12,000.00
		Total:	\$12,000.00
Year Three Costs			
3	Base Station Annual Maintenance ⁹ (August 2018 - August 2019)	\$4,000.00	\$12,000.00
		Total:	\$12,000.00
Year Four Costs			
3	Base Station Annual Maintenance ⁹ (August 2019 - August 2020)	\$4,000.00	\$12,000.00
		Total:	\$12,000.00
Year Five Costs			
3	Base Station Annual Maintenance ⁹ (August 2021 - August 2022)	\$4,000.00	\$12,000.00
		Total:	\$12,000.00

This quotation on the product and services named, may be subject to the conditions noted below:

1. Net 30 Days to Pay
2. Freight Allow on orders over \$5,000.00
3. All quotes are valid for 90 days from date of quotation
4. Return product may be subject to 25% restocking fee
5. Minimum 5 Year Term; 5% Increase on All Annual Services Years 6-10 (from Year 5 Costs)
6. Basic Integration for Sensus side only. Billing provider may have additional costs associated with integration
7. Pricing based on 33,200 Services
8. Pricing does not include bonding
9. LC is current on Basestation Support valid until August 2016. A prorated amount may be included in year one if upgrade begins prior to

Sensus Limited Warranty

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: 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 and accuSTREAM meters 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"...

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	5,000,000 gallons
2" SR	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 available at sensus.com/iperl/datasheet 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 TouchPad	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*
5500 series (or older) Hand Held Device	1 year
6500 series Hand Held Device	2 years
Vehicle Gateway Base Station	1 year
FlexNet Base Station (including the Metro and M400 base stations)	1 year
Echo Transceiver	1 year
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*
Smart Gateway	1 year

* 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, and
- 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), provided, that if Sensus requests, 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. In all cases, if Customer does not return the product within the time period designated by Sensus, Sensus will invoice, and Customer will pay within thirty days of the invoice date, for the cost of the replacement product and/or components.

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, WARRANTIES, CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER IN CONNECTION WITH THIS SENSUS LIMITED WARRANTY OR WITH THE TERMS OF SALE, 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.