



Utilis Inc.
16885 West Bernardo Drive Suite 305
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Sep 19th, 2019

City of League City
300 W Walker Street
League City, TX 77573

To Whom It May Concern:

This letter is regarding Utilis Inc. and the **sole source provider status** for City of League City Water department project. This letter is to confirm that the Utilis data analysis for identifying possible potable water leaks in water distribution systems is a sole source product, manufactured and sold by Utilis Inc. No division of Utilis, nor any other company, makes a similar or competing product.

Utilis developed a unique and patented algorithm for leaks detection in urban fresh-water distribution networks. Utilis uses spectral aerial imaging, taken from a satellite mounted sensor, using the L band microwave wavelength, to spot leakage in subterranean drinking water networks. Drinking water is detected, by looking for the particular spectral signature typical to drinking water. Utilis analysis identifies the leaks within a search distance from the actual leak. The search distance is defined by a "Dynamic buffer", which is calculated specifically according to physical properties of the analyzed area and technical components of the satellite. For every new analysis, the size of the dynamic buffer is specifically calculated. The polygon area size varies for each analysis.

Additionally, competition is precluded by the existence of patent: 'Utilis' algorithm and process' is patent US 9285475 Mar, 15 2016 SYSTEM AND METHOD OF UNDERGROUND WATER DETECTION assigned to Utilis Israel Ltd. Utilis Inc. is 100% owned subsidiary of Utilis Inc.

If you desire additional information, don't hesitate to contact us at 1-858-382-7066 at any time or visit our website at www.utiliscorp.com.

Thank you for your interest in our products.