



STALLION SPRINGS COMMUNITY SERVICES DISTRICT

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AGENDA SUPPORTING INFORMATION

Agenda #7

Subject: Approval of documents for the Suez Water Meter Agreement.

Submitted by: David Aranda, General Manager

Meeting Date: January 21, 2020

Background: At the November Board Meeting a majority of the Board approved moving forward with the project that was listed as a 15 Year Agreement with Suez at a cost of \$1,190,545, subject to the review and approval of the agreements by our attorney. Please keep in mind this is a 7 year agreement to pay for the equipment and maintenance and an additional 8 years for maintenance.

The attorney has reviewed the documents, made recommendations and changes and is satisfied with the agreement as presented. There were a number of items the attorney requested to be changed, some changes were made and some were not. If anyone wishes to see the mark up from the attorney please contact me.

It should be noted that two issues came up that will alter the total dollar costs over the 15 years. First, the presentation had no increase for the yearly maintenance fee, but the agreement did have a cost increase. The attorney and I negotiated a flat 1% increase each year which would increase the 15 year dollar amount by \$30,000 or \$2,000 per year. This amount is fair considering the service the District will receive year to year. See attorney email.

There is an unanswered question in regard to tax liabilities. I am waiting for that information.

Recommendation: Approve the agreement with Suez for the AMI Metering Asset Management and Maintenance Program at a cost not to exceed \$1,500,000. Please note on Exhibit B the loan payout and the spreadsheet attached in regard to the payments with the Meter Payment is for 7 years and Meter maintenance agreement for 15 Years. That is where the not to exceed \$1, 500, 00 is derived.

Vanessa Stevens

From: David Aranda <daranda@stallionspringscsd.com>
Sent: Monday, January 20, 2020 8:35 AM
To: Vanessa Stevens
Subject: Fwd: Stallion Springs Legal Response
Attachments: image001.jpg; Untitled attachment 00004.htm; image006.jpg; Untitled attachment 00007.htm; image007.jpg; Untitled attachment 00010.htm; image007.jpg; Untitled attachment 00013.htm; image001.jpg; Untitled attachment 00016.htm; image006.jpg; Untitled attachment 00019.htm; image007.jpg; Untitled attachment 00022.htm; image007.jpg; Untitled attachment 00025.htm; image001.jpg; Untitled attachment 00028.htm; image004.jpg; Untitled attachment 00031.htm; image005.jpg; Untitled attachment 00034.htm; image005.jpg; Untitled attachment 00037.htm; Untitled attachment 00040.docx; Untitled attachment 00043.htm; Untitled attachment 00046.docx; Untitled attachment 00049.htm

Sent from my iPhone

Begin forwarded message:

From: Jennifer Brandenburg <Jennifer.Brandenburg@bbklaw.com>
Date: January 17, 2020 at 3:42:25 PM PST
To: David Aranda <daranda@stallionspringscsd.com>
Subject: FW: Stallion Springs Legal Response

David,



I have received the revised terms from Suez, besides the tax item which they are still working. I am OK with the terms as revised by them.

The one thing I want to point out to make sure you were aware is under the SOW 7a which discusses the Maintenance Fee. It first states that the Maintenance fee will adjusted 1% annually as you mentioned. It also includes that should the Engineering News Report Construction Cost Index increase more than 4% a year, the Company has a right to right to renegotiate the Maintenance Fees amount. If the District and Suez fail to reach mutually agreeable terms to what the renegotiated fees would be, either parties have the right to terminate the Agreement.

Call me if you'd like to discuss.

Happy weekend!



Jennifer Brandenburg
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From: Riner, Diana <diana.riner@suez.com>
Sent: Friday, January 17, 2020 3:18 PM
To: Jennifer Brandenburg <Jennifer.Brandenburg@bbklaw.com>
Subject: RE: Stallion Springs Legal Response

CAUTION - EXTERNAL SENDER.

Jennifer,

Our tax department is still working with the business team on the tax line item by year and what the tax entails, so in the interest of time I am forwarding the documents for your preliminary review minus that item. I put a note/highlight in the SOW to this effect.

Thanks, and hope you have a great weekend! Our office is closed on Monday but I will be available on email if you have any questions.

Kind regards,

Diana New Riner
Corporate Attorney
SUEZ Advanced Solutions, LLC

SUEZ
535 Courtney Hodges Boulevard
Perry, GA 31069
Office: 478 988 5205
Mobile: 770 584 9169

Maintenance Program Coverage

Continuous condition assessment reporting – 24/7 System Monitoring watching for anomalies in performance. AMI Monitoring Service included.

AMI Network Preventive and Corrective Maintenance – Annually and as needed, includes Annual DCU Maintenance Agreement per Collector – Annually and as needed (DCU = Towers).

Meter Corrective Maintenance – If something is off a preset baseline reading high, low, or not at all, system will be notified, if unable to identify problem an on-site investigation will be performed.

Includes Annual Water Meter Service Agreement per Meter – This refers to each meter individually and is to extend the manufacturer’s warranty for the full agreement period.

Transmitter corrective maintenance – Maintenance to be performed annually and as needed to the transmitter at the meter (MTU) which sends the readings to the DCU.

Includes Annual Transmitter Service Agreement per Transmitter - This refers to each transmitter individually and is to extend the manufacturer’s warranty for the full agreement period.

Software Support and Upgrades includes any and all software updates to the system and training on new versions as they are released.

Hosting Services and IT support - Hosting services includes the Cloud Account used in the backhaul area of the system and 24/7 IT support availability.

Backhaul Communications is included as part of the maintenance program coverage. This includes obsolescence of technologies such as 2G/3G cellular end of life.

Product warranty and Returned Materials Authorization (RMA) is included as part of the program. All warranty claims and returned goods will be handled by Suez.

Annual System Training or as needed -

Stallion Springs AMI - 15 Year Pro

	Annually	Total Program
Meter Payment 7 Years	\$114,700	\$802,900
Meter Maint \$25,843 + 1% Annually	\$27,733	\$415,992
Totals	\$142,433	\$1,218,892
Revenue Enhancement	\$255,074	\$3,826,110
Financial Benefit after payments	\$173,815	\$2,607,218
1st Payment Due 7/1/21	\$140,543	
18 Month Revenue Enhancement minus 8 month deployment time.	\$212,561	
	\$72,018	Accrued Balance after 1st payment



First payment due 18 months from the date contract is signed. Should take approx. 6-8 months to deploy system. Using 2/1/2020 as contract date first payment due 7/1/2021. Year 1 of the 15 year program begins with first payment.

First 7 years = \$142,433 (This uses an average of the total 15 year maint after 1% year increase)

Last 8 years = \$27,733 (Also an average of 15 years maint with 1% escalation year)

SCOPE OF WORK NO. 1
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STALLION SPRINGS COMMUNITY SERVICES DISTRICT

METER MAINTENANCE PROGRAM

1. **Effective Date.** The Effective Date for this Scope of Work No. 1 ("SOW1") shall be _____, 2020.
2. **Term.** This SOW1 shall commence on the Effective Date and shall continue in full force and effect for a period of fifteen (15) years ("Term"), unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Description of Meter Maintenance Program and Company's Obligations.** The Meter Maintenance Program shall consist of two phases: an initial deployment phase and a maintenance phase. This SOW1 outlines the Company's responsibility for deployment, commissioning and maintenance of a Meter Maintenance Program. The Company shall provide all labor, equipment, and materials and use proprietary technology and know-how to complete installation for the Meter Maintenance Program.
 - a. The Company shall supply and install water meters ("meters") at locations throughout Stallion Springs Community Services District. The meters supplied will be in the following quantities by size:

Meter Size	Quantity
3/4"	1294
1"	98
1-1/2" Turbine	1
2" Turbine	5
3" Compound	2

The residential and light commercial meters will comply with the following specifications:

- All meters shall meet or exceed the latest version of the American Water Works Association Standard C700 or C710 for positive displacement type meters.
- All materials used in the construction of the main cases shall have sufficient dimensional stability to retain operating clearances at working temperature up to 105 degrees Fahrenheit.
- The meter serial number shall be stamped on the main case of the meter.
- Measuring chambers shall be made of a suitable engineered plastic as described in AWWA C700 or C710.
- The measuring chamber shall employ a stainless-steel shaft for the drive magnet.
- The measuring chamber drive magnet shall be encapsulated in plastic.

- The measuring chamber shall incorporate a locating device that aligns to the main case of the meter to ensure proper chamber orientation and alignment.
- The measuring chamber shall be locked into place with a chamber retainer.
- All meters shall be 100% factory tested for accuracy and have the factory test results provided with each meter.
- Meters shall be pressure tested to ensure against leakage.

The commercial meters will comply with the following specifications:

- Shall meet or exceed all requirements of ANSI/AWWA Standard C701 and C702 for Class II turbine and compound meter assemblies. Each meter assembly shall be performance tested to ensure compliance.
- The meter main case shall be bronze or epoxy coated ductile iron composition.
- The measuring chamber shall consist of a measuring element, removable housing, and all-electronic register.
- The meter package shall meet or exceed all requirements of NSF/ANSI Standard 61, Annex F and G.

b. The company will supply and install 1396 Single Port Advance Metering Infrastructure (AMI) water modules ("AMI Water Modules") and 2 Dual Port AMI water modules which meet the following specifications:

- The AMI Water Module shall be capable of receiving meter data from the meters described above.
- AMI Water Module meters/service and other related endpoint devices shall be capable of being configured to communicate with the installed Data Collector Units ("DCUs").
- The AMI Module shall communicate using licensed 450 MHz band, certified to comply with FCC Part 90 rules.
- The AMI Water Module shall be designed and built for installation in outdoor water meter boxes
- Water endpoint devices shall be housed in a single package design designed for rugged, harsh environments and capable of complete submersion in water without damage.
- The AMI Water Module must function accurately and not be damaged over an operating temperature range of -40 deg. C to +70 deg. C.
- The AMI Water Modules shall be designed to operate in the above conditions and have an estimated battery life of 15 years.
- Battery life data shall be transmitted alerting of low battery levels for preemptive maintenance.
- The AMI module shall have the capability to receive and process commands from the host system for all firmware updates to eliminate the need to manually perform the update function at each locale.
- The AMI Water Module shall employ actionable reports/alerts, to include:
 - Tamper Alert or Meter disconnected
 - Bad Read - ? or – marks

- Small Leak Detected
- Large Leak Detected
- No Flow detected – Specific period of time set in the host software
- Reverse Flow / Backflow
- High Flow Rate Detected – Specifics set in host software
- Battery Health
- Each AMI module's clock date & time settings shall be updated to match reference date & time that shall be regularly provided to the meter via the Host Software, defined below.

c. During the initial deployment phase, if the number of installed meters found exceed the meter quantities as detailed above in Section 3a., the Company will notify the Owner of this change in writing. The Company will supply and install water meters and AMI Modules at these additional locations, unless the Owner declines the additional meter quantities in writing to Company's Project Manager, prior to start of work. The Owner will have the choice to pay for the additional work separately as a one-time charge, or have the Investment Fee and the Maintenance Fee updated to reflect the new cost of service. If the number of installed meters and AMI modules found are less than the meters and AMI modules quantities as detailed above, the Company will notify the Owner of this change in writing. The Company will reimburse the Owner the cost of the meters and AMI modules less a restocking fee. If the Owner elects to keep a portion or all of said meters and AMI modules, the Owner shall notify the Company in writing. No reimbursement to the Owner shall be made on any meters and AMI modules the Owner elects to keep. The kept meters and AMI modules shall be delivered to the Owner.

d. The company will supply and install sufficient Data Collector Units (DCU) to provide adequate coverage of the Owner's service territory. The DCUs will comply with the following specifications:

- The DCUs shall be battery powered with either AC or solar powered battery charger, which communicates in the licensed 450 MHz range with all the AMI modules in its assigned area.
- The DCUs shall communicate to the Network Control Center (NCC) via a universal wide area network (WAN) connection, such as GSM/GPRS cellular, Ethernet or fiber to allow communication with the Host Software.
- The DCUs shall collect and aggregate the stored meter data from all the AMI Modules in its zone a minimum of once per day and upload the information to the Host Software a minimum of once per day providing interval reads from each AMI module as programmed.
- The Host Software shall allow self-diagnosis of any problems associated with the back haul of the communication system and the ability to automatically seek an alternate communication path if initial daily or real-time upload is unsuccessful.
- The DCU shall have the ability to time synchronize all devices to within 5 seconds once per day and allow daily upload of meter data and system health checks is required.
- The DCU shall allow remote firmware and software upgrades.

- e. The Company will assist the Owner with the preparation of a license application for submittal to the Federal Communications Commission for the issuance of a license which would allow the Owner to operate the AMI system within the utility service territory of the Owner. The Company cannot guarantee the issuance of a license by the Federal Communications Commission, and the Company shall not be liable to the Owner for any damages in the event that the license is not issued; however, if the license is not issued, the Owner shall pay the Company for all Services performed/completed prior to the Federal Communications Commission's decision not to issue the license.
- f. The Company shall provide the Owner with accessibility to a managed hosting service, which will include monitoring services and backup services, installation of security patches and various levels of technical support. The hosted solution shall utilize a secure web-based application.
- g. The Company will provide a hosted software system ("Host Software") with the following capabilities:
- The Host Software shall act as the central collection point for the data within the system. The server collects data from all of the DCUs and stores the gathered data in a secure database. Once data is stored and analyzed on the server, the data shall be available for display via an easy to use web based graphical interface. Access to the data shall be provided to the Owner by means of a user name and password.
 - The data will be available via a user interface that will allow for analysis, as well as bill generation.
 - The Host Software shall manage and archive data for five years such that it can be accessed by any Owner computers, handheld devices remotely via the web.
 - Using information from alerts uploaded in the data, the Host Software shall have the ability to generate user specific reports for each status code, configured by the User Interface.
 - Where Company or its suppliers have reduced or eliminated functionality in the Host Software, the parties shall negotiate and determine the fair value of the reduced or eliminated functionality, and Company shall immediately adjust the Maintenance Fees accordingly on a prospective basis.
 - Where Company or its suppliers have increased, added or upgraded functionality in the Host Software, the parties shall negotiate and determine the fair value of the increased, added or upgraded functionality and Company shall immediately adjust the Maintenance Fees accordingly on a prospective basis.
 - It is the policy of Company's supplier to provide support, including appropriate replacement product, for the term of this SOW1. This support includes the repair or replacement of failed equipment, availability of compatible product for normal maintenance and growth and software support for the equipment provided. Company's supplier cannot take responsibility for third party equipment and software. Company's supplier will make commercially reasonable efforts such that new features are compatible with existing systems, but does not guarantee such compatibility.

- In the event of any Owner Data (defined as data collected from the field devices, meters, MTUs, and DCUs, and any additional devices added under this SOW1 or any amendment thereto, and data from the CIS/Billing software) or data security incident (“Data Breach”) with regard to the Host Software, Company shall notify the Owner in writing as soon as practicable of such occurrence or suspected occurrence and provide any efforts to mitigate the effect of such unauthorized access, use, or disclosure and corrective actions Company or its suppliers will take to prevent further Data Breaches.
- Company is provided a limited license to Owner Data for the sole and exclusive purpose of providing the services in this SOW1, including a license to collect, process, store, generate, and display Owner Data only to the extent necessary in the providing of services in this SOW1. Company shall: (i) keep and maintain Owner Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations and applicable law, to avoid unauthorized access, use, disclosure, or loss of Owner Data; (ii) use and disclose Owner Data solely and exclusively for the purpose of providing the services, such use and disclosure being in accordance with this SOW1 and applicable law; and (iii) not use, sell, rent, transfer, distribute, or otherwise disclose or make available Owner Data for Company’s own purposes or for the benefit of anyone other than Owner without Owner’s prior written consent.

h. The Company will establish and maintain communications service between the DCUs and the Host Software.

i. The Company shall supply and deliver the AMI System components identified herein, including training and ensuring the proposed AMI system is operational prior to full deployment. This includes the development of an exporting interface to the utility billing system and functional testing of the system.

j. The Company’s project manager shall oversee the execution of all aspects of the project and provide regular progress reports to the Owner.

k. The Company will provide installation of water meters and AMI modules per the following process:

- Safely remove meter box cover and verify meter number.
- Attempt to notify resident if they are home. If there is no answer, check to see if meter is turning. If turning, come back later or wait a few moments to see if meter stops turning.
- Turn curb stop off.
- Record final reading from old meter.
- Remove old meter.
- Install new meter and washers.
- Open resident’s spigot(s) to flush air and debris from house line.
- Turn curb stop on.
- Verify the new meter is turning.
- Install new radio transmitter by connecting wires.
- Program AMI module per manufacturer’s procedures

- Remove all trash and debris and leave job site in the same condition in which it was found.
- Record GPS location of water meter.
- Replace meter box cover.
- Reinstall meter box cover. If the meter box cover does not allow for the transmission of the RF signal, the cover shall be replaced with an RF friendly cover.
- When a meter exchange is completed, all components within the meter box shall be in working order with no leaking components and the meter turning as designed. Meter box shall be free of debris or trash.

I. The Company will:

- Schedule warranty service work two weeks in advance with Owner verification of sufficient replacement hardware.
- Provide 98.5% read rate over a three-day period.
- Schedule field service to maintain 98.5% read rate over a three-day period.
- Provide replacement hardware of any component, detailed above, which fails, except as detailed in Section 8 of this SOW1

4. Owner's Obligations.

- a. Owner shall verify all water meter pit boxes are clean and in good condition.
- b. Owner shall verify that all meter isolation/pit valves are in good working order, providing a complete shutoff.
- c. Owner shall provide access to Owner's public buildings and water tanks as necessary in order to install DCUs.
- d. The Owner shall cooperate and ensure that we have access to the water meter boxes for installation and/or maintenance of meters. Owner must provide any necessary written notice(s) to the Owner. The Owner will cooperate with Company to use any of their facilities (in a nonintrusive manner) to effectively install any equipment necessary for the metering service.
- e. The Owner will have to provide all of the information and support needed so that the Company can efficiently and effectively implement the AMI system export interface to the Owners billing system.
- f. During the initial deployment phase, if the Company finds that the Owner was not able to fulfill above obligations 4a and/or 4b, the Company will continue to supply and install water meters and AMI Modules at these locations, unless the Owner declines this service in writing to the Project Manager, prior to start of work. The Owner will have the choice to pay for this additional work separately as a one-time charge, or have the Investment Fee and the Maintenance Fee updated to reflect the new cost of service.
- g. Owner agrees to keep one percent of the total number of installed AMI Water Modules in stock (minimum ten modules) for exclusive use by the Company for performing warranty replacement work.
- h. Owner agrees to maintain sufficient replacement hardware including spare water meters and water meter registers.
- i. Owner is aware that insufficient replacement hardware for warranty service could lead to delays in service.

5. Software License. This Section sets forth the terms and conditions of the license for the Host Software ("Software") provided to Owner. Company and its suppliers grant to

Owner a limited, nontransferable, non-exclusive and perpetual license to use the Software in object code form on a single central processing unit or computer network owned or leased by Owner or otherwise embedded in equipment provided by Company's supplier, solely in connection with the Owner's business operations. Owner may not modify or change the Software.

No right, title, or license in the Software shall transfer to the Owner, including any of Company supplier's trademarks, copyrights, patents, trade secrets, trademarks or other intellectual property rights embodied therein or used in connection therewith. The Owner is expressly prohibited from sublicensing, selling or otherwise transferring any of the Software. The Owner is required, as soon as practically possible, to notify Company and Company's supplier of any actual or suspected infringement of all or any part of the Software. The Software may be used only for the Owner's own business and by its officers, officials and employees in the performance of Owner's business, and the Owner shall not permit any parent, subsidiary, affiliated entity or third party to use the Software without prior written consent from Company. If said written consent is received from Company, any additional party shall be required to comply with the terms of this Software License. The Owner may make one archival copy of the object code for the Software, provided that the copy shall include the copyright and other proprietary notices found herein.

Company's supplier owns all proprietary rights, including patent, copyright, trade secret, trade name, trademark, service mark, logo, and other proprietary rights, in and to the Software, the training and instructive materials, and any corrections, bug fixes, enhancements, derivative works, updates or other modifications, including custom modifications, of or to the Software and the training and instructive materials related thereto, whether made or created by Company's supplier, Company, the Owner or any third party. Except as expressly agreed by Company's supplier and Company in a signed writing, all rights in and to Company's supplier's intellectual property are expressly retained by Company's supplier. Except as expressly set forth herein, no license or right related to Company's supplier's intellectual property shall be deemed to be granted to Company, the Owner or any third party.

Only Company's supplier or its authorized agents shall have the right to alter, maintain, enhance, customize, or otherwise modify the Software. Company's supplier shall not be responsible for any malfunction, error, or failure of the Software resulting from any alteration, maintenance, enhancement, customization or modification performed by the Owner or any unauthorized third party. The Owner shall not disassemble, decompile, reverse engineer, reverse assemble, reverse compile or make extracts from the Software or create any derivative works or similar methods therefrom or permit others to do so.

Restrictions on Use.

Licensing parameters. The Owner's use of the Software is restricted to these Licensing Parameters. Use of the Software outside the Licensing Parameters is subject to the express written consent of Company and Company's supplier and the payment of all required additional fees.

1. Technology System

- a. The Owner may not rent the Software or use the Software on a time share basis. This restriction is specifically applicable to any service or service bureau arrangement to which the Owner is, or may be, a

- party. The Owner shall not directly or indirectly, make the Software available to others.
- b. If the Owner has a Multi-Utility license, the Owner's use of the Software and training and instruction materials is restricted to (i) the Owner's internal use solely in connection with the Owner's use of Company's Technology System and to (ii) the Owner's use in providing meter reading services to its customer/utilities utilizing Company's Technology System.
 - c. The customer/utilities to which the Owner may provide such services are limited to those that shall be identified as the Attachment A of this SOW1. It is the obligation of the Owner to update such list no less frequently than annually.
2. Alteration. The Owner's use of the Software is limited in that the Owner is prohibited from altering, attempting to reverse engineer, attempting to decompile, or creating or attempting to create a derivative work from the Software.
3. Copies
- a. The Owner's use of the Software is limited in that it may not copy the Software except for:
 - i. Use in the computer equipment of Company or Owner in which the Software is loaded and such additional equipment as Company and Owner may from time to time designate in writing;
 - ii. Back up purposes; and
 - iii. Archival purposes.
 - b. All such copies shall include any copyright notices appearing in the Software.
 - c. The Owner shall have the right to copy and modify the Software training and instruction materials to coordinate these materials with the Owner's own internal training and working procedures. Company and Company's suppliers shall have no liability or obligation to the Owner with respect to any modified training and instruction materials, and any additional costs incurred by Company or Company's supplier in the integration or maintenance changes caused by such modifications shall be reimbursed to Company by the Owner.
4. Compliance with Laws. The Owner's use of the Software is limited in that it must use the Software and the training and instruction materials in accordance with all applicable laws and regulations of the United States and the Federative Republic of Brazil.
5. Used on Designated Equipment. The Owner's use of the Software is restricted to use on the Designated Equipment, defined as the computer equipment of Company or Owner in which the Software is loaded and such additional equipment as Company and Owner may from time to time designate in writing. Should the Owner desire to transfer the operation of the Software to a computer other than the Designated Equipment, the Owner shall notify Company and Company's supplier upon such transfer. Such computer must meet the required specifications of the Designated Equipment. Under no circumstance may the Software be used for production purposes on other than the Designated Equipment.
6. Temporary Use. Without notice to Company or Company's supplier, the Owner may temporarily transfer the operation of the Software to a backup computer if the Designated Equipment is inoperative due to malfunction, or

during the performance of preventative maintenance, engineering changes or changes in features or model until the Designated Equipment is restored to operative status and processing of the data already entered into the back up computer is completed.

IN NO EVENT WILL COMPANY OR ITS SUPPLIERS BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR DATA, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE EVEN IF COMPANY OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall Company's or its suppliers' liability to Owner, whether in contract, tort (including negligence), or otherwise, exceed the price Owner paid.

This License is effective until this SOW1 is terminated as set forth in Section 9 of the Master Service Agreement. Additionally, Company may terminate this License immediately upon notice to Owner. This License will terminate immediately without notice from Company if Owner fails to comply with any provision of this SOW1, to include nonpayment or violation of the terms of use in effect from time-to-time during the term of this SOW1. Upon termination of this License, Owner must return or destroy all copies of Software.

This License shall be governed by and construed in accordance with the laws of the State of California. If any portion hereof is found to be void or unenforceable, the remaining provisions of this License shall remain in full force and effect. This License constitutes the entire License between the parties with respect to the use of the Software.

6. **Fees and Payment Terms.** For the performance of the Services, Owner shall pay Company in accordance with the terms of this Section 6. The fees paid shall constitute the full and complete compensation to Company for the Services performed pursuant to this Agreement. The Meter Maintenance Program is estimated to be deployed within fifteen months of execution of this Agreement. The five (5) investment fees ("Investment Fees") shall be payable based on the achievement of the applicable milestone ("Milestone") in the Project Milestone Table below:

Project Milestone		Investment Fees		
Month	Milestone	%	Amount	Total
1	30 days after Contract signature	30%	\$ 210,450.00	\$210,450.00
5	Collectors installation	30%	\$ 210,450.00	\$420,900.00
8	Meter/transmitter Procurement	15%	\$ 105,225.00	\$526,125.00
11	Meter/Transmitter installation 50% completed	10%	\$ 70,150.00	\$596,275.00
15	Final Completion	15%	\$ 105,225.00	\$701,500.00
Total			\$ 701,500.00	

Project Milestone	Description	Deliverable
30 days after Contract signature	30 days after Contract has been signed by both parties.	Contract signed