AQUA-METRIC AMI AGREEMENT

This Aqua-Metric AMI Agreement (the "Agreement") is made by and between Thirkettle Corporation dba Aqua-Metric Sales Company, a California corporation, having its principal location at 4050 Flat Rock Drive, Riverside, CA 92505 ("Aqua-Metric") and the City of Coppell, a United States municipality having its principal location at 255 Parkway Boulevard, Coppell, Texas 75019 ("City") as of ______, 2019 (the "Effective Date"). The Parties agree as follows:

- A. Aqua-Metric is the exclusive value-added reseller of certain services, hardware, and software related to Advanced Metering Infrastructure ("AMI") technology manufactured by Sensus, Inc. ("Manufacturer") and used by Aqua-Metric's municipal customers to meter and measure water.
- B. City desires, and Aqua-Metric desires to provide to City, the services and products described herein to facilitate an AMI System for the measurement and metering of City's water utilities.

1. PROJECT.

- 1.1. <u>Performance</u>. Aqua-Metric agrees to perform and provide to City the products and services that are described in this Agreement and its various Exhibits as part of a global AMI System for the measurement and metering of the City's water utilities. For purposes of this Agreement, Aqua-Metric will be deemed to have provided such products and services to the extent that any such products and services are provided by Manufacturer or any other third party approved by City.
- 1.2. <u>Fiscal Funding Out</u>. In the event no funds or insufficient funds are appropriated by the City in any fiscal period for any payments due hereunder, the City will notify Aqua-Metric of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds have been appropriated or services/materials have been delivered or ordered. The City will use good faith efforts to notify Consultant in advance of an anticipated lack of appropriations.
- 2. <u>LICENSE</u>. Pursuant to the Manufacturer Agreement, City shall be provided use of the Sensus FlexNet license and frequencies necessary for the ongoing function of the AMI System that makes up the Project.

3. STATEMENTS OF WORK.

3.1. Aqua-Metric's Scope of Services for provision of the Project's products and implementation services are described herein as Exhibit A.

4. <u>OWNERSHIP.</u>

4.1. 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 City Work Product, City Data and City Confidential Information).

- 4.2. City Materials. City shall retain all right, title and interest (including copyright and other proprietary or intellectual property rights) in the City Work Product, City Confidential Information and City Data. Aqua-Metric may access City Data only to respond to AMI services or technical problems or at City's request, and for the purposes of hosting such City Data in connection with the provision of the AMI Services to City. Without limiting the generality of the foregoing, Aqua-Metric agrees that information and data on how the AMI Services are used by City (such as, but not limited to, benchmarking data, usage patterns and roles) constitute City Confidential Information and may only be used by Aqua-Metric to improve the delivery of AMI Services for City, 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 City.
- 5. <u>CONFIDENTIAL INFORMATION.</u> 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 confidential Information for any purpose other than the purposes set forth herein, nor use the other party's Confidential Information for any purpose other than the purposes set forth under this 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. City will maintain the confidentiality of all Aqua-Metric Confidential Information, and Aqua-Metric will maintain the confidentiality of all City 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 City Data shall be deemed City Confidential Information for purposes of this Agreement and the protections and requirements set forth herein.

6. OBLIGATIONS.

- 6.1. City Obligations. City 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.
- 6.2. Aqua-Metric Obligations. Aqua-Metric acknowledges and agrees that it will provide the Support Standards to City as described in Exhibit B.

7. LIMITED WARRANTIES, REPRESENTATIONS AND COVENANTS.

7.1. Aqua-Metric Services and System. Aqua-Metric represents, warrants and covenants that it will perform all AMI Services hereunder in a proper and workmanlike manner and that the AMI System will perform in accordance with applicable documentation. Aqua-Metric represents, warrants and covenants to City that the products and services as a system ("System") shall function without critical error and in accordance with the applicable Performance Standards and Documentation. If Aqua-Metric breaches any of the representations, warranties or covenants stated herein, Aqua-Metric at its own expense, and at City'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).

7.2. Aqua-Metric Products. Aqua-Metric represents, warrants and covenants that the AMI Products shall operate in compliance with their Documentation and all warranties, protections and indemnifications offered by the Manufacturer shall be passed through to City; provided, however, to the extent that such warranties, protections or indemnifications cannot be passed through to City 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 Agreement, whichever is greater.

8. COMPLIANCE WITH LAWS

- 8.1. Aqua-Metric Compliance with Laws. Aqua-Metric will perform their respective obligations under this Agreement in a manner that complies with all Laws: (i) applicable to Aqua-Metric's respective business and activities, including Laws of any country or jurisdiction from which or through which Aqua-Metric provides the product or services; and (ii) applicable to City and City'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.
- 8.2. City Compliance with Laws. City will perform its obligations under this Agreement in a manner that complies with all Laws applicable to City'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.

9. DISCLAIMER OF WARRANTIES.

- 9.1. Disclaimer. EXCEPT AS SPECIFICALLY SET FORTH IN THIS 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.
- 9.2. 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. Aqua-Metric will not be responsible for any damages that City may suffer arising out of use, or inability to use, the Services.
- 10. <u>LIMITATIONS AND DISCLAIMERS OF LIABILITY.</u> DISCLAIMER OF CERTAIN DAMAGES. IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY TO THE ANOTHER PARTY HERETO 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.

11. INDEMNIFICATION.

- 11.1. Aqua-Metric's Obligation. Aqua-Metric shall defend, indemnify and hold each City 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 City Indemnitee arising from or in connection with any and all third party suits, claims, actions or demands (a "Claim"): (i) alleging any Product, Software or any Service infringes any valid and issued patent, copyright, or trademark or similar property right of a third party, (ii) 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; (iii) relating to or arising out of Aqua-Metric's failure to comply with applicable law; and (iv) relating to or arising out of Aqua-Metric's breach of its confidentiality obligations hereunder. "City Indemnitee" shall mean City, and its respective officers, directors, employees, agents, successors and assigns.
- 11.2. City Obligation. City shall defend, indemnify and hold Aqua-Metric harmless from any and all losses, costs, fines, penalties, damages and other amounts (including reasonable attorney fees) incurred by, assessed against or imposed on Aqua-Metric arising from or in connection with any and all third party suits, claims, actions or demands (a "Claim"): (i) for personal injuries, death or damage to tangible personal and real property caused by the negligence or willful misconduct of City, its employees, contractors or agents other than Aqua-Metric; (ii) relating to or arising out of City's failure to comply with applicable law; and (iii) relating to or arising out of City's breach of its confidentiality obligations hereunder.
- 11.3. Boycott of Israel. In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.
- 12. <u>INSURANCE.</u> Aqua-Metric will maintain, at its respective 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 Agreement. Upon request, Aqua-Metric agrees to provide City with a Certificate of Insurance evidencing said insurance. Aqua-Metric will maintain during the term of this Agreement and for one (1) years thereafter the following minimum insurance coverages and limits:
 - 12.1. 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 Agreement, products and/or completed operations liability and premises liability. Such coverage shall also cover City as an additional insured; and
 - 12.2. 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 City as an additional insured; and
 - 12.3. 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 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 City, shall produce evidence of such coverage to City; and
 - 12.4. 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 City as an additional insured.

13. GENERAL.

- 13.1. Agreement Authorized. Each party represents to the other party that: (i) it has the power and authority to execute and deliver this Agreement and perform its obligations hereunder; (ii) the execution, delivery, and performance of this Agreement has been duly approved and authorized by it; and (iii) the execution and delivery of, and performance by, such party of this Agreement does not and will not, directly or indirectly, (iv) 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, (v) 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 (vi) 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.
- 13.2. 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 Agreement.
- 13.3. Independent Contractor. The relationship of the Aqua-Metric to City is that of an independent contractor, and this 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 warrant and represent that they alone are 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 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 City be liable to any Aqua-Metric employee for any of the terms and conditions of their employment.
- 13.4. Modifications, Amendments or Waivers. No modifications or amendments to the Agreement, and no waiver of any provisions hereof shall be valid unless in writing signed by duly authorized representatives of the parties.
- 13.5. Nonwaiver. Any failure or delay by any 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 Agreement. The waiver by either party of a breach of any term, condition or provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.
- 13.6. Notices. Except as otherwise provided in the 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 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.
- 13.7. Remedies. Except for remedies specifically designated as exclusive, no remedy conferred by the 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.

- 13.8. Severability. If any term, provision or part of the Agreement is to any extent held invalid, void or unenforceable by a court of competent jurisdiction, the remainder of the 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.
- 13.9. Successors. This 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 Agreement).
- 13.10. Assignment. Aqua-Metric may not assign any of their respective 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 City shall have the right to terminate this Agreement as set forth herein. This Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

14. DEFINITIONS.

- 14.1. "Confidential Information" means documents, data, work product and any other sources of information designated as confidential in writing by City 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.
- 14.2. "City Confidential Information" means the City Data, City Proprietary Materials, and any other City owned or licensed information or material that is designated in writing by City as proprietary and confidential, or that Aqua-Metric should reasonably know is confidential in light of the circumstances surrounding its disclosure.
- 14.3. "City 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 City, including, but not limited to, Personally Identifiable Information; (ii) data and/or information provided or submitted by or on behalf of City or any City 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.
- 14.4. "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 Agreement.
- 14.5. "AMI Services" mean the hosting and processing Services performed by Manufacturer and Aqua-Metric using Software, as described in the Manufacturer Agreement.
- 14.6. "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.
- 14.7. "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 Agreement by Aqua-Metric staff (including employees and subcontractors), expressly excluding any City Work Product; and (ii) any modifications thereof and derivative works based thereon.

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

Зу:
Printed Name:
Fitle:
Date:
Notice Address:

EXHIBIT A

ANNUAL PRICING

Advanced Metering Infrastructure Agreement Proprietary and Confidential



Phone: (210) 967-6300 • Fax: (210) 967-6305



September 18, 2018

Quote For:	City of Coppell, Texas
Attention:	Kim Tiehen, CPA
Address:	255 Parkway Boulevard, Coppell Texas
Phone:	(972) 462-0022
Email:	ktiehen@coppelltx.gov

Quantity	Description	Unit Price	Extended	
	Annual Recurring Costs ^{5,6} - Year One			
1	Annual RNI Software-as-a-Service (SaaS) Fee	\$16,394.00	\$16,394.00	
1	Annual Sensus Analytics Enhanced - Water Software	\$13,875.00	\$13,875.00	
1	Annual Sensus Analytics Unlimited Text Message Block (Optional)	\$1,605.00	\$1,605.00	
1	Annual Customer Portal Core (Based On 1,500 Users Minimum)	\$5,000.00	\$5,000.00	
TBD	Annual Customer Portal Additional Users (Price Per User Beyond 1,500 Minimum)	\$1.92	To Be Determined	
1	Annual Customer Portal Text Messages Unlimited for 1,500 Users (Optional)	\$180.00	\$180.00	
1	Aqua-Metric Annual Maintenance and Support	\$20,000.00	\$20,000.00	
	Year One	e Software Fees:	\$31,874.00	
	Year One Custo	mer Portal Fees:	\$5,180.00	
	Year O	ne Support Fees:	\$20,000.00	
		Year One Total:	\$57,054.00	
	Annual Recurring Costs ^{5,6} - Year Two			
1	Annual RNI Software-as-a-Service (SaaS) Fee	\$16,394.00	\$16,394.00	
1	Annual Sensus Analytics Enhanced - Water Software	\$13,875.00		
1	Annual Sensus Analytics Unlimited Text Message Block (Optional)	\$1,605.00		
1	Annual Customer Portal Core (Based On 1,500 Users Minimum)	\$5,000.00		
TBD	Annual Customer Portal Additional Users (Price Per User Beyond 1,500 Minimum)		To Be Determined	
1	Annual Customer Portal Text Messages Unlimited for 1,500 Users (Optional)	\$180.00		
1	Aqua-Metric Annual Maintenance and Support	\$20,600.03		
_		o Software Fees:	\$31,874.00	
		mer Portal Fees:		
		vo Support Fees:		
		Year Two Total:		
	Annual Recurring Costs ^{5,6} - Year Three			
1	Annual RNI Software-as-a-Service (SaaS) Fee	\$16,394.00	\$16,394.00	
1	Annual Sensus Analytics Enhanced - Water Software	\$13,875.00		
1	Annual Sensus Analytics Unlimited Text Message Block (Optional)	\$1,605.00		
1	Annual Customer Portal Core (Based On 1,500 Users Minimum)	\$5,000.00		
TBD	Annual Customer Portal Additional Users (Price Per User Beyond 1,500 Minimum)		<u>To Be Determined</u>	
1	Annual Customer Portal Text Messages Unlimited for 1,500 Users (Optional)	\$180.00		
1	Aqua-Metric Annual Maintenance and Support	\$21,218.02		
		e Software Fees:	\$31,874.00	
			\$5,180.00	
	Year Three Customer Portal Fees Year Three Support Fees			
		ee Support Tees. /ear Three Total:		
			µ30,272.02	
	Annual Recurring Costs ^{5,6} - Year Four	A40.000	A	
1	Annual RNI Software-as-a-Service (SaaS) Fee	\$16,885.82		
1	Annual Sensus Analytics Enhanced - Water Software	\$14,291.25		
1	Additional Datastore (Year 4)	\$2,274.00	\$2,274.00	





6700 Guada Coma Drive • Schertz, TX 78154 Phone: (210) 967-6300 • Fax: (210) 967-6305

September 18, 2018

Quote For:	City of Coppell, Texas
Attention:	Kim Tiehen, CPA
Address:	255 Parkway Boulevard, Coppell Texas
Phone:	(972) 462-0022
Email:	ktiehen@coppelltx.gov

5 \$1,653.15 9 \$5,150.00 8 <u>To Be Determined</u> 9 \$185.40 5 \$21,854.55 5 \$35,104.22
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: \$5,335.40
: \$21,854.55
: \$62,294.17
\$17,392.39
\$14,719.99
2 \$2,342.22
\$1,702.74
\$5,304.50
1 <u>To Be Determined</u>
5 \$190.96
\$22,510.19
: \$36,157.34
: \$5,495.46
: \$22,510.19
: \$64,162.99
5

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 \$7,500.00
- 3. All quotes are valid for 90 days from date of quotation
- 4. Return product may be subject to 25% restocking fee
- 5. Annual 3% price increase; Minimum 5 year term for SaaS Model; Annual increase for years 6-10 TBD
- 6. Pricing based on 13,375 Services
- 7. AMI System Components to be purchased by Siemens
- 8. Pricing does not include staging, product storage, or end-customer notification

9. Pricing does not include bonding

- 10. Any items beyond quote above subject to price negotiations
- 11. Annual Overage fees for Consumer Portal will not be charged in the first year, but calculated at year end at the above rate, with a 3% annual increase
- 12. Text massage block pricing based on 1,500 users. Each user fee estimated at \$0.15 per service. City to be invoiced for actual services used at end of year.

EXHIBIT B

SUPPORT STANDARDS

- 1. Aqua-Metric Obligations. Aqua-Metric shall provide the following additional Support Services to City:
 - 1.1. Telephone Hotline/Help Desk. Aqua-Metric shall continuously provide a telephone number for City
 - 1.2. Enhancements and New Features. Aqua-Metric shall provide or ensure Manufacturer provides all enhancements to the Subscription Services.
 - 1.3. Documentation. Aqua-Metric shall provide updated Documentation, as applicable, for the Services, Products, and any enhancements provided to City as such Documentation are generally released, or more frequently if significant errors and/or discrepancies are discovered in such Documentation.
- 2. City Responsibilities. City 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 City to act as described below shall not be interpreted as or result in a breach of this 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. City 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 City. 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 City'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 City's non-individual customer hardware which interfere with communications, post-processing or significant transfers of data. The City 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 status upon notice to Aqua-Metric.
 - 4.2. Impactful issues are problems with the Services or Products that are less severe than Critical issues but delay completion of City'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 City resources to affect the work-around. The City 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 City 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 City 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 City 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 City 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 Texas. 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 City for Critical and Impactful issues.
- 4.6. Call-Back. When support services are requested, Aqua-Metric shall make return contact with City to: (1) confirm that the request for support has been received; (2) to receive City 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 City personnel. Troubleshooting resources shall be provided consistent with the criticality and anticipated time line of the supported issue.

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

4.8. Resolution Expectation.