

The following Articles and Tables are hereby included and made part of this Exhibit C:

Article 1: Summary of Articles and Total Guaranteed Savings

Article 1	Summary of Articles and Total Guaranteed Savings
Article 2	Measurement and Verification Options
Article 3	Performance Guarantee Period Responsibilities of CLIENT
Article 4	Measurement and Verification Plan
Article 5	Baseline Data
Article 6	Utility Rate Structures and Escalation Rates
Article 7	Contracted Baseline Data
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Attachment 2	Baseline Meter Testing Data
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Attachment 4	Rate Structures for Water and Sewer Services
Attachment 5	Product Specifications
Attachment 6	Water Quality Report

SUPPLEMENTAL GLOSSARY:

In addition to the Glossary set forth in Article 2 of the Agreement, the following additional definitions shall apply to this Exhibit C

AMI System means Advanced Metering Infrastructure System.

AMR System – means Automatic Meter Reading System.

Baseline Period means the time period described in Article 5, Section 5.1 of this Exhibit C.

Baseline Consumption means, for the water meter / AMI FIM, the water consumption by the CLIENT's water and sewer systems, in kgals, ccf or other, measured by the pre-existing metering system during the Baseline Period.

Adjusted Baseline Consumption means, for the water meter / AMI FIM, the Baseline Consumption that would have been measured, had the meters been 100% accurate, allocated into each water rate and price tier.

Baseline Billable Usage means, for the water meter / AMI FIM, the Adjusted Baseline Consumption multiplied by the Baseline Meter Accuracy.

Measured Billable Usage means, for the water meter / AMI FIM, the Revised Adjusted Baseline Consumption multiplied by the Measured Meter Accuracy.

Expected Billable Usage means, for the water meter / AMI FIM, water that is expected to be measured by the new meters, based on the Baseline Consumption, the Tested Actual Meter Accuracy and the Guaranteed Meter Accuracy.

Tested Baseline Meter Accuracy is, for the water meter / AMI FIM, the pre-retrofit measured accuracy of the existing meter, not including any accuracy degradation over time.

Baseline Meter Accuracy is, for the water meter / AMI FIM, the Tested Baseline Meter Accuracy of the existing meters including accuracy degradation over time, as defined in Table 5.7 of this Exhibit.

Guaranteed Meter Accuracy is, for the water meter / AMI FIM, the expected accuracy of the meters installed with the new AMI/AMR System.

Measured Meter Accuracy is, for the water meter / AMI FIM, the post-retrofit measured accuracy of the meters installed with the new AMI/AMR System, as defined in Article 4 of this Exhibit.

Measured Usage Increase (volume) means, for the water meter / AMI FIM, the additional billable volume of water metered from the CLIENT's water distribution system, in volumetric units (kgals, ccf, or other), that will be calculated under the Measurement and Verification Plan for each year of the Performance Guarantee Period. The calculation will be based on the difference between the Baseline Billable Usage and the Measured Billable Usage. (For details, see Section 4.2.1 of this Exhibit C)

Measured Revenue Increase (\$) means, for the water meter / AMI FIM, the additional billable revenue, in dollars, that will be calculated under the Measurement and Verification Plan for each year of the Performance Guarantee Period. The calculation will be based on the Measured Usage Increase billed at the Contract Water Rates. (For details see Section 4.2.1 of this Exhibit C)

Expected Usage Increase (volume) means, for the water meter / AMI FIM, the additional billable volume metered through the CLIENT's water distribution systems, in kgals, ccf or other, that is expected to be metered as a result of the installation of the new AMI/AMR System. The calculation will be based on the difference between the Baseline Billable Usage and the Expected Billable Usage. (For details see Section 1.1 of this Exhibit C)

Expected Revenue Increase (\$) means, for the water meter / AMI FIM, the additional billable revenue, in dollars, that is expected to result from the Expected Usage Increase billed at the Contract Water Rates. (For details see Section 1.2 of this Exhibit C).

Contract Water Rates mean the stipulated water and sewer rates during the Performance Guarantee Period. The Contract Water Rates for each year of the Performance Guarantee Period are shown in Table 6.1.

- 1.1 Table 1.1 shows the CLIENT'S Expected Usage Increase and energy saved for each year of the Performance Guarantee Period. While actual consumption may vary in each Performance Guarantee Period, the Expected Usage Increase is calculated based on Adjusted Baseline Consumption and the expectation that the new replacement meters under this Agreement will be accurate as guaranteed. Guaranteed Meter Accuracy of the meters during each year of the Performance

Guarantee Period is shown in Table 1.1, Col. 2. CLIENT will operate the Facility in accordance with the Contracted Baseline identified in Article 7.

Table 1.1
Guarantee Meter Accuracy and Expected Usage Increase (Volume)

Performance Guarantee Period	Guaranteed Meter Accuracy (5/8" and 1" meters)	Expected Water Usage Increase (volume) (100xGals)	Expected Sewer Usage Increase (volume) (100xGals)
Annual Period 1	98.5%	1,501,928	1,409,885
Annual Period 2	98.5%	1,549,760	1,454,786
Annual Period 3	98.5%	1,597,592	1,499,687
Annual Period 4	98.5%	1,645,424	1,544,588
Annual Period 5	98.5%	1,693,256	1,589,489
Annual Period 6	98.5%	1,741,088	1,634,389
Annual Period 7	98.5%	1,788,921	1,679,290
Annual Period 8	98.5%	1,836,753	1,724,191
Annual Period 9	98.5%	1,884,585	1,769,092
Annual Period 10	98.5%	1,932,417	1,813,993
Annual Period 11	98.5%	1,980,249	1,858,893
Annual Period 12	98.5%	2,028,081	1,903,794
Annual Period 13	98.5%	2,075,913	1,948,695
Annual Period 14	98.5%	2,123,745	1,993,596
Annual Period 15	98.5%	2,171,577	2,038,497
TOTAL		27,551,290	25,862,864

Table 1.2 shows the Expected Revenue Increase associated with the water meter upgrade in dollars, for each year of the Performance Guarantee Period.

The water and sewer revenue values are calculated by multiplying the Expected Usage Increase shown in Table 1.1 by the Contract Water and Sewer Rates (see Table 6.1, including the stipulated Escalation Rates found in that Table). The base water rate increases summarized in Article 6 are calculated by applying a 2% annual escalation to the current base rates detailed in Attachment 4.

- 1.2 Table 1.2 shows the CLIENT'S Operational Savings. The basis and methods of determining Operational Savings are described in detail in the Article 2, Table 2.2.

Table 1.2
Total Expected Revenue Increase

Performance Guarantee Period	Expected Revenue Increase (\$)	Total Savings (\$)
Annual Period 1	\$ 659,759	\$ 659,759
Annual Period 2	\$ 694,385	\$ 694,385
Annual Period 3	\$ 730,133	\$ 730,133
Annual Period 4	\$ 767,034	\$ 767,034
Annual Period 5	\$ 805,118	\$ 805,118
Annual Period 6	\$ 844,418	\$ 844,418
Annual Period 7	\$ 884,969	\$ 884,969
Annual Period 8	\$ 926,804	\$ 926,804
Annual Period 9	\$ 969,958	\$ 969,958
Annual Period 10	\$ 1,014,468	\$ 1,014,468
Annual Period 11	\$ 1,060,370	\$ 1,060,370
Annual Period 12	\$ 1,107,703	\$ 1,107,703
Annual Period 13	\$ 1,156,504	\$ 1,156,504
Annual Period 14	\$ 1,206,815	\$ 1,206,815
Annual Period 15	\$ 1,258,675	\$ 1,258,675
TOTALS	\$ 14,087,113	\$ 14,087,113

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- 1.3 SIEMENS cannot and does not predict fluctuations in water and sewer rates. Therefore, the CLIENT and SIEMENS agree that the Expected Revenue Increase for each Annual Period will be calculated by multiplying the Expected Usage Increase, in kgals, ccf or other, by the Annual Period's stipulated water and sewer rates, including Escalation Rates shown in Table 6.1, and not the Annual Period's actual water and sewer rates. The CLIENT and SIEMENS agree that the energy/utility cost Savings for each Annual Period will be calculated by multiplying the verified units of energy/utility Savings by the Annual Period's stipulated energy/utility rate and Escalation Rates and not the Annual Period's actual utility rate.
- 1.4 SIEMENS GUARANTEES THE ACCURACY OF THE WATER METERS. THE GUARANTEED ACCURACIES ARE SHOWN IN TABLE 1.1. NOTHING HEREIN SHALL BE CONSTRUED AS A GUARANTEE THAT THE INCREASE IN ACCURACY OF THE WATER METERS WILL RESULT IN AN INCREASE IN THE CLIENT'S ACTUAL WATER REVENUES. Increased meter accuracy will enable the CLIENT to bill for water and sewer consumption which would otherwise not have been measured. However, actual revenues derived from metered water and sewer consumption depend on several variables which are

not within SIEMENS' control, including variations in actual water and sewer rates, variations in overall consumption by the clients of the CLIENT, and weather conditions.

- 1.5. For the water meters installed under this contract, the determination of the annual weighted average accuracy of the test sample will follow current best practices, in accordance with IPMVP (International Performance Measurement & Verification Protocol) and as proscribed by FEMP (Federal Energy Management Program) Guidelines and the AWWA Manual of Practice M6, unless otherwise agreed by the Parties. For meter types not addressed by the AWWA standards, the AWWA testing guidelines for positive displacement meters will be used.
- 1.6 The Performance Guarantee does not operate to guarantee the Savings per FIM. Rather, the calculation of Savings is based on aggregate performance of all of the FIMs contained in the Project. The projected value of such aggregate performance is contained in Table 1.2 above representing the Total Guaranteed Savings as monetized.

By signing below, this Exhibit C, comprised of 21 pages plus Appendices, is attached to and made a part of the Agreement between SIEMENS and the CLIENT.

CLIENT: City of Coppell, TX

Signature: _____

Title: _____
Date: _____

SIEMENS: Siemens Industry, Inc.

Signature: _____
Printed Name: _____
Title: _____
Date: _____

Article 2: Measurement and Verification Options

2.1 Measurement and Verification (“M&V”) Options: There are five options to measure and verify energy/utility Savings: Option A - Retrofit Isolation: Key Parameter Measurement; Option B - Retrofit Isolation: All Parameter Measurement; Option C - Whole Facility; Option D – Calibrated Simulation; and Option E - Stipulated. Options A through D are part of the IPMVP. Option E-Stipulated is based on industry-accepted engineering standards and is the Option used for calculating Operational Savings.

Option A - Retrofit Isolation: Key Parameter Measurement. Savings are determined by field measurement of the key performance parameter(s) which define the energy use of the Facility Improvement Measures (FIMs) affected system(s) and/or the success of the Project. Measurement frequency ranges from short-term to continuous, depending on the expected variations in the measured parameter and the length of the reporting period. Parameters not selected for field measurement are estimated. Estimates can be based on historical data, manufacturer’s specifications, or engineering judgment. Documentation of the source or justification of the estimated parameter is required. The plausible savings error arising from estimation rather than measurement is evaluated. If applicable, the predetermined schedule for data collection, evaluation, and reporting is defined in Exhibit A, Article 3-Performance Assurance Services Program.

Option B – Retrofit Isolation: All Parameter Measurement. Savings are determined by field measurement of the energy use of the FIM-affected system. Measurement frequency ranges from short-term to continuous, depending on the expected variations in the savings and the length of the reporting period. If applicable, the predetermined schedule for data collection, evaluation, and reporting is defined in Exhibit A, Article 3-Performance Assurance Services Program.

Option C - Whole Facility: Savings are determined by measuring energy use at the whole Facility or sub-Facility level. Continuous measurements of the entire Facility’s energy use are taken throughout the reporting period. If applicable, the predetermined schedule for data collection, evaluation, and reporting is defined in Exhibit A, Article 3-Performance Assurance Services Program.

Option D - Calibrated Simulation: Savings are determined through simulation of the energy use of the whole Facility, or of a sub-Facility. Simulation routines are demonstrated to adequately model actual energy performance measured in the Facility. This Option usually requires considerable skill in calibrated simulation. If applicable, the predetermined schedule for data collection, evaluation, and reporting is defined in Exhibit A, Article 3-Performance Assurance Services Program.

Option E – Stipulated: Savings are established through mutual agreement of the CLIENT and SIEMENS. This option is the method of measurement and verification applicable to FIMS consisting either of Operational Savings or where the end use capacity or operational efficiency; demand, energy consumption or power level; or manufacturer’s measurements, industry standard efficiencies or operating hours are known in advance, and used in a calculation or analysis method that will stipulate the outcome. Both CLIENT and SIEMENS agree to the stipulated inputs and outcome(s) of the analysis methodology. Based on the established analytical methodology the Savings stipulated will be achieved upon completion of the FIM and no further

measurements or calculations will be performed during the Performance Guarantee Period. If applicable, the methodology and calculations to establish Savings value will be defined in Section 4.6 of this Exhibit C.

2.2 Table 2.1 below summarizes the first Annual Period's Expected Revenue Increase based on Guaranteed Meter Accuracy, and the Guaranteed Energy / Utility Savings (See Article 1, Tables 1.1 and 1.2) using the applicable Measurement and Verification Options.

Table 2.1 – Expected Revenue Increase and Operational Savings for First Annual Period by Option

FIM	Energy/Utility Savings \$						Operational Savings \$	Total Savings \$
	Measurement and Verification Options						E Stipulated	
	A Retrofit Isolation: Key Parameter Measurement	B Retrofit Isolation: All Parameter Measurement	C Whole Facility	D Calibrated Simulation	E Stipulated	Total Energy/Utility Savings		
Water Meters/ AMI	\$659,759	\$0	\$0	\$0	\$0	\$659,759	\$0	\$659,759
TOTAL	\$659,759	\$0	\$0	\$0	\$0	\$659,759	\$0	\$659,759

2.3 The CLIENT has chosen not to include Operational Savings in the project cashflow.

BY SIGNING BELOW, THE PARTIES CONFIRM THAT THEY HAVE REVIEWED THE INCLUDED MEASUREMENT AND VERIFICATION OPTIONS AND THEIR APPLICATION TO BE USED IN CALCULATING SAVINGS UNDER THE AGREEMENT.

CLIENT: City of Coppell, TX

Signature: _____
Printed Name: _____
Title: _____
Date: _____

SIEMENS: Siemens Industry, Inc.

Signature: _____
Printed Name: _____
Title: _____
Date: _____

Article 3: Performance Guarantee Period Responsibilities of the CLIENT

In addition to the CLIENT'S responsibilities under Article 6 of the Agreement, this Article details the responsibilities of the CLIENT in connection with the management and administration of the Performance Guarantee.

- 3.1 The CLIENT will provide a representative at each Facility to coordinate work and provide required data described below.
- 3.2 The CLIENT will provide SIEMENS with accurate operating information as defined below and in the Contracted Baseline Article 7 of this Exhibit C during each Annual Period, and/or within thirty (30) days of any Material Change that may increase or decrease water usage.
 - a) Annually provide monthly database records of meter information including but not limited to meter install date, accumulated consumption per meter, monthly water consumption per meter, meter size, meter serial number and address. This information shall be used for the sole purposes of this Agreement. This information must be provided within thirty (30) days of the end of each Annual Period.
 - b) Annually provide a list of any meter or register change-outs that have been made in that year, including the old register reading (total volume of water through the meter) at the time of the change-out. This information will be used for warranty tracking.
 - c) If requested by SIEMENS, annually provide copies of all water and sewer rate schedules used for billing during the previous 12 month period if changed from the previous year.
 - d) If requested by SIEMENS, annually provide monthly purchased, pumped, and/or distributed water volumes from the water plant records.
 - e) If requested by SIEMENS, annually provide the most recent copy of the Water Quality Report for all water produced and used by the metering system.
- 3.3 CLIENT will assist with the meter testing including:
 - Providing an electronic database in Microsoft Excel or 'csv' format of all meters installed in the system,
 - Providing access, notification and scheduling of test meter replacements
- 3.4 CLIENT will provide SIEMENS with access to the AMI/AMR Meter Data Management System on a quarterly basis for the first year of the contract and meet with SIEMENS representatives to review the operation of the system when SIEMENS deems necessary.
- 3.5 CLIENT must maintain water quality at or above the levels in the attached Appendix 6 Water Quality Report (attached to Exhibit C) for each year of the M&V period. If a meter shows evidence of poor water quality or debris as determined by a third party laboratory, the accuracy guarantee for that meter will be void. The accuracy results for this meter will be removed from the sample and the weighted average accuracy for the sample will be recalculated. It will be the responsibility of the CLIENT to correct the water quality and/or debris issue.

- 3.7 CLIENT to provide SIEMENS an electronic report of 'zero read' meters on a monthly basis sorted by address. This report can be emailed to SIEMENS performance assurance staff directly from AMI system.
- 3.8 CLIENT is responsible for shipping costs to the meter manufacture for any meters associated with a warranty claim.
- 3.9 CLIENT is responsible for any meter or AMI repairs and replacements due to vandalism or damage caused by a third party other than SIEMENS.
- 3.10 CLIENT is responsible for keeping AMI and billing software up to date with accurate data related to any changes made to meter data or billing data associated with the water metering system.
- 3.11 CLIENT is responsible for implementing any base water, and; nothing contained herein shall be construed to obligate the City to establish any particular rate increase or adjustment.
- 3.12 CLIENT is responsible for notifying SIEMENS of any changes to the quantity of meters in each Rate class as described in Article 6 of this Exhibit C
- 3.13 CLIENT is responsible for replacing malfunctioning meters, registers, antennas or other AMI infrastructure in a timely fashion. SIEMENS is not responsible for poor meter accuracy and/or lost revenue as a result of delayed or unperformed regular maintenance.

Article 4: Measurement and Verification Plan

The following information is applicable to this Agreement:

- Article 4.1 General Overview
- Article 4.2 Option A - Retrofit Isolation: Key Parameter Measurement
- Article 4.3 Option B - Retrofit Isolation: All Parameter Measurement
- Article 4.4 Option C - Whole Facility
- Article 4.5 Option D - Calibrated Simulation
- Article 4.6 Option E – Stipulated-Energy/Utility Savings

4.1 General Overview –

The purpose of the Measurement and Verification (M&V) Plan is to identify the methods, measurements, procedures and tools that will be used to verify the Savings for each FIM which has energy/utility Savings. Savings are determined by comparing prior usage, consumption or efficiencies (defined as the “Baseline”) against the post-FIM implementation usage, consumption or efficiencies. The Baseline usage, consumption or efficiencies are described in this Exhibit C, Article 5. The post-FIM implementation usage, consumption or efficiencies is defined as the Contracted Baseline and are described in this Exhibit C, Article 7.

4.2 Option A - Retrofit Isolation: Key Parameter Measurement

4.2.1 Meter Replacements

The Performance Guarantee applicable to this FIM and to the M&V process for this FIM is an accuracy guarantee for the new meters.

Meter testing will be performed on a sampling of residential meters to confirm that the installed meters maintain the guaranteed level of accuracy, as provided in the Guaranteed Meter Accuracy Table 1.1 and Table 7.1.1 of this Exhibit C. Measured Meter Accuracy will be determined based on a sample population of the installed meters according to AWWA and FEMP guidelines and as described below.

Annually, throughout the Performance Guarantee Period, the CLIENT will provide a list of meters installed under this contract in electronic format (csv or xls).

Testing will occur during the Performance Guarantee Periods annually, at which time SIEMENS will remove, replace and test a sample of these meters for accuracy.

The accuracy tests will be based on AWWA standards for testing residential water meters per AWWA Manual M6. For meters types not addressed by the AWWA testing standards, AWWA testing guidelines for positive displacement meters will be followed. The formulation for that testing is as follows:

For a true test of a water meter at all flow rates, AWWA standards recommend first testing low, medium, and high flow rates and then calculating the aggregate meter accuracy by weighted formula. The three test points (High, Med, and Low flow) are weighted 15%, 70%, and 15%. The formula for meter accuracy is as follow:

$$\begin{aligned} & (15\% \times \text{Measured Meter Accuracy @ High flow}) \\ & + (70\% \times \text{Measured Meter Accuracy @ Medium flow}) \\ & + (15\% \times \text{Measured Meter Accuracy @ Low flow}) \\ & \text{Average Weighted Accuracy of the Meter*} \end{aligned}$$

(*reference: AWWA Meter Manual M6, Fourth Edition; pg 60, "Meter Testing")

The tested meters will be subsequently returned to the CLIENT for use as future maintenance replacements, reactivations, or for new customer accounts if the tested condition is within acceptable meter performance parameters as determined by SIEMENS. The meters that do not pass the accuracy test, nor have evidence of scoring, and do not have cumulative flows in excess of the meter manufacturer's warranty will be returned to the manufacturer for repair under warranty and then returned to the CLIENT's inventory.

The sample size for Measured Meter Accuracy will consider the 5/8" and 1" meters as one aggregated population for years 1 through 15. The annual sample size will not exceed a total of 11 meters. Each sample meter will be selected using a random number generator that arbitrarily selects accounts from the list of meters installed under this contract.

SIEMENS and the CLIENT will review the list to ensure that the meters are active and functional. If a meter is deemed inactive or non-functional, it will be removed from the list and replaced with another account.

In the event that the Measured Meter Accuracy is below the Guaranteed Meter Accuracy, SIEMENS will conduct a review of the test data.

If further analysis of the failed meters show signs of scoring from particles or debris or accumulation of deposits as determined by third party laboratory, then the tests results for those meters will be removed from the average and the CLIENT will be responsible for replacements of the affected meters. If the meters fail due to volumes in excess of the manufacturer's warranty limits, the test results will be removed from the average and the CLIENT will be responsible for meter replacement.

If, after these meters have been removed from the average, the average tested meter accuracy of the first round of testing is below the Guaranteed Meter Accuracy as defined in Table 7.2 – Guaranteed Meter Accuracy, then at SIEMENS' expense, an additional round of testing may be conducted.

If the additional testing is performed and SIEMENS determines that the results do not prove to be equal or greater than the Guaranteed Meter Accuracy, SIEMENS may discontinue the testing and accept the financial responsibility as calculated in the reconciliation M&V report.

For the meters that tested below the manufacturers warranted accuracy range, SIEMENS will assist CLIENT with obtaining replacement meters through the warranty process with the meter manufacturer. This warranty is attached to Exhibit C as Attachment 5(c).

The calculation of Measured Revenue Increase will be based on the Adjusted Baseline Consumption and Contract Water Rates and will be the difference between the Measured Revenue Increase (see below) and the Expected Usage Increase (see Article 1, Table 1.1) for the relevant Annual Period.

Calculation of Measured Usage Increase

The Adjusted Baseline Consumption is the water that would have been measured by the existing meters during the baseline year, had the meters been 100% accurate. It is calculated by dividing the Baseline Consumption by the Tested Baseline Meter Accuracy.

Example Calculation of Adjusted Baseline Consumption

Baseline Consumption = 90,000 kgals
Tested Actual Meter Accuracy = 90%
Adjusted Baseline Consumption = $90,000 \text{ kgals} / 90\% = 100,000 \text{ kgals}$

The Measured Usage Increase for each Annual Period will be calculated as the difference between the Baseline Billable Usage and the Measured Billable Usage. Baseline Billable Usage is calculated by multiplying the Adjusted Baseline Consumption by the Baseline Meter Accuracy as shown in Table 5.7.1.

Example Calculation of Baseline Billable Usage:

Adjusted Baseline Consumption = 100,000 kgals
Baseline Meter Accuracy – Year 1 = 90%
Baseline Billable Usage – Year 1 = $100,000 \times 0.90 = 90,000 \text{ kgals}$

Measured Billable Usage will be calculated by multiplying the Adjusted Baseline Consumption by the average tested meter accuracy for that Performance Period (i.e., Measured Meter Accuracy).

Example Calculation of Measured Billable Usage

Adjusted Baseline Consumption = 100,000 kgals
Average Tested Meter Accuracy – Year 1 = 99%
Measured Water with New Meters – Year 1 = $100,000 \times 0.99 = 99,000 \text{ kgals}$

The Measured Usage Increase for an Annual Period is the difference between the Baseline Billable Usage and the Measured Billable Usage for the same Annual Period. In the example above, the Measured Usage Increase Volume is 9,000 kgals.

Example Calculation for Measured Usage Increase

Baseline Billable Usage – Year 1 = $100,000 \text{ kgal} \times 90\% = 90,000 \text{ kgal}$
Measured Billable Usage – Year 1 = $100,000 \text{ kgal} \times 99\% = 99,000 \text{ kgal}$
Measured Usage Increase = $99,000 \text{ kgal} - 90,000 \text{ kgal} = 9,000 \text{ kgal}$

The Measured Revenue Increase for an Annual Period is calculated by multiplying the Measured Usage Increase by the Contract Water Rate for that Annual Period.

Example Calculation of Measured Revenue Increase:

Contract Water Rate – Year 1 (\$/kgal) = \$5.00 \$/kgal
Measured Revenue Increase = 9,000 kgal x \$5/kgal = \$45,000

Typically, sewer charges are included in the Contract Water Rates and are directly calculated based on water usage. Where applicable, any sewerage revenue associated with the Measured Billable Usage Increase Revenue will be included in the calculation. Typically, sewer charges are included in the Contract Water Rates and are directly calculated based on water usage. Where applicable, any sewerage revenue associated with the Measured Billable Usage Increase Revenue will be included in the calculation.

- 4.3 **Option B - Retrofit Isolation: All Parameter Measurement:** Not Applicable
- 4.4 **Option C - Whole Facility:** Not Applicable
- 4.5 **Option D – Calibrated Simulation:** Not Applicable
- 4.6 **Stipulated Utility and Operational Savings:** Not Applicable

Article 5: Baseline Data

- 5.1 The year selected as the Baseline Period for water revenue starts on December 2016 and ends on November 2017. The year selected as the Baseline Period for sewer revenue starts on December 2016 and ends on November 2017. Table 5.1.1 outlines the Baseline Consumption that occurred during this Baseline Period. This Baseline Consumption will be used as the reference for determining the Adjusted Baseline Consumption as fully described in Article 4.

The following table shows the results of the Baseline Consumption analysis grouped by meter size.

Table 5.1.1 - Baseline Consumption

Meter Size	Annual Baseline Water Volume (100xGals)	Annual Baseline Sewer Volume (100xGals)
5/8" + 1"	17,343,920	16,281,032
Total	17,343,920	16,281,032

- 5.2 The performance Baseline used for ongoing comparison of future meter test results is as follows:
- (a) Baseline Period (12 months) – Water: December 2016 to November 2017, Sewer: December 2016 to November 2017.
 - (b) Specific meter accounts included in the Baseline are attached in Exhibit A, Attachment 1.
 - (c) The Baseline meter testing data is included as Exhibit A, Attachment 2.
 - (d) Details of annual water volume consumed during the Baseline Period tallied by each meter size from 5/8" to 1", and a grand total of water consumed by these accounts are included in Exhibit A, Attachment 3. This Baseline remains fixed throughout the Performance Guarantee Period.
 - (e) The CLIENT'S water and sewer billing rate schedules in force during the Baseline Period are shown in Table 6.1, as well as in Exhibit A, Attachment 4.
- 5.3 The Baseline Period is chosen using the most recent typical 12 months of continuous data available through the baseline utility billing system.
- 5.4 The data regarding the number of baseline meters and meter sizes during the Baseline Period was obtained from the CLIENT's billing system. That data was then used to estimate Baseline Consumption. SIEMENS is not responsible for the variances, if any, between the data in the CLIENT's billing system and the number or sizes of meters that were used by the CLIENT during the Baseline Period.
- 5.5 SIEMENS does not assume responsibility for loss of water consumption due to declines in installed capability to supply water, population changes, weather variation, or restrictions enforced by CLIENT or any other 3rd party.

- 5.6 Meter testing was performed on a sampling of meters to provide the Baseline Meter Accuracy for all meters. The meters were tested to AWWA standards.

The CLIENT provided a complete account download of historical data for each metered account including monthly consumption, meter size, meter installation data, meter serial number, billed charges, account number, account ID, etc.

Based on AWWA guidelines for meter sampling and testing, a random sample of the meters were selected, removed from service, and delivered to a third-party testing facility with the results presented in Exhibit A, Attachment 2. The accuracy tests will be based on AWWA standards for testing residential water meters per AWWA Manual M6. For a true test of a water meter at all flow rates, AWWA standards recommend first testing low, medium, and high flow rates and then calculating the aggregate meter efficiency by weighted formula. The three test points (High, Med, and Low flow) are weighted 15%, 70%, and 15%. The formula for meter accuracy is as follow:

$$\begin{aligned} & (15\% \times \text{Baseline Meter Accuracy @ High flow}) \\ & + (70\% \times \text{Baseline Meter Accuracy @ Medium flow}) \\ & + (15\% \times \text{Baseline Meter Accuracy @ Low flow}) \\ & \text{Average Weighted Efficiency of the Meter*} \end{aligned}$$

(*reference: AWWA Meter Manual M6, Fourth Edition; pg 60, "Meter Testing")

- 5.7 The Baseline Meter Accuracy is shown in Table 5.7.

Table 5.7.1 - Baseline Meter Accuracy over Project Term

Performance Guarantee Period	1" and below
Annual Period 1	90.65%
Annual Period 2	90.40%
Annual Period 3	90.15%
Annual Period 4	89.90%
Annual Period 5	89.65%
Annual Period 6	89.40%
Annual Period 7	89.15%
Annual Period 8	88.90%
Annual Period 9	88.65%
Annual Period 10	88.40%
Annual Period 11	88.15%
Annual Period 12	87.90%
Annual Period 13	87.65%
Annual Period 14	87.40%
Annual Period 15	87.15%

- 5.8 Applicable codes - Federal, State (Provincial), County or Municipal codes or regulations are applicable to the use and operation of the Facility. SIEMENS will maintain the baseline level of Facility compliance relative to applicable codes. Unless specifically set forth in the Scope of Work and Services, Exhibit A,

nothing herein should be construed to require SIEMENS to provide additional work or services in the event that the applicable code or regulation is modified after the Contract Execution Date.

Article 6: Utility Structures and Escalation Rates

- 6.1 Utility costs used for Savings calculations will be based on the utility rates and rate escalation percentages, as provided in the table(s) below. Each escalation rate will be applied annually to the utility rate for illustrative purposes only subject to Article 3.11 of this Exhibit.

Table 6.1.2 Water and Sewer

Tariff Number or Designation: Provided in Attachment 4

Utility Name: City of Coppell, TX

Escalation for Volumetric Rates:

2 % per Annual Period

Escalation for Fixed Rates:

2 % per Annual Period

- 6.2 In order to predict the Baseline and Calculated Billable Usage Increase Revenues, the Client was consulted to determine the mutually-agreed annual rate increase to be used in these calculations. Using the Baseline rate structure included in Appendix 4, the following Table 6.2.1 was generated to show the volumetric Contract Water Rates used in the calculations for the Performance Guarantee Period.

Table 6.2.1 Contract Water Rates: Water and Sewer Rate Structure Increases over Contract Term (\$/100xGal)

Rate Structures									
	Rate Increase Percentage	0%	2%	2%	2%	2%	2%	2%	2%
Item	Description	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1	Water - 5/8" to 1" - Residential - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	Water - 5/8" to 1" - Residential - Tier 2	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
3	Water - 5/8" to 1" - Residential - Tier 3 - Summer	\$0.394	\$0.40	\$0.41	\$0.42	\$0.43	\$0.44	\$0.44	\$0.45
4	Water - 5/8" to 1" - Residential - Tier 3 - Winter	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
5	Water - 1.5" and 2" -	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Rate Structures									
	Rate Increase Percentage	0%	2%	2%	2%	2%	2%	2%	2%
Item	Description	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Residential - Tier 1								
6	Water - 1.5" and 2" - Residential - Tier 2	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
7	Water - 1.5" and 2" - Residential - Tier 3 - Summer	\$0.394	\$0.40	\$0.41	\$0.42	\$0.43	\$0.44	\$0.44	\$0.45
8	Water - 1.5" and 2" - Residential - Tier 3 - Winter	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
9	Water - 5/8" to 1" - Commercial - Tier 1	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
10	Water - 5/8" to 1" - Commercial - Tier 2	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
11	Water - 5/8" to 1" - Commercial - Tier 3 - Summer	\$0.394	\$0.40	\$0.41	\$0.42	\$0.43	\$0.44	\$0.44	\$0.45
12	Water - 5/8" to 1" - Commercial - Tier 3 - Winter	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
13	Water - 1.5" and 2" - Commercial - Tier 1	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
14	Water - 1.5" and 2" - Commercial - Tier 2	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
15	Water - 1.5" and 2" - Commercial - Tier 3 - Summer	\$0.394	\$0.40	\$0.41	\$0.42	\$0.43	\$0.44	\$0.44	\$0.45
16	Water - 1.5" and 2" - Commercial - Tier 3 - Winter	\$0.315	\$0.32	\$0.33	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36
17	Water - 5/8" to 1" - Senior - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Water - 5/8" to 1" - Senior - Tier 2	\$0.284	\$0.29	\$0.29	\$0.30	\$0.31	\$0.31	\$0.32	\$0.33
19	Water - 5/8" to 1" - Senior - Tier 3 - Summer	\$0.355	\$0.36	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41
20	Water - 5/8" to 1" - Senior - Tier 3 - Winter	\$0.284	\$0.29	\$0.29	\$0.30	\$0.31	\$0.31	\$0.32	\$0.33
21	Water - 1.5" and 2" - Senior - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22	Water - 1.5" and 2" - Senior - Tier 2	\$0.284	\$0.29	\$0.29	\$0.30	\$0.31	\$0.31	\$0.32	\$0.33
23	Water - 1.5" and 2" - Senior - Tier 3 - Summer	\$0.355	\$0.36	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41
24	Water - 1.5" and 2" - Senior - Tier 3 - Winter	\$0.284	\$0.29	\$0.29	\$0.30	\$0.31	\$0.31	\$0.32	\$0.33
25	Sewer - 5/8" to 1" - Residential - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
26	Sewer - 5/8" to 1" - Residential - Tier 2	\$0.224	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26
27	Sewer - 5/8" to 1" - Residential - Tier 3	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Rate Structures									
	Rate Increase Percentage	0%	2%	2%	2%	2%	2%	2%	2%
Item	Description	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
28	Sewer - 1.5" and 2" - Residential - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
29	Sewer - 1.5" and 2" - Residential - Tier 2	\$0.224	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26
30	Sewer - 1.5" and 2" - Residential - Tier 3	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
31	Sewer - 5/8" to 1" - Commercial - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	Sewer - 5/8" to 1" - Commercial - Tier 2	\$0.224	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26
33	Sewer - 5/8" to 1" - Commercial - Tier 3	\$0.224	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26
34	Sewer - 1.5" and 2" - Commercial - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
35	Sewer - 1.5" and 2" - Commercial - Tier 2	\$0.224	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26
36	Sewer - 1.5" and 2" - Commercial - Tier 3	\$0.224	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26
37	Sewer - 5/8" to 1" - Senior - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38	Sewer - 5/8" to 1" - Senior - Tier 2	\$0.202	\$0.21	\$0.21	\$0.21	\$0.22	\$0.22	\$0.23	\$0.23
39	Sewer - 5/8" to 1" - Senior - Tier 3	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
40	Sewer - 1.5" and 2" - Senior - Tier 1	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
41	Sewer - 1.5" and 2" - Senior - Tier 2	\$0.202	\$0.21	\$0.21	\$0.21	\$0.22	\$0.22	\$0.23	\$0.23
42	Sewer - 1.5" and 2" - Senior - Tier 3	\$0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Rate Structures									
	Rate Increase Percentage	2%	2%	2%	2%	2%	2%	2%	2%
Item	Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
1	Water - 5/8" to 1" - Residential - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	Water - 5/8" to 1" - Residential - Tier 2	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
3	Water - 5/8" to 1" - Residential - Tier 3 - Summer	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53
4	Water - 5/8" to 1" - Residential - Tier 3 - Winter	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
5	Water - 1.5" and 2" - Residential - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	Water - 1.5" and 2" - Residential - Tier 2	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
7	Water - 1.5" and 2" -	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53

Rate Structures									
	Rate Increase Percentage	2%	2%	2%	2%	2%	2%	2%	2%
Item	Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	Residential - Tier 3 - Summer								
8	Water - 1.5" and 2" - Residential - Tier 3 - Winter	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
9	Water - 5/8" to 1" - Commercial - Tier 1	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
10	Water - 5/8" to 1" - Commercial - Tier 2	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
11	Water - 5/8" to 1" - Commercial - Tier 3 - Summer	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53
12	Water - 5/8" to 1" - Commercial - Tier 3 - Winter	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
13	Water - 1.5" and 2" - Commercial - Tier 1	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
14	Water - 1.5" and 2" - Commercial - Tier 2	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
15	Water - 1.5" and 2" - Commercial - Tier 3 - Summer	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53
16	Water - 1.5" and 2" - Commercial - Tier 3 - Winter	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.41	\$0.42	\$0.42
17	Water - 5/8" to 1" - Senior - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Water - 5/8" to 1" - Senior - Tier 2	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36	\$0.37	\$0.37	\$0.38
19	Water - 5/8" to 1" - Senior - Tier 3 - Summer	\$0.42	\$0.42	\$0.43	\$0.44	\$0.45	\$0.46	\$0.47	\$0.48
20	Water - 5/8" to 1" - Senior - Tier 3 - Winter	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36	\$0.37	\$0.37	\$0.38
21	Water - 1.5" and 2" - Senior - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22	Water - 1.5" and 2" - Senior - Tier 2	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36	\$0.37	\$0.37	\$0.38
23	Water - 1.5" and 2" - Senior - Tier 3 - Summer	\$0.42	\$0.42	\$0.43	\$0.44	\$0.45	\$0.46	\$0.47	\$0.48
24	Water - 1.5" and 2" - Senior - Tier 3 - Winter	\$0.33	\$0.34	\$0.35	\$0.35	\$0.36	\$0.37	\$0.37	\$0.38
25	Sewer - 5/8" to 1" - Residential - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
26	Sewer - 5/8" to 1" - Residential - Tier 2	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.30
27	Sewer - 5/8" to 1" - Residential - Tier 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
28	Sewer - 1.5" and 2" - Residential - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
29	Sewer - 1.5" and 2" - Residential - Tier 2	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.30
30	Sewer - 1.5" and 2" - Residential - Tier 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Rate Structures									
	Rate Increase Percentage	2%	2%	2%	2%	2%	2%	2%	2%
Item	Description	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
31	Sewer - 5/8" to 1" - Commercial - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	Sewer - 5/8" to 1" - Commercial - Tier 2	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.30
33	Sewer - 5/8" to 1" - Commercial - Tier 3	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.30
34	Sewer - 1.5" and 2" - Commercial - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
35	Sewer - 1.5" and 2" - Commercial - Tier 2	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.30
36	Sewer - 1.5" and 2" - Commercial - Tier 3	\$0.26	\$0.27	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.30
37	Sewer - 5/8" to 1" - Senior - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38	Sewer - 5/8" to 1" - Senior - Tier 2	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26	\$0.26	\$0.27	\$0.27
39	Sewer - 5/8" to 1" - Senior - Tier 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
40	Sewer - 1.5" and 2" - Senior - Tier 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
41	Sewer - 1.5" and 2" - Senior - Tier 2	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26	\$0.26	\$0.27	\$0.27
42	Sewer - 1.5" and 2" - Senior - Tier 3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Article 7: Contracted Baseline Data

7.1 The following criteria detail the Facility operating parameters that are required to be implemented on the Guarantee Date or on such time as agreed upon by the Parties. This specific configuration of Facility operating parameters is the Contracted Baseline and failure of the CLIENT to maintain the Contracted Baseline may result in a Material Change which may require a modification of the Performance Guarantee pursuant to Article 4 of the Agreement.

- (a) Water quality at or above average quality over the most recent 12 month period;
- (b) Source of water supply at or above average quality water over the most recent 12 month period from previous source of water supply used;
- (c) Water distribution integrity at or above Baseline maintenance levels; and,
- (d) Meter/collection system compatibility with the new system.
- (e) Maintenance of water supply with sediment or debris levels that do not result in scoring or other damage to the installed such that meter accuracy is affected.
- (f) Prompt repair or replacement of any damaged or non-functioning water meters, registers, antenna or other AMI infrastructure.

Table 7.1.1 - Guaranteed Accuracy of new water meters during Performance Guarantee Period

Performance Guarantee Period	Guaranteed Meter Accuracy (5/8" and 1" meters)
Annual Period 1	98.5%
Annual Period 2	98.5%
Annual Period 3	98.5%
Annual Period 4	98.5%
Annual Period 5	98.5%
Annual Period 6	98.5%
Annual Period 7	98.5%
Annual Period 8	98.5%
Annual Period 9	98.5%
Annual Period 10	98.5%
Annual Period 11	98.5%
Annual Period 12	98.5%
Annual Period 13	98.5%
Annual Period 14	98.5%
Annual Period 15	98.5%