

## **EXHIBIT 1. Scope of Work**

Contractor will replace existing 5/8", 1", 1-1/2", 2", 3" and 4" water meters within the Client's existing service territory and provide and install new water meters with Advanced Metering Reading (AMR) based on the following:

- (2,073) 5/8 x 3/4 Mach10 R900i Gallon with Antenna
- (51) 1" Mach10 R900i Gallon with Antenna
- (19) 1 1/2" Mach10 R900i Gallon with Antenna
- (21) 2" Mach10 R900i Gallon with Antenna
- (4) 3" C&I Mach10 Stand Alone Gallon 3x12
- (3) 4" C&I mach10 Stand Alone Gallon 4x14
- (7) Enhanced R900 Pit MIU Box 6' Wire and 6ft R900 Antenna

### **Meter Installation Assumptions and Clarifications:**

- Pricing assumes that work will be continuous (i.e. no pauses after initial mobilization)
- Pit is assumed to be clean or require very little cleaning in order to complete the meter exchange. If register head cannot be seen, Pit Clean will need to be completed by customer, if customer cannot complete a Pit clean will be added.
- Meter installation pricing is based on the ability to replace the existing meter with the same size and type of meter. If the Utility decides to replace the meter with a different size or type, or if the setting needs to be upgraded (including the addition of a strainer) these modifications are not in the specified scope of work.
- Pricing does not include the relocation of any plumbing fixtures that may need to be moved due to lack of adequate space. Likewise, pricing reflects the ability to complete the installation within the existing line space provided and within the standard installation guidelines.
- Excavation of meter pits that cannot accommodate the installation is not included. In this event, we will not proceed with the installation until the pit is brought up to code.
- Existing lids and boxes will be reused. Customer will assist in cutting holes for endpoint installation in close coordination with Contractor.
- If the plumbing is deemed to be unable to withstand the valve being operated, contractor will not attempt the installation. In this instance, we will report this to the Utility's representative. If contractor is directed to proceed with the installation, we will not be responsible for any damage that occurs as a result.
- Regarding any leaks reported by the customer after the new meter installation, the customer's plumbing must be able to withstand the turning off and on of the water valve without issue. Any leaks at the meter coupling will be repaired.
- Large meter customers may require special accommodation which may affect the timeline for completion. An example might be schools or hospitals that cannot have any interruption to water service outside of certain windows. Contractor will work closely with the Utility and these customers to schedule a convenient time for installation that minimizes the disruption to their operations.

### **Warranties:**

- One (1) year warranty on labor and materials (excluding water meters and endpoints). Water meter and endpoint warranties commence upon date of shipment from the original equipment manufacturer. Warranty for installation labor begins at the date of signoff for each route, when Yorktown receives beneficial use of the new water meters. See a copy of the manufacturers' warranty documents. Any manufacturer's warranty claims against equipment installed under this contract shall pause any performance guarantee applicable to the efficiency gains of the equipment until it has been restored to original manufacturer specified standards.

**Table 1. Final Large Meter Account List by Size**

Meter Inches	Address			
4	2001 S WEST ST			
4	2400 S EDITH ST			
4	2800 S ANDREWS			
3	2801 S MARSH AVE			
3	1100 S TIGER DR			
3	10001 W LEXINGTON BLVD			
3	10025 W SHERRY LN			
2	2101 S MEADOWVIEW DR			
2	9500 W SMITH ST			
2	UNIT 3 S MARSH AVE			
2	2000 S ANDREWS RD			
2	8051 W KILGORE AVE			
2	8070 W KILGORE AVE			
2	8820 W SMITH ST			
2	8820 W SMITH ST			
2	9101 W RIVER RD			
2	9601 W RIVER RD			
2	RIVER RD (TENNIS COURTS)			
2	7901 W KILGORE AVE			
2	1700 S PILGRIM BLVD			
2	1420 S PILGRIM BLVD			
2	6459 W KILGORE AVE			
2	6501 W KILGORE AVE			
2	6122 W KILGORE AVE			
2	6004 W KILGORE AVE			
2	200 S CR 600 W			
2	9200 W JACKSON ST			
2	2101 S WEST ST			
2	1905 S TIGER DR			
1.5	9124 W SMITH ST			
1.5	9410 W SMITH ST			
1.5	9511 W DEPOT ST			
1.5	GRANDVIEW SQ - 1421 S ANDREWS RD			
1.5	GRANDVIEW SQ - 1421 S ANDREWS RD			

<b>Meter Inches</b>	<b>Address</b>			
1.5	GRANDVIEW SQ - 1421 S ANDREWS RD			
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1.5	GRANDVIEW SQ - 1421 S ANDREWS RD			
1.5	8810 W SMITH ST			
1.5	1400 S PATRIOT DR			
1.5	1500 S PATRIOT DR			
1.5	1610 S PATRIOT DR			
1.5	1701 S PILGRIM BLVD			
1.5	6301.5 W KILGORE AVE			
1.5	6301.1 W KILGORE AVE			
1.5	6263 W KILGORE AVE			
1.5	6110 W KILGORE AVE			
1	7801 W RIVER RD			
1	800 S CR 500 W			
1	808 S EVERGREEN WAY			
1	100 S GREENLAND LN			
1	620 S RIVIERA LN			
1	404 S RIVIERA LN			
1	401 S RIVIERA LN			
1	7109 W ST ANDREWS AVE			
1	609 S INVERNESS LN			
1	701 S PINEHURST LN			
1	6625 W ST ANDREWS AVE			
1	6705 W AUGUSTA BLVD			
1	6700 W AUGUSTA BLVD			
1	6801 W AUGUSTA BLVD			
1	7000 W AUGUSTA BLVD			
1	7000 W AUGUSTA BLVD			
1	7008 W AUGUSTA BLVD			
1	7205 W AUGUSTA BLVD			
1	7404 W AUGUSTA BLVD			
1	7408 W AUGUSTA BLVD			
1	7501 W AUGUSTA BLVD			
1	7504 W AUGUSTA BLVD			

<b>Meter Inches</b>	<b>Address</b>			
1	208 S PINEHURST LN			
1	500 S PINEHURST LN			
1	513 S PINEHURST LN			
1	510 S PINEHURST LN			
1	701 S PINEHURST LN			
1	2301 S BROADWAY ST			
1	2409 S ELM ST			
1	9800 W SMITH ST			
1	2201 S MARSH ST			
1	2317 S MARSH AVE			
1	UNIT 2 S MARSH AVE			
1	UNIT 1 S MARSH AVE			
1	8901 W SMITH ST			
1	1911 S TIGER DR			
1	1905 S TIGER DR			
1	2101 S TIGER DR			
1	1616 S PILGRIM BLVD			
1	1699 S PILGRIM BLVD			
1	1400 S PILGRIM BLVD			
1	405 BRIDGE WATER LN			
1	6601 W KILGORE AVE			
1	6259 W KILGORE AVE			
1	6400 W KILGORE AVE			
1	200 S CR 600 W			
1	6600 W KILGORE AVE			
1	8410 W RIVER RD			

# ASSURED PERFORMANCE GUARANTEE

## I. PROJECT BENEFITS

**A. Certain Definitions.** For purposes of this Agreement, the following terms have the meanings set forth below:

**Annual Project Benefits** are the portion of the projected Total Project Benefits to be achieved in any one year of the Guarantee Term.

**Annual Project Benefits Realized** are the Project Benefits actually realized for any one year of the Guarantee Term.

**Baseline** is the mutually agreed upon data and/or usage amounts that reflect conditions prior to the installation of the Improvement Measures.

**Installation Period** is the period beginning on CENTRIX's receipt of Customer's Notice to Proceed and ending on the commencement of the Guarantee Term.

**Non-Measured Project Benefits** are identified in Section II below. The Non-Measured Project Benefits have been agreed to by Customer and will be deemed achieved in accordance with the schedule set forth in Table 2: Total Project Benefits below. Customer and CENTRIX agree that: (i) the Non-Measured Project Benefits may include, but are not limited to, future capital and operational costs avoided as a result of the Work and implementation of the Improvement Measures, (ii) achievement of the Non-Measured Project Benefits is outside of CENTRIX's control, and (iii) Customer has evaluated sufficient information to conclude that the Non-Measured Project Benefits will occur and bears sole responsibility for ensuring that the Non-Measured Project Benefits will be realized. Accordingly, the Non-Measured Project Benefits shall not be measured or monitored by CENTRIX at any time during the Guarantee Term but rather shall be deemed to be achieved in accordance with the schedule set forth in the Total Project Benefits table below.

**Project Benefits** are the Non-Measured Project Benefits to be achieved for a particular period during the term of this Agreement.

**Total Project Benefits** are the projected Project Benefits to be achieved during the entire term of this Agreement.

**B. Project Benefits Summary.** Subject to the terms and conditions of this Agreement, CENTRIX and Customer agree that Customer will be deemed to achieve a total of **\$4,464,634** in Non-Measured Project Benefits as set forth in the Table 2: Total Project Benefits below.

\*\* Operations & Maintenance Cost Avoidance and Future Capital Cost Avoidance are Non-Measured Project Benefits. Operations & Maintenance Cost Avoidance and Future Capital Cost Avoidance figures in the table below are based on a mutually agreed fixed annual escalation rate of **Zero percent (0%)**.

## II. NON-MEASURED PROJECT BENEFITS

**Table 2. Total Project Benefits**

Year	A	B	C	D = A + B + C
	Billable Usage Increase	O&M Savings	Inhouse Replacements	Total Benefit
1	\$132,593	\$10,000	\$50,000	\$192,593
2	\$135,245	\$10,200	\$50,000	\$195,445
3	\$137,950	\$10,404	\$50,000	\$198,354
4	\$140,709	\$10,612	\$50,000	\$201,321
5	\$143,523	\$10,824	\$50,000	\$204,347
6	\$146,393	\$11,041	\$50,000	\$207,434
7	\$149,321	\$11,262	\$50,000	\$210,583
8	\$152,308	\$11,487	\$50,000	\$213,795
9	\$155,354	\$11,717	\$50,000	\$217,070
10	\$158,461	\$11,951	\$50,000	\$220,412
11	\$161,630	\$12,190	\$50,000	\$223,820
12	\$164,863	\$12,434	\$50,000	\$227,296
13	\$168,160	\$12,682	\$50,000	\$230,842
14	\$171,523	\$12,936	\$50,000	\$234,459
15	\$174,954	\$13,195	\$50,000	\$238,148
16	\$178,453	\$13,459	\$50,000	\$241,911
17	\$182,022	\$13,728	\$50,000	\$245,750
18	\$185,662	\$14,002	\$50,000	\$249,665
19	\$189,375	\$14,282	\$50,000	\$253,658
20	\$193,163	\$14,568	\$50,000	\$257,731
<b>Total</b>	<b>\$3,221,661</b>	<b>\$242,974</b>	<b>\$1,000,000</b>	<b>\$4,464,634</b>

## III. BASELINE CALCULATIONS, UTILITY RATES, ESCALATION

The unit utility costs for the Baseline period are set forth below as “Base Utility Cost” and shall be used for all calculations made under this Schedule. The Base Utility Cost shall be escalated annually by the actual utility cost escalation, but such escalation shall be no less than the mutually agreed “floor” escalation rate of Two percent (2%) for Water/ Sewer. The Base Utility Cost for each type of utility represents the 12-month average utility costs from Jan 2022 through 2023.

Small Meter Accuracy Benefit and Intermediate & Large Meter Accuracy Benefit are Non-Measured, Agreed-to Project Benefits. Benefit figures in the table above are based on a mutually agreed annual escalation rate of Two percent (2%) starting in Year 2.

Non-Tested Intermediate Meter Accuracy Benefit, Operations & Maintenance Cost Avoidance are Non-Measured Project Benefits. Non-Tested Intermediate Meter Accuracy Benefit figures are based on a mutually agreed annual escalation rate of Two percent (2%)

(as discussed with the Town Manager) starting in Year 2. Operations & Maintenance Cost Avoidance figures in Table 2 above are based on a mutually agreed annual escalation rate of Two percent (2%) starting in Year 2.

#### **IV. MEASUREMENT AND VERIFICATION METHODOLOGY**

Based upon CENTRIX's and Customer's investigation of the existing condition of certain water meters of Customer's water meter population, Customer has concluded that a significant percentage of such meters do not accurately measure billable consumption, and Customer is losing potential billable consumption revenue due to this inaccuracy. By replacing inaccurate meters with more accurate meters, it is expected that Customer will increase the volume of water registered by such meters and thereby increase measured billable consumption, assuming the same consumption levels prior to and after the Work has been performed. By applying accuracy increases to the Baseline water billing amounts supplied to CENTRIX by Customer and set forth in Section IV below, it is expected that the impact of billing for the additional billable consumption will result in increased billable consumption revenue of **\$132,593** in the first year of the Guarantee Term as compared to the Baseline year. Customer recognizes, however, that actual revenues may differ from billable revenues and that the amount of actual revenues achieved in future periods will depend on other factors besides improved meter accuracy, such as, by way of example, collections ratio, consumption, and water utility rates, among others.

***CENTRIX's guarantee relating to meters is limited solely to the accuracy of the meters, operating under normal conditions, which have been replaced pursuant to this Agreement and are set forth in the table of meter sizes and quantities in Table 1 above. No guarantee, express or implied, is provided with respect to any other matters, including, without limitation, the following items (and the effects thereof):***

- *water system revenue*
- *water usage/consumption trends*
- *water rationing programs*
- *demographic and/or population shifts*
- *changes in the industrial or commercial base*
- *regulatory changes*
- *droughts, floods, rainfall, or other weather or climactic conditions*
- *water system pressure variations*
- *non-metered water usage*
- *failure to collect amounts due for billable consumption*
- *changes in monthly base charges, monthly allowable minimum base consumption, or monthly volume charges*
- *changes to water and sewer rate schedules*
- *water quality*
- *failure of the water system to meet governmental requirements*
- *improper maintenance or unsound usage of the Improvement Measures or any related equipment*
- *performance of automatic meter reading equipment*
- *manufacturer warranty claims against equipment installed under this contract. Meter warranty documentation appears in Appendix 2.*

#### **V. CUSTOMER RESPONSIBILITIES**

For CENTRIX to perform its obligations under this Agreement with respect to the Work, Customer shall be responsible for:

1. Providing CENTRIX, its subcontractors, and its agents reasonable and safe access to all facilities and properties that are subject to the Work;
2. Providing the following information with respect to the project and project site as soon as practicable following CENTRIX's request:

- a. surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;
  - b. geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the project site;
  - c. temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the project and enable CENTRIX to perform the Work;
  - d. as-built and record drawings of any existing structures at the project site; and
  - e. environmental studies, reports and impact statement describing the environmental conditions, including hazardous conditions or materials, in existence at the project site.
3. Securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable CENTRIX to perform the Work;
  4. Providing assistance to CENTRIX in obtaining any permits, approvals, and licenses that are CENTRIX's responsibility to obtain as set forth in Schedule 1;
  5. Obtaining any permits, approvals, and licenses that are necessary for the performance of the Work and are not CENTRIX's responsibility to obtain as set forth in Schedule 1;
  6. Providing the utility bills, reports, and similar information reasonably necessary for administering CENTRIX's obligations under the Assured Performance Guarantee within five (5) days of Customer receipt and/or generation or CENTRIX's request therefore;
  7. Taking all actions reasonably necessary to achieve the Non-Measured Project Benefits.
  8. Isolating the utility system to allow for meter/valve change out, including identification of all shut-off valves;
  9. Assisting CENTRIX in scheduling shutdowns, down times, and relocation of new commercial vaults;
  10. Traffic safety during installation;
  11. Ongoing care and maintenance of the utility system, including all meters, AMR equipment and systems, meter boxes, and meter vaults at or above manufacturers' specifications and recommendations;
  12. City was unable to provide historical data relating to water hardness/suspended solids levels upon request during development of the project. As a result, this project assumes an acceptable range of water hardness/suspended solids for City water as it pertains to meter manufacturer requirements. City shall provide water treatment documentation upon request during the performance period of the agreement. Should City's water ultimately be found to be outside of the acceptable range, CENTRIX will not be responsible for failures and/or performance degradation in water meters/infrastructure or CENTRIX's inability to achieve savings relating to such water meter.
  13. Modifications to utility database to obtain desired output on customer bills ie: gallons, ccf, etc.

**PRICE AND PAYMENT TERMS**

Customer shall make payments to CENTRIX pursuant to the terms in Section XV and Attachment A of the Contract.

Centrix Energy Partners, LLC

Town of Yorktown

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_