

EXHIBIT

"A"

**CITY OF ROUND ROCK AGREEMENT FOR
PROFESSIONAL CONSULTING SERVICES
RELATED TO WATERLINE LEAK DETECTION
WITH
JBS WATER, INC.**

THE STATE OF TEXAS	§	
	§	
THE CITY OF ROUND ROCK	§	KNOW ALL BY THESE PRESENTS
	§	
COUNTY OF WILLIAMSON	§	
COUNTY OF TRAVIS	§	

THIS AGREEMENT for services related to waterline leak detection (the "Agreement") is made by and between the CITY OF ROUND ROCK, a Texas home-rule municipal corporation with offices located at 221 East Main Street, Round Rock, Texas 78664-5299 (the "City"), and JBS WATER, INC., with offices located at 4715 Strack Road, Suite 114, Houston, Texas 77069 (the "Consultant").

RECITALS:

WHEREAS, City is in need of waterline leak detection survey services on an as-needed basis; and

WHEREAS, City desires to contract with Consultant for the provision of survey services related to waterline leak detection; and

WHEREAS, the parties desire to enter into this Agreement to set forth in writing their respective rights, duties and obligations hereunder.

NOW, THEREFORE, WITNESSETH:

That for and in consideration of the mutual promises contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, it is mutually agreed between the parties as follows:

1.0 EFFECTIVE DATE, DURATION, AND TERM

This Agreement shall be effective on the date this Agreement has been signed by each party hereto, and shall remain in full force and effect unless and until it expires by operation of the term indicated herein, or is terminated or extended as provided herein.

The term of this Agreement shall be from the effective date until July 31, 2017.

City reserves the right to review the Agreement at any time, and may elect to terminate the Agreement with or without cause or may elect to continue.

2.0 CITY SERVICES

For the purposes of this Agreement, the City agrees to furnish the Consultant the information set forth and appended to this Agreement as Exhibit “A” titled “City Services,” incorporated herein by reference for all purposes.

3.0 SCOPE OF SERVICES

For purposes of this Agreement Consultant has issued its proposal for services, such proposal for services being attached to this Agreement as Exhibit “B” titled “Scope of Services,” incorporated herein by reference for all purposes.

Consultant shall satisfactorily provide all services set forth in Exhibit “B,” in accordance with due care and prevailing consulting industry standards for comparable services.

4.0 LIMITATION TO SCOPE OF SERVICES

Consultant’s undertaking shall be limited to performing services for City and/or advising City concerning those matters on which Consultant has been specifically engaged. Consultant and City agree that the Scope of Services to be performed is enumerated in Exhibit “B” and herein, and may not be changed without the express written agreement of the parties as described in Section 11.0.

5.0 CONTRACT AMOUNT

Fee: City agrees to pay Consultant as set forth in Exhibit “D,” “Fee Schedule,” which document is attached hereto and incorporated herein by reference for all purposes, in payment for services delineated in Exhibit “B.”

Not-To-Exceed Amount: The fees paid by City to Consultant over the term of the Agreement shall not exceed **Eighty-One Thousand Four Hundred Twenty-Nine Dollars and No/100 (\$81,429.00).**

Reimbursable Expenses: Reimbursable expenses shall not be included in this Agreement.

6.0 INVOICE REQUIREMENTS; TERMS OF PAYMENT

Invoices: To receive payment, Consultant shall prepare and submit detailed invoices to the City, in accordance with the delineation contained herein, for services rendered. Such invoices for professional services shall track the referenced Scope of Work, and shall detail the services performed, along with documentation for each service performed. Payment to Consultant shall be made on the basis of the invoices submitted by Consultant and approved by the City. Such invoices shall conform to the schedule of services and costs in connection

therewith.

Should additional backup material be requested by the City relative to service deliverables, Consultant shall comply promptly. In this regard, should the City determine it necessary, Consultant shall make all records and books relating to this Agreement available to the City for inspection and auditing purposes.

Payment of Invoices: The City reserves the right to correct any error that may be discovered in any invoice that may have been paid to Consultant and to adjust same to meet the requirements of this Agreement. Following approval of an invoice, the City shall endeavor to pay Consultant promptly, but no later than the time period required under the Texas Prompt Payment Act described in Section 8.01 herein. Under no circumstances shall Consultant be entitled to receive interest on payments which are late because of a good faith dispute between Consultant and the City or because of amounts which the City has a right to withhold under this Agreement or state law. The City shall be responsible for any sales, gross receipts or similar taxes applicable to the services, but not for taxes based upon Consultant's net income.

7.01 INSURANCE

Consultant shall meet all City of Round Rock Insurance Requirements set forth at: http://www.roundrocktexas.gov/wp-content/uploads/2014/12/corr_insurance_07.20112.pdf. Consultant's Certificate of Insurance is attached hereto and incorporated herein as Exhibit "E."

8.0 PROMPT PAYMENT POLICY

In accordance with Chapter 2251, V.T.C.A., Texas Government Code, any payment to be made by the City to Consultant will be made within thirty (30) days of the date the City receives goods under this Agreement, the date the performance of the services under this Agreement are completed, or the date the City receives a correct invoice for the goods or services, whichever is later. Consultant may charge interest on an overdue payment at the "rate in effect" on September 1 of the fiscal year in which the payment becomes overdue, in accordance with V.T.C.A., Texas Government Code, Section 2251.025(b). This Prompt Payment Policy does not apply to payments made by the City in the event:

- (a) There is a bona fide dispute between the City and Consultant, a contractor, subcontractor, or supplier about the goods delivered or the service performed that cause the payment to be late; or
- (b) There is a bona fide dispute between Consultant and a subcontractor or between a subcontractor and its supplier about the goods delivered or the service performed that causes the payment to be late; or
- (c) The terms of a federal contract, grant, regulation, or statute prevent the City from making a timely payment with federal funds; or
- (d) The invoice is not mailed to the City in strict accordance with any instruction

on the purchase order relating to the payment.

9.0 NON-APPROPRIATION AND FISCAL FUNDING

This Agreement is a commitment of the City's current revenues only. It is understood and agreed that the City shall have the right to terminate this Agreement at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to purchase the services as determined by the City's budget for the fiscal year in question. The City may effect such termination by giving Consultant a written notice of termination at the end of its then-current fiscal year.

10.0 TIMETABLES

Unless otherwise indicated to Consultant in writing by City, or unless Consultant is unreasonably delayed in the orderly progress of its work by forces beyond Consultant's control, the timetable structure and deliverable due dates shall be in reasonable conformity to Consultant's schedule tendered to City and attached as Exhibit "C."

11.0 SUPPLEMENTAL AGREEMENT

The terms of this Agreement may be modified by written Supplemental Agreement hereto, duly authorized by City Council or by the City Manager, if the City determines that there has been a significant change in (1) the scope, complexity, or character of the services to be performed; or (2) the duration of the work. Any such Supplemental Agreement must be executed by both parties within the period specified as the term of this Agreement. Consultant shall not perform any work or incur any additional costs prior to the execution, by both parties, of such Supplemental Agreement. Consultant shall make no claim for extra work done or materials furnished unless and until there is full execution of any Supplemental Agreement, and the City shall not be responsible for actions by Consultant nor for any costs incurred by Consultant relating to additional work not directly authorized by Supplemental Agreement.

12.0 TERMINATION; DEFAULT

Termination: It is agreed and understood by Consultant that the City may terminate this Agreement for the convenience of the City, upon thirty (30) days' written notice to Consultant, with the understanding that immediately upon receipt of said notice all work being performed under this Agreement shall cease. Consultant shall invoice the City for work satisfactorily completed and shall be compensated in accordance with the terms hereof for work accomplished prior to the receipt of said notice of termination. Consultant shall not be entitled to any lost or anticipated profits for work terminated under this Agreement. Unless otherwise specified in this Agreement, all data, information, and work product related to this project shall become the property of the City upon termination of this Agreement, and shall be promptly delivered to the City in a reasonably organized form without restriction on future use. Should the City subsequently contract with a new consultant for continuation of service on the project, Consultant shall cooperate in providing information.

Termination of this Agreement shall extinguish all rights, duties, and obligations of the City and the terminated party to fulfill contractual obligations. Termination under this section shall not relieve the terminated party of any obligations or liabilities which occurred prior to termination.

Nothing contained in this section shall require the City to pay for any work which it deems unsatisfactory or which is not performed in compliance with the terms of this Agreement.

Default: Either party may terminate this Agreement, in whole or in part, for default if the Party provides the other Party with written notice of such default and the other fails to satisfactorily cure such default within ten (10) business days of receipt of such notice (or a greater time if agreed upon between the Parties).

If default results in termination of this Agreement, then the City shall give consideration to the actual costs incurred by Consultant in performing the work to the date of default. The cost of the work that is useable to the City, the cost to the City of employing another firm to complete the useable work, and other factors will affect the value to the City of the work performed at the time of default. Neither party shall be entitled to any lost or anticipated profits for work terminated for default hereunder.

The termination of this Agreement for default shall extinguish all rights, duties, and obligations of the terminating Party and the terminated Party to fulfill contractual obligations. Termination under this section shall not relieve the terminated party of any obligations or liabilities which occurred prior to termination.

Nothing contained in this section shall require the City to pay for any work which it deems unsatisfactory, or which is not performed in compliance with the terms of this Agreement.

13.0 NON-SOLICITATION

Except as may be otherwise agreed in writing, during the term of this Agreement and for twelve (12) months thereafter, neither the City nor Consultant shall offer employment to or shall employ any person employed then or within the preceding twelve (12) months by the other or any affiliate of the other if such person was involved, directly or indirectly, in the performance of this Agreement. This provision shall not prohibit the hiring of any person who was solicited solely through a newspaper advertisement or other general solicitation.

14.0 INDEPENDENT CONTRACTOR STATUS

Consultant is an independent contractor, and is not the City's employee. Consultant's employees or subcontractors are not the City's employees. This Agreement does not create a partnership, employer-employee, or joint venture relationship. No party has authority to enter into contracts as agent for the other party. Consultant and the City agree to the following rights consistent with an independent contractor relationship:

- (1) Consultant has the right to perform services for others during the term hereof.
- (2) Consultant has the sole right to control and direct the means, manner and method by which it performs its services required by this Agreement.
- (3) Consultant has the right to hire assistants as subcontractors, or to use employees to provide the services required by this Agreement.
- (4) Consultant or its employees or subcontractors shall perform services required hereunder, and the City shall not hire, supervise, or pay assistants to help Consultant.
- (5) Neither Consultant nor its employees or subcontractors shall receive training from the City in skills necessary to perform services required by this Agreement.
- (6) City shall not require Consultant or its employees or subcontractors to devote full time to performing the services required by this Agreement.
- (7) Neither Consultant nor its employees or subcontractors are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the City.

15.0 CONFIDENTIALITY; MATERIALS OWNERSHIP

Any and all programs, data, or other materials furnished by the City for use by Consultant in connection with services to be performed under this Agreement, and any and all data and information gathered by Consultant, shall be held in confidence by Consultant as set forth hereunder. Each party agrees to take reasonable measures to preserve the confidentiality of any proprietary or confidential information relative to this Agreement, and to not make any use thereof other than for the performance of this Agreement, provided that no claim may be made for any failure to protect information that occurs more than three (3) years after the end of this Agreement.

The parties recognize and understand that the City is subject to the Texas Public Information Act and its duties run in accordance therewith.

All data relating specifically to the City's business and any other information which reasonably should be understood to be confidential to City is confidential information of City. Consultant's proprietary software, tools, methodologies, techniques, ideas, discoveries, inventions, know-how, and any other information which reasonably should be understood to be confidential to Consultant is confidential information of Consultant. The City's confidential information and Consultant's confidential information is collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party only in furtherance of the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, which consent

shall not be unreasonably withheld. Each party agrees to take reasonable measures to protect the confidentiality of the other party's Confidential Information and to advise their employees of the confidential nature of the Confidential Information and of the prohibitions herein.

Notwithstanding anything to the contrary contained herein, neither party shall be obligated to treat as confidential any information disclosed by the other party (the "Disclosing Party") which: (1) is rightfully known to the recipient prior to its disclosure by the Disclosing Party; (2) is released by the Disclosing Party to any other person or entity (including governmental agencies) without restriction; (3) is independently developed by the recipient without any reliance on Confidential Information; or (4) is or later becomes publicly available without violation of this Agreement or may be lawfully obtained by a party from any non-party. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party as may be required by law, statute, rule or regulation, including subpoena or other similar form of process, provided that (without breaching any legal or regulatory requirement) the party to whom the request is made provides the other with prompt written notice and allows the other party to seek a restraining order or other appropriate relief. Subject to Consultant's confidentiality obligations under this Agreement, nothing herein shall preclude or limit Consultant from providing similar services for other clients.

Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party as may be required by law, statute, rule or regulation, including subpoena or other similar form of process, provided that (without breaching any legal or regulatory requirement) the party to whom the request is made provides the other with prompt written notice and allows the other party to seek a restraining order or other appropriate relief. Subject to Consultant's confidentiality obligations under this Agreement, nothing herein shall preclude or limit Consultant from providing similar services for other clients.

Neither the City nor Consultant will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own proprietary and confidential information.

Notwithstanding anything to the contrary in this Agreement, the City will own as its sole property all written materials created, developed, gathered, or originally prepared expressly for the City and delivered to the City under the terms of this Agreement (the "Deliverables"); and Consultant shall own any general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, or other similar information which may have been discovered, created, developed or derived by Consultant either prior to or as a result of its provision of services under this Agreement (other than Deliverables). Consultant's working papers and Consultant's Confidential Information (as described herein) shall belong exclusively to the Consultant. City shall have a non-exclusive, non-transferable license to use Consultant's Confidential Information for City's own internal use and only for the purposes for which they are delivered to the extent that they form part of the Deliverables.

16.0 WARRANTIES

Consultant represents that all services performed hereunder shall be performed consistent with generally prevailing professional or industry standards, and shall be performed in a professional and workmanlike manner. Consultant shall re-perform any work not in compliance with this representation.

17.0 LIMITATION OF LIABILITY

Should any of Consultant's services not conform to the requirements of the City or of this Agreement, then and in that event the City shall give written notification to Consultant; thereafter, (a) Consultant shall either promptly re-perform such services to the City's satisfaction at no additional charge, or (b) if such deficient services cannot be cured within the cure period set forth herein, then this Agreement may be terminated for default.

In no event will Consultant be liable for any loss, damage, cost or expense attributable to negligence, willful misconduct or misrepresentations by the City, its directors, employees or agents.

18.0 INDEMNIFICATION

Consultant shall save and hold harmless City and its officers and employees from all claims and liabilities due to activities of his/her/itself and his/her/its agents or employees, performed under this Agreement, which are caused by or which result from the negligent error, omission, or negligent act of Consultant or of any person employed by Consultant or under Consultant's direction or control.

Consultant shall also save and hold City harmless from any and all expenses, including but not limited to reasonable attorneys' fees which may be incurred by City in litigation or otherwise defending claims or liabilities which may be imposed on City as a result of such negligent activities by Consultant, its agents, or employees.

19.0 ASSIGNMENT AND DELEGATION

The parties each hereby bind themselves, their successors, assigns and legal representatives to each other with respect to the terms of this Agreement. Neither party may assign any rights or delegate any duties under this Agreement without the other party's prior written approval, which approval shall not be unreasonably withheld.

20.0 LOCAL, STATE AND FEDERAL TAXES

Consultant shall pay all income taxes, and FICA (Social Security and Medicare taxes) incurred while performing services under this Agreement. The City will not do the following:

- (1) Withhold FICA from Consultant's payments or make FICA payments on its behalf;

- (2) Make state and/or federal unemployment compensation contributions on Consultant's behalf; or
- (3) Withhold state or federal income tax from any of Consultant's payments.

If requested, the City shall provide Consultant with a certificate from the Texas State Comptroller indicating that the City is a non-profit corporation and not subject to State of Texas Sales and Use Tax.

21.0 COMPLIANCE WITH LAWS, CHARTER AND ORDINANCES

A. Consultant, its consultants, agents, employees and subcontractors shall use best efforts to comply with all applicable federal and state laws, the Charter and Ordinances of the City of Round Rock, as amended, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Consultant shall further obtain all permits, licenses, trademarks, or copyrights required in the performance of the services contracted for herein, and same shall belong solely to the City at the expiration of the term of this Agreement.

B. Services Provider acknowledges and understands that City has adopted a Storm Water Management Program (SWMP) and an Illicit Discharge Ordinance, Sections 14-139 through 14-152 of the City's Code of Ordinances, to manage the quality of the discharges from its Municipal Separate Storm Sewer System (MS4) and to be in compliance with the requirements of the Texas Commission on Environmental Quality (TCEQ) and the Texas Pollutant Discharge Elimination System (TPDES). The Services Provider agrees to perform all operations on City-owned facilities in compliance with the City's Illicit Discharge Ordinance to minimize the release of pollutants into the MS4. The Services Provider agrees to comply with of the City's stormwater control measures, good housekeeping practices and any facility specific stormwater management operating procedures specific to a certain City facility. In addition, the Services Provider agrees to comply with any applicable TCEQ Total Maximum Daily Load (TMDL) Requirements and/or I-Plan requirements.

22.0 FINANCIAL INTEREST PROHIBITED

Consultant covenants and represents that Consultant, its officers, employees, agents, consultants and subcontractors will have no financial interest, direct or indirect, in the purchase or sale of any product, materials or equipment that will be recommended or required hereunder.

23.0 DESIGNATION OF REPRESENTATIVES

The City hereby designates the following representative authorized to act on its behalf with regard to this Agreement:

Michael Thane,
Director of Utilities & Environmental Services
2008 Enterprise Drive
Round Rock, TX 78664
Telephone: (512) 218-3236
E-mail address: mthane@roundrocktexas.gov

The Consultant hereby designates the following representative authorized to act on its behalf with regards to this Agreement:

James Schiele
JBS Water, Inc.
4715 Strack Road, Suite 114
Houston, TX 77069
Telephone: (512) 657-2917
E-mail address: jaschiele@jbswater.com

24.0 NOTICES

All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

- (1) When delivered personally to recipient's address as stated herein; or
- (2) Three (3) days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated in this Agreement.

Notice to Consultant:

JBS Water, Inc.
4715
Austin, TX 78759

Notice to City:

City Manager, City of Round Rock
221 East Main Street
Round Rock, TX 78664

AND TO:

Stephan L. Sheets, City Attorney
309 East Main Street
Round Rock, TX 78664

Nothing contained in this section shall be construed to restrict the transmission of routine

communications between representatives of the City and Consultant.

25.0 APPLICABLE LAW; ENFORCEMENT AND VENUE

This Agreement shall be enforceable in Round Rock, Texas, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for same shall lie in Williamson County, Texas. This Agreement shall be governed by and construed in accordance with the laws and court decisions of Texas.

26.0 EXCLUSIVE AGREEMENT

The terms and conditions of this Agreement, including exhibits, constitute the entire agreement between the parties and supersede all previous communications, representations, and agreements, either written or oral, with respect to the subject matter hereof. The parties expressly agree that, in the event of any conflict between the terms of this Agreement and any other writing, this Agreement shall prevail. No modifications of this Agreement will be binding on any of the parties unless acknowledged in writing by the duly authorized governing body or representative for each party.

27.0 DISPUTE RESOLUTION

The City and Consultant hereby expressly agree that no claims or disputes between the parties arising out of or relating to this Agreement or a breach thereof shall be decided by any arbitration proceeding, including without limitation, any proceeding under the Federal Arbitration Act (9 USC Section 1-14) or any applicable state arbitration statute.

28.0 SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion of provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion of provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.

29.0 STANDARD OF CARE

Consultant represents that it is specially trained, experienced and competent to perform all of the services, responsibilities and duties specified herein and that such services, responsibilities and duties shall be performed, whether by Consultant or designated subconsultants, in a manner acceptable to the City and according to generally accepted business practices.

30.0 GRATUITIES AND BRIBES

City, may by written notice to Consultant, cancel this Agreement without incurring any liability to Consultant if it is determined by City that gratuities or bribes in the form of entertainment, gifts, or otherwise were offered or given by Consultant or its agents or representatives to any City Officer, employee or elected representative with respect to the performance of this Agreement. In addition, Consultant may be subject to penalties stated in Title 8 of the Texas Penal Code.

31.0 RIGHT TO ASSURANCE

Whenever either party to this Agreement, in good faith, has reason to question the other party's intent to perform hereunder, then demand may be made to the other party for written assurance of the intent to perform. In the event that no written assurance is given within the reasonable time specified when demand is made, then and in that event the demanding party may treat such failure an anticipatory repudiation of this Agreement.

32.0 MISCELLANEOUS PROVISIONS

Time is of the Essence. Consultant agrees that time is of the essence and that any failure of Consultant to complete the services for each Phase of this Agreement within the agreed project schedule may constitute a material breach of the Agreement.

Consultant shall be fully responsible for its delays or for failures to use reasonable efforts in accordance with the terms of this Agreement. Where damage is caused to City due to Consultant's failure to perform in these circumstances, City may withhold, to the extent of such damage, Consultant's payments hereunder without a waiver of any of City's additional legal rights or remedies. City shall render decisions pertaining to Consultant's work promptly to avoid unreasonable delays in the orderly progress of Consultant's work.

Force Majeure. Notwithstanding any other provisions hereof to the contrary, no failure, delay or default in performance of any obligation hereunder shall constitute an event of default or breach of this Agreement, only to the extent that such failure to perform, delay or default arises out of causes beyond control and without the fault or negligence of the party otherwise chargeable with failure, delay or default; including but not limited to acts of God, acts of public enemy, civil war, insurrection, riots, fires, floods, explosion, theft, earthquakes, natural disasters or other casualties, strikes or other labor troubles, which in any way restrict the performance under this Agreement by the parties.

Section Numbers. The section numbers and headings contained herein are provided for convenience only and shall have no substantive effect on construction of this Agreement.

Waiver. No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a

waiver of any succeeding breach or of any other covenant. No waiver of discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

Multiple Counterparts. This Agreement may be executed in multiple counterparts, which taken together shall be considered one original. The City agrees to provide Consultant with one fully executed original.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates hereafter indicated.

City of Round Rock, Texas

JBS Water, Inc.

By: _____
Printed Name: _____
Title: _____
Date Signed: _____

By: _____
Printed Name: _____
Title: _____
Date Signed: _____

For City, Attest:

By: _____
Sara L. White, City Clerk

For City, Approved as to Form:

By: _____
Stephan L. Sheets, City Attorney

Exhibit A

City Services

The City is not expected to provide any “services” as part of this project, other than to provide the data necessary to conduct the water audit and meter management study and to provide appropriate Utilities Dept. staff to assist in the large meter inspection, production meter inspection and testing and meter datalogging tasks (in the field or via City’s AMI metering system).

The night flow test is to be conducted by the Utilities Department, with support and advice from the Consultant. The results of this test will be an integral part of the final water loss analysis.

The following obligations are outlined to identify the support needed from the City in order to successfully complete this study.

OBLIGATIONS OF CITY

1. City shall assist JBS/Consultant by providing available non-confidential information and data pertinent to the project, including but not limited to previous reports;
2. Provide meter readings and printouts of all bulk water meters served by the City. Provide data in spreadsheet format, if available. Obtain copies of the bulk water clients’ monthly meter readings for comparison purposes.
3. Large Meter Inspections and Datalogging: Provide a person knowledgeable of meter locations/installations to assist the Consultant during the execution of these two tasks.
4. Provide test data of all large meters (including Bulk water) tested by City or by contractors in the last 3 years.

5. City shall arrange for access by JBS/Consultant onto public and private property as required by JBS/Consultant in order to perform its services;
6. City shall give prompt written notice to JBS/Consultant whenever City observes or otherwise becomes aware of relevant developments that would affect the scope or timing of JBS/Consultant's services hereunder. Additionally, City shall give prompt written notice to JBS/Consultant under Section 1.03 herein regarding any defects in the work or services performed by JBS/Consultant;
7. City shall be responsible for providing general assistance and supervision in the conduct of the investigations;
8. City shall be responsible for furnishing warning devices, i.e. lights and barricades, for the protection of the general public and for the protection of JBS/Consultant's instruments;
9. City shall be responsible for furnishing and installing corporation stops at the points designated by JBS/Consultant for meter testing purposes;
10. City shall be responsible for notifying officials and customers of possible temporary reduction or curtailment of water service;
11. City shall be responsible for providing competent personnel to operate water plant, wells and valves in connection with JBS/Consultant's flow studies;
12. City shall be responsible for providing a meter reader to show JBS/Consultant locations of meters to be inspected;
13. City shall be responsible for providing JBS/Consultant with a billing database and line break history in an acceptable and usable format.

Exhibit B “Services to be Performed by Engineer”

Professional Services Comprehensive Water Distribution System Audit & Meter Management Analysis For City of Round Rock, Texas January 2017

PROJECT APPROACH

1. Data Collection and Analysis

An initial task of the project, once JBS has received confirmation to proceed, is to itemize and request all data that we will need from the client to conduct this project and achieve the Project Objectives.

2. Production Meter Analysis

Task includes verification of in-plant accuracy of finish water meter devices to establish benchmark volumes of water produced against which to reference all other water use (and losses). The purpose of this task is to confirm or determine the current accuracy of the production meters that measure the volume of water brought into the water system and to verify the accuracy of the records upon which the distribution system water accountability is based.



In this regard, JBS will conduct accuracy tests on the source water meters that determine the volume of water received and the costs to provide that water.

This task also includes the review of existing records and reports of water production for the most recent three years, or longer, if available.

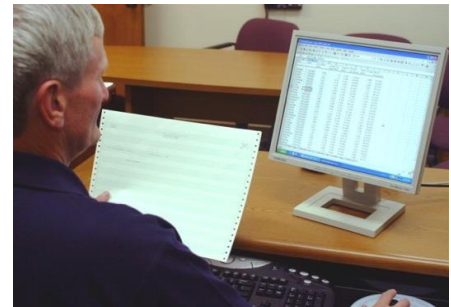
Our quantitative analyses of water production data shall include:

- a) Evaluation of production meter installations as they may adversely affect meter accuracy, reliability and performance.

- b) Confirmation of existing metering devices for suitability.
- c) Verification of historical water production data for the most recent three years or longer if data is available.
- d) Verification accuracy of water production meters using a pitot rod, time-volume, and/or a transit-time ultra-sonic test technique, alone or in combination, as determined by existing installation configurations. This will re-establish a baseline for comparing system wide water accountability.

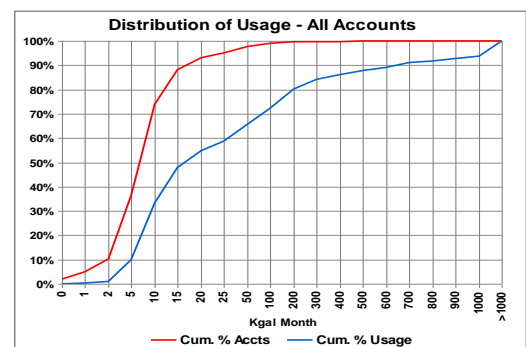
3. Comprehensive Analysis of Metered Accounts & Authorized Water Use

Comprehensive analysis of metered accounts. Per current AWWA best practices (M22 & M36 Manuals), that part of the existing Non Revenue Water due to meter related issues is considered “Apparent Loss”. This water loss is recoverable at existing water and wastewater commodity rates. Consequently this analysis is a critical task for development of data to be applied in any meter replacement program.



- a) JBS will confirm and then compare summaries of metered sales quantities with summaries of production as metered into the system. Subsequently the data will be analyzed on monthly, quarterly, and annualized bases.

- b) All metered accounts will be reviewed in detail by meter size, meter route, rate classification, meter age (if available), meter brand and type. The analysis will analyze in detail different classification types such as apartments or multi units, different types of commercial accounts, outside irrigation, and residential accounts and will cross reference meter size, and meter age against consumption.



Distribution of use tables and charts will be prepared for each class code.

- c) No-use, low-use, and high-use accounts will be identified to facilitate closer investigation and follow-up. In addition, usage will be reviewed by geographical location, and or demographics (if possible). A complete sizing analysis will be made on all 1-inch and larger meters.

d) All 3-inch and larger meters will be inspected for installation problems and the photo database will be updated. All compound meters will be reviewed in detail and an account profile will be established on each two-register compound, comparing consumption histories. This information will be used in the sizing and cost analysis.

JBS 4715 Strack Road, Suite 114
Houston, Texas 77069
Tel: (281) 435-2700
jsmith@jbswater.com
jaschew@jbswater.com

City of Round Rock, Texas
2012 Large Meter Inspections

ID: 11 Acct #: 11-0952-01 Customer: WAL MART STORES #01-5480
Units: Svc Code: 10 Address: 4700 E PALM VALLEY BV

Mtr Sz	Cont Mtr Sz	Meter #	Cont. Mtr #	Mtr Mtr:	Mtr Type	Cont Mtr Type	Mtr Model:
3	3	64286767	Correct	Sensus	PMM	SR Compound	SRH

Strainer Test Plug By Pass B-P Secure? BackFlow Inlet Valve Outlet Valve Vault Cond. Cover Cond.
 Yes Yes Yes No No Yes Yes Excellent Excellent

Mtr Read: 9908460 Observed gpm 0 Install Date: 12/22/2004 Insp Date: 6/15/2007

Comments 2012 NO METER CHANGE SINCE 2007 WATER AUDIT. METER DATA INCOMPLETE IN BILLING DATABASE.

Comments 2007 LARGE VAULT W/ STEEL COVER; V. LOW GPM; BY-PASS OFF NO LOCK;

2006	2011
Kgal/Mo	Kgal/Mo
239.3	263.2

Serviceability: Excellent
Meter Location:

P5150044 WALMART #64286767 3-IN CMP.JPG P5150043 WALMART #64286767 3-IN CMP.JPG

- e) All meters will be subject to a meter sizing analysis and verification of the sizing model will be made by installing rate of flow data loggers on select accounts. This flow data will be used to verify the sizing analysis so that suspect meters may be identified for additional evaluation.
- f) A cost analysis will be prepared that will evaluate the performance capabilities of current meters and recommended sizes and brands. Meter payback periods will be estimated based on meter size and meter reading technology. The Existing water and sewer rates will be reviewed to see how they impact meter payback and sizing issues, and large meter testing, which in turn also impact water conservation efforts.
- g) We will review existing system policies, procedures and standards that may directly affect water accountability, water utility revenues and metering system costs over the long term. Meter sizing, selection, installation and accessibility to facilitate periodic meter testing and maintenance, meter reading and billing are some of the issues that have long-term consequences that must be addressed in order to assure the benefits of the audit shall extend well into the future.
- h) We will develop a plan for cost effective replacement of water meters and recommend appropriate ongoing procedures for monitoring, testing, operating and maintaining meters. This plan will take into consideration the meter age, meter brand, meter route, theoretical life expectancies and water and sewer rate schedule.

4. Analysis of Bulk Water Consumption & Metering

1. JBS will review current metering practices for the City's bulk water customers to ascertain the level of precision, taking special consideration of the "deduct" meters. This will include consideration of the changes implemented since the 2002 water audit
2. Some of the meter related analysis concerning these customers will be addressed in Task #2. However specific inspection of these meter installations will include review of the meter readings and calculations, as well as determination of the respective zones of influence of each meter,

data logging of individual meters to determine typical flow rates and consumption patterns.

3. Additionally it may be necessary to conduct flow measurements independently of each meter to determine whether all flow is accounted for at the existing metering points. These flow measurements will be coordinated with Public Utilities.
4. Further study may entail obtaining records from the individual bulk customers to corroborate data. We will require the City's support in this matter.

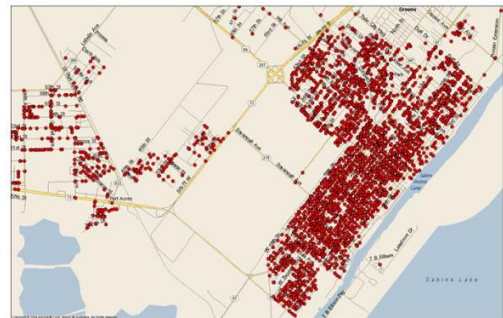
5. Review Policies & Procedures Affecting Water Accountability

JBS will review existing policies, procedures and standards that may be adversely affecting water accountability, water utility revenues and metering system costs over the long term.

1. Meter sizing, selection, installation and accessibility to facilitate periodic meter testing and maintenance, meter reading and billing are some of the issues that have long-term consequences that must be addressed in order to assure the benefits of the audit shall extend well into the future. This item will overlap with task 3.
2. Review existing procedures for reporting and accounting for authorized unmetered use such as line flushing and other unmetered water uses.
3. Develop on-going procedures to be implemented by the client for the maintenance of sustainable low levels of NRW and energy efficiency.
4. Prepare a complete water balance table applying the TWDB methodology for on-going use by the client. Provide recommendations for follow-on leak detection phase to this project, as may be necessary, dependent on the findings and results of the water audit.

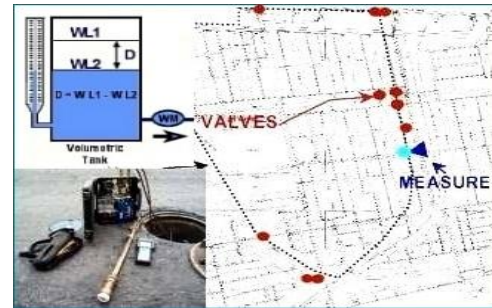
6. & 7. Analysis of Real Losses

We will collect and compile available existing work order records of reported line breaks and leaks. This analysis of Real Losses is to identify areas suspect for high incidence of leakage, by location, pipe material and age. The data will be analyzed for possible correlations that will help establish priorities for a follow-on phase of underground leak detection survey and for anticipated replacement of water distribution and service lines.



In addition, night flow measurements will be conducted, in coordination with client, to determine leakage potential by Districts or Pressure Zones.

- a) Water distribution system maps will be reviewed to plan to overnight flow measurements of the water system. When possible and practical, and with the client's input, the distribution system will be sub-divided to determine leakage potential in each pressure zone.



- b) By taking observed flow measurements, population, consumption history, system statistics and observed nighttime consumption into consideration, an approximate flow rate due to underground leakage can be developed. This information may be used to determine if and where a physical leak detection survey might be cost-effective.
- c) For this task, accurate distribution system information (maps and local knowledge of isolation valves) will be required. Distribution system flow measurements are most successful when the entire distribution system or separate sectors can be isolated.
- d) To take advantage of the winter season low water usage it is advisable to bring forward this task early in the project as indicated in the Work Schedule.

8. Review Policies & Procedures Affecting Meter Efficiency & Revenue

JBS will review existing policies, procedures and standards that may adversely affect water accountability, water utility revenues and metering system costs over the long term.

Meter sizing, selection, installation and accessibility to facilitate periodic meter testing and maintenance, meter reading and billing are some of the issues that have long-term consequences that must be addressed in order to assure the benefits of the audit shall extend well into the future.

9. Water Audit Final Report

JBS Water, Inc. will prepare and present a written Final Report of water audit findings, conclusions, and recommendations generated by the audit, including compilations of data collected during the audit in written and electronic format.

The Final Report will be presented in person to City of Round Rock staff to provide an opportunity to ask questions and assure full understanding of the recommendations and results generated by this study.

PROJECT TEAM FORMATION & MEMBERS

The success of any Project in the accomplishment of its objectives depends in great measure on the participation by experienced professionals who understand the client's needs and develop practical, cost effective solutions on a timely basis. The many years of experience at JBS and practical knowledge of our personnel is a critical factor in the achieving the highest quality results.

James B. Smith Principal

Jim Smith has 35 years of extensive experience in water distribution system studies, including water audits, meter audits, leakage surveys, and water and sewer rate adjustments. His diverse professional experience, in addition to that in the private sector, includes employment with both state and local government agencies while working on four continents.

From his experience in working with several hundred utilities, Mr. Smith understands the changing internal dynamics of individual systems. Mr. Smith has developed several fresh approaches to water conservation needs and to the reduction of unaccounted for water losses. These techniques are the result of years of diverse hands on experience.

EXPERIENCE:

Prior to the establishment of JBS Associates in 1988, Jim served as National Marketing Director and Western States Manager for the Pitometer Associates. He joined that firm in 1985 when his prior firm, Water Resource Associates, headquartered in Indiana, merged with the Pitometer Associates.

Mr. Smith is one of the pioneers in water system auditing, and over the years has progressively developed and tailored programs dealing with water auditing concepts.

His hands experience includes all aspects of NRW control, with major emphasis on the metering component. He has developed and continues to modify new approaches in regards to the meter analysis.

Mr. Smith has presented training programs to over 8,000 people in the United States, Canada, Southeast Asia, Central and South America.

Project Role:

Principal, responsible for project coordination, flow and consumption analysis, evaluation of final data and results.

Education:

Attended Eastern New Mexico University, New Mexico State University, graduated in 1971 with a B.S. degree from Weber State College.

Professional Affiliations:

AWWA Member since 1994

Papers & Presentations:

- 2006-2007 Texas Water Utility Association – “Development of a Cost Effective Water Loss Reduction Program” Four hour training programs
- 1990-2005 - Texas Rural Water Association – National Rural Water Association “Establishing an Effective Water Loss Reduction Program”
- 2004 - AIDIS-USA Seminar on Unaccounted-for Drinking Water - “The Impact of Meter Sizing on Unaccounted for Water Loss”
- 1999 - AWWA – Conserve 99 Conference - “Unaccounted for Water – Costs and Benefits of Water Loss and Revenue Recovery in Four Vermont Municipal Water Systems”.
- 1990-1997 - University of Wisconsin “The Impact of Unaccounted for Water on Water Conservation”.
- 1994 - Philippine Pipeline “Which Small Meter is Best for MWSS Class B or Class C?”
- 1993 - AWWA Research Foundation San Jose, CA “Leakage Control Systems”. Part of a cooperative research report between the AWWA Research Foundation and the Japan Water Works Association.
- 1992 - AWWA National Conference, Vancouver, B.C. “Establishing An Effective Water Loss Reduction Program”.
- 1990 Texas Rural Water Association “The Metered Ratio The Great Hoax?”
- 1981-88 AWWA – Developed the “Water Loss Reduction and Meter Application and Sizing Seminars for AWWA and taught programs in more than 100 cities.

James A. Schiele

Vice President

Mr. Schiele has over 30 years of water industry experience in North and South America, as well as Europe and South East Asia. Employed in both the consulting and manufacturing sectors, he has provided consulting services, training, project management, product support and marketing activities related to water loss analysis, flow measurement, subsurface pipeline surveys, development of water loss reduction programs, product development and testing, demonstration and sales of microprocessor-based leak correlators, leak detection instrumentation, data loggers and pipe locators.

EXPERIENCE:

In 1993, Mr. Schiele joined the JBS consulting group, directly involved with the management, supervision and development of water audits and leak detection projects in the United States, Brazil, Mexico, Panama and the Philippines.

His experience includes production meter flow testing, implementation of distribution system night flow tests, application of meter datalogging and data analysis, acoustic leak detection and the use of correlator technologies.

Prior to joining JBS, Schiele was employed by Fluid Conservation Systems (FCS) of Austin, Texas. For 12 years the company benefited from his substantial experience in the field of water loss control and leak detection as he developed an outstanding reputation for his insight, thoroughness and insistence on improving the customer's skills.

His extensive prior project experience was often called upon during the development cycle of the company's new leak detection and correlator technologies. He conducted programs for FCS products and services throughout the U.S. and in Canada, Mexico and Brazil. His responsibilities included customer training, product development, product demonstrations, and supervision and coordination of leak survey services.

Mr. Schiele has prepared and presented more than 3,000 hours of professional training courses for industry personnel of all levels, including operators, supervisors and management. He is fluent in English and Spanish.

Project Role:

Project Manager, Flow Measurements and Leak Detection.

Education:

Majored in Languages at Walbrook College, London, UK 1968-1971.

Graduated in Computer Science and Technology at Control Data Institute, London (1972-1974).

Professional Affiliations:

AWWA Member since 1994

Papers & Presentations:

2007 – ACODAL – International Seminar on The Water Balance and Technologies for the Development of Unaccounted for Water Loss Programs, Cali, Colombia.

2004 - AIDIS-USA Seminar on Unaccounted-for Drinking Water – “Development of a Water Loss Recovery Program in Culiacán, Mexico”

2001 - As a result of successful development of an in-house unaccounted for water loss recovery program for our client, the Culiacán, Mexico Municipal Water and Wastewater System was a top ten finalist in a national award program for progressive municipal government agencies. This award was promoted by the Ford Foundation and Mexico's Centro de Investigación y Docencia Económicas (CIDE).

1999 - IMTA (Instituto Mexicano de Tecnología del Agua) 7th International Seminar on Water Loss Reduction, Guanajuato, Mexico – “Experiences in the Reduction of Water Losses in 10 Cities in the State of Guanajuato”

1993 - AWWA Research Foundation - San Jose, CA - "Leakage Control Systems" - Co-authored a cooperative research report between the AWWA Research Foundation and the JWWA (Japan Water Works Association).

Exhibit C “Work Schedule”
Professional Services
Comprehensive Water Distribution System Audit & Meter Management Analysis
City of Round Rock, Texas
January 2017

#	TASK DESCRIPTION	Start Date	End Date
Start	Project Startup Meeting: Data Collection & Analysis	15-Feb-17	15-Feb-17
1	Analysis of Water Production Meters & Data	6-Mar-17	1-Apr-17
2	Comprehensive Analysis of Metered Accounts	8-Mar-17	28-Jun-17
3	Large Meter Inspections	1-Apr-17	25-Apr-17
4	Analysis of Bulk Water Consumption & Metering	22-Apr-17	11-May-17
5	Policies & Procedures Affecting Water Accountability	6-May-17	14-May-17
6	Analysis of Existing Line Breaks & Historical Leak Repair Data (Real Losses: Item a)	19-May-17	31-May-17
7	Field Measurements to Determine Underground Leakage Potential (Real Losses: Items b & c)	18-Feb-17	9-Mar-17
8	Review Policies & Procedures Affecting Meter Efficiency & Revenue	3-Jun-17	13-Jun-17
9	Final Report of Water Distribution System Audit	19-Jun-17	23-Jul-17
Total		15-Feb-17	23-Jul-17

Exhibit D Fee Schedule

Project Name: Water Distribution System Audit & Meter Management Analysis (2017)

Our fee for conducting and completing the Professional Services as described in the forgoing Scope of Work (Schedule B) will not exceed \$81,500 (Lump Sum/Fixed Fee), including all expenses normally associated with the described work. A summary fee schedule is provided below.

Task	Total	Total	Other		
	Labor Hours	Loaded Labor Cost	Direct Costs	Subconsultants	TOTALS
1 Analysis of Water Production Meters & Data	67	\$5,693	\$600	\$0.00	\$6,293
2 Comprehensive Analysis of Metered Accounts	132	\$11,536	\$1,350	\$0.00	\$12,886
3 Large Meter Inspections	91	\$7,652	\$600	\$0.00	\$8,252
4 Analysis of Bulk Water Consumption & Metering	68	\$5,885	\$600	\$0.00	\$6,485
5 Investigation of Authorized Un-Metered Water Use	80	\$6,999	\$250	\$0.00	\$7,249
6 Analysis of Existing Line Breaks & Historical Leak Data	80	\$6,916	\$600	\$0.00	\$7,516
7 Field Measurements to Determine Leakage Potential	56	\$4,854	\$600	\$0.00	\$5,454
8 Review Policies & Procedures re. NRW	44	\$3,823	\$250	\$0.00	\$4,073
9 Final Report of Water Distribution System Audit	183	\$15,620	\$1,000	\$0.00	\$16,620
10 Project Management	60	\$6,353	\$250	\$0.00	\$6,603
GRAND TOTAL:	861	\$75,329	\$6,100	\$0.00	\$81,429

Round Rock Water Audit Project Work Schedule by Task (Assumes February 15, 2017 Start)

