

June 23, 2016

To: Mark Moore  
Deputy Director/Finance, Public Utilities  
City of Hollywood, FL

Re: Pedal Valves, Inc. Scope of Work for Hollywood AMI Conversion

Mark,

Pedal Valves, Inc. (PVI) is pleased to provide a proposal and scope of work for the AMI conversion in the City of Hollywood, Florida from Aclara to Neptune. As a part of our proposal, we are offering the City of Hollywood to “piggyback” on our contract with the City of Laredo, Texas for water meter retrofits. Some of the contract work has been quoted based on Hollywood’s requirements for removal of Aclara DCU equipment and installation of Neptune Gateways in different settings than was done in Laredo and thus has unique pricing and is attached. We have provided Hollywood with a copy of the Laredo contract as well as an official labor quote (see attached titled “PVI Labor Quote – HOLLYWOOD – 06/13/16”). We expect the duration of the project with the City of Hollywood to be 365 calendar days (1 year).

Below are additional components of the project offering defined in detail.

- PVI has provided an option to dispose of ~44,662 Lithium Ion batteries with an approved hazardous waste recycler/disposer. For this option, Aclara MTU units will be removed from the existing water meter pits and brought to our storage location for handling. The Aclara MTU’s will be placed in an approved hazardous waste disposal bin and shipped off for disposal. If the City chooses to dispose on the Aclara MTU units we will hold them at our storage location for the City to pick up.
- Existing cell modem cards cannot be reused in the Neptune Gateways as this will effectively turn off the Aclara DCU communication. The intent is to have both systems available until project completion. The City of Hollywood will need to provide new cell modem cards for the Neptune Gateways.
- PVI will place storage containers and an office trailer on City of Hollywood provided property. The City of Hollywood is responsible for supplying electricity at this site. Once materials are delivered to the storage containers, PVI will be financially responsible for said materials. Costs associated with any missing materials at project completion will be deducted from the contract amount owed to PVI.
- PVI will work directly with MUNIS to write a batch update program interface for meter register exchanges. The costs for this are covered under our standard meter labor. Additional costs and coordination for the interface between Neptune and MUNIS will be the responsibility of others.
- As part of the physical installation process is concerned, below are the key steps.
  - a) PVI is responsible for removing the existing Aclara MTU and register from the meter pit.
  - b) PVI will then install a new Neptune register with integrated R900i register on the existing Neptune meter body. If the existing meter is not compatible with the Neptune register but can be read via the R900 MIU, we will splice in a R900 MIU to the existing register. In the event the existing meter is

not compatible with the new Neptune register and is not AMI ready, we have provided labor pricing for complete meter replacement (these are the same costs from the Laredo contract).

- c) PVI will drill a hole in the existing plastic lid and mount the external Neptune antenna to the lid.
  - d) PVI will activate the meter with a magnet to start transmission to the Neptune Gateways.
  - e) PVI will record or confirm the following data via handhelds along with paperwork backup.
    - Confirm existing meter number matches work order
    - Confirm existing Aclara MTU number matches work order
    - Record consumption outread on removed register
    - Record new Neptune MIU number
    - Take a digital photograph of the existing register with outread
    - Take digital photograph of newly installed Neptune register /MIU
    - Take digital photograph of antenna mounted through the lid
- PVI will coordinate with MUNIS at a prescheduled time to upload data into the MUNIS billing system. The costs for the interface between PVI's software program and MUNIS to batch update the billing system with change-out data is included in PVI's labor costs. Additional costs for interfaces between Neptune/MUNIS and Neptune/Paymentus are not included and are to be covered by others.
  - PVI will subcontract directly with CSG Data Networks for installation of the Neptune Gateways. We have included a detailed SOW from CSG Data Networks on what is included in their labor.
  - In addition to installing the Neptune Gateways, CSG Data will also remove and dispose of all Aclara DCU's (34) once the Neptune AMI system is fully implemented for the City of Hollywood. A detailed SOW is provided for this effort and attached.
  - PVI will provide full project coordination of all required activities and will work closely with Neptune, MUNIS, and Paymentus to make sure the project is moving forward smoothly. PVI is not to be held contractually or financially responsible for any delays or associated costs with 3<sup>rd</sup> party vendors with the exception of CSG Data Networks.

Here is a breakdown of the costs that we are proposing:

<b>Pedal Valves, Inc. - Laredo Contract</b>				
	<b>QTY</b>	<b>Laredo Ref</b>	<b>Price</b>	<b>Total Cost</b>
<b>Installation of MIU's</b>	40662	Exhibit 5	\$27.00	\$1,097,874.00
<b>Owner's Contingency</b>				\$200,000.00
<b>Total Pedal Valves Laredo Contract</b>				<b>\$1,297,874.00</b>
<b>Pedal Valves, Inc. Bond &amp; Associated Cost Based on Hollywood Requirements</b>				
	<b>QTY</b>		<b>Price</b>	<b>Total Cost</b>
<b>Cost of Performance Bond</b>				\$27,285.00
<b>Option to dispose of Aclara Lithium-ion Battery MTU</b>	40662		\$6.55	\$266,336.10
<b>Installation of 27 Gateways per Map 3 Coverage</b>	1		\$151,890.00	\$151,890.00
<b>Installation of Additional Gateways as needed</b>	7		\$5,450.00	\$38,150.00
<b>Removal &amp; Disposal of 33 Aclara Collectors</b>	1		\$27,225.00	\$27,225.00
<b>Removal &amp; Disposal of Aclara Collector (West Elevated Tank)</b>	1		\$7,875.00	\$7,875.00
<b>Total Pedal Valves, Inc. Bond &amp; Associated Cost Based on Hollywood Requirements</b>				<b>\$518,761.10</b>
<b>Total Pedal Valves, Inc.</b>				<b>\$1,816,635.10</b>

Thank you for the opportunity to provide a proposal for the meter retrofit and infrastructure labor in Hollywood. Please feel free to contact me if you have any questions at 985-785-9997.

Sincerely,



Jason Wilkie  
VP of Operations