



Regular Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

Agenda - Monday, August 19, 2024 - 6:00 PM

Call to Order

Roll Call

Invocation given by Ward 1 Director Terry Roberts

Pledge of Allegiance led by TWU Assistant Executive Director Kenny Icenhower

CITIZEN COMMUNICATION

A limit of five (5) minutes per person is allotted for citizens to express their concerns to the Board of Directors, with a maximum of fifty (50) minutes reserved for Citizens Communication.

Please fill out a Citizen Communication Card with your name and contact information for the City Clerk's records.

PRESENTATION(S)

1. Proclamation declaring August 19, 2024, as Judy Priest Day.

CONSENT

2. Approval of the minutes of the regular meeting August 5, 2024. (CCD) City Clerk Heather Soyars
3. Adopt a Resolution authorizing the purchase of a 2025 Ford Explorer Police Interceptor to replace a damaged vehicle. (TAPD) Interim Police Chief Ed Chattaway

REGULAR

4. Adopt a Resolution conditionally authorizing the City of Texarkana, Arkansas, Public Facilities Board to proceed with the issuance of approximately \$24,000,00 of waterworks and sewer facilities revenue bonds. (TWU) Assistant Director Kenny Icenhower and Rose Law Firm Counsel Jim Fowler
5. Adopt a Resolution authorizing the Acting City Manager to enter into a contract with Johnson Controls, Inc., to install an Advanced Metering Infrastructure System with a Leak Detection Monitoring System in combination with Satellite Based Leak Detection. (TWU) Assistant Executive Director Kenny Icenhower

- [6.](#) Adopt a Resolution authorizing the Acting City Manager to enter into a lease agreement with the Texarkana Regional Airport to apply for a loan from the Arkansas Energy Office for solar covered parking. [TABLED August 5, 2024] (AIRPORT) Director Paul Mehrlich

BOARD OF DIRECTORS' COMMENTARY

NEXT MEETING DATE: Tuesday, September 3, 2024

ADJOURN

2024 City Calendar

Gateway Farmers Market - Open Tuesdays, Thursdays & Saturdays 7AM - Noon

Texarkana Rec Center Calendar

Live to the Beat - 9AM-10AM - Monday through Friday

Ageless Grace - Mondays & Thursdays – 2PM - 3PM

The Fabric Shop - Thursdays - 8AM - 2PM

Quilters - Fridays - 9AM - 3PM

Gym Open - Daily - 3PM - 5PM

Dance Fitness - Tuesdays - 6PM & Saturdays - 11AM



CITY OF TEXARKANA, AR

BOARD OF DIRECTORS

AGENDA TITLE:	Proclamation declaring August 19, 2024, as Judy Priest Day.
AGENDA DATE:	August 19, 2024
ITEM TYPE:	Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Other <input checked="" type="checkbox"/> : Proclamation
DEPARTMENT:	City Clerk
PREPARED BY:	Heather Soyars, City Clerk
REQUEST:	N/A
EMERGENCY CLAUSE:	N/A
SUMMARY:	N/A
EXPENSE REQUIRED:	N/A
AMOUNT BUDGETED:	N/A
APPROPRIATION REQUIRED:	N/A
RECOMMENDED ACTION:	N/A
EXHIBITS:	Proclamation



CITY OF TEXARKANA, AR

BOARD OF DIRECTORS

AGENDA TITLE:	Approval of the minutes of the regular meeting August 5, 2024. (CCD) City Clerk Heather Soyars
AGENDA DATE:	August 19, 2024
ITEM TYPE:	Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Other <input checked="" type="checkbox"/> : Minutes
DEPARTMENT:	City Clerk Department
PREPARED BY:	Heather Soyars, City Clerk
REQUEST:	Approval of meeting minutes.
EMERGENCY CLAUSE:	N/A
SUMMARY:	Approval of meeting minutes
EXPENSE REQUIRED:	N/A
AMOUNT BUDGETED:	N/A
APPROPRIATION REQUIRED:	N/A
RECOMMENDED ACTION:	The City Clerk recommends Board approval.
EXHIBITS:	Meeting minutes.



Regular Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

Minutes - Monday, August 05, 2024 - 6:00 PM

Mayor Allen Brown called the meeting to order at 6:00 PM.

PRESENT: Mayor Allen Brown, Ward 1 Director Terry Roberts, Ward 2 Director Laney Harris, Ward 3 Director Steven Hollibush, Ward 4 Director Ulysses Brewer, Ward 5 Director Danny Jewell, and Assistant Mayor Ward 6 Director Jeff Hart.

ALSO, PRESENT: Acting City Manager Tyler Richards, City Attorney Josh Potter, City Clerk Heather Soyars, and Deputy City Clerk Jenny Narens.

* Ward 2 Director Laney Harris arrived at 6:01 PM.*

Invocation given by Pastor Chris Owens.

Pledge of Allegiance led by Acting City Manager Tyler Richards.

CITIZEN COMMUNICATION

Pastor Chris Owens, 3614 Garland Avenue, wanted to invite the Board of Directors to the community clean up.

Linwood Huckins, 509 Draughn Street, complained to the Directors and asked if they would help him with a house people lived in next to him that had no water or electricity.

PRESENTATION(S)

1. Presentation of the City of Texarkana, Arkansas Employee Service Awards. (ADMIN)

CONSENT

Assistant Mayor Hart made the motion to adopt the Consent agenda, Seconded by Director Brewer. The motion carried and the following items were approved:

2. Approval of the minutes of the regular meeting July 15, 2024. (CCD) City Clerk Heather Soyars
3. Resolution No. 2024-60 appointed Tyler Richards to the Employee Retirement System Committee. (CCD) City Clerk Heather Soyars

REGULAR

Director Jewell made a motion to move items 4, 5, and 6 regarding the Airport behind the Planning and Zoning ordinances, Seconded by Assistant Mayor Hart.

7. Ordinance No. 17-2024 rezoned property located at 6103 Mt. Olive Drive, from C-4 Crossroads Business Park to a Planned Unit Development for the purpose of constructing MCDONALD HEIGHTS subdivision consisting of 5 single family homes (Ward 6). (PWD-Planning) City Planner Jamie Finley

After a brief discussion, the motion to suspend the rules and place the ordinance on its first reading in abbreviated form made by Director Roberts, Seconded by Director Hollibush.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the first time in abbreviated form.

Motion to suspend the rules and place the ordinance on its second reading in abbreviated form made by Director Hollibush, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the second time in abbreviated form.

Motion to suspend the rules and place the ordinance on its third and final reading in abbreviated form made by Director Brewer, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the third time in abbreviated form.

Motion to adopt the ordinance made by Assistant Mayor Hart, Seconded by Director Hollibush.

Mayor Brown asked if anyone would like to speak for or against this ordinance.

No one came forward.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the ordinance adopted.

An emergency clause was added at the request of the property owner.

The applicant requests an emergency clause. An emergency clause requires a separate and distinct vote of the board and is valid only if there is a two-thirds vote of approval by the board. (Hdbk. Const. Amend 7)

Motion to enact the emergency clause made by Assistant Mayor Hart, Seconded by Director Roberts.

Mayor Brown asked if anyone would like to speak for or against the emergency clause.

No one came forward.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the emergency clause enacted.

8. Ordinance No. 18-2024 amended Ordinance No. L-61, to strike the last sentence under the definition of “Mobile home park”. (PWD-Planning) City Planner Jamie Finley

After a brief discussion, the motion to suspend the rules and place the ordinance on its first reading in abbreviated form made by Director Hollibush, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the first time in abbreviated form.

Motion to suspend the rules and place the ordinance on its second reading in abbreviated form made by Director Brewer, Seconded by Director Hollibush.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the second time in abbreviated form.

Motion to suspend the rules and place the ordinance on its third and final reading in abbreviated form made by Director Hollibush, Seconded by Director Roberts.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the third time in abbreviated form.

Motion to adopt the ordinance made by Director Hollibush, Seconded by Director Brewer.

Mayor Brown asked if anyone would like to speak for or against this ordinance.

No one came forward.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the ordinance adopted.

9. Ordinance No. 19-2024 added Limited Mixed Use Rural Zone to the *City of Texarkana, Arkansas, Code of Ordinances*, **Section 28-11** Zoning districts established. (PWD-Planning) City Planner Jamie Finley

After a brief discussion, the motion to suspend the rules and place the ordinance on its first reading in abbreviated form made by Director Hollibush, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the first time in abbreviated form.

Motion to suspend the rules and place the ordinance on its second reading in abbreviated form made by Director Hollibush, Seconded by Director Roberts.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the second time in abbreviated form.

Motion to suspend the rules and place the ordinance on its third and final reading in abbreviated form made by Director Brewer, Seconded by Director Roberts.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the third time in abbreviated form.

Motion to adopt the ordinance made by Assistant Mayor Hart, Seconded by Director Hollibush.

Mayor Brown asked if anyone would like to speak for or against this ordinance.

No one came forward.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the ordinance adopted.

10. Ordinance No. 20-2024 added the rezoning fee for Limited Mixed Use Rural Zone of \$100 to the *City of Texarkana, Arkansas, Code of Ordinances Section 28-129 Fees*. (PWD-Planning)
City Planner Jamie Finley

After a brief discussion, the motion to suspend the rules and place the ordinance on its first reading in abbreviated form made by Director Hollibush, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the first time in abbreviated form.

Motion to suspend the rules and place the ordinance on its second reading in abbreviated form made by Director Brewer, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the second time in abbreviated form.

Motion to suspend the rules and place the ordinance on its third and final reading in abbreviated form made by Director Hollibush, Seconded by Director Roberts.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the ordinance was read the third time in abbreviated form.

Motion to adopt the ordinance made by Assistant Mayor Hart, Seconded by Director Roberts.

Mayor Brown asked if anyone would like to speak for or against this ordinance.

No one came forward.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the ordinance adopted.

4. Adopt a Resolution authorizing the Acting City Manager to enter into a lease agreement with the Texarkana Regional Airport to apply for a loan from the Arkansas Energy Office for solar covered parking. (AIRPORT) Director Paul Mehrlich

After a brief discussion, motion to table the resolution for clarification on the agreement made by Director Hollibush, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the resolution tabled for clarification on the agreement.

5. Resolution No. 2024-61 adopted the FY2025 Airport Budget. (AIRPORT) Airport Director Paul Mehrlich

After a brief discussion, the motion to adopt the resolution with an amendment to the budget of no salary increases made by Assistant Mayor Hart, Seconded by Director Hollibush.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the Mayor declared the resolution adopted with the amendment to the budget of no salary increases.

6. Resolution No. 2024-62 adopted the FY2025 Airport Capital Budget. (AIRPORT) Airport Director Paul Mehrlich

After a brief discussion, the motion to adopt the resolution made by Director Roberts, Seconded by Assistant Mayor Hart.

Voting Yea: Mayor Brown, Director Roberts, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

Voting Nay: Director Harris.

The motion carried 6-1 and the Mayor declared the resolution adopted.

BOARD OF DIRECTORS' COMMENTARY

None

NEXT MEETING DATE: Monday, August 19, 2024

ADJOURN

Motion to adjourn made by Assistant Mayor Hart, Seconded by Director Hollibush.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Director Hollibush, Director Brewer, Director Jewell, and Assistant Mayor Hart.

The motion carried 7-0 and the meeting adjourned at 7:36 PM.

APPROVED this the 19th day of August 2024.

Allen L. Brown, Mayor

Heather Soyars, City Clerk



CITY OF TEXARKANA, AR

BOARD OF DIRECTORS

AGENDA TITLE: Adopt a Resolution authorizing the purchase of a 2025 Ford Explorer Police Interceptor to replace a damaged vehicle. (TAPD) Interim Police Chief Ed Chattaway

AGENDA DATE: August 19, 2024

ITEM TYPE: Ordinance Resolution Other :

DEPARTMENT: Texarkana Arkansas Police Department

PREPARED BY: Ed Chattaway, Interim Police Chief

REQUEST: Approval of Request to proceed with purchase of new police unit to replace damaged unit

EMERGENCY CLAUSE: N/A

SUMMARY: On 04-15-2024, Unit #209, a 2023 Ford PI Utility vehicle was substantially damaged in a fleet accident. On 07-05-2024, an insurance settlement check was received in the amount of \$38,100.00. A replacement was quoted at \$45,797.00 by McLarty Ford. We request a resolution to approve the purchase of a replacement vehicle from McLarty Ford.

EXPENSE REQUIRED: \$7,697.00 (out of pocket difference of quote v. settlement)

AMOUNT BUDGETED: \$38,100.00 (check received from insurance settlement)

**APPROPRIATION
REQUIRED:**

**RECOMMENDED
ACTION:** Approval of quote from McLarty Ford to replace police unit damaged in accident.

EXHIBITS: Resolution and Quote from McLarty Ford for 2025 Ford Explorer Police Interceptor

RESOLUTION NO. _____

WHEREAS, the Texarkana, Arkansas, Police Department is requesting the approval of the City of Texarkana, Arkansas, Board of Directors, to authorize the Acting City Manager to enter into a purchase agreement with McLarty Ford for a 2025 Ford Explorer Police Interceptor in the amount of \$45,797.00; and

WHEREAS, on April 15, 2024, Unit #209, a 2023 Ford Police Interceptor Utility Vehicle, was involved in an accident; and

WHEREAS, on July 5, 2024, the City received an insurance check in the amount of \$38,100.00, and McLarty Ford submitted a quote for the 2025 Ford Explorer Police Interceptor in the amount of \$45,797.00, a difference of \$7,697.00; and

WHEREAS, the requirement for bids on this purchase is waived pursuant to A.C.A. § 14-58-303(b)(2)(B) because this is a replacement vehicle for one previously purchased from McLarty Ford;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the City of Texarkana, Arkansas, that the Acting City Manager is authorized to enter into a purchase agreement with McLarty Ford for the purpose and in the amount set forth above.

PASSED AND APPROVED this 19th day of August 2024.

Allen L. Brown, Mayor

ATTEST:

Heather Soyars, City Clerk

APPROVED:

Joshua L. Potter, City Attorney

July 26th, 2024

McLarty Ford
3232 Summerhill Road
Texarkana, Texas 75503
Attn: Mike Terrell

City of Texarkana, Arkansas
100 North State Line Ave
Texarkana, Arkansas 71854
Attn: Jason Shores

I am pleased to provide pricing on the following vehicle

(1 ea).....2025 Ford Explorer Police Inteceptor
3.3L V6 Engine
10-speed Auto Transmission
Exterior : **Black**
Interior: Black Cloth with cloth rear seats
Aux Climate Control
Police Engine Idle Feature
Reverse Sensing System
Keyless Entry including 4 fobs

Keyed Alike (order code 59E).....Included
Hidden Door-Lock Plunger with Rear
door controls inoperable...(code 52P).....Included
Spotlight.....Included

City of Texarkana , Arkansas Pricing.....**\$45,797.00 ea.**

ETA: Mid June 2024



CITY OF TEXARKANA, AR

BOARD OF DIRECTORS

AGENDA TITLE: Adopt a Resolution conditionally authorizing the City of Texarkana, Arkansas, Public Facilities Board to proceed with the issuance of approximately \$24,000,00 of waterworks and sewer facilities revenue bonds. (TWU) Assistant Director Kenny Icenhower and Rose Law Firm Counsel Jim Fowler

AGENDA DATE: August 19, 2024

ITEM TYPE: Ordinance Resolution Other : _____

DEPARTMENT: TWU

PREPARED BY: Heather Soyars

REQUEST: Conditionally authorizing the City of Texarkana, Arkansas, Public Facilities Board to proceed with the issuance of approximately \$24,000,00 of waterworks and sewer facilities revenue bonds.

EMERGENCY CLAUSE: N/A

SUMMARY: Conditionally authorizing the City of Texarkana, Arkansas, Public Facilities Board to proceed with the issuance of approximately \$24,000,00 of waterworks and sewer facilities revenue bonds.

EXPENSE REQUIRED: N/A

AMOUNT BUDGETED: N/A

**APPROPRIATION
REQUIRED:** N/A

**RECOMMENDED
ACTION:** Conditionally authorizing the City of Texarkana, Arkansas, Public Facilities Board to proceed with the issuance of approximately \$24,000,00 of waterworks and sewer facilities revenue bonds.

EXHIBITS: Resolution, Utility Projects and Public Facilities Board Resolution

RESOLUTION NO. _____

**A RESOLUTION CONDITIONALLY
AUTHORIZING THE CITY OF TEXARKANA,
ARKANSAS, PUBLIC FACILITIES BOARD TO
PROCEED WITH THE ISSUANCE OF
APPROXIMATELY \$24,000,000 OF
WATERWORKS AND SEWER FACILITIES
REVENUE BONDS; AND PRESCRIBING
MATTERS RELATING THERETO**

WHEREAS, pursuant to the Constitution and laws of the State of Arkansas, including particularly, Amendment 65, and the Public Facilities Boards Act of 1975, as amended, codified as Arkansas Code Annotated Sections 14-137-101 *et seq.* (the “Act”), and the *City of Texarkana, Arkansas, Code of Ordinances*, (the “City”), the City of Texarkana, Arkansas, Public Facilities Board, (the “Facilities Board”) is authorized in furtherance of the public purposes described in the Act to finance various capital improvements of a public nature, including waterworks and sewer facilities, through the issuance of its revenue bonds under the Act for such purposes; and

WHEREAS, the Facilities Board has been requested by the Texarkana Water Utilities to issue approximately \$24,000,000 in principal amount of its Waterworks and Sewer Facilities Revenue Bonds, (together with such series designation as may be appropriate at the time of issuance, the “Bonds”); and

WHEREAS, it has been determined that the proceeds of the Bonds will be used to fund additional capital improvements to the City’s water and sewer system which will benefit the City and its residents in furtherance of the public purposes of the Act and the *City of Texarkana, Arkansas, Code of Ordinances*, creating the Facilities Board; and in order to provide funds therefore, the Facilities Board desires to proceed with the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Texarkana, Arkansas, as follows:

Section 1. Findings. The Board of Directors of the City hereby finds and determines that the issuance of the Bonds will benefit the City and its residents in furtherance of the public purposes of the Act and the *City of Texarkana, Arkansas, Code of Ordinances*, creating the Facilities Board.

Section 2. Conditional Authorization of Issuance of Bonds. Subject to subsequent review of the actual terms and provisions of the Bonds and related documents and subsequent approval of the issuance of the Bonds by resolution of the Board of Directors of the City pursuant to Section 1. of Ordinance K-150, adopted by the City on June 17, 1985 (“Ordinance K-150”); the City hereby authorizes the Facilities Board to proceed with the issuance of the Bonds in the principal amount of approximately \$24,000,000.

Section 3. Approval of Underwriter. Pursuant to Section 5(a) of Ordinance No. K-9, adopted by the City on March 5, 1982 (“Ordinance No. K-9”), the City hereby approves the selection by the Facilities Board of Stephens, Inc., Little Rock, Arkansas, to act as underwriter in connection with the issuance of the Bonds, the discount, fees, commissions and expenses of such underwriter to be paid from the proceeds of the sale of the Bonds as costs of issuance.

Section 4. Approval of Bond Counsel. Pursuant to Section 5(b) of Ordinance No. K-9, the City hereby approves the selection by the Facilities Board of Rose Law Firm, a Professional Association to act as bond counsel in connection with the issuance of the Bonds, the fees and expenses of such counsel to be paid from the proceeds of the sale of the Bonds as costs of issuance.

Section 5. Conflicts. All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

PASSED AND APPROVED this 19th day of August 2024.

Allen L. Brown, Mayor

ATTEST:

Heather Soyars, City Clerk

APPROVED:

Joshua Potter, City Attorney

PROJECTS BONDED IN THE FIRST & SECOND BOND ISSUANCE

May 5, 2024

ARKANSAS

Item	PROJECT DESCRIPTION	ENGINEER	ESTIMATE	FIRST ISSUANCE	SECOND ISSUANCE	TOTAL	STATUS
1	Loop Dead End Mains	TWU	\$2,000,000	\$357,484	\$500,000	\$857,484	IN DESIGN
2	Automatic Metering System	JCI/FRANKS	\$7,938,168	\$6,000,000	\$1,938,168	\$7,938,168	FINAL STAGES OF DESIGN
3	Extend sewer to structures not served	TWU	\$1,810,000	\$350,000	\$0	\$350,000	JEFFERSON AVE SEWER EXTENSIONS
4	Construction cost to identify Lead & Galvanized water services	TWU	\$2,974,856	\$700,000	\$0	\$700,000	
5	Replace 12" water main with a 24" water main along Loop 245	ANDY FRANKS	\$2,369,250	\$2,164,756	\$204,494	\$2,369,250	PREPARING CONSULTANT CONTRACT
6	Replace section of 36" Water Main along North Stateline Aven	GLEN SPEARS	\$1,654,000	\$1,350,000	\$304,000	\$1,654,000	PREPARING CONSULTANT CONTRACT
7	Nix Creek Sewer Improvements Ph I	GLEN SPEARS	\$1,700,000	\$1,700,000	\$0	\$1,700,000	UNDER CONSTRUCTION
8	Replace Deteriorated sewer mains & Manholes	TWU	\$2,400,000	\$150,000	\$0	\$150,000	IN DESIGN
9	New 12" water main along Hwy 71 and Hwy 237	GLEN SPEARS	\$1,605,000	\$1,725,000	\$0	\$1,725,000	PREPARING CONSULTANT CONTRACT
10	Extend Water & Sewer to the REDI site	TWU	\$2,000,000	\$900,000	\$1,100,000	\$2,000,000	PREPARING CONSULTANT CONTRACT
11	North Texarkana WWTP Upgrade	ANDY FRANKS	\$5,636,000	\$3,500,000	\$2,136,000	\$5,636,000	PREPARING CONSULTANT CONTRACT
12	Stateline Corridor	TWU	\$3,000,000	\$0	\$3,000,000	\$3,000,000	
13	Nix Creek Sewer Improvements Ph II	GLEN SPEARS	\$3,500,000	\$0	\$3,500,000	\$3,500,000	
14	New 500,000 Gallon Elevated Tank in Lakewood	GLEN SPEARS	\$3,240,000	\$0	\$3,240,000	\$3,240,000	PREPARING CONSULTANT CONTRACT
15	Increase Millwood WTP to 20 MGD	GLEN SPEARS	\$5,700,000	\$0	\$5,700,000	\$5,700,000	PREPARING CONSULTANT CONTRACT
	TOTAL		\$47,527,274	\$18,897,240	\$21,622,662	\$40,519,902	
ITEM 3 ABOVE - \$300,000 OF THIS MONEY WAS SPENT ON THE JEFFERSON AVE SEWER EXTENSION PROJECT							



CITY OF TEXARKANA, AR BOARD OF DIRECTORS

AGENDA TITLE: Adopt a Resolution authorizing the Acting City Manager to enter into a contract with Johnson Controls, Inc., to install an Advanced Metering Infrastructure System with a Leak Detection Monitoring System in combination with Satellite Based Leak Detection. (TWU) Assistant Executive Director Kenny Icenhower

AGENDA DATE: August 19, 2024

ITEM TYPE: Ordinance Resolution Other : _____

DEPARTMENT: Texarkana Water Utilities

PREPARED BY: Gary Smith, P.E., Executive Director

REQUEST: Enter into a contract with Johnson Controls, Inc., to install an Advanced Metering Infrastructure System with a Leak Detection Monitoring System in combination with Satellite Based Leak Detection.

EMERGENCY CLAUSE: N/A

SUMMARY: Enter into a contract with Johnson Controls, Inc., of Fort Worth, Texas, to install an Advanced Metering Infrastructure System with a Leak Detection Monitoring System in combination with Satellite Based Leak Detection serving the Cities of Texarkana, Texas, and Texarkana, Arkansas, in an amount not to exceed \$18,169,793 with the Arkansas portion of the project not to exceed \$7,938,168. TWU advertised a request for qualifications for a Guaranteed Energy Savings Performance Contract from entities interested in providing Advanced Metering Infrastructure (AMI) and Energy Conservation Evaluation of utility assets. Three (3) firms submitted their qualifications. All three firms were interviewed and Johnson Controls, Inc., of Fort Worth, Texas, was selected from the group. This Advanced Metering Infrastructure system will include replacing all meters over five (5) years old with a new Ultrasonics water meter. These new meters along with the remaining meters will be equipped with the infrastructure to automatically read the water meters. The accuracy of this system will reduce the water loss thereby increasing the Utilities revenue. This system will also include a customer portal which will allow the customer to monitor their usage daily. The City and Utility staff have reviewed and negotiated the cost to what has been determined to be a fair and equitable fee for design and installation of this system.

EXPENSE REQUIRED:	\$7,938,168
AMOUNT BUDGETED:	Funds are available in the Texarkana Water Utilities 2023 Bond Construction Fund in the amount of \$7,938,168.
APPROPRIATION REQUIRED:	None
RECOMMENDED ACTION:	Utility staff recommends approval.
EXHIBITS:	Resolution, ATTH01 Contract and Presentation

RESOLUTION NO. _____

WHEREAS, the Texarkana Water Utilities (TWU), has identified the need for an Advanced Metering Infrastructure System with a Leak Detection Monitoring System in combination with Satellite Based Leak Detection to improve efficiency and reduce water loss; and

WHEREAS, this advanced Metering Infrastructure System will include replacing all meters over five (5) years old with new Ultrasonics water meters with infrastructure to automatically read water meters, and a customer portal that will allow customers to monitor their water usage daily; and

WHEREAS, TWU advertised a request for qualifications for a Guaranteed Energy Savings Performance Contract from entities interested in providing Advanced Metering Infrastructure and Energy Conservation Evaluation of utility assets and three (3) firms submitted their qualifications; and

WHEREAS, all three firms were interviewed and Johnson Controls, Inc., of Fort Worth, Texas, has been selected through a competitive process to install the Advanced Metering Infrastructure System; and

WHEREAS, the total cost of this project is \$18,169,793.00 with the Arkansas portion of the project not to exceed \$7,938,168.00.

NOW, THEREFORE, BE IT RESOLVED, by the City of Texarkana, Arkansas, that the Acting City Manager is hereby authorized to enter into a contract with Johnson Controls, Inc., to install an Advanced Metering Infrastructure System with a Leak Detection Monitoring System in combination with Satellite Based Leak Detection in an amount not to exceed \$7,938,168.00.

PASSED AND APPROVED this 19th day of August 2024.

Allen L. Brown, Mayor

ATTESTED:

Heather Soyars, City Clerk

APPROVED:

Joshua L. Potter, City Attorney

PERFORMANCE CONTRACT

This Performance Contract (this "Agreement") is made this ____ day of _____, 2024 between:

PARTIES

Johnson Controls, Inc. ("JCI")
9700 Maumelle Blvd
North Little Rock, AR 72113

and

City of Texarkana, Arkansas ("Customer") & Texarkana Water Utilities ("Utility")
216 Walnut Street
Texarkana, AR 71854

RECITALS

WHEREAS, Customer desires to retain JCI to perform the work specified in Schedule 1 (Scope of Work) hereto (the "Work") relating to the installation of the improvement measures (the "Improvement Measures") described therein; and

WHEREAS, Customer is authorized and empowered under applicable Laws (as defined below) to enter into this Agreement, and has taken all necessary action under applicable Laws to enter into this Agreement; and

WHEREAS, Customer has selected JCI to perform the Work after it determined JCI's proposal was the most advantageous to Customer in accordance with all applicable procurement and other Laws; and

WHEREAS, Customer operates the Texarkana Water Utilities as a joint department with the City of Texarkana, Texas; the Utility has selected JCI to perform work in the Utility's territory in both Arkansas and Texas; the Utility is contracting with JCI for the Arkansas work through this Agreement and the Texas work through a separate performance contract to be concurrently executed; and the schedule, price, and guarantees of the Work in this Agreement are contingent upon such concurrent execution of the Arkansas and Texas agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

AGREEMENT

- SCOPE OF THE AGREEMENT.** JCI shall perform the Work set forth in Schedule 1. After the Work is Substantially Complete (as defined below) and the Certificate of Substantial Completion is executed by Customer and JCI, JCI shall provide the assured performance guarantee (the "Assured Performance Guarantee") and the measurement and verification services (the "M&V Services") set forth in Schedule 2 (Assured Performance Guarantee – Utility Meters). Customer shall make payments to JCI for the Work and the M&V Services in accordance with Schedule 4 (Price and Payment Terms).
- AGREEMENT DOCUMENTS:** In addition to the terms and conditions of this Agreement, the following Schedules are incorporated into and shall be deemed an integral part of this Agreement:

Schedule 1 – Scope of Work
Schedule 2 – Assured Performance Guarantee
Schedule 3 – Customer Responsibilities
Schedule 4 – Price and Payment Terms
Attachment 1 – Notice to Proceed
Attachment 2 – Change Order
Attachment 3 – Certificate of Substantial Completion
Attachment 4 – Certificate of Final Completion
Attachment 5 – Water Quality Report

3. **NOTICE TO PROCEED; SUBSTANTIAL COMPLETION; M&V SERVICES.** This Agreement shall become effective on the latest date in which each of the following conditions have occurred: (1) execution of this Agreement by both Parties and (2) execution of a performance contract between JCI and Texarkana Water Utilities and the City of Texarkana, Texas for the Texas scope of work. JCI shall commence performance of the Work within ten (10) business days of receipt of Customer's Notice to Proceed, a form of which is attached hereto as Attachment 1, and shall achieve Substantial Completion of the Work by the Substantial Completion date, which shall be the date on which Customer executes a Certificate of Substantial Completion substantially in the form attached hereto as Attachment 3.

For purposes of this Agreement, "Substantial Completion" means that JCI has provided sufficient materials and services to permit Customer to operate the Improvement Measures. The M&V Services shall commence on the first day of the month following the month in which Customer executes a Certificate of Substantial Completion and shall continue throughout the Guarantee Term, subject to earlier termination of the Assured Performance Guarantee as provided herein. Customer acknowledges and agrees that if, for any reason, it (i) cancels or terminates receipt of M&V Services, (ii) fails to pay for M&V Services in accordance with Schedule 4, (iii) fails to fulfill any of Customer's responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, or (iv) otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability thereunder.

4. **DELAYS AND IMPACTS.** If JCI is delayed or impacted in the commencement, performance, or completion of the Work and/or M&V Services by causes beyond its control and without its fault; a Force Majeure Event (as defined below) condition; failure by Customer to perform its obligations under this Agreement; or failure by Customer to cooperate with JCI in the timely completion of the Work, JCI shall provide written notice to Customer of the existence, extent of, and reason for such delays and impacts. Under such circumstances, an equitable adjustment in the time for performance, price, scope and payment terms, and the Assured Performance Guarantee shall be made.
5. **ACCESS.** Customer shall provide JCI, its subcontractors, and its agents reasonable access to all facilities and properties in Customer's control that are subject to the Work and M&V Services. Customer further agrees to assist JCI, its subcontractors, and its agents to gain access to facilities and properties that are not controlled by Customer but are necessary for JCI to complete the Work and provide the M&V Services. An equitable adjustment in the time for performance, price and payment terms, and Assured Performance Guarantee shall be made as a result of any failure to grant such access.
6. **PERMITS, TAXES, AND FEES.** Unless otherwise specified in Schedule 3 (Customer Responsibilities), JCI shall be responsible for obtaining all building permits required for it to perform the Work. Unless otherwise specified in Schedule 1 (Scope of Work), Customer shall be responsible for obtaining all other permits, licenses, approvals, permissions and certifications. JCI shall not be obligated to provide any changes to or improvement of the facilities or any portion thereof required under any applicable building, fire, safety, sprinkler or other applicable code, standard, law, regulation, ordinance or other requirement unless the same expressly regulates the installation of the Improvement Measures. Without limiting the foregoing, JCI's obligations with respect to the Work is not intended to encompass any changes or improvements that relate to any compliance matters (whether known or unknown) that are not directly related to the installation of the Improvement Measures or which have been imposed or enforced because of the occasion or opportunity of review by any governmental authority. The Parties understand that Customer is a tax exempt entity. JCI may utilize Customer's tax exempt status to the extent available and it is the parties intention that such work shall be tax exempt. However, Customer shall not be responsible for JCI's failure to appropriately apply for such tax exemption.
7. **WARRANTY.** JCI will perform the Work in a professional, workman-like manner. JCI will promptly re-perform any non-conforming Work for no charge, as long as Customer provides written notice to JCI within one (1) year following Substantial Completion or such other period identified in Schedule 1. If JCI installs or furnishes goods or equipment under this Agreement, and such goods or equipment are covered by an end-user warranty from their manufacturer (such as the Neptune warranties specified in Schedule 1), JCI will transfer the benefits of such warranty to Customer. The foregoing remedy with respect to the Work, together with any remedy provided

by goods or equipment manufacturers, shall be Customer's sole and exclusive remedies for warranty claims. Customer agrees that the one (1) year period following Substantial Completion, or such other period identified in Schedule 1, shall be a reasonable time for purposes of submitting valid warranty claims with respect to the Work. These exclusive remedies shall not have failed of their essential purpose so long as JCI transfers the benefits of any goods or equipment end-user warranty to Customer and remains willing to re-perform any non-conforming Work for no charge within the one (1) year period described above or such other period identified in Schedule 1. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE PROVIDED BY JCI. JCI does not guaranty that any Improvement Measures will perform in accordance with the manufacturer's specifications over the term of this Agreement, other than with respect to the limited warranty applicable to equipment actually manufactured by JCI, or if the performance failure is related to JCI's workmanship, each as described above. Customer's sole remedy for failed or non-performing Improvement Measures not related to JCI's workmanship is to pursue claims under any manufacturer's warranty claims then in effect. This warranty does not extend to any Work that has been abused, altered, or misused, or repaired by Customer or third parties without the supervision or prior written approval of JCI. Except with respect to goods or equipment manufactured by JCI and furnished to Customer hereunder, for which JCI shall provide its express written manufacturer's warranty, JCI shall not be considered a merchant or vendor of goods or equipment.

8. **CLEANUP.** JCI shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work and, upon completion of the Work, JCI shall remove all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials.
9. **SAFETY; COMPLIANCE WITH LAWS.** JCI shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Work and M&V Services. Each of JCI and Customer shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of public authorities (collectively, "Laws") in connection with its performance hereunder.

10. HAZARDOUS MATERIALS.

A. JCI shall be responsible for removing or disposing of any JCI Hazardous Materials and for the remediation of any areas to the extent impacted by the release of JCI Hazardous Materials. For any Non-JCI Hazardous Materials, Customer shall supply JCI with any information in its possession relating to the presence of such materials if their presence may affect JCI's performance of the Work. If Customer becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with Work, it will immediately provide notice to JCI. Upon such notice, or if JCI becomes aware of or suspects the presence of Non-JCI Hazardous Materials that may interfere with the Work, JCI shall promptly stop the Work in the affected area. JCI's scope does not include removing or disposing Non-JCI Hazardous Materials or remediating areas impacted by the release of Non-JCI Hazardous Materials, and the contract shall the equitably adjusted should JCI or the Work be affected by Non-JCI Hazardous Materials.

B. Definitions Applicable to this Article 10:

1. "Hazardous Materials" – Hazardous Materials are any material or substance that, whether by its nature or use, is now or hereafter defined or regulated as a hazardous waste, hazardous substance, pollutant or contaminant under applicable laws relating to or addressing public or employee health and safety and protection of the environment, or which is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, mutagenic or otherwise hazardous or which is or contains petroleum, gasoline, diesel, fuel, another petroleum hydrocarbon product, or polychlorinated biphenyls. Hazardous Materials specifically includes without limitation mold, lead-based paint and asbestos containing materials.
2. "JCI Hazardous Materials" – JCI Hazardous Materials are any Hazardous Materials brought onto Customer's premises by JCI in providing the Work.
3. "Non-JCI Hazardous Materials" – Non-JCI Hazardous Materials are any Hazardous Materials located on, about or under Customer's premises, other than JCI Hazardous Materials.

- 11. CHANGE ORDERS.** The parties, without invalidating this Agreement, may request changes in the Work to be performed under this Agreement, consisting of additions, deletions, or other revisions to the Work (“Change Orders”). The price and payment terms, time for performance and, if necessary, the Assured Performance Guarantee, shall be equitably adjusted in accordance with the Change Order. Such adjustments shall be determined by mutual agreement of the parties. JCI may delay performance until adjustments arising out of the Change Order are clarified and agreed upon. Any Change Order must be signed by an authorized representative of each party. If concealed or unknown conditions are encountered at the project, differing from the conditions represented by Customer in the bid documents or otherwise disclosed by Customer to JCI prior to the commencement of the Work, price and payment terms, time for performance and, if necessary, the Assured Performance Guarantee, shall be equitably adjusted. Claims for equitable adjustment may be asserted in writing within a reasonable time from the date a party becomes aware of a change to the Work by written notification. Failure to promptly assert a request for equitable adjustment, however, shall not constitute a waiver of any rights to seek any equitable adjustment with respect to such change.
- 12. CUSTOMER FINANCING; TREATMENT; TAXES.** The parties acknowledge and agree that JCI is not making any representation or warranty to Customer with respect to matters not expressly addressed in this Agreement, including, but not limited to:
- a. Customer’s ability to obtain or make payments on any financing associated with paying for the Improvement Measures, related services, or otherwise;
 - b. Customer’s proper legal, tax, accounting, or credit rating agency treatment relating to this Agreement; and
 - c. the necessity of Customer to raise taxes or seek additional funding for any purpose.

Customer is solely responsible for its obligations and determinations with respect to the foregoing matters. In addition, the parties acknowledge and agree that Customer shall be responsible to comply, at its cost and expense, with all Laws that may be applicable to it relating to performance contracting, including, without limitation, any requirements relating to the procurement of goods and/or services and any legal, accounting, or engineering opinions or reviews required or obtained in connection with this Agreement.

- 13. INSURANCE.** JCI shall maintain insurance in the amounts set forth below in full force and effect at all times until the Work has been completed, shall list the City as an additional insured, and shall provide a certificate evidencing such coverage promptly following Customer’s request therefor.

COVERAGES	LIMITS OF LIABILITY
Workmen’s Compensation Insurance or self-insurance, including Employer’s Liability	Statutory
Commercial General Liability Insurance	\$5,000,000 Per Occurrence \$5,000,000 Aggregate
Comprehensive Automobile Liability Insurance	\$5,000,000 Combined Single Limit
The above limits may be obtained through primary and excess policies and may be subject to self-insured retentions.	

Customer shall maintain insurance coverage, of the types and in the amounts customary for the conduct of its business, throughout the term of this Agreement.

- 14. INDEMNIFICATION.** To the fullest extent permitted by applicable Law, JCI and Customer shall indemnify (each an “Indemnifying Party”) each other (“Indemnified Party”) for all damages, losses and expenses with respect to any third party claims against the Indemnified Party for personal injury (including death) or tangible property damage, but only to the extent such damages, losses and expenses are caused by the negligence or willful misconduct of the Indemnifying Party in fulfilling its obligations under this Agreement.
- 15. LIMITATION OF LIABILITY.** Neither JCI nor Customer will be responsible to the other for any special, indirect, consequential, remote, punitive, exemplary, loss of profits or revenue, loss of use, or similar damages, regardless of how characterized and regardless of a party having been advised of the possibility of such potential losses or relief, arising in any manner from this Agreement, the Work, the Improvement Measures, the

premises, the M&V Services, or otherwise. WITHOUT LIMITING JCI'S EXPRESS OBLIGATIONS UNDER THE ASSURED PERFORMANCE GUARANTEE, JCI'S liability under this agreement, regardless of the form of action, shall in no event exceed the amount of the payments actually received by JCI under Schedule 4. If this Agreement covers fire safety or security equipment, Customer understands that JCI is not an insurer regarding those services, and that JCI shall not be responsible for any damage or loss that may result from fire safety or security equipment that fails to prevent a casualty loss. The foregoing waivers and limitations are fundamental elements of the basis for this Agreement between JCI and Customer, and each party acknowledges that JCI would not be able to provide the work and services contemplated by this Agreement on an economic basis in the absence of such waivers and limitations and would not have entered into this Agreement without such waivers and limitations.

- 16. FORCE MAJEURE EVENTS.** Neither party will be responsible to the other for damages, loss, injury, or delay caused by Force Majeure Events. As used herein, "Force Majeure Events" are conditions that are beyond the reasonable control and without the intentional misconduct or negligence of a party, either foreseeable or unforeseeable, including, without limitation, severe weather, flooding, seismic disturbances (which does not include normal ground shift impacting connections), acts of God, acts or omissions of government agencies, condemnation, strikes, labor disputes, epidemics, pandemics, disease, quarantines or other public health risks and/or responses, fires, explosions or other casualties, thefts, vandalism, riots or war, acts of terrorism, electrical power outages, interruptions or degradations in telecommunications, computer, or electronic communications systems, changes in Laws, data breach, cyber-attacks, ransomware, unavailability, or delayed delivery. If a party is delayed in achieving one or more of its schedule milestones set forth in the Agreement due to a Force Majeure Event, the affected party will be entitled to extend the relevant completion date by the magnitude of the Force Majeure Event plus additional time to overcome the effect of the delay.
- 17. JCI'S PROPERTY.** All materials furnished or used by JCI personnel and/or JCI subcontractors or agents utilized for the implementation of the Work, including documentation, schematics, test equipment, software and associated media remain the exclusive property of JCI or such other third party. Customer agrees not to use such materials for any purpose at any time without the express authorization of JCI. Customer agrees to allow JCI personnel and/or JCI subcontractors or agents to retrieve and to remove all such materials remaining after installation or maintenance operations have been completed that were utilized for the implementation of the Work. Customer acknowledges that any software furnished by JCI in connection with the Work and/or M&V Services is proprietary and subject to the provisions of any software license agreement associated with such software.
- 18. DISPUTES.** JCI and Customer will attempt to settle any controversy, dispute, difference, or claim between them concerning the performance, enforcement, or interpretation of this Agreement (collectively, "Dispute") through direct discussion in good faith, but if unsuccessful, will submit any Dispute to non-binding mediation in the nearest major metropolitan area of the state where the project is performed. If the parties are unable to agree on a mediator or a date for mediation, either party may request JAMS, Inc. to appoint a mediator and designate the time and procedure for mediation. Such mediator shall be knowledgeable, to each party's reasonable satisfaction, with respect to matters concerning construction law. Neither JCI nor Customer will file a lawsuit against the other until not less than sixty (60) days after the mediation referred to herein has occurred, unless one or both parties is genuinely and reasonably concerned that any applicable statute of limitations is on the verge of expiring. JCI AND CUSTOMER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AS TO ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATED TO THIS AGREEMENT, INCLUDING CONTRACT, TORT AND STATUTORY CLAIMS, AND EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS UNDER THIS AGREEMENT.
- 19. GOVERNING LAW.** This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the state where the Work is conducted.

- 20. CONSENTS; APPROVALS; COOPERATION.** Whenever Customer's consent, approval, satisfaction or determination shall be required or permitted under this Agreement, and this Agreement does not expressly state that Customer may act in its sole discretion, such consent, approval, satisfaction or determination shall not be unreasonably withheld, qualified, conditioned or delayed, whether or not such a "reasonableness" standard is expressly stated in this Agreement. Whenever Customer's cooperation is required by JCI in order to carry out JCI's obligations hereunder, Customer agrees that it shall act in good faith and reasonably in so cooperating with JCI and/or JCI's designated representatives or assignees or subcontractors. Customer shall furnish decisions, information, and approvals required by this Agreement in a timely manner so as not to delay the performance of the Work or M&V Services.
- 21. FURTHER ASSURANCES.** The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.
- 22. INDEPENDENT CONTRACTOR.** The relationship of the parties hereunder shall be that of independent contractors. Nothing in this Agreement shall be deemed to create a partnership, joint venture, fiduciary, or similar relationship between the parties.
- 23. POWER AND AUTHORITY.** Each party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained, and (iii) this Agreement constitutes its legal, valid, and binding obligation.
- 24. SEVERABILITY.** In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either party under this Agreement.
- 25. COMPLETE AGREEMENT.** It is understood and agreed that this Agreement, along with the accompanying exhibits, contains the entire agreement between the parties relating to all issues involving the subject matter of this Agreement. No binding understandings, statements, promises or inducements contrary to this Agreement exist. This Agreement supersedes and cancels all previous agreements, negotiations, communications, commitments and understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the parties to this Agreement expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither party is relying upon any statement or representation of the other that is not expressly set forth in this Agreement. Each party hereto is relying exclusively on the terms of this Agreement, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement. Customer acknowledges and agrees that any purchase order issued by Customer associated with this Agreement is intended only to establish payment authority for Customer's internal accounting purposes. No purchase order shall be considered a counteroffer, amendment, modification, or other revision to the terms of this Agreement.
- 26. HEADINGS.** The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.
- 27. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the parties.
- 28. NOTICES.** All notices or communications related to this Agreement shall be in writing and shall be deemed delivered if and when sent by email with delivery receipt attached, or mailed by certified or registered mail to the following:

If to JCI:

Johnson Controls, Inc.

Attn: Regional Solutions Manager

3021 West Bend Drive

Irving, Texas 75063

Phone: _____

Fax: _____

Email: _____

With a copy to: Johnson Controls, Inc.

Attn: General Counsel – Sustainable Infrastructure

5757 N Green Bay Ave

Milwaukee, Wisconsin 53209

Phone: _____

Fax: _____

Email: _____

If to Customer:

City of Texarkana, Arkansas

Attn: City Manager

216 Walnut Street

Texarkana, Arkansas 71854

Phone: _____

Fax: _____

Email: _____

With a copy to: Texarkana Water Utilities

Attn: Executive Director

Address:

Texarkana, Texas 75501

Phone: _____

Fax: _____

Email: _____

EXECUTED by:

CITY OF TEXARKANA, ARKANSAS

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SCOPE OF WORK

JCI will provide the Scope of Work (Work) identified in this Schedule, Schedule 1. JCI shall supervise and direct the Work and shall be responsible for construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Work under this Agreement. JCI shall be responsible to pay for labor, materials, equipment, tools, construction equipment and machinery, transportation, and other facilities and services necessary for the execution and completion of the Work, whether temporary or permanent and whether or not incorporated in the Work.

Definitions and Substitutions

- Texarkana Water Utilities (City of Texarkana, Arkansas, as to Arkansas scope) – “Utility”
- Account Number – The Utility assigns each account a unique “Customer Number.” To minimize confusion with the word “Customer,” JCI will substitute “Account Number” for “Customer Number”
- Account Name – The Utility lists the name of the account holder as “Customer Name.” To minimize confusion with the word “Customer,” JCI will substitute “Account Name” for “Customer Name”

A. 2” and Smaller Displacement Type Water Meter Replacement

A.1 Small Water Meter Replacement and AMI System Endpoint Installation

Table A.1

Meter Size	New Water Meter Model	Not to Exceed Quantity
5/8”	Diehl Hydrus	9,382
3/4”	Diehl Hydrus	306
1”	Diehl Hydrus	1,945

For the water meters listed in Table A.1, which the data provided to JCI by the Utility indicate have an installation date of before January 1, 2019, JCI shall:

- Remove the existing water meter from service.
- Provide and install a new Diehl Hydrus water meter with a register cable that has an Itron Pit/ERT Inline Connector. JCI shall provide and install new washers with each new water meter installation.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing meter box lid as detailed in Section C.1 of this Schedule.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Diehl Hydrus 2.0 warranty: Accuracy of 100% ± 1.5% from published “minimum flow rate” through the published “maximum flow rate” for 20 years from date of shipment; Material and Workmanship warranty of 100% in years 1-10 from the date of shipment; prorated warranty in years 11-20 from the date of shipment.

A.2 Intermediate Water Meter Replacement and AMI System Endpoint Installation

Table A.2

Meter Size	New Water Meter Model	Not to Exceed Quantity
1.5”	Neptune MACH 10	53
2”	Neptune MACH 10	151

For the water meters listed in Table A.2, which the data provided to JCI by the Utility indicate have an installation date of before January 1, 2019, JCI shall:

- Remove the existing water meter from service.
- Provide and install a new Neptune MACH 10 ultrasonic water meter with a register cable that has an Itron Pit/ERT Inline Connector. JCI shall provide and install new full-face gaskets with each new water meter installation along with stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing meter box lid as detailed in Section C.1 of this Schedule.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Neptune warranty for 1.5" and 2" MACH 10 ultrasonic water meters (W MACH 10 08.23): Accuracy of 100% ± 1.5% for published ranges for ten (10) years from date of shipment and 100% ± 3% for extended low flow rates for the published ranges for ten (10) years from date of shipment; Material and Workmanship warranty of 100% for ten (10) years from the date of shipment.

B. 2" and Smaller Displacement Type Water Meter AMI System Installation

Table B.1

Meter Size	Not to Exceed Quantity
5/8"	925
3/4"	2
1"	393
1.5"	15
2"	97

For the water meters listed in Table B.1, which the data provided to JCI by the Utility indicate have an installation date of after December 31, 2018, JCI shall:

- Clip the existing water meter absolute encoder register cable at the base of the existing touch read coupler. The existing touch read coupler will be abandoned in place.
- Using a splice kit that consists of gel cap splices and a grease tube, splice the existing water meter absolute encoder register cable to a pigtail with an Itron Pit/ERT Inline Connector.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing meter box lid as detailed in Section C of this Schedule.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the water meter register cable pigtail with the Itron Pit/ERT Inline Connector to the new Itron 500W+ Water Pit Endpoint (Cellular AMI).

C. Water Meter Box and Lids

The Work in A.1, A.2, and B. in this Schedule includes the boring, burning, cutting, or drilling of existing water meter box lids as outlined in Table C.1:

Table C.1

Lid Cutting	Qty
Total Active 2" and Smaller Displacement Type Water Meters	13,269

- Metal water meter box lids will be collected in lots of approximately fifty (50) each, and the holes for the AMI system endpoint will be made at an off-site location. These metal meter box lids will then be reinstalled at other services.

Additionally, the Work in A.1, A.2, and B. in this Schedule includes water meter box and lid replacement as outlined in Table C.2.

Table C.2

Meter Size	Maximum Quantity of Water Meter Boxes and Lids to Be Replaced
5/8", 3/4", and 1"	648
1.5" and 2"	16

- Water meter box and lid replacement criteria shall be established by the Utility prior to the Work being performed.
 - For each water meter box and lid to be replaced, JCI will excavate the existing water meter box and will both provide and install a new water meter box and lid of the type shown below:
 - 5/8", 3/4", and 1" water meter services — DFW Plastics Part Numbers: DFW1818TEXNR-BODY + DFW18AMR1BAF-TWU-BLUE-LID or equivalent.
 - 1.5" and 2" water meter services — DFW Plastics Part Numbers: DFW2818FNR-BODY + DFW20AMR1BAF-BLUE-LID or equivalent.
 - No elevation adjustments of the existing service lines are included.
 - JCI will dispose of the dirt and debris in a manner approved of by the Utility, and shall repair any damage done to yards, or otherwise caused by JCI, its subcontractors, invitees, or agents.

D. 2" Neptune TruFlo Compound Water Meter Replacements

There are forty-one (41) 2" Neptune TruFlo compound water meters in service. Neptune has informed JCI that it intends to obsolete this product line at the end of 2024. Because of its impending obsolescence, the Utility has directed JCI to replace these forty-one (41) 2" Neptune TruFlo compound water meters with new Neptune MACH 10 ultrasonic water meters (15.25" lay-length).

Table D.1

Existing Water Meter Make and Model	New Water Meter Model	Not to Exceed Quantity
2" Neptune TruFlo	Neptune MACH 10	41

For the water meters listed in Table D.1, JCI shall:

- Remove the existing water meter from service.
- Provide and install a new 2" Neptune MACH 10 ultrasonic water meter (15.25" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. JCI shall provide and install new full-face gaskets with each new water meter installation along with stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).

- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Neptune warranty for 2" MACH 10 ultrasonic water meters (W MACH 10 08.23): Accuracy of 100% ± 1.5% for published ranges for ten (10) years from date of shipment and 100% ± 3% for extended low flow rates for the published ranges for ten (10) years from date of shipment; Material and Workmanship warranty of 100% for ten (10) years from the date of shipment.

E. 3" and Larger Water Meter Improvements and AMI System Endpoint Installation

Neptune warranty for 3" and larger MACH 10 ultrasonic water meters (W CI MACH 10 10.21):

- Accuracy of 100% ± 1.5% for published ranges for ten (10) years from date of shipment and 100% ± 3% for extended low flow rates for the published ranges for ten (10) years from date of shipment,
- Material and workmanship warranty
 - 100% for Years 1 through 5 from the date of shipment
 - Prorated for Years 6 through 10 from the date of shipment

Neptune warranty for HP turbine water meters:

- Accuracy of 100% ± 1.5% for one (1) year from date of shipment
- Material and workmanship warranty is eighteen (18) months from date of shipment
- Register warranty for material and workmanship for ten (10) years from date of shipment.

Neptune warranty for Protectus III fire service water meters:

- HP Protectus III accuracy of 100% ± 1.5% for one (1) year from date of shipment
- Protectus III T-10 bypass water meter:
 - 1.5" T-10 (Used with a 6" Protectus fire service meter)
 - Normal flow rate accuracy of 100% ± 1.5% for five (5) years from date of shipment or 1,600,000 gallons, whichever occurs first; 90% for an additional ten (10) years or 5,000,000 gallons, whichever occurs first.
 - Extended low flow rate accuracy 3/4 gpm at 95% for two (2) years or 1,600,000 gallons, whichever occurs first
 - 2" T-10 (Used with 8" and 10" Protectus fire service meters)
 - Normal flow rate accuracy of 100% ± 1.5% for five (5) years from date of shipment or 2,700,000 gallons, whichever occurs first; 90% for an additional ten (10) years or 8,000,000 gallons, whichever occurs first.
 - Extended low flow rate accuracy 1 gpm at 95% for two (2) years or 2,700,000 gallons, whichever occurs first.
- Register warranty for material and workmanship for ten (10) years from date of shipment.
- Material and Workmanship warranty is eighteen (18) months from date of shipment

Sensus Omni+ C² measuring chambers are warranted by Sensus to be free from defects in materials and workmanship, under normal use and service, for ten (10) years from the date of shipment. Sensus Omni+ C² measuring chambers are warranted by Sensus to perform as set forth in the Omni data sheets (WDS-10017-10) for eighteen (18) months from the date of shipment (Sensus G500 Limited Warranty Revised June 2024)

3" Neptune MACH 10 ultrasonic water meters with a 17" lay-length shipped after September 2024 should have integral test ports. 4" Neptune MACH 10 ultrasonic water meters with a 20" lay-length shipped after October 2024 should have integral test ports. 6" Neptune MACH 10 ultrasonic water meters with a 24" lay-length shipped after December 2024 should have integral test ports. For 3" and larger Neptune MACH 10 ultrasonic water meters, JCI will coordinate the installation schedule to accommodate new MACH 10 ultrasonic water meters in compound meter lay-lengths with the integral test ports.

E.1 3" Neptune TruFlo Compound Water Meter Improvements

Table E.1.1

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
64	7008005	700800505	VSE Corporation	35 Globe Avenue	70021192
66	8205315	820531503	Park Side Apartments of Texarkana	1400 East 35th	26252728
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	31952233
105	9902205	990220500	Miller County Correctional Facility	2300 East	70021193
113	9903757	990375701	Arkansas Hwy. and Trans. Dept.	10000 I-30	70119148
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	70152367
126	9905520	990552001	Best Western Plus	5219 Crossroad Pkwy	70184369
151	9909423	91577934033	TASD Arkansas Middle School	5443 Jefferson	70385683

For the water meters listed in Table E.1.1, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 3" Neptune TruFlo compound water meter (17" lay-length) from service.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 3" Neptune MACH 10 ultrasonic water meter (17" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide and install new gaskets along with stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.1.2

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
62	7007996	700799603	Abernathy Company	1 Jim Walters	70030239
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	31963479

For the water meters listed in Table E.1.2, JCI shall:

- Remove the existing 3" Neptune TruFlo compound water meter (17" lay-length) from service.
- Provide and install a new 3" Neptune MACH 10 ultrasonic water meter (17" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide and install new gaskets along with stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).

- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.1.3

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	31927044

For the water meter listed in Table E.1.3, JCI shall:

- Remove the existing 3” Neptune TruFlo compound water meter (17” lay-length) from service.
- Provide and install a new 3” Neptune MACH 10 ultrasonic water meter (17” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing Neptune touch pads in service.
- Bore, burn, cut, or drill a 1.75” diameter hole into the 1/4” plate steel vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.1.4

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
74	8730250	873025002	Super 8 Motel	325 East 51st	26260045

For the water meter listed in Table E.1.4, JCI shall:

- Provide and install a 3” inlet gate valve of a type approved by the Utility.
- Provide and install a 3” outlet gate valve of a type approved by the Utility.
- Clean the existing strainer.
- Remove the existing 3” Neptune TruFlo compound water meter (17” lay-length) from service.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 3” Neptune MACH 10 ultrasonic water meter (17” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound. The new water meter register cable will have the correct connector for the AMI system endpoint.
- Abandon the two (2) existing Neptune touch pads in service.
- Bore, burn, cut, or drill a 1.75” diameter hole into the 1/4” plate steel vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.1.5

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
117	9904186	990418601	Arbor Pointe Apts., LP	600 Oats	70146030

For the water meter listed in Table E.1.5, JCI shall:

- Remove the existing 3” Neptune TruFlo compound water meter (17” lay-length) from service.
- Remove the three sections of pipe upstream of the existing strainer. Provide either a new 3” spool piece or section of 3” flanged pipe with a flanged coupler to the outlet flange of the existing inlet gate valve. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 3” Neptune MACH 10 ultrasonic water meter (17” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector to that new spool piece or section of 3” flanged pipe with a flanged coupler. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Clean the existing strainer.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in service.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.1.6

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	70133000
68	8402890	840289003	Fox Creek Apartments	4303 County	30000886
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	70101654
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	30002170
149	9908754	91577925496	FedEx Freight, Inc.	8001 Highway 67	70348730

For the water meters listed in Table E.1.6, JCI shall:

- Clean the existing strainer.
- Remove the existing 3” Neptune TruFlo compound water meter (17” lay-length) from service.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 3” Neptune MACH 10 ultrasonic water meter (17” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).

- Connect the register cable from the new Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

E.2 3” Sensus Omni C² Water Meter Improvements

Table E.2.1

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
135	9906974	990697400	County Avenue Baptist Church	6000 Sammy Lane	74051532
143	9907104	990710401	New Boston Investments, LLC	5200 Convention Plaza Dr.	74869996

For the water meters listed in Table E.2.1, JCI shall:

- Clean both the existing plate strainer and the integrated strainer on the Sensus Omni C² meter.
- Remove the existing 3” Sensus Omni C² water meter measuring chamber assembly from service.
- Provide and install a new 3” Sensus Omni + C² water meter measuring chamber assembly.
- Provide a pigtail with an Itron Pit/ERT Inline Connector. Splice the pigtail to the encoder register output cable from the new 3” Sensus Omni + C² measuring chamber assembly.
- Abandon the existing touch pad in place.
- Bore, burn, cut, or drill a 1.75” diameter hole into the vault lid.
- Provide and install an Itron Thru Lid Install Kit into the hole.
- Provide and insert an Itron 500W+ cellular endpoint into the Itron Thru Lid Install Kit.
- Connect the water meter register cable to the Itron 500W+ ERT endpoint.

E.3 3” Neptune HP Turbine Water Meters Improvements

Table E.3.1

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	70029985

For the water meter listed in Table E.3.1, JCI shall:

- Clean the existing strainer.
- Remove the existing 3” Neptune HP turbine water meter (12” lay-length) from service.
- Provide and install a new 3” Neptune HP turbine water meter (12” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- The Neptune HP turbine water meter does not have a test port. Provide and install an epoxy coated double-bale service saddle with a 2” NPT outlet connection (Smith-Blair Model 313-00035414-000 or equivalent) a minimum of 3” (1 equivalent pipe diameter) downstream of the water meter outlet flange. Tap the pipe.
 - Provide and install a 2” nipple.
 - Provide and install a 2” ball valve to the nipple.
- Abandon the existing touch pad in place.
- Bore, burn, cut, or drill a 1.75” diameter hole into the vault lid.
- Provide and install an Itron Thru Lid Install Kit into the hole.
- Provide and insert an Itron 500W+ cellular endpoint into the Itron Thru Lid Install Kit.
- Connect the new Neptune HP water meter register cable to the Itron 500W+ ERT endpoint.

Table E.3.2

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
47	6003905	600390500	City of Texarkana Arkansas	900 Dudley	1026248679
65	7515932	751593205	Abernathy Company	3800 Abernathy Dr.	26255550

For the water meters listed in Table E.3.2, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 3" Neptune HP turbine water meter (12" lay-length) from service.
- Reposition the existing strainer that is external to the water meter from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 3" Neptune MACH 10 ultrasonic water meter (12" lay-length) with an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- The Neptune MACH 10 ultrasonic water meter in a turbine lay-length does not have a test port. Provide and install an epoxy coated double-bale service saddle with a 2" NPT outlet connection (Smith-Blair Model 313-00035414-000 or equivalent) a minimum of 3" (1 equivalent pipe diameter) downstream of the plate strainer outlet flange. Tap the pipe.
 - Provide and install a 2" nipple.
 - Provide and install a 2" ball valve to the nipple.
- Abandon the existing touch pad in place.
- Bore, burn, cut, or drill a 1.75" diameter hole into the vault lid.
- Provide and install an Itron Thru Lid Install Kit into the hole.
- Provide and insert an Itron 500W+ cellular endpoint into the Itron Thru Lid Install Kit.
- Connect the new MACH 10 water meter register cable to the Itron 500W+ ERT endpoint.

E.4 4" Neptune TruFlo Compound Water Meter Improvements

Table E.4.1

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
49	6257400	625740000	TASD Harmony	1600 Forest	31903846
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	31958134
57	6611905	661190503	Axis Properties	300 Olive	31964033
96	9811000	981100000	TWU North Texarkana WWTP	8301 Sanderson	98110001
129	9905618	990561801	TXHP Texarkana 2 LLC	5210 Crossroad Pkwy	70207230

For the water meters listed in Table E.4.1, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 4" Neptune TruFlo compound water meter (20" lay-length) from service.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 4" Neptune MACH 10 ultrasonic water meter (20" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide and install new gaskets along with stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.

- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 4” Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.4.2

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
61	7007955	700795501	Abernathy Company	3800 Abernathy	31982738

For the water meter listed in Table E.4.2, JCI shall:

- Provide and install a 4” inlet gate valve of a type approved by the Utility.
- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 4” Neptune TruFlo compound water meter (20” lay-length) from service.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Provide and install a new 4” Neptune MACH 10 ultrasonic water meter (20” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide and install new gaskets along with stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 4” Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.4.3

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
54	6409340	640934002	R K Hall Construction, Ltd	3205 Division	31781609
67	8402805	91577928966	4717 County LLC, DBA Chapel Ridge Apts.	4717 County	70055194

For the water meters listed in Table E.4.3, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 4” Neptune TruFlo compound water meter (20” lay-length) from service.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.

- Provide and install a new 4" Neptune MACH 10 ultrasonic water meter (20" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 4" Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

E.6 6" Neptune TruFlo Compound Water Meter Improvements

Table E.6.1

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	31926479

For the water meter listed in Table E.6.1, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 6" Neptune TruFlo compound water meter (24" lay-length) from service.
- Provide and install a new 6" Neptune MACH 10 ultrasonic water meter (24" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75" diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 6" Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.6.2

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
48	6250100	625010000	Village Park South	2225 East Street	31950139
55	6562810	656281000	Texarkana Country Club	1 Country Club Lane	70017745
58	6700710	670071002	Arkansas Department of Community Corrections	504 Walnut	31901040
111	9903608	990360800	The Ridge at Texarkana	701 Oats	70123161
112	9903609	990360900	The Pointe at Texarkana	2700 Woodland	70123979

For the water meters listed in Table E.6.2, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 6" Neptune TruFlo compound water meter (24" lay-length) from service.

- Provide and install a new 6” Neptune MACH 10 ultrasonic water meter (24” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 6” Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.6.3

JCI Item	Account No.	Account Name	Service Address	Serial No.
73	873020002	Clarion Hotel Lacrosse	5100 North State Line	30007578

For the water meter listed in Table E.6.3, JCI shall:

- Insert a 6” valve into the bypass line since the existing bypass line gate valve has failed.
- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 6” Neptune TruFlo compound water meter (24” lay-length) from service.
- Provide and install a new 6” Neptune MACH 10 ultrasonic water meter (24” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore, burn, cut or drill a 1.75” diameter hole into the existing water meter vault lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 6” Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).

Table E.6.4

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
72	8499430	849943000	Four States Fair Association	3700 East South	70143787
120	9904656	91577932711	K&D Real Estate Holdings, LLC	8003 Hwy 67	70160052

For the water meter listed in Table E.6.4, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 6” Neptune TruFlo compound water meter (24” lay-length) from service.
- Provide and install a new 6” Neptune MACH 10 ultrasonic water meter (24” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.

- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Bore or drill a hole through the wall of the metal building. Run the register cable from the new 6” Neptune MACH 10 water meter through that hole. Seal both the inside and outside of the holes with a flexible sealant.
- Provide and install an Itron 500W-R+ Remote Endpoint (Cellular AMI) wall-mounted endpoint to the outside wall of the building.
- Splice the water meter register cable from the new 6” Neptune MACH 10 water meter to the Itron 500W-R+ Remote Endpoint (Cellular AMI).

Table E.6.5

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
51	6400900	640090000	Cooper Tire & Rubber Co	3500 Washington	70218359

For the water meter listed in Table E.6.5, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.
- Remove the existing 6” Neptune TruFlo compound water meter (24” lay-length) from service.
- Provide and install a new 6” Neptune MACH 10 ultrasonic water meter (24” lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing touch pads in place.
- Excavate a hole in the sod behind the vault wall.
- Provide and install a DFW109.9.1 standard valve box. The top of the new valve box lid must be within one-half inch (0.5”) of grade level.
- Bore or drill a hole through the vault wall near the hole for the valve box. Run the register cable from the new 6” Neptune MACH 10 water meter through that hole. Provide any additional register cable and a splice kits as needed.
- Drill a 1.75” diameter hole through the new valve box lid.
- Provide and install a new Itron 500W+ Thru Lid Install Kit.
- Provide and install a new Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Connect the register cable from the new 6” Neptune MACH 10 ultrasonic water meter to the Itron 500W+ Water Pit Endpoint (Cellular AMI).
- Tamp down the dirt around the new valve box.

Table E.6.5

JCI Item	Location No.	Account No.	Account Name	Service Address	Serial No.
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	31914708

For the water meter listed in Table E.6.5, JCI shall:

- Clean the existing strainer. Temporarily remove the strainer.

- Remove the existing 6" Neptune TruFlo compound water meter (24" lay-length) from service.
- Provide and install a new 6" Neptune MACH 10 ultrasonic water meter (24" lay-length) with a register cable that has an Itron Pit/ERT Inline Connector. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Reposition the existing strainer from upstream of the water meter to downstream of the water meter. Provide new gaskets, stainless steel flat washers, and stainless steel nuts and bolts that have been treated with an anti-galling compound.
- Abandon the two (2) existing Neptune touch pads in place.
- Run the register cable from the new 6" Neptune MACH 10 ultrasonic water meter through the slotted opening in the wall. Provide any additional register cable and splice kits as needed.
- Provide and install an Itron 500W-R+ Remote Endpoint (Cellular AMI) wall-mounted endpoint to the outside wall of the building.
- Splice the water meter register cable from the new 6" Neptune MACH 10 water meter to the Itron 500W-R+ Remote Endpoint (Cellular AMI).

General Items for Scope of Work Items "A" through "E"

- Existing water meters and other materials removed during the installation shall be returned to the Utility. The Utility is responsible for providing space for storage.
- Quantities of active accounts and conditions are based upon information provided to JCI by the Utility through both the files and the large water meter survey as listed below:
 - Texarkana account meter information.csv – July 3, 2023
 - Texarkana Bill History 2017.csv – August 14, 2023
 - Texarkana Bill History 2017-2019.csv – August 14, 2023
 - Texarkana Bill History 2018.csv – August 14, 2023
 - Texarkana Bill History 2019.csv – August 14, 2023
 - Texarkana Billing History 2023.csv – August 14, 2023
 - JCI large water meter survey that occurred on May 23, 2023, and from June 6-7, 2023.
- JCI shall document the account number, location number, service address, existing water meter serial number, meter size, and the final register reading within the proper Utility billing cycle schedules as provided by the Utility.
- JCI shall provide digital photographs of water meter installations. The photographs shall include the final register reading on affected water meters just prior to either their register retrofit or to their replacement. The photographs shall also include the initial register reading of new registers after the register retrofit or water meter replacement.
- JCI shall provide an interface to the existing CUSI utility billing system and shall be responsible for new data entry included with this project into the existing billing system. The interface will be in the form of a Microsoft Excel "flat data" file.
- JCI shall not be responsible for existing conditions of the water distribution system that affects JCI's ability to complete the Work and may require additional compensation. Faulty plumbing or abnormal conditions – If the JCI installer identifies a condition in a residence or business that would prevent the water meter from being replaced, that account will be submitted by JCI as a list of accounts to return to the Utility, and the Utility will be responsible for repairing the identified problem within a reasonable time period such that repair will not cause a delay in the implementation of this Scope of Work. Examples of abnormal conditions for water meters include but are not limited to:
 - Faulty curb or corporation stop.
 - Broken isolation valve or isolation valve that will not shut-off.

- Corroded plumbing.
- Asbestos insulation.
- Lead piping and fixtures.
- The Utility shall be responsible for obtaining replacement 3” and larger Neptune MACH 10 ultrasonic measuring chamber assemblies and 3” Sensus Omni C² water meter measuring chamber assemblies and for the labor to install these units after the tenth year of the Guarantee Term.

Exclusions for Scope of Work Items “A” through “E”

- JCI and its subcontractors will not provide, nor be responsible for the identification, testing or removal of asbestos, galvanized piping or lead. If asbestos, galvanized piping, or lead is encountered during construction, the Utility will be solely responsible for its identification, testing, removal and/or encapsulation.
- Any work relating to lead that goes beyond the unscrewing and screwing of couplings in order to remove and install water meters will not be the responsibility of JCI. Moreover, JCI will not be responsible for any work that requires cutting or torching any lead pipe.
- Any work associated with painting or demolition unless specifically noted in the above Scope of Work.

Training for Scope of Work Items “A” through “E”

- JCI shall provide up to eight (8) hours of training on both Diehl Hydrus ultrasonic water meters and 1.5” and larger Neptune MACH 10 ultrasonic water meters to the Utility staff.

Sign-off for Scope of Work Items “A” through “E”

- The Utility shall allow JCI access to the mobile reading system provided in Section F.
- Once a complete route is being read through the Itron Cellular AMI System, JCI shall request inspection and sign-off for that particular route from the Utility.
- The Utility shall have fifteen (15) days to approve the route, cycle, and book once notified by JCI.

Warranty for Scope of Work Items “A” through “E”

- JCI shall provide one (1) year workmanship warranty for installation. Warranty is to begin upon date of Sign-Off for each respective portion of work.
- JCI shall transfer all manufacturer’s warranties to the Utility upon Significant Completion.

Account Holder Communication for Scope of Work Items “A” through “E”

- Residential
 - JCI shall provide and distribute Utility-approved door hangers two (2) days prior the water meter being replaced for all residential water meter installations.
 - JCI shall provide and distribute Utility-approved door hangers after the water meter has been replaced if the resident or occupant is absent during the water meter replacement process.
- Large Meter Installation

The Utility shall provide assistance with contacting account holders, scheduling large meter installation and coordinating with JCI’s installation crews.

F. AMI System Installation

JCI will be providing and installing an Itron Cellular AMI system network with Temetra hosted network software, hosted Temetra data analysis software, and a hosted Temetra Customer Portal across the Utility

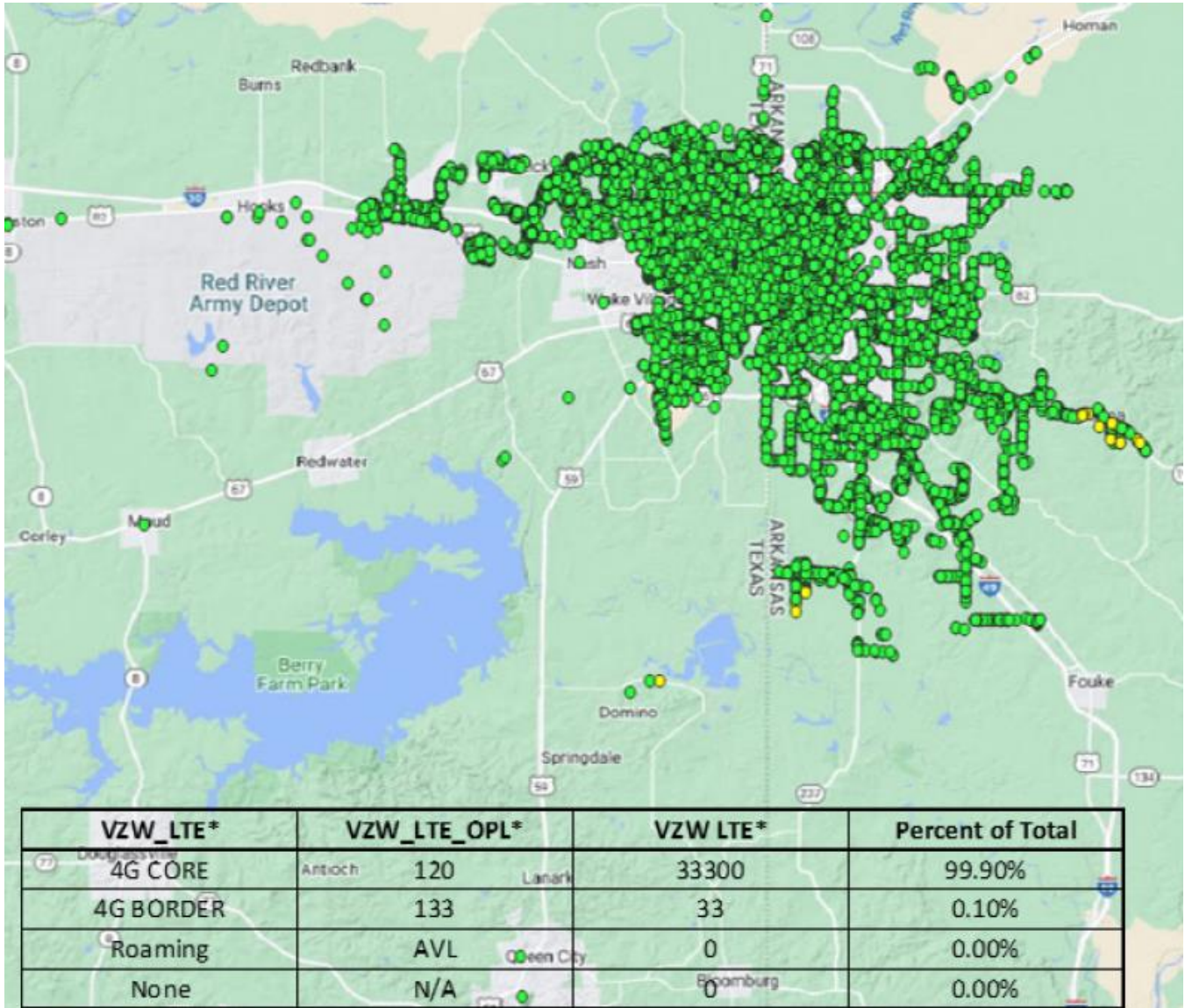
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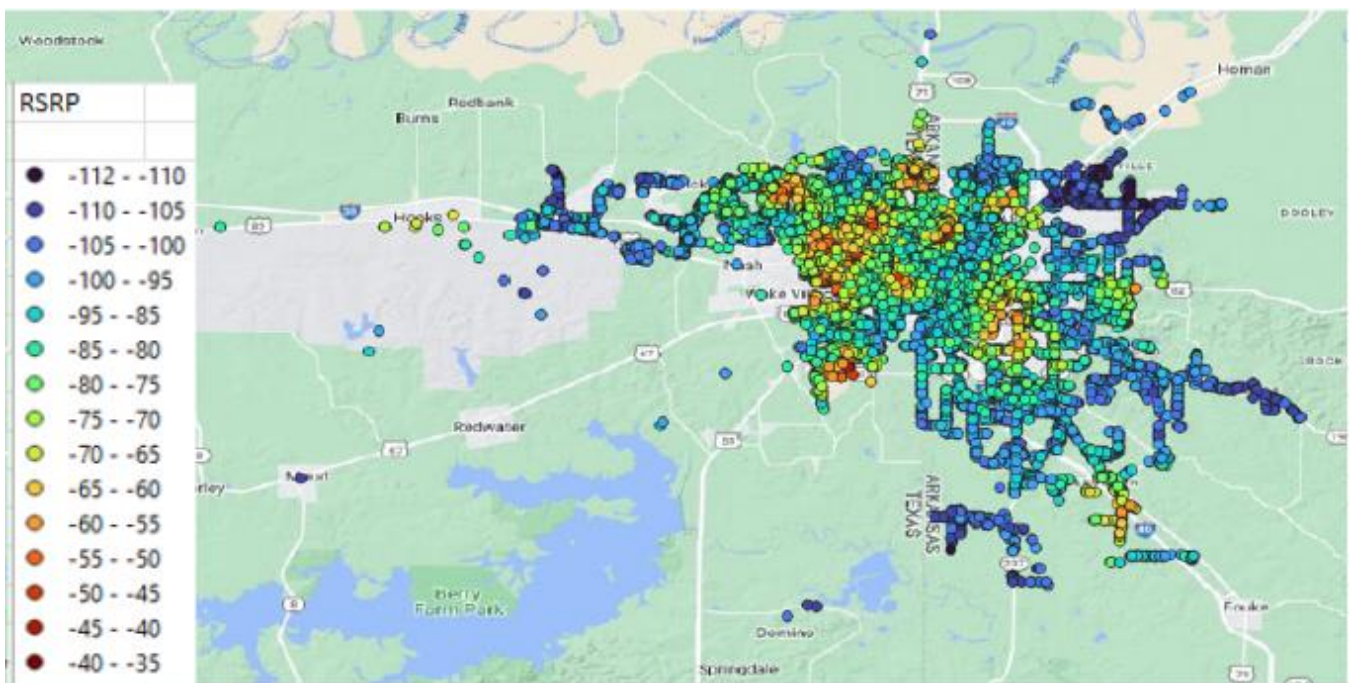
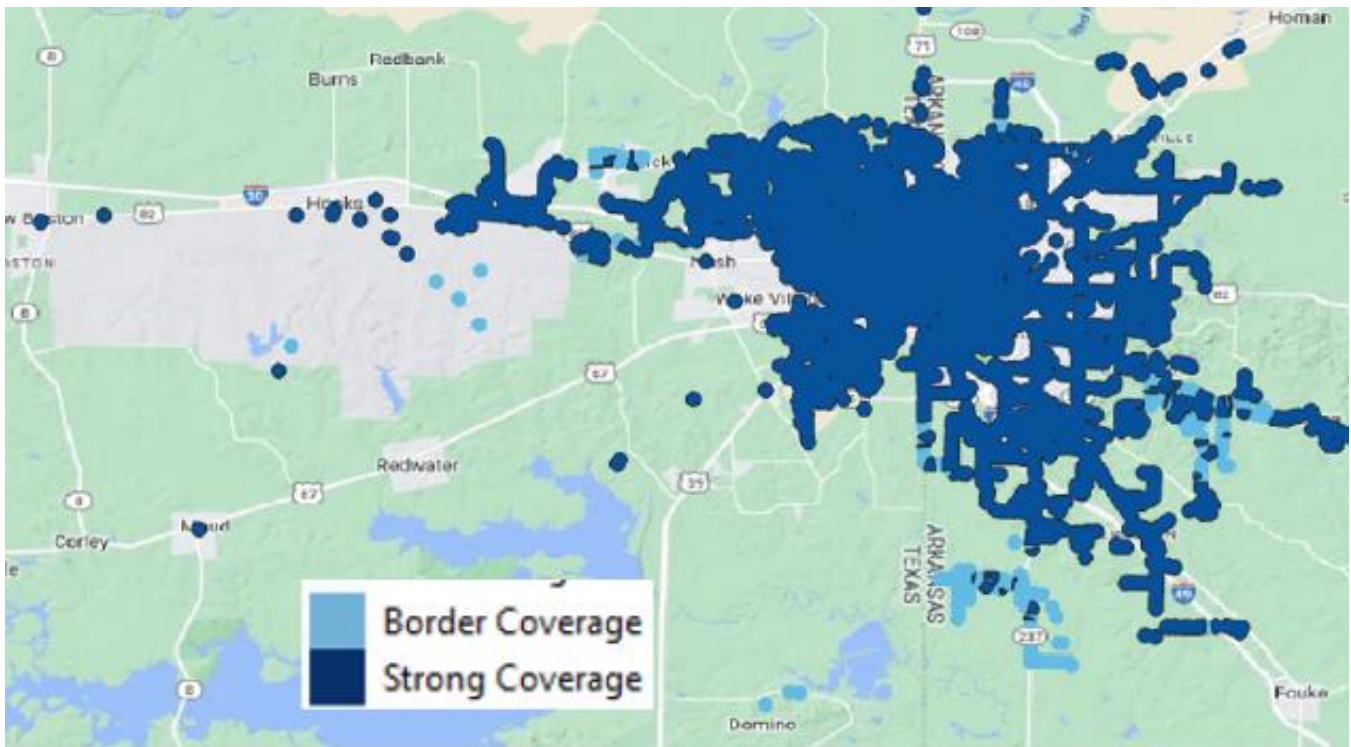
service area.¹ In addition to the Itron 500W+ Water Pit Endpoints (Cellular AMI) and the Itron 500W+ Thru Lid Install Kits that were covered in Scope of Work Items “A” through “E,” JCI shall:

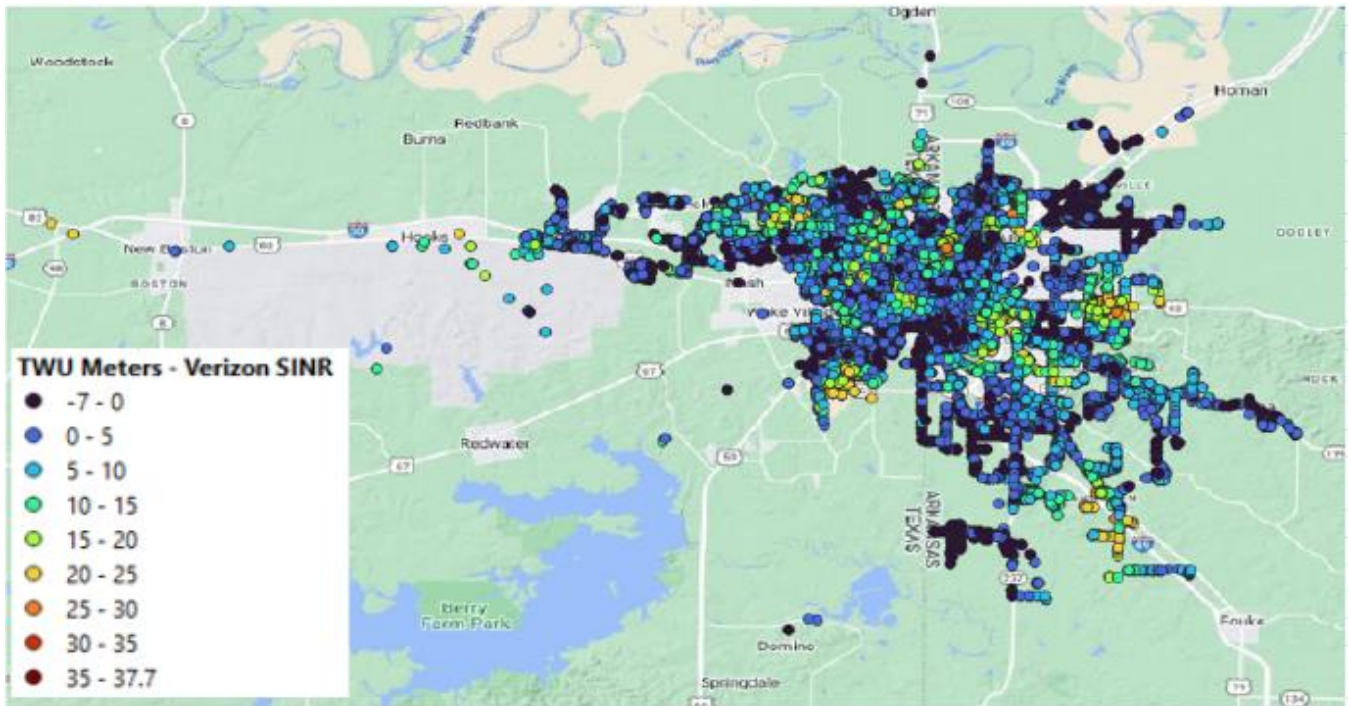
- JCI shall prepare weekly written project updates including all installations completed that week and updated route/schedule for the upcoming 2 weeks. A running list of issues and needed repairs by the Utility, *etc.*..., shall be kept updated each week. Bi-weekly project meetings including installation contractor, Utility staff, and JCI project team shall be completed throughout the project. Each meeting shall review project schedule, route planning, change orders, issues, *etc.*..., and include an agenda, minutes, and ongoing list of action items.
- Provide Itron 500W+ Prepaid Cellular Data – 10 years for up to thirteen thousand, three hundred and fifty-two (13,352) Itron 500W+ Water Pit Endpoints (Cellular AMI) for those services located within Arkansas. Cellular 10-year plan begins at the Itron endpoint shipping dates.
- Provide one (1) Itron Mobile Radio (IMR) – Installation and maintenance tool with belt clip and shoulder strap. This device will be operated and maintained by the Utility, and this device will be used across the entire service area. Only one (1) device total will be provided to the Utility.
- Provide one (1) Itron MCR Mobile Collector with Panasonic FZ-G2 10” Tablet. This device will be operated and maintained by the Utility, and this device will be used across the entire service area. Only one (1) device total will be provided to the Utility.
- Provide the Itron cloud setup and CUSI utility billing system software integration; Provide the customer engagement portal setup and integration with the CUSI utility billing system software.
- Provide up to one hundred and sixty (160) hours of Itron Project Management and Mitigation Services. This includes up to six (6) trips and ten (10) per diems for Itron staff. These hours, trips, per diems, and software integration services are intended for the whole of the Itron Cellular AMI system deployment across the Utility service area and not specifically for the Customer.
- Provide Temetra software hosting during the construction period (maximum of 18 months) for up to thirteen thousand, three hundred and fifty-two (13,352) Itron 500W+ Water Pit Endpoints (Cellular AMI) for those services located within Arkansas. The Itron Temetra Software is “hosted” in the Cloud and managed by Itron. The annual hosting fee includes ongoing Server hardware upgrades, Microsoft Server licenses, Microsoft SQL Server licenses, Itron Software user licenses, Itron Services for software updates, maintenance and software support.

¹ For clarity, references to the Utility “service area” in this Agreement are a reference to the full service area of Texarkana Water Utilities, including within limitation Arkansas and Texas. Certain equipment and other Work are provided to the Utility on a shared, cross-border basis, and references to such shared equipment in both the City of Texarkana, Arkansas and City of Texarkana, Texas performance contracts should not be construed as doubling the quantities provided. To illustrate, the Itron Mobile Radio is listed in both the Arkansas and Texas contracts as a device to be used across the Utility service area. Only one (1) device will be provided by JCI in total and the cost of that device is split between the Arkansas and Texas agreements.

Iron Cellular AMI System Propagation Study Results for the Utility Service Area

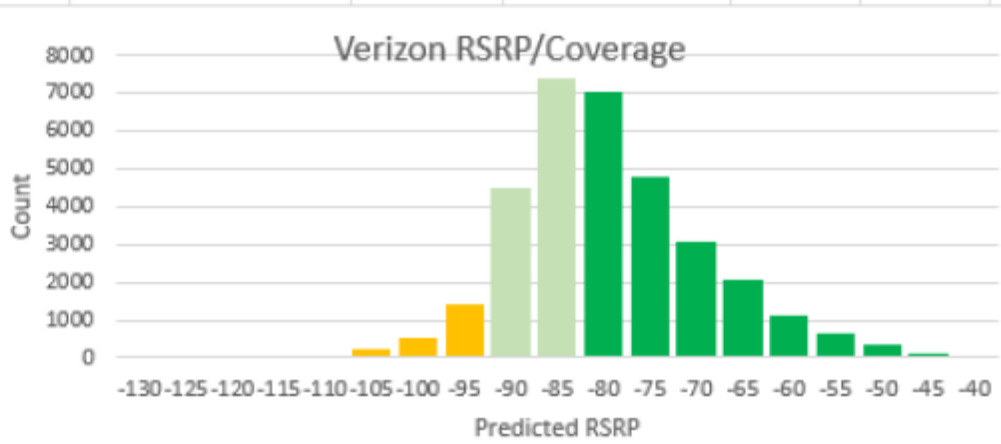






Water Meter (in pit with plastic lid) RSRP Predictions and Coverage

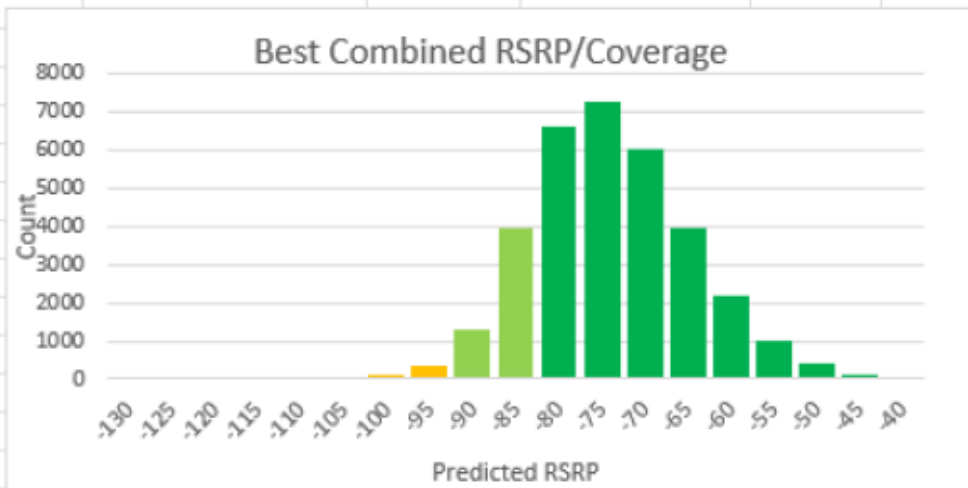
Verizon		Verizon Coverage	Coverage	3-day Read Rate
Predicted RSRP	Bin Counts			
-130	0	Best Coverage	57.8%	99%
-125	0	Good Coverage	35.7%	97.5%
-120	0	Border Coverage	6.4%	90%
-115	0	Not Reliable	0.0%	
-110	14	Not Covered	0.0%	
-105	213	Expected Overall	100.0%	97.9%
-100	510			
-95	1418			
-90	4516			
-85	7383			
-80	7020			
-75	4814			
-70	3093			
-65	2069			
-60	1144			
-55	629			
-50	366			
-45	130			
-40	14			



Note, adding some AT&T modules results in Best Coverage.

Best Combined Coverage

Predicted RSRP	Bin Counts	Best Combined	Coverage	3-day Read Rate
-130	0	Best Coverage	82.8%	99%
-125	0	Good Coverage	15.9%	97.5%
-120	0	Border Coverage	1.4%	90%
-115	0	Not Reliable	0.0%	
-110	0	Not Covered	0.0%	
-105	1	Expected Overall	100.0%	98.6%



F1. General Items for Scope of Work Section F

- JCI reserves the right to utilize the mobile reading equipment during installation.
- The Utility shall continue to be responsible for reading water meters until start up and check out is completed for the AMI system.
- The Utility shall be responsible for all Temetra hosting, customer engagement portal, and support agreements and fees beginning at the expiration date of the initial Temetra agreement during the construction period that will be paid by JCI (maximum of 18 months).
- The Utility shall be responsible for cellular data fees for any Itron 500W+ Water Pit Endpoints (Cellular AMI) installed outside of this Scope of Work.
- The Utility shall be responsible for the cellular data fees for any Itron 500W+ Water Pit Endpoints (Cellular AMI) installed in this Scope of Work beginning on the expiration date of the initial 10-year plan.
- The Utility shall be responsible for the optional Annual Maintenance Contract for the Itron MC4 (Itron Mobile Collector). The first year is covered under the manufacturer's warranty beginning one (1) month after shipping date.
- The Utility shall be responsible for the optional Annual Maintenance Contract for the Itron IMR. The first year is covered under the manufacturer's warranty beginning one (1) month after shipping date.

F.2 Training for Scope of Work Section F

- Up to sixty-four (64) hours of onsite training. This training is intended for the Utility staff, and it concerns the whole of the Itron Cellular AMI system deployment across the Utility service area and not specifically for the Customer.

F.3 Sign-off for Scope of Work Section F

- Start up and check out of the Itron Cellular AMI system shall begin once water meter and endpoint installation has been completed for a route.
- JCI shall be responsible for the Itron Cellular AMI system performance for route/cycle/book Sign-Off after a minimum of 98% of the billable readings have been obtained through the network within a route/cycle/book and within a 3-day reading window. The data packets sent through the Itron Cellular AMI system network must contain the determinants needed to generate a bill.

F.4 Warranty for Scope of Work Section F

- JCI shall provide one (1) year workmanship warranty for installation. Warranty is to begin upon date of Sign-Off for each respective portion of work.
- JCI shall transfer all manufacturer's warranties to the Utility.

G. ASTERRA Satellite Leak Detection and Point of Interest Correlation**G.1 Scope of Work**

JCI will contract with ASTERRA for the Recover solution to provide two (2) scans and analysis for possible leaks and breaks in the Utility potable water service area. The Scope of Work contained herein details the work and services the ASTERRA Recover solution will provide as well as the roles and responsibilities of both ASTERRA and the Utility.

G.2 ASTERRA's Services

- Acquiring and analyzing the satellite scan(s).
- Providing potential leak location data as a service through the EO Discover platform. This data can be exported as GIS data files.
- Providing best practices for field inspection protocols to both JCI and to the Utility.

G.3 ASTERRA's Solution for Potable Water:

- ASTERRA Recover Point of Interest (POI) Output: GIS layer containing the POIs, provided in GIS data files formatted for import into the GIS system used by the Utility.
- ASTERRA EO Discover: Provides access to monitor and track the progress of the project/service in real time. ASTERRA EO Discover calculates the Return on Investment (ROI) and impact metrics for ongoing Key Performance Indicator (KPI) tracking. The four (4) ASTERRA EO Discover licenses are for the period of service purchased, and they are for use across the Utility potable service area and not specifically for the Customer.
- U-Collect and U-View Application Licenses:
 - U-Collect application allows a field technician to collect data in the field. Four (4) U-Collect application licenses will be provided to the Utility for use across the Utility's potable water service area and not specifically for the Customer. These four (4) U-Collect application licenses are active upon deliver for the period of service.
 - U-View application allows a field technician to view data from anywhere. Four (4) U-View application licenses will be provided to the Utility for use across the Utility's potable water service area and not specifically for the Customer. These four (4) U-View Licenses are active upon delivery for the period of service.

- Kick-off Meeting: Prior to fieldwork, either an ASTERRA or ASTERRA-certified team will call a kick-off meeting to agree on the operational field plan to address the specific needs of the Utility and the recommended practices needed to achieve their real water loss reduction goals.

G.4 Roles, Responsibilities, and Offerings – ASTERRA

The ASTERRA Recover satellite leak detection and analysis solution will be used to identify potential leak sites (i.e., areas containing soil moisture of treated water and/or wastewater underground) using a proprietary satellite imaging algorithm across the Utility's potable water system.

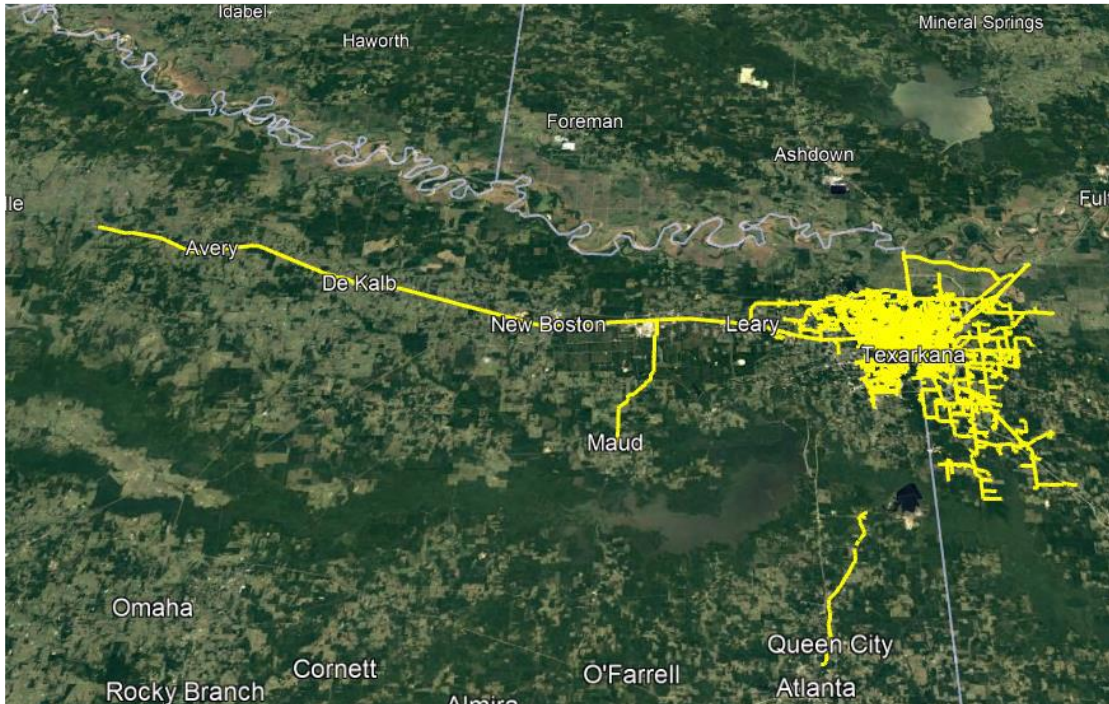
ASTERRA will provide a primary contact person for technical and administrative purposes who will interact with both the Utility and the Customer.

G.5 Roles, Responsibilities, and Offering – Utility

- The Utility is responsible for providing both baseline system data and work order history.
- The Utility shall identify a primary contact person for technical, administrative, and field inspection coordination.
- ASTERRA agrees to use the information described below only for the Utility-specific project and to not share the information with any other third party.
 - **Pipe System Information for Potable Water Lines:** Prior to scan acquisition, the Utility shall provide ASTERRA with a detailed and accurate GIS pipe system layer. If GIS is not available, roads will be used to guide the analysis. ASTERRA will use this layer to identify POIs. The GIS layer should include pipe material and diameter, length of pipeline to be analyzed, hydrants, valves, and any other detailed information available.
 - **Leak Detection History (Work Orders):** The Utility shall provide ASTERRA with a detailed and accurate history of leak findings and repairs beginning one (1) week before the date the first satellite scan is acquired and through the project life cycle.
 - **Leak Detection Performance Metrics for Potable Water Lines:** The Utility shall provide ASTERRA with any relevant and available performance metric data related to previous leak detection methodologies utilized by the Utility. This information will be used to calculate value metrics of the service and will be provided to both the Utility and the Customer in the final report for their use.

G.6 Potable Water Areas of Interest (AOI)

ASTERRA will survey the Area of Interest (AOI) to be determined by the Utility, contained to 868 linear miles of mains and service pipes as outlined in the image below. The AOI represents the Utility service area and is therefore not specific to the Customer.



Once ASTERRA receives the full GIS pipe system information from the Utility, the pipe and total miles analyzed per delivery will be identified. Both main and service lines will be counted for total pipe length calculation.

Items Included in the ASTERRA Satellite Potable Water Leak Detection Scope of Work:

- Two (2) satellite images of the Utility's potable water service area as shown in the image above. These images are not specific to the Customer.
- Four (4) EO Discover licenses for use by both JCI and the Utility across the Utility's potable water service area. These licenses are not specific to the Customer.
- Four (4) U-Collect and U-View App licenses for use by both JCI and the Utility across the Utility's potable water service area. These licenses are not specific to the Customer.
- Baseline leak analysis across the Utility's potable water service area. The analysis is not specific to the Customer.
- Leak Locations (Points of Interest). The Points of Interest will be located throughout the Utility's potable water service area and therefore may not be specific to the Customer.
- Temporal and Spatial leak analysis. The leak analysis may be across the Utility's potable water service area and therefore may not be specific to the Customer.
- Prioritized leak locations for field investigation. The leak locations will be across the Utility's potable water service area and therefore may not be specific to the Customer.
- Online support, customized success plan, and access to online best practices tutorials.

In addition, JCI will provide up to forty (40) days of field correlation services of the Points of Interest identified by ASTERRA for the purpose of identifying the actual leak site. The field correlation services will be across the Utility's potable water service area and therefore may not be specific to the Customer.

- JCI is not responsible for the excavation and repair of any leaks or breaks.
- JCI is not responsible for any "dry holes" a POI that has been field surveyed and a potential leak site correlated, but at which excavation of the site reveals no leak orifices or line breaks.

H. Itron Leak Sensors and SebaKMT SmartEAR Leak Detection Solution

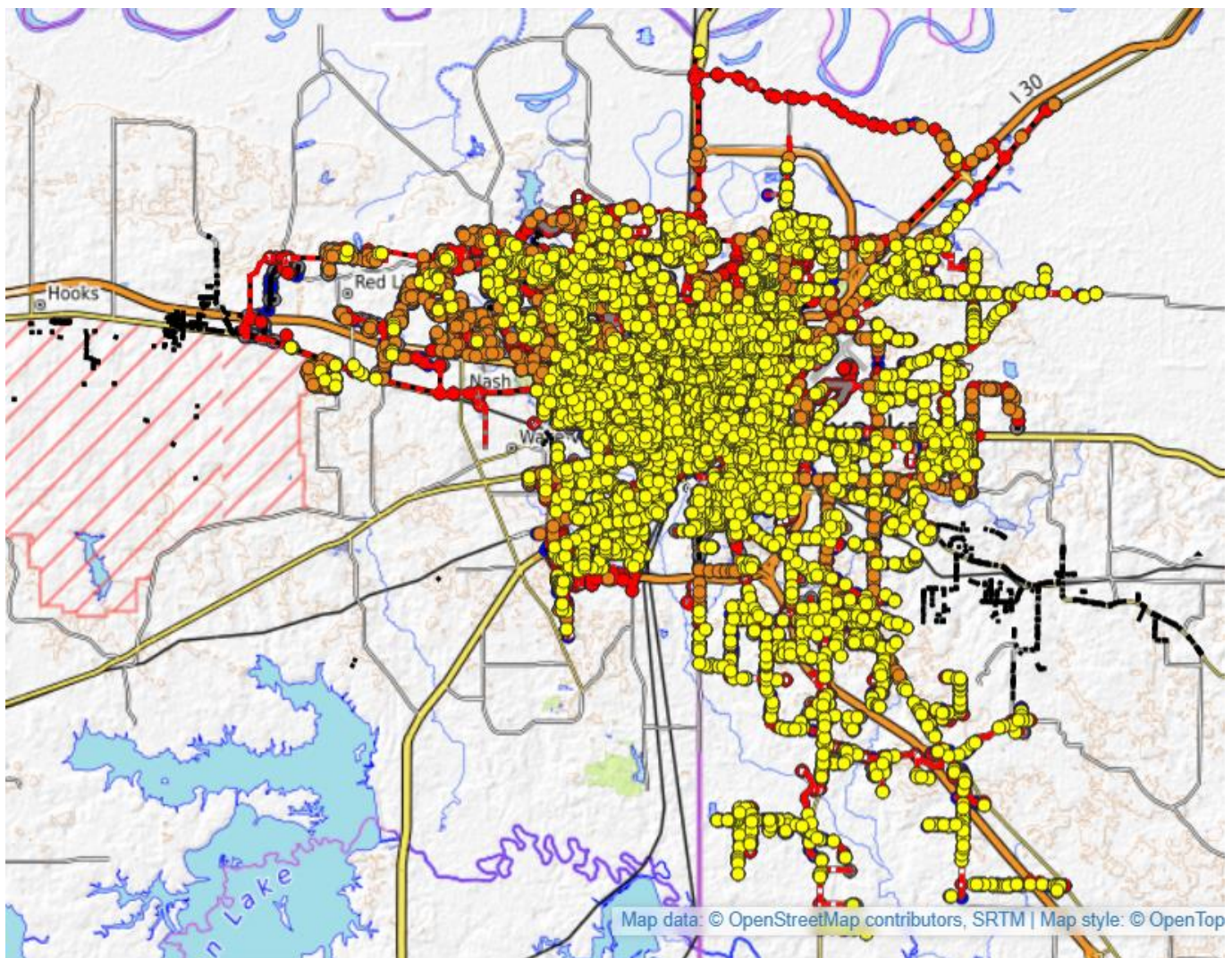
H.1 Itron Leak Sensors

JCI analyzed the Utility's water distribution system in order to determine both the quantity of Itron Leak Sensors required and the optimum locations for the water services that will receive an Itron Leak Sensor. JCI will both provide and install a total of five-thousand, four-hundred and ninety-six (5,496) Itron Leak Sensors across the Utility water distribution system on lines that are 2" in size and smaller, of which approximately two-thousand, four-hundred and seventy-three (2,473) will be installed on the Utility's water distribution system in Arkansas. JCI will also provide and install up to ninety-two (92) Leak Sensor Brackets for use on 1.5" and 2" service lines in Arkansas. JCI will also provide mlogonline setup.

JCI will provide up to forty (40) hours of training on both the Itron Leak Sensor and the mlogonline online software. This training is intended for the Utility staff, and it concerns the whole of the Itron Leak Sensor and mlogonline system deployment across the Utility service area and not specifically for the Customer.

JCI will provide mlogonline software hosting during the construction period (maximum of 18 months) for approximately two-thousand, four-hundred and seventy-three (2,473) Itron Leak Sensors that are located in Arkansas.

Itron Leak Sensor Locations



H.2 SebaKMT SmartEAR, SebaKMT HL-7000-US-PRO ground microphone kit, SebaKMT C3 Correlux Pro leak noise correlator kit, and Non-Pop Lids

The Itron Leak Sensor leak noise logger can only be installed on service lines that are 2" in size and smaller. There are several commercial and industrial zones throughout the Utility water distribution system in which there are few if any 2" and smaller service lines in those zones. There are also many water services located in remote areas with more than a thousand foot (1,000') spacing between service lines. To assist the Utility in finding leaks in the zones in which the Itron Leak Sensors cannot be deployed, JCI will provide the following items:

- Thirty (30) SebaKMT SmartEAR Kits that consist of a SmartEAR NB-IoT correlating leak noise logger with a Telekom Global SIM card, a GT-3-1-AV antenna extension cable, and approximately ten feet (10') of nylon cord.
- Thirty (30) SebaKMT Anti-theft stainless steel cables.
- Thirty (30) SebaKMT Magnetic Rings (360° free adjustable).
- Three (3) transport boxes, each one capable of holding ten (10) SebaKMT SmartEAR correlating leak noise loggers.
- SebaKMT POSEYEDON Cloud Basic Account subscription during the construction period (maximum of 18 months).
- One (1) SebaKMT HL-7000-US-PRO Bluetooth Leak Listener (ground microphone) with a SebaKMT charging case, color touch screen main unit, belt clip, CS-7, PAM-W-7, wired contact microphone PAM-CORR-2, wireless Headphone set, GPS leak mapping functionality, and leak noise recording capability.
- One (1) SebaKMT WP12399 Correlux C3 Pro leak noise correlator kit that consists of:
 - One (1) Controller
 - Two (2) PT-3 A/B Radio Transmitters
 - Two (2) PAM Corr-2 active universal microphone Piezo sensors with accessories in a carrying case
 - Three (3) Correlux MS-3 Multi-sensors with active amplifier, three (3) 3mm blue nylon cords, and a USB port connection cable set
 - One (1) charging unit and one (1) car charging adaptor
 - Stereo headphones
 - Two (2) extension rods for PAM T-2/U
 - CorreluxView (PC-Software), one (1) set of labels
 - Three (3) trivet adaptors
 - Three (3) tripod adapters
 - Three (3) magnetic angled adaptors and mounting kit
- One (1) PAM Hydro-3 Set that consists of:
 - Two (2) Piezo hydrophones
 - Two (2) venting tubes
 - Two (2) 2x VK 114 connection cables
- JCI will provide up to a maximum of two weeks of classroom and field training by SebaKMT.
- Thirty (30) Non-Pop lids and two (2) Non-Pop lid removal tools.

For clarity, references to the Utility "service area" in this Agreement are a reference to the full service area of Texarkana Water Utilities, including within limitation Arkansas and Texas. Certain equipment and other Work are provided to the Utility on a shared, cross-border basis, and references to such shared equipment in both the City of Texarkana, Arkansas and City of Texarkana, Texas performance contracts should not be

Schedule 1

construed as doubling the quantities provided. To illustrate, the SebaKMT WP12399 Correlux C3 Pro leak noise correlator kit is listed in both the Arkansas and Texas contracts as a device to be used across the Utility service area. Only one (1) device will be provided by JCI in total and the cost of that device is split between the Arkansas and Texas agreements.

ASSURED PERFORMANCE GUARANTEE – UTILITY METERS

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.

Annual Project Benefits Shortfall is the amount by which the Annual Project Benefits exceed the Annual Project Benefits Realized in any one year of the Guarantee Term.

Annual Project Benefits Surplus is the amount by which the Annual Project Benefits Realized exceed the Annual Project Benefits in 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 as set forth in Section IV below.

Guarantee Term will commence on the first day of the month next following the Substantial Completion date and will continue through the duration of the M&V Services, subject to earlier termination as provided in this Agreement.

Installation Period is the period beginning on JCI's receipt of the Notice to Proceed from either the Customer or the Utility and ending on the commencement of the Guarantee Term.

Measured Project Benefits are the increased meter accuracy benefits calculated in accordance with the methodologies set forth in Section III below.

Non-Measured Project Benefits are identified in Section II below. The Non-Measured Project Benefits have been agreed to by the Utility and/or the Customer and will be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below. The Customer, the Utility, and JCI agree that the Non-Measured Project Benefits may include, but are not limited to, 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 JCI's control, and (iii) Customer and the Utility have 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 JCI at any time during the Guarantee Term, but rather shall be deemed achieved in accordance with the schedule set forth in the Total Project Benefits table below.

Project Benefits are the Measured Project Benefits plus 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, JCI and the Utility and/or Customer agree that the Utility will be deemed to achieve a total of **\$5,150,226** in Non-Measured Project Benefits and JCI guarantees that the Utility will achieve a total of **\$6,623,357,5** in Measured Project Benefits during the term of this Agreement, for Total Project Benefits of **\$11,773,583**, as set forth in the Total Project Benefits table below.

Total Project Benefits

Texarkana, Arkansas - Water Meter, AMI System, and Leak Detection Benefit Summary							
Year	Small Meter Accuracy Benefit*	2" Compound Meter Accuracy Benefit*	Large Meter Accuracy Benefit* 2019 Base Year	Large Meter Accuracy Benefit* 2023 Base Year	Leak Detection Benefit**	Operations & Maintenance Cost Avoidance**	Annual Project Benefits
1	\$99,316	\$8,106	\$26,920	\$60,715	\$106,884	\$84,784	\$386,724
2	\$105,502	\$8,548	\$28,402	\$63,441	\$110,091	\$87,328	\$403,313
3	\$111,977	\$9,010	\$29,951	\$66,279	\$113,394	\$89,948	\$420,559
4	\$118,753	\$9,492	\$31,568	\$69,233	\$116,796	\$92,646	\$438,488
5	\$125,842	\$9,995	\$33,257	\$72,307	\$120,300	\$95,425	\$457,127
6	\$133,257	\$10,521	\$35,021	\$75,507	\$123,909	\$98,288	\$476,503
7	\$141,012	\$11,070	\$36,862	\$78,836	\$127,626	\$101,237	\$496,643
8	\$149,120	\$11,642	\$38,784	\$82,300	\$131,455	\$104,274	\$517,576
9	\$157,596	\$12,239	\$40,790	\$85,904	\$135,399	\$107,402	\$539,331
10	\$166,455	\$12,863	\$42,884	\$89,654	\$139,461	\$110,624	\$561,941
11	\$175,713	\$13,513	\$45,068	\$93,555	\$143,645	\$113,943	\$585,437
12	\$185,386	\$14,191	\$47,346	\$97,613	\$147,954	\$117,361	\$609,851
13	\$195,491	\$14,899	\$49,723	\$101,833	\$152,393	\$120,882	\$635,221
14	\$206,045	\$15,637	\$52,202	\$106,223	\$156,965	\$124,508	\$661,580
15	\$217,067	\$16,406	\$54,787	\$110,789	\$161,674	\$128,243	\$688,965
16	\$228,575	\$17,208	\$57,482	\$115,537	\$166,524	\$132,090	\$717,415
17	\$240,589	\$18,044	\$60,292	\$120,475	\$171,520	\$136,053	\$746,972
18	\$253,129	\$18,915	\$63,222	\$125,609	\$176,666	\$140,135	\$777,676
19	\$266,217	\$19,823	\$66,275	\$130,947	\$181,966	\$144,339	\$809,568
20	\$279,875	\$20,770	\$69,457	\$136,497	\$187,425	\$148,669	\$842,693
Total	\$3,556,918	\$272,893	\$910,291	\$1,883,255	\$2,872,047	\$2,278,179	\$11,773,583

* The Small Meter Accuracy Benefit, 2" Compound Meter Accuracy Benefit, Large Meter Accuracy Benefit (2019 Base Year), Large Meter Accuracy Benefit (2023 Base Year) are Measured Project Benefits. The Meter Accuracy Benefits in the table above are based on a mutually agreed fixed annual escalation rate of 3.0% and are rounded to the nearest dollar.

**The Leak Detection Benefit and Operations & Maintenance Cost Avoidance are both Non-Measured Project Benefits. The Leak Detection Benefit and Operations & Maintenance Cost Avoidance figures in the table above are based upon a mutually agreed fixed annual escalation rate of 3.0% and are rounded to the nearest dollar.

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

- water system revenue.
- water usage 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 climatic conditions.
- water system pressure variations.
- non-metered water usage (accounts without water meters).

- 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, including changes in both water source and treatment.
- failure of the water system to meet governmental requirements.
- improper maintenance or unsound usage of the Improvement Measures or any related equipment.
- temporary disruptions in cellular network coverage.
- changes in cellular network coverage after Significant Completion.

For the first five years of the Guarantee Term, within sixty (60) days of each anniversary of the commencement of the Guarantee Term, JCI will calculate the Measured Project Benefits achieved for the applicable year plus any Non-Measured Project Benefits applicable to such period and advise the Utility of same. Because there are no annual M&V Services included beyond Year 5 of the Guarantee Term, the final M&V report at the conclusion of Year 5 will also summarize Total Project Benefits to be achieved through the Guarantee Term. As such, JCI will calculate Project Benefits for each year of the Performance Period from years 6 through 12 by applying Year 5 measurements to the annual base rates, escalated by mutually agreed escalation rates listed in Section IV below, and subject to applicable linear pre-retrofit deration rates described in Section IV below.

Utility reserves the option to extend the term of M&V services beyond Year 5 based on annual fees that are agreeable by both Utility and JCI.

The Utility and the Customer both acknowledge and agree that if, for any reason, it (i) cancels or terminates receipt of M&V Services, (ii) fails to pay for M&V Services in accordance with Schedule 4, (iii) fails to fulfill any of its responsibilities necessary to enable JCI to complete the Work and provide the M&V Services, or (iv) otherwise cancels, terminates or materially breaches this Agreement, the Assured Performance Guarantee shall automatically terminate and JCI shall have no liability hereunder.

C. Project Benefits Shortfalls or Surpluses.

- (i) ***Project Benefits Shortfalls.*** If an Annual Project Benefits Shortfall occurs for any one year of the Guarantee Term, JCI shall, at its discretion and in any combination, (a) set off the amount of such shortfall against any unpaid balance Customer then owes to JCI, (b) pay to Customer the amount of such shortfall, or (c) subject to Customer's agreement, provide to Customer additional products or services, in the value of such shortfall, at no additional cost to Customer.
- (ii) ***Additional Improvements.*** Where an Annual Project Benefits Shortfall has occurred, JCI may, subject to Customer's approval (which approval shall not be unreasonably withheld, conditioned, or delayed), implement additional Improvement Measures, at no cost to either the Customer or the Utility, which may generate additional Project Benefits in future years of the Guarantee Term. But this will not offset the shortfall balance owed to the Customer.

II. NON-MEASURED PROJECT BENEFITS

Source of Non-Measured Project Benefits	Base Year Benefit	Year 1 Benefit	Escalation
Leak Detection and Repair Benefit	\$103,771	\$106,884	3.0%
Avoided Water Meter Reading Cost — Fleet Benefit	\$17,162	\$17,677	3.0%
Avoided Water Meter Replacement — Material Cost Benefit	\$60,843	\$62,668	3.0%
Other Reduced Operational and Maintenance Expenditures	\$4,310	\$4,439	3.0%
Total Non-Measured Project Benefits	\$186,086	\$191,668	

A. Leak Detection and Repair Benefit

Based upon water audit data collected from the Utility during development, the Utility’s total annual real water losses are 308.08 million gallons (MG). Industry research suggests that 75% of that loss is economically feasible to recover, and only 80% of what is feasible is traceable. This equates to the volume of water that is recoverable. That volume, multiplied by the production cost of the water equals the monetary benefit that the customer can expect to achieve from repairing the leaks.

The Utility stated that their variable production cost of water was \$1.234100/gal, or \$1,234,100 per MG. The Arkansas-side of the water utility accounts for 45.49% of the total number of water meters, so that factor is applied to determine the leak detection benefit for the Arkansas-side of the water utility.

Leak Detection and Repair Benefit			
		Total Annual Real Losses (MG)	= 308.08
X	75%	Percentage that is economically recoverable	= 231.06
X	80%	Percentage that is traceable	
=		Total Leakage Recovered (MG)	= 184.85
X	\$1,234.10	Cost per MG	
=		Total Benefit	= \$228,119
X	100%	Savings Multiplier	
X	45.49%	Arkansas Multiplier	
=		Leak Detection Benefit	= \$103,771

B. Avoided Water Meter Reading Cost — Fleet Benefit

In addition to reassigning six (6) employees who are tasked with water meter reading to other roles within the utility, the Utility will also be able to reduce its vehicle fleet by six (6) vehicles. By not using those six (6) vehicles for water meter reading routes, the Utility will realize a cost benefit from reduced fuel costs, based upon the 2023 IRS fuel mileage allowance of \$0.655. The Arkansas-side of the water utility accounts for 45.49% of the total number of water meters, so that factor is applied to determine the avoided water meter reading cost fleet benefit.

The Utility agrees to redirect the funds allocated towards water meter reading fleet costs towards this project.

Vehicle Cost Benefit	
6	Number of Vehicles Reduced By Implementing AMR
9,600	Mileage Saved Per Vehicle By Implementing AMR
\$0.655	Current IRS Mileage Allowance
45.49%	Arkansas Multiplier
	Total Annual Vehicle Cost Benefit = \$17,162

C. Avoided Water Meter Replacement — Material Cost Benefit

The Utility replaces an average of 1,250 of their 5/8” water meters per year. The average unit cost for these water meters is \$107.00. The Arkansas-side of the utility accounts for 45.49% of the total number of water meters, so that factor is applied to determine the avoided water meter replacement material cost benefit.

The Utility agrees to redirect the funds allocated towards water meter replacement material costs towards this project.

5/8" Meter Replacement (Material Only) Cost Benefit	
1,250	Annual Number of 5/8" Meters Replaced
\$107	Unit Cost Per 5/8" PD Meter
\$133,750	Total Meter Cost Savings
45.49%	Texas Multiplier
Annual 5/8" Meter Replacement (Material Only) Cost Benefit = \$60,843	

D. Other Reduced Operational and Maintenance Expenditures

The Utility will realize additional cost reductions in operational and maintenance expenditures from the implementation of the Itron Cellular AMI system as detailed below. The Arkansas-side of the water utility accounts for 45.49% of the total number of water meters, so that factor is applied to determine the other benefits that will be realized from reducing operational and maintenance expenditures.

The Utility agrees to redirect these surplus funds created by a reduction in operational and maintenance expenditures towards this project.

Other O&M Cost Benefit	
	Data Entry Clerk Savings
	Reduction In Rereads
	Uniforms
	Cell Phones & Walkie Talkies
	Liability and Workers Compensation Insurance Reduction
\$9,475	Total Other O&M Cost Savings
45.49%	Texas Multiplier
Annual Other O&M Cost Benefit = \$4,310	

The Utility has furnished the foregoing cost information to JCI, which information forms the basis of the Non-Measured Project Benefits. The Utility and the Customer both agree that the Non-Measured Project Benefits are reasonable, and that the installation of the Improvement Measures will enable the Utility to take actions that will result in the achievement of such Non-Measured Project Benefits.

III. MEASUREMENT AND VERIFICATION METHODOLOGY

Based upon JCI’s and Utility’s investigation of the existing condition of certain of the Utility’s water meters, the Utility has concluded that a significant percentage of water meters do not accurately measure billable consumption, and the Utility is losing potential billable consumption revenue due to this inaccuracy. By replacing inaccurate water meters with more accurate water meters, it is expected that the Utility will increase the volume of water registered by such water meters and therefore 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 JCI by the Utility and set forth in Section IV of this Schedule, it is expected that the impact of billing for the additional billable consumption would have resulted in annual increased billable consumption revenue of **\$184,691** (before any degradation or rate escalation impacts are considered) 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 other factors.

Option A: Retrofit Isolation: Key Parameter(s) Measurement

Measured Project Benefits are determined by testing the accuracy of a water meter according to the recommendations and guidelines as set for by both the American Water Works Association *Manual of Water Supply Practices – M6, Fifth Edition, Water Meters—Selection, Installation, Testing, and Maintenance* and by the respective water meter manufacturer for that particular size and type of water meter.

Partial measurement means that some but not all parameters will be measured. Careful review of the design and installation of Improvement Measures is intended to demonstrate that the stipulated values fairly represent the probable actual values. Agreed upon values will be shown in the measurement and verification plan. Engineering calculations using measurements and stipulations are used to calculate Measured Project Benefits for the duration of the Guarantee Term.

Measured Project Benefits from the following Improvement Measures will be calculated using Option A.

Meter Accuracy Benefits for Both 2” and Smaller Displacement Type Water Meters and for 3” and Larger Water Meters Using 2019 as a Base Year:

Key Parameter	Measurement Frequency	Measurement Description
Meter Accuracy	Pre-Retrofit: Completed Post-Retrofit: Certification Files Year 5 Testing	<p><u>Pre-Retrofit:</u> The pre-retrofit water meter accuracies, as calculated according to the recommendations in the AWWA Manual M6, for the affected water meters are provided in Section IV of this Schedule and were established during the Investment Grade Audit. Based upon industry standards, an annual deration shown in the Meter Deration Tables located in Section IV will be applied to the pre-retrofit water meter accuracies to determine the meter accuracy benefit over the Guarantee Term of the contract. During the installation period, JCI has the option to test the water meter accuracy of additional water meters.</p> <p><u>Post-Retrofit:</u> During performance Years 1, 2, 3, and 4, the Utility, the Customer, and JCI mutually agree that the post-retrofit water meter accuracies for all new meters installed by JCI will be based upon the manufacturers’ factory certification tests. For performance year 5, the post-retrofit water meter accuracies for all new meters installed by JCI will be verified as outlined in Section V of this Schedule.</p> <p>The benefit calculations for Years 1-4 will be updated based upon the Year 5 testing accuracies. The meter accuracies for Years 1, 2, 3, and 4 will be a linear interpolation utilizing the measured accuracies (i.e., the linear interpolation of the installed accuracy and Year 5 accuracy). The meter accuracies for all years after Year 5 will remain the same as the Year 5 testing accuracies.</p>
Estimated Parameter	Assumed Value	Justification, Source, and Description
Account Consumption	Varying by Account	The Revenue Model was developed using Utility-provided monthly billing data for the Base Year Period.

Meter Accuracy Benefit Basic Equation (Revenue Model):

$$\text{Meter Accuracy Benefit} = ((\text{Post-Retrofit Meter Accuracy} / \text{Pre-Retrofit Meter Accuracy}) \times \text{Billed Volume Charge Amount}) - \text{Billed Volume Charge Amount}$$

2” Compound Water Meter Accuracy

Key Parameter	Measurement Frequency	Measurement Description
Meter Accuracy	Pre-Retrofit: Completed	<p><u>Pre-Retrofit:</u> To expedite project development time and to reduce project development costs, no 2” Neptune TruFlo compound water meters were tested for accuracy. The Utility later directed JCI to remove all 2” Neptune TruFlo compound water meters from service because of the impending obsolescence of this water meter product line.</p> <p>JCI assumes that the 2” Neptune TruFlo compound water meters that were installed after December 31, 2018, to be 100% ± 1.5% accurate. To estimate the potential benefit from replacing the twenty (20) 2” Neptune TruFlo compound water meters that were installed prior to January 1, 2019, JCI placed the accuracy results for the forty (40) 3” Neptune TruFlo compound water meters that were tested for accuracy into a spreadsheet. The average accuracy of all forty (40) 3” Neptune TruFlo compound water meters that were tested was 83.3% with a standard deviation (σ) of 0.2284. In order to estimate a conservative water meter benefit, JCI removed the outlier test results to achieve an average accuracy of 94.7% with a standard deviation (σ) of 0.0667. JCI, the Utility, and the Customer agree that the pre-retrofit accuracy of the 2” Neptune TruFlo compound water meters that were installed prior to January 1, 2019, is 94.7%.</p> <p>Based upon industry standards, an annual deration shown in the Meter Deration Tables located in Section IV will be applied to the pre-retrofit water meter accuracies to determine the meter accuracy benefit over the Guarantee Term of the contract.</p>
	Post-Retrofit: Certification Files Year 5 Testing	<p><u>Post-Retrofit:</u> During performance years 1, 2, 3, and 4, the Utility, the Customer, and JCI mutually agree that the post-retrofit water meter accuracies for all new meters installed by JCI will be based upon the manufacturers’ factory certification tests. For performance years 5 and later, JCI will test the 3” Neptune MACH 10 water meters that were installed through this Scope of Work. JCI will apply the average accuracy of the test results for the 3” Neptune MACH 10 water meters to the accounts that were previously served by a 2” Neptune TruFlo compound water meter.</p> <p>The benefit calculations for Years 1-4 will be updated based upon the Year 5 testing accuracies. The meter accuracies for Years 1, 2, 3, and 4 will be a linear interpolation utilizing the measured accuracies (i.e., the linear interpolation of the installed accuracy and Year 5 accuracy). The meter accuracies for all years after Year 5 will remain the same as the Year 5 testing accuracies.</p>
Estimated Parameter	Assumed Value	Justification, Source, and Description
Account Consumption	Varying by Account	The Revenue Model was developed using Utility-provided monthly billing data for the Base Year Period.

Meter Accuracy Benefit Basic Equation (Revenue Model):

$$\text{Meter Accuracy Benefit} = ((\text{Post-Retrofit Meter Accuracy} / \text{Pre-Retrofit Meter Accuracy}) \times \text{Billed Volume Charge Amount}) - \text{Billed Volume Charge Amount}$$

IV. **BASELINE CALCULATIONS & POST-RETROFIT INCREASED METER ACCURACY BENEFITS**

A. **Water & Sewer Rates**

The unit utility costs for the baseline period are set forth below as “Utility Rates” and shall be used for all calculations made under this Schedule. The utility rates shall be escalated annually by the actual utility rate escalation, but such escalation shall be no less than the mutually agreed “floor” escalation rate of 3.0%.

Table A-1 Water and Sewer Utility Rates – 2019 Base Year

TEXARKANA WATER UTILITIES
ARKANSAS
 Summary of Water & Sewer Rates (Monthly Charges)

	Eff 6/7/2016		Eff 1/1/2019	
	Inside	Outside	Inside	Outside
Residential Water	10.0% Increase		2.8% Increase	
Minimum charge for 2,000 gallons	9.75	14.625	10.02	15.03
Volume charge per 1,000 gallons over 2,000 gallons	3.61	5.415	3.71	5.57
Water Service Fee	0.30	0.300	0.30	0.30
Water Taxes				
Outside City of Texarkana, Arkansas (St 6%, Co 1.5%)		7.5%		
Sewer	15% Increase		2.8% Increase	
Minimum charge for 2,000 gallons	11.47	17.210	11.79	17.69
Volume charge per 1,000 gallons for next 13,000 gallons	4.12	6.180	4.24	6.35
Maximum charge 15,000 gallons total	65.03		66.91	
Unmetered Sewer Only				
Water supplied by sources other than TWU	32.02	48.030	32.92	49.37
Infrastructure Fee				
Per meter charge	1.00	1.000	1.00	1.00
Commercial Water	10% Increase		2.8% Increase	
Minimum charge for 2,000 gallons				
5/8" Meter	11.09	16.635	11.40	17.10
1" Meter	12.66	18.990	13.01	19.52
1.5" Meter	14.26	21.390	14.66	21.99
2" Meter	15.84	23.760	16.28	24.43
3" Meter	31.68	47.520	32.57	48.85
4" Meter	47.52	71.280	48.85	73.28
6" Meter & over	79.21	118.815	81.43	122.14
Volume charge per 1,000 gallons over 2,000 gallons	2.70	4.050	2.78	4.16
Water Service Fee	0.30	0.300	0.30	0.30
Sewer	15% Increase		2.8% Increase	
Minimum charge for 2,000 gallons	11.47	17.210	11.79	17.69
Volume charge per 1,000 gallons over 2,000 gallons	4.81	7.215	4.94	7.42
Infrastructure Fee				
Per meter charge	2.50	2.500	2.50	2.50
Sales Tax on Water				
Inside Arkansas City Limits	10.25%		10.25%	
Outside Arkansas City Limits		7.50%		7.50%
Raw Water				
Minimum Consumption	4.95		4.95	
	0.55		0.55	

Reference Texarkana, Arkansas Code of Ordinances Sec. 26-34 Rate Adjustments

"On the first day of January of each year, beginning January 1, 2005, the water and sewer rates then in effect will be adjusted in the amount equal to the change in the Consumer Price Index for All Urban Customers, U.S. City Average for All Items. The change will effect all minimum charges, volume charges, unmetered sewer rates, and wholesale water rates."

**MANDEVILLE WATER CORPORATION
WATER RATES AND FEES**

Water Rates		
First 1,000 gallons	\$	10.00 Minimum
Next 4,000 gallons		3.00 per 1,000 gallons
Next 5,000 gallons		2.50 per 1,000 gallons
Over 10,000 gallons		1.75 per 1,000 gallons
 Water Service Fee		
Per meter charge	\$	0.25
 Taxes		
Outside City of Texarkana, Arkansas (State 6%, County 1.5%)		7.500%
 Late Payment Penalty		
Percent of water charge		10.000%
 Fees		
Deposit		65.00
Turn-on Fee		10.00
Turn-off Fee		10.00
Transfer Fee		20.00
Shut off for Non-Pay		20.00
Dishonored Check Charge		20.00
After Hours Service Charge		25.00
Tampering Charge		35.00

Water rates in effect in 1994 when Texarkana began operations. No changes since.

UNION WATER CORPORATION
WATER RATES AND FEES

Water Rates

First 2,000 gallons	\$ 16.80	Minimum
Over 2,000 gallons		4.00 per 1,000 gallons

Water Service Fee

Per meter charge	\$ 0.25
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Taxes

Outside City of Texarkana, Arkansas (State 6%, County 1.5%)	7.500%
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Late Payment Penalty

Percent of water charge	10.000%
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Fees

Deposit	65.00
Turn-on Fee	10.00
Turn-off Fee	10.00
Transfer Fee	20.00
Shut off for Non-Pay	20.00
Dishonored Check Charge	20.00
After Hours Service Charge	25.00
Tampering Charge	35.00

Water Rates effective 1996

Table A-2 Water and Sewer Utility Rates – 2023

Inside City Limits (Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.87	\$12.64	\$14.69	\$16.66	\$17.35
3/4"	\$10.87	12.64	14.69	16.66	17.35
1"	\$10.87	15.45	21.22	27.77	28.92
1 1/2"	10.87	22.47	37.54	55.53	57.83
2"	10.87	30.90	57.13	88.85	92.53
3"	10.87	50.56	102.83	166.60	173.50
4"	10.87	78.65	168.12	277.67	289.17
6"	10.87	148.87	331.34	555.33	578.33
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.03	4.68	5.44	6.17	6.43
5,001 – 10,000 gallons	4.03	4.68	6.12	7.71	8.04
>10,000 gallons	4.03	4.68	6.89	9.64	10.05

Outside City Limits (Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.31	\$18.96	\$22.04	\$24.99	\$26.03
3/4"	16.31	18.96	22.04	24.99	26.03
1"	16.31	23.18	31.83	41.66	43.38
1 1/2"	16.31	33.71	56.31	83.30	86.75
2"	16.31	46.35	85.70	133.28	138.80
3"	16.31	75.84	154.25	249.90	260.25
4"	16.31	117.98	252.18	416.51	433.76
6"	16.31	223.31	497.01	833.00	867.50
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	6.04	7.02	8.16	9.26	9.65
5,001 – 10,000 gallons	6.04	7.02	9.18	11.57	12.06
>10,000 gallons	6.04	7.02	10.34	14.46	15.08

Inside City Limits (Residential Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.87	\$12.64	\$14.69	\$16.66	\$17.35
3/4"	10.87	12.64	14.69	16.66	17.35
1"	10.87	15.45	21.22	27.77	28.92
1 1/2"	10.87	22.47	37.54	55.53	57.83
2"	10.87	30.90	57.13	88.85	92.53
3"	10.87	50.56	102.83	166.60	173.50
4"	10.87	78.65	168.12	277.67	289.17
6"	10.87	148.87	331.34	555.33	578.33
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.03	4.68	5.44	6.17	6.43
5,001 – 10,000 gallons	4.03	4.68	6.12	7.71	8.04
>10,000 gallons	4.03	4.68	6.89	9.64	10.05

Outside City Limits (Residential Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.31	\$18.96	\$22.04	\$24.99	\$26.03
3/4"	16.31	18.96	22.04	24.99	26.03
1"	16.31	23.18	31.83	41.66	43.38
1 1/2"	16.31	33.71	56.31	83.30	86.75
2"	16.31	46.35	85.70	133.28	138.80
3"	16.31	75.84	154.25	249.90	260.25
4"	16.31	117.98	252.18	416.51	433.76
6"	16.31	223.31	497.01	833.00	867.50
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	6.04	7.02	8.16	9.26	9.65
5,001 – 10,000 gallons	6.04	7.02	9.18	11.57	12.06
>10,000 gallons	6.04	7.02	10.34	14.46	15.08

Inside City (Mandeville Water Supply Corporation - Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.00	\$12.64	\$14.69	\$16.66	\$17.35
3/4"	10.00	12.64	14.69	16.66	17.35
1"	10.00	15.45	21.22	27.77	28.92
1 1/2"	10.00	22.47	37.54	55.53	57.83
2"	10.00	30.90	57.13	88.85	92.53
3"	10.00	50.56	102.83	166.60	173.50
4"	10.00	78.65	168.12	277.67	289.17
6"	10.00	148.87	331.34	555.33	578.33
Volume charge per 1,000 gallons					
0 – 1,000 gallons	\$-	\$-	\$-	\$-	\$-
1,000 – 2,000 gallons	3.00	-	-	-	-
2,001 – 5,000 gallons	3.00	4.68	5.44	6.17	6.43
5,001 – 10,000 gallons	2.50	4.68	6.12	7.71	8.04
>10,000 gallons	1.75	4.68	6.89	9.64	10.05

Outside City (Mandeville Water Supply Corporation - Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.00	\$18.96	\$22.04	\$24.99	\$26.03
3/4"	10.00	18.96	22.04	24.99	26.03
1"	10.00	23.18	31.83	41.66	43.38
1 1/2"	10.00	33.71	56.31	83.30	86.75
2"	10.00	46.35	85.70	133.28	138.80
3"	10.00	75.84	154.25	249.90	260.25
4"	10.00	117.98	252.18	416.51	433.76
6"	10.00	223.31	497.01	833.00	867.50
Volume charge per 1,000 gallons					
0 – 1,000 gallons	\$-	\$-	\$-	\$-	\$-
1,000 – 2,000 gallons	3.00	-	-	-	-
2,001 – 5,000 gallons	3.00	7.02	8.16	9.26	9.65
5,001 – 10,000 gallons	2.50	7.02	9.18	11.57	12.06
>10,000 gallons	1.75	7.02	10.34	14.46	15.08

Inside City (Mandeville Water Supply Corporation - Residential Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.00	\$12.64	\$14.69	\$16.66	\$17.35
3/4"	10.00	12.64	14.69	16.66	17.35
1"	10.00	15.45	21.22	27.77	28.92
1 1/2"	10.00	22.47	37.54	55.53	57.83
2"	10.00	30.90	57.13	88.85	92.53
3"	10.00	50.56	102.83	166.60	173.50
4"	10.00	78.65	168.12	277.67	289.17
6"	10.00	148.87	331.34	555.33	578.33
Volume charge per 1,000 gallons					
0 – 1,000 gallons	\$-	\$-	\$-	\$-	\$-
1,000 – 2,000 gallons	3.00	-	-	-	-
2,001 – 5,000 gallons	3.00	4.68	5.44	6.17	6.43
5,001 – 10,000 gallons	2.50	4.68	6.12	7.71	8.04
>10,000 gallons	1.75	4.68	6.89	9.64	10.05

Inside City (Union Water Supply Corporation - Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.80	\$16.80	\$16.80	\$16.80	\$17.35
3/4"	16.80	16.80	16.80	16.80	17.35
1"	16.80	16.80	21.22	27.77	28.92
1 1/2"	16.80	22.47	37.54	55.53	57.83
2"	16.80	30.90	57.13	88.85	92.53
3"	16.80	50.56	102.83	166.60	173.50
4"	16.80	78.65	168.12	277.67	289.17
6"	16.80	148.87	331.34	555.33	578.33
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.00	4.00	5.44	6.17	6.43
5,001 – 10,000 gallons	4.00	4.00	6.12	7.71	8.04
>10,000 gallons	4.00	4.00	6.89	9.64	10.05

Outside City (Union Water Supply Corporation - Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.80	\$18.96	\$22.04	\$24.99	\$26.03
3/4"	16.80	18.96	22.04	24.99	26.03
1"	16.80	23.18	31.83	41.66	43.38
1 1/2"	16.80	33.71	56.31	83.30	86.75
2"	16.80	46.35	85.70	133.28	138.80
3"	16.80	75.84	154.25	249.90	260.25
4"	16.80	117.98	252.18	416.51	433.76
6"	16.80	223.31	497.01	833.00	867.50
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.00	7.02	8.16	9.26	9.65
5,001 – 10,000 gallons	4.00	7.02	9.18	11.57	12.06
>10,000 gallons	4.00	7.02	10.34	14.46	15.08

Inside City (Union Water Supply Corporation – Residential Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.80	\$16.80	\$16.80	\$16.80	\$17.35
3/4"	16.80	16.80	16.80	16.80	17.35
1"	16.80	16.80	21.22	27.77	28.92
1 1/2"	16.80	22.47	37.54	55.53	57.83
2"	16.80	30.90	57.13	88.85	92.53
3"	16.80	50.56	102.83	166.60	173.50
4"	16.80	78.65	168.12	277.67	289.17
6"	16.80	148.87	331.34	555.33	578.33
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.00	4.68	5.44	6.17	6.43
5,001 – 10,000 gallons	4.00	4.68	6.12	7.71	8.04
>10,000 gallons	4.00	4.68	6.89	9.64	10.05

Outside City (Union Water Supply Corporation - Residential Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.80	\$18.96	\$22.04	\$24.99	\$26.03
3/4"	16.80	18.96	22.04	24.99	26.03
1"	16.80	23.18	31.83	41.66	43.38
1 1/2"	16.80	33.71	56.31	83.30	86.75
2"	16.80	46.35	85.70	133.28	138.80
3"	16.80	75.84	154.25	249.90	260.25
4"	16.80	117.98	252.18	416.51	433.76
6"	16.80	223.31	497.01	833.00	867.50
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.00	7.02	8.16	9.26	9.65
5,001 – 10,000 gallons	4.00	7.02	9.18	11.57	12.06
>10,000 gallons	4.00	7.02	10.34	14.46	15.08

Treated Water Rates for City of Texarkana, Arkansas Commercial Customers**Inside City (Commercial)**

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$12.37	\$14.38	\$16.71	\$18.95	\$19.74
3/4"	12.37	14.38	16.71	18.95	19.74
1"	14.12	18.93	24.93	31.58	32.90
1 1/2"	15.91	28.30	44.30	63.17	65.80
2"	17.67	39.26	67.37	101.07	105.28
3"	35.34	75.32	127.31	189.50	197.40
4"	53.00	120.97	209.53	315.83	329.00
6"	88.35	228.25	411.12	631.67	658.00
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	3.01	3.50	4.07	4.62	4.81
5,001 – 10,000 gallons	3.01	3.50	4.07	4.62	4.81
>10,000 gallons	3.01	3.50	4.07	4.62	4.81

Outside City (Commercial)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$18.55	\$21.57	\$25.07	\$28.43	\$29.61
3/4"	18.55	21.57	25.07	28.43	29.61
1"	21.18	28.40	37.40	47.37	49.35
1 1/2"	23.86	42.45	66.45	94.76	98.70
2"	26.50	58.89	101.06	151.61	157.92
3"	53.00	112.98	190.97	284.25	296.10
4"	79.50	181.46	314.30	473.75	493.50
6"	132.52	342.38	616.68	947.51	987.00
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.52	5.25	6.11	6.93	7.22
5,001 – 10,000 gallons	4.52	5.25	6.11	6.93	7.22
>10,000 gallons	4.52	5.25	6.11	6.93	7.22

Inside City (Commercial Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$12.37	\$14.38	\$16.71	\$18.95	\$19.74
3/4"	12.37	14.38	16.71	18.95	19.74
1"	14.12	18.93	24.93	31.58	32.90
1 1/2"	15.91	28.30	44.30	63.17	65.80
2"	17.67	39.26	67.37	101.07	105.28
3"	35.34	75.32	127.31	189.50	197.40
4"	53.00	120.97	209.53	315.83	329.00
6"	88.35	228.25	411.12	631.67	658.00
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	3.01	3.50	4.07	4.62	4.81
5,001 – 10,000 gallons	3.01	3.50	4.07	4.62	4.81
>10,000 gallons	3.01	3.50	4.07	4.62	4.81

Outside City (Commercial Irrigation)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$18.55	\$21.57	\$25.07	\$28.43	\$29.61
3/4"	18.55	21.57	25.07	28.43	29.61
1"	21.18	28.40	37.40	47.37	49.35
1 1/2"	23.86	42.45	66.45	94.76	98.70
2"	26.50	58.89	101.06	151.61	157.92
3"	53.00	112.98	190.97	284.25	296.10
4"	79.50	181.46	314.30	473.75	493.50
6"	132.52	342.38	616.68	947.51	987.00
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.52	5.25	6.11	6.93	7.22
5,001 – 10,000 gallons	4.52	5.25	6.11	6.93	7.22
>10,000 gallons	4.52	5.25	6.11	6.93	7.22

Treated Water Rates for Mandeville Service Area Commercial Customers**Inside City (Mandeville Water Supply Corporation - Commercial)**

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.00	\$14.38	\$16.71	\$18.95	\$19.74
3/4"	10.00	14.38	16.71	18.95	19.74
1"	10.00	18.93	24.93	31.58	32.90
1 1/2"	10.00	28.30	44.30	63.17	65.80
2"	10.00	39.26	67.37	101.07	105.28
3"	10.00	75.32	127.31	189.50	197.40
4"	10.00	120.97	209.53	315.83	329.00
6"	10.00	228.25	411.12	631.67	658.00
Volume charge per 1,000 gallons					
0 – 1,000 gallons	\$-	\$-	\$-	\$-	\$-
1,000 – 2,000 gallons	3.00	-	-	-	-
2,001 – 5,000 gallons	3.00	3.50	4.07	4.62	4.81
5,001 – 10,000 gallons	2.50	3.50	4.07	4.62	4.81
>10,000 gallons	1.75	3.50	4.07	4.62	4.81

Outside City (Mandeville Water Supply Corporation - Commercial)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$10.00	\$21.57	\$25.07	\$28.43	\$29.61
3/4"	10.00	21.57	25.07	28.43	29.61
1"	10.00	28.40	37.40	47.37	49.35
1 1/2"	10.00	42.45	66.45	94.76	98.70
2"	10.00	58.89	101.06	151.61	157.92
3"	10.00	112.98	190.97	284.25	296.10
4"	10.00	181.46	314.30	473.75	493.50
6"	10.00	342.38	616.68	947.51	987.00
Volume charge per 1,000 gallons					
0 – 1,000 gallons	\$-	\$-	\$-	\$-	\$-
1,000 – 2,000 gallons	3.00	-	-	-	-
2,001 – 5,000 gallons	3.00	5.25	6.11	6.93	7.22
5,001 – 10,000 gallons	2.50	5.25	6.11	6.93	7.22
>10,000 gallons	1.75	5.25	6.11	6.93	7.22

Treated Water Rates for Union Service Area Commercial Customers**Inside City (Union Water Supply Corporation - Commercial)**

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.80	\$16.80	\$16.80	\$18.95	\$19.74
3/4"	16.80	16.80	16.80	18.95	19.74
1"	16.80	18.93	24.93	31.58	32.90
1 1/2"	16.80	28.30	44.30	63.17	65.80
2"	16.80	39.26	67.37	101.07	105.28
3"	16.80	75.32	127.31	189.50	197.40
4"	16.80	120.97	209.53	315.83	329.00
6"	16.80	228.25	411.12	631.67	658.00
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.00	4.00	4.07	4.62	4.81
5,001 – 10,000 gallons	4.00	4.00	4.07	4.62	4.81
>10,000 gallons	4.00	4.00	4.07	4.62	4.81

Outside City (Union Water Supply Corporation - Commercial)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge					
5/8"	\$16.80	\$21.57	\$25.07	\$28.43	\$29.61
3/4"	16.80	21.57	25.07	28.43	29.61
1"	16.80	28.40	37.40	47.37	49.35
1 1/2"	16.80	42.45	66.45	94.76	98.70
2"	16.80	58.89	101.06	151.61	157.92
3"	16.80	112.98	190.97	284.25	296.10
4"	16.80	181.46	314.30	473.75	493.50
6"	16.80	342.38	616.68	947.51	987.00
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 5,000 gallons	4.00	5.25	6.11	6.93	7.22
5,001 – 10,000 gallons	4.00	5.25	6.11	6.93	7.22
>10,000 gallons	4.00	5.25	6.11	6.93	7.22

Table A-3 Sewer Utility Rates

Sewer Rates for City of Texarkana, Arkansas, Residential Customers

Inside City Residential (Excluding Multiple Family Residential)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge	\$12.79	\$14.87	\$17.28	\$19.60	\$20.41
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 15,000 gallons	4.60	\$5.34	\$6.21	\$7.04	\$7.33
>15,000 gallons	-	-	-	-	-

Multiple Family Residential

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge	\$11.79	\$13.70	\$15.93	\$18.06	\$18.81
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
2,001 – 15,000 gallons	4.24	4.92	5.72	6.49	6.76
>15,000 gallons	-	-	-	-	-

Sewer Rates for City of Texarkana, Arkansas Commercial Customers

Inside City Commercial (Excluding Multiple Commercial)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge	\$12.79	\$14.87	\$17.28	\$19.60	\$20.41
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
> 2,000 gallons	5.36	\$6.24	\$7.25	\$8.22	\$8.56

Outside City Commercial (Excluding Multiple Commercial)

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge	\$19.19	\$22.30	\$25.92	\$29.39	\$30.62
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
> 2,000 gallons	8.05	\$9.35	\$10.87	\$12.33	\$12.84

Sewer Rates for City of Texarkana, Arkansas

Multiple Commercial Customers

	Through September 2022	Beginning October 2022	Beginning October 2023	Beginning October 2024	Beginning October 2025
Minimum charge	\$ 11.79	\$13.70	\$15.93	\$18.06	\$18.81
Volume charge per 1,000 gallons					
0 – 2,000 gallons	\$-	\$-	\$-	\$-	\$-
> 2,000 gallons	4.94	5.75	6.68	7.57	7.89

B. Base Year Water & Sewer Consumption & Cost Data

Twelve (12) months of utility data for active accounts from January 2019 through December 2019 was utilized for the purposes of determining a baseline for this project. Historical utility data for five years was utilized on some large accounts to ensure that the benefit estimates were conservative and reasonable.

Table B-1 Water Accounts by Meter Size

Meter Size	Active Meter Quantity	Annual Billed Water Usage (gallons)	Annual Total Water Revenues
5/8"	9,343	364,442,510	\$1,756,506
3/4"	305	14,350,050	\$90,146
1"	1,128	78,875,575	\$349,906
1 1/2"	40	7,747,700	\$26,710
2"	137	115,099,813	\$307,294
2" Compound	20	20,155,750	\$64,374
3" & Larger	31	142,722,142	\$463,025
Totals	11,004	764,721,469	\$3,045,483

Table B-2 Sewer Accounts by Meter Size

Meter Size	Active Meter Quantity	Annual Billed Sewer Usage (gallons)	Annual Total Sewer Revenues
5/8"	7,772	289,474,867	\$1,560,025
3/4"	8	196,000	\$1,287
1"	623	41,929,208	\$212,055
1 1/2"	33	6,499,700	\$31,662
2"	125	81,152,634	\$457,023
2" Compound	17	19,309,500	\$107,130
3" & Larger	25	135,661,340	\$769,904
Totals	8,602	594,566,969	\$3,125,142

Table B-3 Irrigation Accounts by Meter Size

Meter Size	Active Meter Quantity	Annual Billed Irrigation Usage (gallons)	Annual Total Irrigation Revenues
5/8"	39	1,524,920	\$9,028
3/4"	1	26,400	\$189
1"	817	61,196,168	\$289,398
1 1/2"	13	7,846,000	\$24,900
2"	14	5,512,877	\$20,140
2" Compound	0	0	\$0
3" & Larger	0	0	\$0
Totals	884	76,106,365	\$343,654

The billing system extract that JCI utilized to create the base year water, sewer, and irrigation consumption and cost data in Tables B-1, B-2, and B-3 was provided to JCI by the Utility through the files listed below:

- Texarkana account meter information.csv – July 3, 2023
- Texarkana Bill History 2017.csv – August 14, 2023
- Texarkana Bill History 2017-2019.csv – August 14, 2023
- Texarkana Bill History 2018.csv – August 14, 2023
- Texarkana Bill History 2019.csv – August 14, 2023
- Texarkana Billing History 2023.csv – August 14, 2023

C. Pre-Retrofit Meter Accuracies

Table C-1
Pre-Retrofit Meter Accuracy – 0.625”, 1”, 1.5”, and 2” Water Meters

Texarkana Pre-Retrofit Small Meter Test Results					
Size	Quantity	Low Flow Accuracy	Mid Flow Accuracy	High Flow Accuracy	Weighted Average Accuracy
0.625 Inch	95	80.78%	97.84%	96.28%	95.05%
1 Inch	91	92.93%	95.24%	96.19%	95.03%
1.5 Inch	28	87.33%	96.02%	99.00%	95.17%
2 Inch	27	90.22%	99.18%	99.78%	97.92%

JCI followed the recommended guidelines listed on page 54 of the American Water Works Association *Manual of Water Supply Practices – M6, Fifth Edition, Water Meters—Selection, Installation, Testing, and Maintenance* for determining the accuracy of the 2” and smaller displacement type water meters.

$$\text{Weighted Average Accuracy} = (15\% \times \text{Low Flow Rate Accuracy}) + (70\% \times \text{Intermediate Flow Rate Accuracy}) + (15\% \times \text{High Flow Rate Accuracy})$$

For the 3” and larger compound and fire service water meters shown in Table C-2, JCI followed the recommended guidelines listed on page 54 of the American Water Works Association *Manual of Water Supply Practices – M6, Fifth Edition, Water Meters—Selection, Installation, Testing, and Maintenance* for determining the accuracy of the 3” and larger compound type water meters.

$$\text{Weighted Average Accuracy} = (33.3\% \times \text{Intermediate Test Flow Rate Accuracy through the Bypass Meter}) + (33.3\% \times \text{Max Test Flow Rate Accuracy through the Bypass Meter}) + (33.3\% \times \text{Maximum Test Flow Rate through the Main Meter})$$

If a large water meter could not be tested because an inlet, outlet, or bypass valve failed, however, JCI applied the average accuracy of all water meters of a similar size and model to that particular account (e.g., average of all 3” Neptune TruFlo compound water meters tested for any 3” Neptune TruFlo compound water meter that could not be tested).

To be conservative, JCI may not have used the actual tested accuracy in the benefit calculations. If applying either the tested accuracy or the average accuracy for that size and model of water meter to the base year (2019) billable volume revenue resulted in an increase in excess of 10% in billed water revenue, JCI obtained the billing history for the account from January 2020 through September 2023. This was done to determine if the water meter was inaccurate in 2019, and if not, when the water meter most likely lost its accuracy, and to determine what accuracy value should be used for benefit calculations based upon changes in billable usage since 2019. The analysis is provided following Table C-2.

In the Explanation for Accuracy Value (“Expln for Acc. Value”) column in Table C-2 below, “Test” means that the tested weighted average accuracy using the AWWA Manual M6 weighting factors was used to calculate benefit. “Avg.” in the Explanation for Accuracy Value column in Table C-2 below means that the average accuracy of all water meters of a similar size and model was used to calculate the benefit for that particular account because the water meter could not be tested. “Data” in the Explanation for Accuracy Value column in Table C-2 below means that the billable usage from 2019 to September 2013 was analyzed to determine an accuracy value that reflected the change in billable usage since the base year. “Test and Data” in the Explanation for Accuracy Value column in Table C-2 below means that the test results corresponded to the change in billable usage from January 2020 through September 2023.

The post-retrofit accuracy value for the water meters listed in Table C-2 from which JCI is claiming benefit from improving water meter accuracy is 99.0%. If the tested accuracy of the water meter is either equal to or greater than 98.5%, JCI is not claiming benefit from this account for improving water meter accuracy.

Table C-2
3” and Larger Compound and Fire Service Water Meter Tested Accuracies, Accuracies Used in Benefit Calculations, and Explanation

JCI Item	Loc. No.	Account No.	Account Name	Service Address	Size	Neptune Meter Model	Serial No.	AWWA M6 Overall Weighted Average Accuracy	Accuracy Used for Benefit Calcs.	Source
48	6250100	625010000	Village Park South	2225 East Street	6"	TruFlo	31950139	101.40%	101.40%	Test
49	6257400	625740000	TASD Harmony	1600 Forest	4"	TruFlo	31903846	74.77%	74.77%	Test & Data
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	4"	TruFlo	31958134	90.30%	90.30%	Test
51	6400900	640090000	Cooper Tire & Rubber Co.	3500 Washington	6"	TruFlo	70218359	60.27%	98.60%	Data
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	6"	TruFlo	31914708	Not Testable	95.00%	Avg.
54	6409340	640934002	R K Hall Construction, Ltd.	3205 Division	4"	TruFlo	31781609	99.27%	99.27%	Test
55	6562810	656281000	Texarkana Country Club	1 Country Club Lane	6"	TruFlo	70017745	101.67%	101.67%	Test
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	3"	TruFlo	70133000	98.47%	98.47%	Test
57	6611905	661190503	Axis Properties	300 Olive	4"	TruFlo	31964033	76.67%	84.50%	Data
58	6700710	670071002	Ark. Dept. Community Corrections	504 Walnut	6"	TruFlo	31901040	97.83%	97.83%	Test
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	3"	TruFlo	31927044	89.70%	89.70%	Test
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	6"	TruFlo	31926479	48.97%	48.97%	Test & Data
61	7007955	700795501	Abernathy Company	3800 Abernathy	4"	TruFlo	31982738	Not Testable	90.00%	Avg.
62	7007996	700799603	Abernathy Company	1 Jim Walters	3"	TruFlo	70030239	93.70%	93.70%	Test
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	3"	TruFlo	31963479	95.63%	95.63%	Test
64	7008005	700800505	VSE Corporation	35 Globe Avenue	3"	TruFlo	70021192	99.23%	99.23%	Test
66	8205315	820531503	Parkside Apartments of Texarkana	1400 East 35th	3"	TruFlo	26252728	98.07%	98.07%	Test
67	8402805	91577928966	4717 County LLC DBA Chapel Ridge Apts.	4717 County	4"	TruFlo	70055194	98.80%	98.80%	Test
68	8402890	840289003	Fox Creek Apartments	4303 County	3"	TruFlo	30000886	99.07%	99.07%	Test
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	3"	TruFlo	70101654	0.00%	68.88%	Data
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	3"	TruFlo	30002170	98.60%	98.60%	Test
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	3"	TruFlo	31952233	90.65%	90.65%	Test
72	8499430	849943000	Four States Fair Association	3700 East South	6"	TruFlo	70143787	99.23%	99.23%	Test
73	8730200	873020002	Clarion Hotel Lacrosse	5100 North State Line	6"	TruFlo	30007578	Not Testable	85.00%	Avg.
74	8730250	873025002	Super 8 Motel	325 East 51st	3"	TruFlo	26260045	Not Testable	37.72%	Data

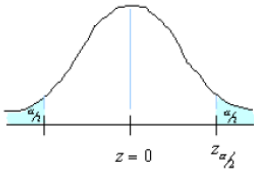
Schedule 2

JCI Item	Loc. No.	Account No.	Account Name	Service Address	Size	Neptune Meter Model	Serial No.	AWWA M6 Overall Weighted Average Accuracy	Accuracy Used for Benefit Calcs.	Source
96	9811000	981100000	TWU North Texarkana WWTP	8301 Sanderson	4"	TruFlo	98110001	29.47%	29.47%	Test
105	9902205	990220500	Miller County Corr. Facility	2300 East	3"	TruFlo	70021193	31.30%	31.30%	Test & Data
111	9903608	990360800	The Ridge at Texarkana	701 Oats	6"	TruFlo	70123161	98.57%	98.57%	Test
112	9903609	990360900	The Pointe at Texarkana	2700 Woodland	6"	TruFlo	70123979	99.97%	99.97%	Test
113	9903757	990375701	Arkansas Hwy. and Trans. Dept.	10000 I-30	3"	TruFlo	70119148	31.87%	51.26%	Data
117	9904186	990418601	Arbor Pointe Apts., LP	600 Oats	3"	TruFlo	70146030	94.40%	94.40%	Data
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	3"	TruFlo	70152367	98.37%	98.37%	Test
120	9904656	91577932711	K & D Real Estate Holdings LLC	8003 Highway 67	6"	TruFlo	70160052	Not Testable	98.50%	Closed
126	9905520	990552001	BEST WESTERN PLUS	5219 Crossroad Parkway	3"	TruFlo	70184369	98.37%	98.37%	Test
129	9905618	990561801	TXHP TEXARKANA 2 LLC	5210 Crossroad Parkway	4"	TruFlo	70207230	98.63%	98.63%	Test
149	9908754	91577925496	Fed Ex Freight Inc.	8001 Highway 67	3"	TruFlo	70348730	98.43%	98.43%	Test
151	9909423	91577934033	T A S D Arkansas Middle School	5443 Jefferson	3"	TruFlo	70385683	97.83%	97.83%	Test

3" Compound Meters – Average Meter Accuracy

Meter Size	Removed Outlier(s)	
	3" CMPD	3" CMPD
avg Accuracy	83.3%	94.7%
sigma	0.2284	0.0677
samples needed	4	0
samples tested	40	40
	31.30%	31.30%
	31.33%	31.33%
	31.87%	31.87%
	35.70%	35.70%
	46.20%	46.20%
	50.00%	50.00%
	50.00%	50.00%
	57.93%	57.93%
	63.17%	63.17%
	63.90%	63.90%
	87.03%	87.03%
	89.70%	89.70%
	90.03%	90.03%
	90.27%	90.27%
	90.65%	90.65%
	91.80%	91.80%
	92.53%	92.53%
	92.97%	92.97%
	93.03%	93.03%
	93.70%	93.70%
	94.40%	94.40%
	95.33%	95.33%
	95.63%	95.63%
	95.77%	95.77%
	96.27%	96.27%
	97.83%	97.83%
	98.07%	98.07%
	98.10%	98.10%
	98.30%	98.30%
	98.37%	98.37%
	98.37%	98.37%
	98.43%	98.43%
	98.47%	98.47%
	98.60%	98.60%
	99.07%	99.07%
	99.17%	99.17%
	99.23%	99.23%
	99.37%	99.37%
	100.20%	100.20%
	100.23%	100.23%

- A 95% degree confidence interval corresponds to $\alpha = 0.05$.
- Each of the shaded tails in the following figure has an area of $\frac{\alpha}{2} = 0.025$.
- The un-shaded region corresponds to 95% of the population, which correlates to a Z value of 1.96.
- Our margin of error $E = 5\%$ is represented by .05.



Our equation is therefore as follows:

$$n = \left[\frac{z_{\frac{\alpha}{2}} \sigma}{E} \right]^2 = \left[\frac{1.96 * .16436}{.05} \right]^2 = [6.442912]^2 = 41.51 \text{ (rounding up you would test 42 meters)}$$

Test equation			
$n =$	1.96	0.16436	$=$ 41.5
			sample size

D. Meter Deration Tables

The following tables document the pre-retrofit accuracies to be used in the performance years of this Agreement and the guaranteed post-retrofit accuracies of the new water meters.

**Table D-1
2" and Smaller Water Meters Pre-Retrofit Degradation**

Pre-Retrofit 2" and Smaller Water Meter Degradation Table					
Year	0.625"	0.75"	1"	1.5"	2"
1	94.95%	94.95%	94.93%	95.07%	97.82%
2	94.85%	94.85%	94.83%	94.97%	97.72%
3	94.75%	94.75%	94.73%	94.87%	97.62%
4	94.65%	94.65%	94.63%	94.77%	97.52%
5	94.55%	94.55%	94.53%	94.67%	97.42%
6	94.45%	94.45%	94.43%	94.57%	97.32%
7	94.35%	94.35%	94.33%	94.47%	97.22%
8	94.25%	94.25%	94.23%	94.37%	97.12%
9	94.15%	94.15%	94.13%	94.27%	97.02%
10	94.05%	94.05%	94.03%	94.17%	96.92%
11	93.95%	93.95%	93.93%	94.07%	96.82%
12	93.85%	93.85%	93.83%	93.97%	96.72%
13	93.75%	93.75%	93.73%	93.87%	96.62%
14	93.65%	93.65%	93.63%	93.77%	96.52%
15	93.55%	93.55%	93.53%	93.67%	96.42%
16	93.45%	93.45%	93.43%	93.57%	96.32%
17	93.35%	93.35%	93.33%	93.47%	96.22%
18	93.25%	93.25%	93.23%	93.37%	96.12%
19	93.15%	93.15%	93.13%	93.27%	96.02%
20	93.05%	93.05%	93.03%	93.17%	95.92%

**Table D-2
2" and Smaller Water Meters Post-Retrofit Degradation**

Guaranteed Post-Retrofit Meter Degradation Table					
Year	0.625"	0.75"	1"	1.5"	2"
0	99.00%	99.00%	99.00%	99.00%	99.00%
1	99.00%	99.00%	99.00%	99.00%	99.00%
2	99.00%	99.00%	99.00%	99.00%	99.00%
3	99.00%	99.00%	99.00%	99.00%	99.00%
4	99.00%	99.00%	99.00%	99.00%	99.00%
5	99.00%	99.00%	99.00%	99.00%	99.00%
6	99.00%	99.00%	99.00%	99.00%	99.00%
7	99.00%	99.00%	99.00%	99.00%	99.00%
8	99.00%	99.00%	99.00%	99.00%	99.00%
9	99.00%	99.00%	99.00%	99.00%	99.00%
10	99.00%	99.00%	99.00%	99.00%	99.00%
11	99.00%	99.00%	99.00%	99.00%	99.00%
12	99.00%	99.00%	99.00%	99.00%	99.00%
13	99.00%	99.00%	99.00%	99.00%	99.00%
14	99.00%	99.00%	99.00%	99.00%	99.00%
15	99.00%	99.00%	99.00%	99.00%	99.00%
16	99.00%	99.00%	99.00%	99.00%	99.00%
17	99.00%	99.00%	99.00%	99.00%	99.00%
18	99.00%	99.00%	99.00%	99.00%	99.00%
19	99.00%	99.00%	99.00%	99.00%	99.00%
20	99.00%	99.00%	99.00%	99.00%	99.00%

**Table D-3A
Large Water Meters Pre-Retrofit Degradation through Year 4 of the Term**

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Pre-Retrofit Accuracy	Implementation Period Accuracy	Year 1	Year 2	Year 3	Year 4
47	6003905	600390500	City of Texarkana Arkansas	900 Dudley	3"	90.34%	90.34%	90.24%	90.14%	90.04%	89.94%
48	6250100	625010000	Village Park South	2225 East Street	6"	101.40%	101.40%	101.30%	101.20%	101.10%	101.00%
49	6257400	625740000	TASD Harmony	1600 Forest	4"	74.77%	74.77%	74.67%	74.57%	74.47%	74.37%
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	4"	90.30%	90.30%	90.20%	90.10%	90.00%	89.90%
51	6400900	640090000	Cooper Tire & Rubber Co.	3500 Washington	6"	98.60%	98.60%	98.50%	98.40%	98.30%	98.20%
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	6"	95.00%	95.00%	94.90%	94.80%	94.70%	94.60%
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	3"	70.31%	70.31%	70.21%	70.11%	70.01%	69.91%
54	6409340	640934002	R K Hall Construction, LTD	3205 Division	4"	99.27%	99.27%	99.17%	99.07%	98.97%	98.87%
55	6562810	656281000	Texarkana Country Club	1 Country Club Lane	6"	101.67%	101.67%	101.57%	101.47%	101.37%	101.27%
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	3"	98.47%	98.47%	98.37%	98.27%	98.17%	98.07%
57	6611905	661190503	Axis Properties	300 Olive	4"	84.50%	84.50%	84.40%	84.30%	84.20%	84.10%
58	6700710	670071002	Ark. Dept. Community Corrections	504 Walnut	6"	97.83%	97.83%	97.73%	97.63%	97.53%	97.43%
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	3"	89.70%	89.70%	89.60%	89.50%	89.40%	89.30%
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	6"	48.97%	48.97%	48.87%	48.77%	48.67%	48.57%
61	7007955	700795501	Abernathy Company	3800 Abernathy	4"	90.00%	90.00%	89.90%	89.80%	89.70%	89.60%
62	7007996	700799603	Abernathy Company	1 Jim Walters	3"	93.70%	93.70%	93.60%	93.50%	93.40%	93.30%
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	3"	95.63%	95.63%	95.53%	95.43%	95.33%	95.23%
64	7008005	700800505	VSE Corporation	35 Globe Avenue	3"	99.23%	99.23%	99.13%	99.03%	98.93%	98.83%
65	7515932	751593205	Abernathy Company	3800 Abernathy Dr.	3"	0.00%	0.00%	-0.10%	-0.20%	-0.30%	-0.40%
66	8205315	820531503	Parkside Apartments of Texarkana	1400 East 35th	3"	98.07%	98.07%	97.97%	97.87%	97.77%	97.67%
67	8402805	91577928966	4717 County, LLC, DBA Chapel Ridge Apts.	4717 County	4"	98.80%	98.80%	98.70%	98.60%	98.50%	98.40%
68	8402890	840289003	Fox Creek Apartments	4303 County	3"	99.07%	99.07%	98.97%	98.87%	98.77%	98.67%
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	3"	68.88%	68.88%	68.78%	68.68%	68.58%	68.48%
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	3"	98.60%	98.60%	98.50%	98.40%	98.30%	98.20%

Schedule 2

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Pre-Retrofit Accuracy	Implementation Period Accuracy	Year 1	Year 2	Year 3	Year 4
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	3"	90.65%	90.65%	90.55%	90.45%	90.35%	90.25%
72	8499430	849943000	Four States Fair Association	3700 East South	6"	99.23%	99.23%	99.13%	99.03%	98.93%	98.83%
73	8730200	873020002	Clarion Hotel Lacrosse	5100 North State Line	6"	85.00%	85.00%	84.90%	84.80%	84.70%	84.60%
74	8730250	873025002	Super 8 Motel	325 East 51st	3"	37.72%	37.72%	37.62%	37.52%	37.42%	37.32%
96	9811000	981100000	TWU North Texarkana WWTP	8301 Sanderson	4"	29.47%	29.47%	29.37%	29.27%	29.17%	29.07%
105	9902205	990220500	Miller County Corr. Facility	2300 East	3"	31.30%	31.30%	31.20%	31.10%	31.00%	30.90%
111	9903608	990360800	The Ridge at Texarkana	701 Oats	6"	98.57%	98.57%	98.47%	98.37%	98.27%	98.17%
112	9903609	990360900	The Pointe at Texarkana	2700 Woodland	6"	99.97%	99.97%	99.87%	99.77%	99.67%	99.57%
113	9903757	990375701	Arkansas Hwy. & Trans. Dept.	10000 I-30	3"	51.26%	51.26%	51.16%	51.06%	50.96%	50.86%
117	9904186	990418601	Arbor Pointe Apts., LP	600 Oats	3"	94.40%	94.40%	94.30%	94.20%	94.10%	94.00%
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	3"	98.37%	98.37%	98.27%	98.17%	98.07%	97.97%
126	9905520	990552001	Best Western Plus	5219 Crossroad Parkway	3"	98.37%	98.37%	98.27%	98.17%	98.07%	97.97%
129	9905618	990561801	TXHP Texarkana 2 LLC	5210 Crossroad Parkway	4"	98.63%	98.63%	98.53%	98.43%	98.33%	98.23%
135	9906974	990697400	County Avenue Baptist Church	6000 Sammy Lane	3"	104.41%	104.41%	104.31%	104.21%	104.11%	104.01%
143	9907104	990710401	New Boston Investments, LLC	5200 Convention Plaza Dr.	3"	105.33%	105.33%	105.23%	105.13%	105.03%	104.93%
149	9908754	91577925496	FedEx Freight, Inc.	8001 Highway 67	3"	98.43%	98.43%	98.33%	98.23%	98.13%	98.03%
151	9909423	91577934033	TASD Arkansas Middle School	5443 Jefferson	3"	97.83%	97.83%	97.73%	97.63%	97.53%	97.43%

**Table D-3B
Large Water Meters Pre-Retrofit Degradation, Years 5 through 10 of the Term**

JCI Item	Location No.	Account No.	Account Name	Service Address	Size	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
47	6003905	600390500	City of Texarkana Arkansas	900 Dudley	3"	89.84%	89.74%	89.64%	89.54%	89.44%	89.34%
48	6250100	625010000	Village Park South	2225 East Street	6"	100.90%	100.80%	100.70%	100.60%	100.50%	100.40%
49	6257400	625740000	TASD Harmony	1600 Forest	4"	74.27%	74.17%	74.07%	73.97%	73.87%	73.77%
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	4"	89.80%	89.70%	89.60%	89.50%	89.40%	89.30%
51	6400900	640090000	Cooper Tire & Rubber Co.	3500 Washington	6"	98.10%	98.00%	97.90%	97.80%	97.70%	97.60%
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	6"	94.50%	94.40%	94.30%	94.20%	94.10%	94.00%
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	3"	69.81%	69.71%	69.61%	69.51%	69.41%	69.31%
54	6409340	640934002	R K Hall Construction, LTD	3205 Division	4"	98.77%	98.67%	98.57%	98.47%	98.37%	98.27%
55	6562810	656281000	Texarkana Country Club	1 Country Club Lane	6"	101.17%	101.07%	100.97%	100.87%	100.77%	100.67%
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	3"	97.97%	97.87%	97.77%	97.67%	97.57%	97.47%
57	6611905	661190503	Axis Properties	300 Olive	4"	84.00%	83.90%	83.80%	83.70%	83.60%	83.50%
58	6700710	670071002	Ark. Dept. Community Corrections	504 Walnut	6"	97.33%	97.23%	97.13%	97.03%	96.93%	96.83%
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	3"	89.20%	89.10%	89.00%	88.90%	88.80%	88.70%
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	6"	48.47%	48.37%	48.27%	48.17%	48.07%	47.97%
61	7007955	700795501	Abernathy Company	3800 Abernathy	4"	89.50%	89.40%	89.30%	89.20%	89.10%	89.00%
62	7007996	700799603	Abernathy Company	1 Jim Walters	3"	93.20%	93.10%	93.00%	92.90%	92.80%	92.70%
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	3"	95.13%	95.03%	94.93%	94.83%	94.73%	94.63%
64	7008005	700800505	VSE Corporation	35 Globe Avenue	3"	98.73%	98.63%	98.53%	98.43%	98.33%	98.23%
65	7515932	751593205	Abernathy Company	3800 Abernathy Dr.	3"	-0.50%	-0.60%	-0.70%	-0.80%	-0.90%	-1.00%
66	8205315	820531503	Parkside Apartments of Texarkana	1400 East 35th	3"	97.57%	97.47%	97.37%	97.27%	97.17%	97.07%
67	8402805	91577928966	4717 County, LLC, DBA Chapel Ridge Apts.	4717 County	4"	98.30%	98.20%	98.10%	98.00%	97.90%	97.80%
68	8402890	840289003	Fox Creek Apartments	4303 County	3"	98.57%	98.47%	98.37%	98.27%	98.17%	98.07%
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	3"	68.38%	68.28%	68.18%	68.08%	67.98%	67.88%
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	3"	98.10%	98.00%	97.90%	97.80%	97.70%	97.60%
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	3"	90.15%	90.05%	89.95%	89.85%	89.75%	89.65%
72	8499430	849943000	Four States Fair Association	3700 East South	6"	98.73%	98.63%	98.53%	98.43%	98.33%	98.23%
73	8730200	873020002	Clarion Hotel Lacrosse	5100 North State Line	6"	84.50%	84.40%	84.30%	84.20%	84.10%	84.00%
74	8730250	873025002	Super 8 Motel	325 East 51st	3"	37.22%	37.12%	37.02%	36.92%	36.82%	36.72%
96	9811000	981100000	TWU North Texarkana WWTP	8301 Sanderson	4"	28.97%	28.87%	28.77%	28.67%	28.57%	28.47%

Schedule 2

JCI Item	Location No.	Account No.	Account Name	Service Address	Size	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
105	9902205	990220500	Miller County Corr. Facility	2300 East	3"	30.80%	30.70%	30.60%	30.50%	30.40%	30.30%
111	9903608	990360800	The Ridge at Texarkana	701 Oats	6"	98.07%	97.97%	97.87%	97.77%	97.67%	97.57%
112	9903609	990360900	The Pointe at Texarkana	2700 Woodland	6"	99.47%	99.37%	99.27%	99.17%	99.07%	98.97%
113	9903757	990375701	Arkansas Hwy. and Trans. Dept.	10000 I-30	3"	50.76%	50.66%	50.56%	50.46%	50.36%	50.26%
117	9904186	990418601	Arbor Pointe Apts., LP	600 Oats	3"	93.90%	93.80%	93.70%	93.60%	93.50%	93.40%
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	3"	97.87%	97.77%	97.67%	97.57%	97.47%	97.37%
126	9905520	990552001	Best Western Plus	5219 Crossroad Parkway	3"	97.87%	97.77%	97.67%	97.57%	97.47%	97.37%
129	9905618	990561801	TXHP Texarkana 2 LLC	5210 Crossroad Parkway	4"	98.13%	98.03%	97.93%	97.83%	97.73%	97.63%
135	9906974	990697400	County Avenue Baptist Church	6000 Sammy Lane	3"	103.91%	103.81%	103.71%	103.61%	103.51%	103.41%
143	9907104	990710401	New Boston Investments, LLC	5200 Convention Plaza Drive	3"	104.83%	104.73%	104.63%	104.53%	104.43%	104.33%
149	9908754	91577925496	FedEx Freight, Inc.	8001 Highway 67	3"	97.93%	97.83%	97.73%	97.63%	97.53%	97.43%
151	9909423	91577934033	TASD Arkansas Middle School	5443 Jefferson	3"	97.33%	97.23%	97.13%	97.03%	96.93%	96.83%

Table D-3C
Large Water Meters Pre-Retrofit Degradation, Years 11 through 15 of the Term

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Year 11	Year 12	Year 13	Year 14	Year 15
47	6003905	600390500	City of Texarkana Arkansas	900 Dudley	3"	89.24%	89.14%	89.04%	88.94%	88.84%
48	6250100	625010000	Village Park South	2225 East Street	6"	100.30%	100.20%	100.10%	100.00%	99.90%
49	6257400	625740000	TASD Harmony	1600 Forest	4"	73.67%	73.57%	73.47%	73.37%	73.27%
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	4"	89.20%	89.10%	89.00%	88.90%	88.80%
51	6400900	640090000	Cooper Tire & Rubber Co.	3500 Washington	6"	97.50%	97.40%	97.30%	97.20%	97.10%
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	6"	93.90%	93.80%	93.70%	93.60%	93.50%
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	3"	69.21%	69.11%	69.01%	68.91%	68.81%
54	6409340	640934002	R K Hall Construction, LTD	3205 Division	4"	98.17%	98.07%	97.97%	97.87%	97.77%
55	6562810	656281000	Texarkana Country Club	1 Country Club Lane	6"	100.57%	100.47%	100.37%	100.27%	100.17%
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	3"	97.37%	97.27%	97.17%	97.07%	96.97%
57	6611905	661190503	Axis Properties	300 Olive	4"	83.40%	83.30%	83.20%	83.10%	83.00%
58	6700710	670071002	Ark. Dept. Community Corrections	504 Walnut	6"	96.73%	96.63%	96.53%	96.43%	96.33%
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	3"	88.60%	88.50%	88.40%	88.30%	88.20%
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	6"	47.87%	47.77%	47.67%	47.57%	47.47%
61	7007955	700795501	Abernathy Company	3800 Abernathy	4"	88.90%	88.80%	88.70%	88.60%	88.50%
62	7007996	700799603	Abernathy Company	1 Jim Walters	3"	92.60%	92.50%	92.40%	92.30%	92.20%
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	3"	94.53%	94.43%	94.33%	94.23%	94.13%
64	7008005	700800505	VSE Corporation	35 Globe Avenue	3"	98.13%	98.03%	97.93%	97.83%	97.73%
65	7515932	751593205	Abernathy Company	3800 Abernathy Dr	3"	-1.10%	-1.20%	-1.30%	-1.40%	-1.50%
66	8205315	820531503	Parkside Apartments of Texarkana	1400 East 35th	3"	96.97%	96.87%	96.77%	96.67%	96.57%
67	8402805	91577928966	4717 County, LLC, DBA Chapel Ridge Apts.	4717 County	4"	97.70%	97.60%	97.50%	97.40%	97.30%
68	8402890	840289003	Fox Creek Apartments	4303 County	3"	97.97%	97.87%	97.77%	97.67%	97.57%
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	3"	67.78%	67.68%	67.58%	67.48%	67.38%
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	3"	97.50%	97.40%	97.30%	97.20%	97.10%
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	3"	89.55%	89.45%	89.35%	89.25%	89.15%
72	8499430	849943000	Four States Fair Association	3700 East South	6"	98.13%	98.03%	97.93%	97.83%	97.73%
73	8730200	873020002	Clarion Hotel Lacrosse	5100 North State Line	6"	83.90%	83.80%	83.70%	83.60%	83.50%
74	8730250	873025002	Super 8 Motel	325 East 51st	3"	36.62%	36.52%	36.42%	36.32%	36.22%
96	9811000	981100000	TWU North Texarkana WWTP	8301 Sanderson	4"	28.37%	28.27%	28.17%	28.07%	27.97%
105	9902205	990220500	Miller County Corr. Facility	2300 East	3"	30.20%	30.10%	30.00%	29.90%	29.80%
111	9903608	990360800	The Ridge at Texarkana	701 Oats	6"	97.47%	97.37%	97.27%	97.17%	97.07%

Schedule 2

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Year 11	Year 12	Year 13	Year 14	Year 15
112	9903609	990360900	The Pointe at Texarkana	2700 Woodland	6"	98.87%	98.77%	98.67%	98.57%	98.47%
113	9903757	990375701	Arkansas Hwy. and Trans. Dept.	10000 I-30	3"	50.16%	50.06%	49.96%	49.86%	49.76%
117	9904186	990418601	Arbor Pointe Apts., LP	600 Oats	3"	93.30%	93.20%	93.10%	93.00%	92.90%
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	3"	97.27%	97.17%	97.07%	96.97%	96.87%
126	9905520	990552001	Best Western Plus	5219 Crossroad Parkway	3"	80.47%	80.37%	80.27%	80.17%	80.07%
129	9905618	990561801	TXHP Texarkana 2 LLC	5210 Crossroad Parkway	4"	97.27%	97.17%	97.07%	96.97%	96.87%
135	9906974	990697400	County Avenue Baptist Church	6000 Sammy Lane	3"	97.53%	97.43%	97.33%	97.23%	97.13%
143	9907104	990710401	New Boston Investments, LLC	5200 Convention Plaza Dr.	3"	103.31%	103.21%	103.11%	103.01%	102.91%
149	9908754	91577925496	FedEx Freight, Inc.	8001 Highway 67	3"	104.23%	104.13%	104.03%	103.93%	103.83%
151	9909423	91577934033	TASD Arkansas Middle School	5443 Jefferson	3"	97.33%	97.23%	97.13%	97.03%	96.93%

**Table D-3D
Large Water Meters Pre-Retrofit Degradation, Years 16 through 20 of the Term**

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Year 16	Year 17	Year 18	Year 19	Year 20
47	6003905	600390500	City of Texarkana Arkansas	900 Dudley	3"	88.74%	88.64%	88.54%	88.44%	88.34%
48	6250100	625010000	Village Park South	2225 East Street	6"	99.80%	99.70%	99.60%	99.50%	99.40%
49	6257400	625740000	TASD Harmony	1600 Forest	4"	73.17%	73.07%	72.97%	72.87%	72.77%
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	4"	88.70%	88.60%	88.50%	88.40%	88.30%
51	6400900	640090000	Cooper Tire & Rubber Co.	3500 Washington	6"	97.00%	96.90%	96.80%	96.70%	96.60%
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	6"	93.40%	93.30%	93.20%	93.10%	93.00%
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	3"	68.71%	68.61%	68.51%	68.41%	68.31%
54	6409340	640934002	R K Hall Construction, LTD	3205 Division	4"	97.67%	97.57%	97.47%	97.37%	97.27%
55	6562810	656281000	Texarkana Country Club	1 Country Club Lane	6"	100.07%	99.97%	99.87%	99.77%	99.67%
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	3"	96.87%	96.77%	96.67%	96.57%	96.47%
57	6611905	661190503	Axis Properties	300 Olive	4"	82.90%	82.80%	82.70%	82.60%	82.50%
58	6700710	670071002	Ark. Dept. Community Corrections	504 Walnut	6"	96.23%	96.13%	96.03%	95.93%	95.83%
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	3"	88.10%	88.00%	87.90%	87.80%	87.70%
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	6"	47.37%	47.27%	47.17%	47.07%	46.97%
61	7007955	700795501	Abernathy Company	3800 Abernathy	4"	88.40%	88.30%	88.20%	88.10%	88.00%
62	7007996	700799603	Abernathy Company	1 Jim Walters	3"	92.10%	92.00%	91.90%	91.80%	91.70%
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	3"	94.03%	93.93%	93.83%	93.73%	93.63%
64	7008005	700800505	VSE Corporation	35 Globe Avenue	3"	97.63%	97.53%	97.43%	97.33%	97.23%
65	7515932	751593205	Abernathy Company	3800 Abernathy Dr	3"	-1.60%	-1.70%	-1.80%	-1.90%	-2.00%
66	8205315	820531503	Parkside Apartments of Texarkana	1400 East 35th	3"	96.47%	96.37%	96.27%	96.17%	96.07%
67	8402805	91577928966	4717 County, LLC, DBA Chapel Ridge Apts.	4717 County	4"	97.20%	97.10%	97.00%	96.90%	96.80%
68	8402890	840289003	Fox Creek Apartments	4303 County	3"	97.47%	97.37%	97.27%	97.17%	97.07%
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	3"	67.28%	67.18%	67.08%	66.98%	66.88%
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	3"	97.00%	96.90%	96.80%	96.70%	96.60%
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	3"	89.05%	88.95%	88.85%	88.75%	88.65%
72	8499430	849943000	Four States Fair Association	3700 East South	6"	97.63%	97.53%	97.43%	97.33%	97.23%
73	8730200	873020002	Clarion Hotel Lacrosse	5100 North State Line	6"	83.40%	83.30%	83.20%	83.10%	83.00%
74	8730250	873025002	Super 8 Motel	325 East 51st	3"	36.12%	36.02%	35.92%	35.82%	35.72%
96	9811000	981100000	TWU North Texarkana WWTP	8301 Sanderson	4"	27.87%	27.77%	27.67%	27.57%	27.47%
105	9902205	990220500	Miller County Corr. Facility	2300 East	3"	29.70%	29.60%	29.50%	29.40%	29.30%
111	9903608	990360800	The Ridge at Texarkana	701 Oats	6"	96.97%	96.87%	96.77%	96.67%	96.57%

Schedule 2

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Year 16	Year 17	Year 18	Year 19	Year 20
112	9903609	990360900	The Pointe at Texarkana	2700 Woodland	6"	98.37%	98.27%	98.17%	98.07%	97.97%
113	9903757	990375701	Arkansas Hwy. and Trans. Dept.	10000 I-30	3"	49.66%	49.56%	49.46%	49.36%	49.26%
117	9904186	990418601	Arbor Pointe Apts., LP	600 Oats	3"	92.80%	92.70%	92.60%	92.50%	92.40%
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	3"	96.77%	96.67%	96.57%	96.47%	96.37%
126	9905520	990552001	Best Western Plus	5219 Crossroad Parkway	3"	79.97%	79.87%	79.77%	79.67%	79.57%
129	9905618	990561801	TXHP Texarkana 2 LLC	5210 Crossroad Parkway	4"	96.77%	96.67%	96.57%	96.47%	96.37%
135	9906974	990697400	County Avenue Baptist Church	6000 Sammy Lane	3"	97.03%	96.93%	96.83%	96.73%	96.63%
143	9907104	990710401	New Boston Investments, LLC	5200 Convention Plaza Dr.	3"	102.81%	102.71%	102.61%	102.51%	102.41%
149	9908754	91577925496	FedEx Freight, Inc.	8001 Highway 67	3"	103.73%	103.63%	103.53%	103.43%	103.33%
151	9909423	91577934033	TASD Arkansas Middle School	5443 Jefferson	3"	96.83%	96.73%	96.63%	96.53%	96.43%

Table D-4A
Large Neptune HP and Sensus Omni + C² Water Meters Post-Retrofit Degradation

Guaranteed Neptune HP and Sensus Omni + C² Turbine Water Meter Post-Retrofit Degradation		
Year	3" Neptune HP	3" Sensus Omni + C²
0	98.50%	98.50%
1	98.50%	98.50%
2	98.50%	98.50%
3	98.40%	98.40%
4	98.30%	98.30%
5	98.20%	98.20%
6	98.10%	98.10%
7	98.00%	98.00%
8	97.90%	97.90%
9	97.80%	97.80%
10	97.70%	97.70%
11	97.60%	98.50%
12	97.50%	98.50%
13	97.40%	98.50%
14	97.30%	98.40%
15	97.20%	98.30%
16	97.10%	98.20%
17	97.00%	98.10%
18	96.90%	98.00%
19	96.80%	97.90%
20	96.70%	97.80%

**Table D-4B
Large Ultrasonic Water Meters Post-Retrofit Degradation**

Guaranteed Large Ultrasonic Water Meter Post-Retrofit Degradation				
Year	3"	4"	6"	8"
0	99.00%	99.00%	99.00%	99.00%
1	99.00%	99.00%	99.00%	99.00%
2	99.00%	99.00%	99.00%	99.00%
3	99.00%	99.00%	99.00%	99.00%
4	99.00%	99.00%	99.00%	99.00%
5	99.00%	99.00%	99.00%	99.00%
6	99.00%	99.00%	99.00%	99.00%
7	99.00%	99.00%	99.00%	99.00%
8	99.00%	99.00%	99.00%	99.00%
9	99.00%	99.00%	99.00%	99.00%
10	99.00%	99.00%	99.00%	99.00%
11	99.00%	99.00%	99.00%	99.00%
12	99.00%	99.00%	99.00%	99.00%
13	99.00%	99.00%	99.00%	99.00%
14	99.00%	99.00%	99.00%	99.00%
15	99.00%	99.00%	99.00%	99.00%
16	99.00%	99.00%	99.00%	99.00%
17	99.00%	99.00%	99.00%	99.00%
18	99.00%	99.00%	99.00%	99.00%
19	99.00%	99.00%	99.00%	99.00%
20	99.00%	99.00%	99.00%	99.00%

E. Increased Meter Accuracy Benefit Calculations

Measured Project Benefits	Base Year Benefit	Year 1 Benefit	Escalation
Small Meter Accuracy Benefit	\$93,406	\$99,316	3.0%
Large Meter Accuracy Benefit – 2019 Base Year	\$25,500	\$26,920	3.0%
Large Meter Accuracy Benefit – 2023 Base Year	\$58,102	\$60,715	3.0%
2" Compound Meter Accuracy Benefit	\$7,683	\$8,106	3.0%
Total Measured Project Benefits	\$184,691	\$195,057	

The following tables are models which summarize the billing data, meter test results, guaranteed accuracy and projections based on the utility rate structures.

Table E-1: 2" & Smaller Water Meters

Texarkana, AR— 2" and Smaller Water Meter Accuracy Benefit Summary Base Year January 1, 2019, through December 31, 2019 Small Meter Accuracy Benefit Summary was created by applying 2019 rates to the Base Year Consumption										
Accounts	Meter Size	Service	Consumption (Gal)	Pre-Retrofit Total Charges	Pre-Retrofit Base Charges	Pre-Retrofit Volume Charges	Pre-Retrofit Accuracy	Guaranteed Post-Retrofit Accuracy	Projected Revenue	Projected Benefit
9,343	0.625	Water	364,442,510	1,756,506	1,004,289	\$752,217	95.05%	99.0%	\$783,505	\$31,288
7,772	0.625	Sewer	289,474,867	1,560,025	913,721	\$646,305	95.05%	99.0%	\$673,187	\$26,883
39	0.625	Irrigation	1,524,920	9,028	4,271	\$4,757	95.05%	99.0%	\$4,954	\$198
305	0.75	Water	14,350,050	90,146	55,964	\$34,183	95.05%	99.0%	\$35,604	\$1,422
8	0.75	Sewer	196,000	1,287	967	\$320	95.05%	99.0%	\$333	\$13
1	0.75	Irrigation	26,400	189	120	\$69	95.05%	99.0%	\$71	\$3
1,128	1	Water	78,875,575	349,906	142,268	\$207,638	95.03%	99.0%	\$216,304	\$8,666
623	1	Sewer	41,929,208	212,055	79,475	\$132,580	95.03%	99.0%	\$138,113	\$5,533
817	1	Irrigation	61,196,168	289,398	89,466	\$199,932	95.03%	99.0%	\$208,276	\$8,344
40	1.5	Water	7,747,700	26,710	5,767	\$20,942	95.17%	99.0%	\$21,786	\$844
33	1.5	Sewer	6,499,700	31,662	4,280	\$27,383	95.17%	99.0%	\$28,486	\$1,103
13	1.5	Irrigation	7,846,000	24,900	1,294	\$23,606	95.17%	99.0%	\$24,557	\$951
137	2	Water	115,099,813	307,294	22,741	\$284,553	97.92%	99.0%	\$287,679	\$3,125
125	2	Sewer	81,152,634	457,023	17,013	\$440,010	97.92%	99.0%	\$444,843	\$4,833
14	2	Irrigation	5,512,877	20,140	1,814	\$18,326	97.92%	99.0%	\$18,527	\$201
					Total	\$2,792,819			\$2,886,226	\$93,406
Meter accuracy for existing meters will be degraded by 0.1% per year starting in Year 1 of the term Meter accuracy for new ultrasonic water meters will be degraded by 0.0% per year										

Table E-2 – Large Water Meters Based with 2019 as Base Year

JCI Item	Customer Name	Account No.	Address	Meter Size	Serial No.	Pre Retrofit Water Cons	Pre-Retrofit Water Revenue	Pre-Retrofit Sewer Revenue	Pre-Retrofit Accuracy	Post-Retrofit Accuracy	Post-Retrofit Water Revenue	Post-Retrofit Sewer Revenue	Water Benefit	Sewer Benefit
47	City of Texarkana Arkansas	600390500	900 Dudley	3	1026248679	82,000	\$184	\$0	90.34%	99.00%	\$201	\$0	\$18	\$0
50	Smith-Keys Village Apts.	640081000	3302 Washington	4	31958134	4,782,500	\$17,630	\$24,897	90.30%	99.00%	\$19,329	\$27,295	\$1,699	\$2,399
52	Cooper Tire & Rubber Co	640090500	3500 Washington	6	31914708	25,571,650	\$70,801	\$126,134	95.00%	99.00%	\$73,782	\$131,445	\$2,981	\$5,311
56	Flying J Travel Plaza	658050000	8300 Arkansas Hwy 108	3	70133000	6,458,300	\$17,827	\$31,760	98.47%	99.00%	\$17,923	\$31,931	\$96	\$171
58	Ark Dept Community Corrections	670071002	504 Walnut	6	31901040	6,713,100	\$18,552	\$33,050	97.83%	99.00%	\$18,773	\$33,446	\$222	\$395
59	Ark Dept Community Corrections	671121002	0 East 5th Street	3	31927044	89,100	\$207	\$323	89.70%	99.00%	\$229	\$357	\$21	\$34
61	Abernathy Company	700795501	3800 Abernathy	4	31982738	331,700	\$853	\$0	90.00%	99.00%	\$938	\$0	\$85	\$0
62	Abernathy Company	700799603	1 Jim Walters	3	70030239	129,100	291	\$519	93.70%	99.00%	\$307	\$548	\$16	\$29
63	Smith-Blair, Inc.	700800400	30 Globe Avenue	3	31963479	3,000,100	8,227	\$0	95.63%	99.00%	\$8,517	\$0	\$290	\$0
66	Parkside Apartments of Texarkana	820531503	1400 East 35th	3	26252728	560,500	\$1,990	\$16,259	98.07%	99.00%	\$2,008	\$16,413	\$19	\$154
67	4717 County, LLC, DBA Chapel Ridge Apts.	91577928966	4717 County	4	70055194	5,413,600	\$20,024	\$27,126	98.80%	99.00%	\$20,064	\$27,181	\$41	\$55
70	Vista Health	840522504	801 Arkansas Blvd.	3	30002170	1,024,800	\$2,775	\$4,945	98.60%	99.00%	\$2,787	\$4,965	\$11	\$20
71	TASD-Trice Elementary School	845541500	4504 Pinson	3	31952233	981,900	\$2,657	\$4,734	90.65%	99.00%	\$2,902	\$5,170	\$245	\$436
73	Clarion Hotel Lacrosse	873020002	5100 North State Line	6	30007578	4,769,950	\$13,157	\$18,608	85.00%	99.00%	\$15,324	\$21,672	\$2,167	\$3,065
96	TWU North Texarkana WWTP	981100000	8301 Sanderson	4	98110001	23,141,729	\$0	\$0	29.47%	99.00%	\$0	\$0	\$0	\$0
111	The Ridge at Texarkana	990360800	701 Oats	6	70123161	3,485,100	\$12,831	\$17,067	98.57%	99.00%	\$12,887	\$17,142	\$56	\$74
117	Arbor Pointe Apts., LP	990418601	600 Oats	3	70146030	2,043,500	\$7,487	\$10,362	94.40%	99.00%	\$7,852	\$10,867	\$365	\$505
118	Tri State Iron & Metal Co	990447300	1725 East 9th	3	70152367	566,700	\$1,505	\$0	98.37%	99.00%	\$1,515	\$0	\$10	\$0
120	K & D Real Estate Holdings, LLC	91577932711	8003 Highway 67	6	70160052	1,813,800	\$7,436	\$12,488	81.57%	99.00%	\$9,025	\$15,156	\$1,589	\$2,668

Schedule 2

JCI Item	Customer Name	Account No.	Address	Meter Size	Serial No.	Pre Retrofit Water Cons	Pre-Retrofit Water Revenue	Pre-Retrofit Sewer Revenue	Pre-Retrofit Accuracy	Post-Retrofit Accuracy	Post-Retrofit Water Revenue	Post-Retrofit Sewer Revenue	Water Benefit	Sewer Benefit
126	Best Western Plus	990552001	5219 Crossroad Parkway	3	70184369	1,664,400	\$4,549	\$8,105	98.37%	99.00%	\$4,578	\$8,157	\$29	\$52
129	TXHP Texarkana 2 LLC	990561801	5210 Crossroad Parkway	4	70207230	2,591,500	\$7,121	\$12,686	98.63%	99.00%	\$7,148	\$12,734	\$27	\$48
149	FedEx Freight, Inc.	91577925496	8001 Highway 67	3	70348730	173,600	\$244	\$992	98.43%	99.00%	\$245	\$998	\$1	\$6
151	TASD Arkansas Middle School	91577934033	5443 Jefferson	3	70385683	984,200	\$2,425	\$5,234	97.83%	99.00%	\$2,454	\$5,297	\$29	\$63
		TOTALS				96,372,829	\$218,773	\$355,290			\$228,790	\$370,774	\$10,016	\$15,484

Total Benefit = \$10,016 + \$15,484 = \$25,500

**Table E-3
Large Water Meters Based with 2023 as Base Year**

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Benefit	Sewer Benefit	Total Benefit	
6257400	625740000	TASD Harmony	1600 Forest Street	4"	74.77%	74.77%	\$498.60	\$916.25	\$1,414.85	
6400900	640090000	Cooper Tire & Rubber Company	3500 Washington Street	6"	60.27%	97.50%	\$3,342.41	\$5,926.27	\$9,268.68	
6409200	640920000	Smith's Ready Mix	3349 Tennessee Road	3"	6.83%	77.11%	\$346.55	\$0.00	\$346.55	
6611905	661190503	Axis Properties	300 Olive Street	4"	76.67%	84.50%	\$235.90	\$431.06	\$666.96	
7005300	700530001	Union Tank Car	2801 Nash-Thompson Ln.	6"	48.97%	48.97%	\$599.50	\$1,076.95	\$1,676.45	
8405131	91577937300	Country Host Inn	900 Realtor Street	3"	0.00%	68.88%	\$3,491.20	\$6,233.31	\$9,724.51	
8730250	873025002	Super 8 Motel	325 East 51st Street	3"	N/A	37.72%	\$1,662.57	\$3,003.21	\$4,665.78	
9902205	990220500	Miller County Correctional Facility	2300 East	3"	31.30%	31.30%	\$20,279.35	\$0.00	\$20,279.35	
9903757	990375701	Arkansas Hwy and Trans Dept	10000 I-30	3"	51.26%	51.26%	\$3,624.12	\$6,434.49	\$10,058.61	
							Total	\$34,080.20	\$24,021.54	\$58,101.75

Table E-4
2" Compound Water Meter Accuracy Benefits

Customer Name	Account No.	Address	Serial No.	Pre-Retrofit Water Cons	Pre-Retrofit Sewer Cons	Pre-Retrofit Water Revenue	Pre-Retrofit Sewer Revenue	Pre-Retrofit Accuracy	Post-Retrofit Accuracy	Post-Retrofit Water Revenue	Post-Retrofit Sewer Revenue	Water Benefit	Sewer Benefit	Large Meter Accuracy Benefit
Flowers Bakery of Texarkana LLC	700799800	7 Jim Walters Dr.	70200358	3,700,500	3,700,500	\$10,311	\$18,162	94.70%	99.00%	\$10,779	\$18,986	\$468	\$825	\$1,293
Hacota Homes II	740781000	2510 E 11th St.	70102440	442,400	442,400	\$1,610	\$5,516	94.70%	99.00%	\$1,683	\$5,766	\$73	\$250	\$324
Acadian Square Apts.	770520002	2420 Linden Ave	70103696	690,900	690,900	\$2,503	\$6,930	94.70%	99.00%	\$2,616	\$7,244	\$114	\$315	\$428
Bentley Healthcare, LLC	830021002	3600 Senator	70288379	939,800	939,800	\$2,635	\$4,591	94.70%	99.00%	\$2,755	\$4,800	\$120	\$208	\$328
Albertson's #4111	831640502	3710 N State Line Ave.	AH70212715	669,150	669,150	\$1,789	\$3,186	94.70%	99.00%	\$1,870	\$3,331	\$81	\$145	\$226
Tajay Restaurants, Inc.	840010407	3810 N State Line Ave.	70299683	192,800	192,800	\$528	\$768	94.70%	99.00%	\$552	\$803	\$24	\$35	\$59
Wal-Mart Stores, Inc. #468	840464000	133 Arkansas Blvd.	70089490	1,273,600	1,273,600	\$3,594	\$6,196	94.70%	99.00%	\$3,757	\$6,477	\$163	\$281	\$445
Trinity Baptist Church	873695000	3115 Trinity Blvd.	70057352	411,100	411,100	\$1,073	\$1,912	94.70%	99.00%	\$1,122	\$1,999	\$49	\$87	\$136
Texarkana Baptist Orphanage	910092002	5401 E 9th St.	AH70218736	638,850		\$1,760		94.70%	99.00%	\$1,839	\$0	\$80	\$0	\$80
Stacey or Bill Little	910095603	6103 E 9th St.	AH70057353	111,900		\$352		94.70%	99.00%	\$368	\$0	\$16	\$0	\$16
GWG Wood Group	990192902	4901 E Broad St.	AH70162916	95,500		\$218		94.70%	99.00%	\$228	\$0	\$10	\$0	\$10
Buhrman Pharr, LP	990466101	212 Laurel St.	70160054	1,531,200	1,531,200	\$5,618	\$11,204	94.70%	99.00%	\$5,873	\$11,713	\$255	\$509	\$764
TASD Admin. Bldg. #7	990480501	3435 Jefferson Ave.	70164460	35,000	35,000	\$197	\$144	94.70%	99.00%	\$206	\$150	\$9	\$7	\$15
Sunrise RV Park, LLC	990495001	8225 Camper Ln.	AH70169345	634,600	634,600	\$2,557	\$3,710	94.70%	99.00%	\$2,673	\$3,878	\$116	\$168	\$285
Arkansas Blue Cross Blue Shield	990512501	1710 Arkansas Blvd.	70177299	64,000	64,000	\$111	\$198	94.70%	99.00%	\$116	\$207	\$5	\$9	\$14
Park Ridge at Texarkana	990542700	600 Price Ln.	70169344	1,480,900	1,480,900	\$5,427	\$7,369	94.70%	99.00%	\$5,674	\$7,704	\$246	\$335	\$581
Park Ridge at Texarkana	990542800	600 Price Ln.	70342630	2,001,900	2,001,900	\$7,364	\$9,226	94.70%	99.00%	\$7,698	\$9,645	\$334	\$419	\$753
Fun Wash Laundry Centers, Inc.	990621300	3220 N State Line Ave.	70288378	2,096,400	2,096,400	\$5,874	\$10,258	94.70%	99.00%	\$6,141	\$10,724	\$267	\$466	\$732
Park Ridge at Texarkana II	990635200	601 Price Ln.	AH70207227	2,356,850	2,356,850	\$8,641	\$11,608	94.70%	99.00%	\$9,033	\$12,136	\$392	\$527	\$919
Texarkana SNF Operations, LLC	91577927707	3600 Senator	70288379	788,400	788,400	\$2,214	\$3,858	94.70%	99.00%	\$2,315	\$4,034	\$101	\$175	\$276
	TOTALS			20,155,750	19,309,500	\$64,374	\$104,836			\$67,297	\$109,597	\$2,923	\$4,760	\$7,683

Monthly Billed Usage Analysis of Select Large Water Meter Accounts – 2023 Base Year

Location Number	Customer Number	Customer Name	Location Address	Meter Size		Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
6257400	625740000	TASD Harmony	1600 Forest Street	4"		74.77%	74.77%	ACWIC	ACSIC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/10/2020	30,950.00	\$129.20	1/1/2021	37,187.50	\$135.69	1/13/2022	54,950.00	\$212.46	1/20/2023	40,800.00	\$256.77
2/11/2020	38,650.00	\$150.58	2/1/2021	37,187.50	\$271.39	2/11/2022	50,450.00	\$198.91	2/9/2023	32,350.00	\$227.20
3/11/2020	37,200.00	\$146.55	3/2/2021	29,100.00	\$247.42	3/15/2022	49,450.00	\$195.90	3/8/2023	42,500.00	\$262.72
4/14/2020	19,450.00	\$97.28	4/15/2021	29,100.00	\$247.42	4/21/2022	47,600.00	\$190.33	4/10/2023	76,100.00	\$380.32
5/8/2020	5,700.00	\$59.12	5/20/2021	41,300.00	\$171.35	5/17/2022	52,450.00	\$204.93	5/11/2023	54,500.00	\$304.72
6/9/2020	22,300.00	\$105.19	6/18/2021	15,950.00	\$95.01	6/10/2022	34,900.00	\$152.08	6/8/2023	41,700.00	\$259.92
7/10/2020	1,700.00	\$48.85	7/19/2021	2,400.00	\$54.20	7/15/2022	34,150.00	\$149.82	7/11/2023	2,100.00	\$121.32
8/12/2020	3,200.00	\$52.18	8/13/2021	10,400.00	\$78.30	8/12/2022	4,900.00	\$61.73	8/9/2023	2,300.00	\$122.02
9/10/2020	12,200.00	\$77.16	9/14/2021	70,550.00	\$259.44	9/14/2022	50,400.00	\$198.76	9/11/2023	25,510.00	\$203.26
10/14/2020	26,350.00	\$116.44	10/12/2021	44,450.00	\$180.84	10/11/2022	58,400.00	\$250.59	10/1/2023		
11/1/2020	37,187.50	\$135.69	11/12/2021	57,150.00	\$219.09	11/10/2022	55,700.00	\$308.92	11/1/2023		
12/1/2020	37,187.50	\$271.39	12/13/2021	44,700.00	\$181.59	12/15/2022	51,000.00	\$292.47	12/1/2023		
Total	272,075.00	\$1,389.63	Total	419,475.00	\$2,141.74	Total	544,350.00	\$2,416.90	Total	317,860.00	\$2,138.25

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	849,950.00	
2020	272,075.00	(Covid-19)
2021	419,475.00	-50.65%
2022	544,350.00	-35.96%
2023	482,960.00	-43.18%

Revenue Model - T ASD Harmony

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Sewer Service Charge	Monthly Sewer Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
10/11/2022	58,400.00	\$250.59	\$120.97	\$129.62	\$330.31	\$14.87	\$315.44	74.77%	99.00%	\$42.00	\$102.22
11/10/2022	55,700.00	\$308.92	\$120.97	\$187.95	\$349.96	\$14.87	\$335.09	74.77%	99.00%	\$60.91	\$108.59
12/15/2022	51,000.00	\$292.47	\$120.97	\$171.50	\$320.63	\$14.87	\$305.76	74.77%	99.00%	\$55.58	\$99.08
1/20/2023	40,800.00	\$256.77	\$120.97	\$135.80	\$256.98	\$14.87	\$242.11	74.77%	99.00%	\$44.01	\$78.46
2/9/2023	32,350.00	\$227.20	\$120.97	\$106.23	\$204.25	\$14.87	\$189.38	74.77%	99.00%	\$34.42	\$61.37
3/8/2023	42,500.00	\$262.72	\$120.97	\$141.75	\$267.59	\$14.87	\$252.72	74.77%	99.00%	\$45.94	\$81.90
4/10/2023	76,100.00	\$380.32	\$120.97	\$259.35	\$477.25	\$14.87	\$462.38	74.77%	99.00%	\$84.05	\$149.84
5/11/2023	54,500.00	\$304.72	\$120.97	\$183.75	\$342.47	\$14.87	\$327.60	74.77%	99.00%	\$59.55	\$106.16
6/8/2023	41,700.00	\$259.92	\$120.97	\$138.95	\$262.60	\$14.87	\$247.73	74.77%	99.00%	\$45.03	\$80.28
7/11/2023	2,100.00	\$121.32	\$120.97	\$0.35	\$15.49	\$14.87	\$0.62	74.77%	99.00%	\$0.11	\$0.20
8/9/2023	2,300.00	\$122.02	\$120.97	\$1.05	\$16.74	\$14.87	\$1.87	74.77%	99.00%	\$0.34	\$0.61
9/11/2023	25,510.00	\$203.26	\$120.97	\$82.29	\$161.57	\$14.87	\$146.70	74.77%	99.00%	\$26.67	\$47.54
Total	482,960.00	\$2,990.23	\$1,451.64	\$1,538.59	\$3,005.84	\$178.44	\$2,827.40			\$498.60	\$916.25

Total Benefit = \$498.60 + \$916.25 = \$1,414.85

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
6400900	640090000	Cooper Tire & Rubber Company	3500 Washington Street	6"	60.27%	97.50%	ACWIC	ACSIC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/7/2020	6,646,500.00	\$18,523.90	1/1/2021	4,289,957.50	\$11,981.70	1/10/2022	5,007,390.00	\$15,156.21	1/10/2023	4,858,980.00	\$17,220.68
2/6/2020	4,992,820.00	\$13,933.95	2/10/2021	4,289,957.50	\$11,981.70	2/4/2022	5,654,570.00	\$17,105.21	2/3/2023	5,119,480.00	\$18,132.43
3/6/2020	4,481,310.00	\$12,514.20	3/1/2021	4,795,155.00	\$13,972.78	3/9/2022	4,822,400.00	\$14,599.11	3/6/2023	5,014,650.00	\$17,765.53
4/7/2020	5,109,060.00	\$14,256.59	4/9/2021	4,795,155.00	\$13,972.78	4/8/2022	6,142,420.00	\$18,574.39	4/4/2023	4,444,840.00	\$15,771.19
5/11/2020	719,000.00	\$2,071.54	5/11/2021	5,121,490.00	\$15,505.85	5/10/2022	5,867,770.00	\$17,747.27	5/5/2023	4,981,900.00	\$17,650.90
6/3/2020	4,205,060.00	\$11,747.44	6/16/2021	6,156,040.00	\$18,621.43	6/6/2022	7,384,300.00	\$22,314.34	6/5/2023	5,516,190.00	\$19,520.92
7/6/2020	4,372,250.00	\$12,211.50	7/12/2021	5,611,030.00	\$16,974.09	7/6/2022	6,863,750.00	\$20,746.69	7/6/2023	4,856,740.00	\$17,212.84
8/10/2020	4,766,910.00	\$13,306.91	8/6/2021	5,329,220.00	\$16,125.41	8/5/2022	7,026,490.00	\$21,236.79	8/4/2023	4,421,990.00	\$15,691.22
9/3/2020	5,472,300.00	\$15,264.79	9/8/2021	8,265,020.00	\$24,966.66	9/7/2022	7,766,390.00	\$23,465.02	9/16/2023	5,836,990.00	\$20,643.72
10/8/2020	4,842,190.00	\$13,515.86	10/6/2021	5,864,050.00	\$17,736.07	10/6/2022	7,100,200.00	\$21,458.77	10/6/2023	4,589,250.00	\$16,276.63
11/1/2020	4,289,957.50	\$11,981.70	11/4/2021	6,354,220.00	\$19,212.23	11/3/2022	6,948,820.00	\$24,421.18	11/1/2023		
12/1/2020	4,289,957.50	\$11,981.70	12/8/2021	4,714,180.00	\$14,273.20	12/7/2022	5,221,600.00	\$18,489.85	12/1/2023		
Total	54,187,315.00	\$151,310.07	Total	65,585,475.00	\$195,323.89	Total	75,806,100.00	\$235,314.83	Total	49,641,010.00	\$175,886.06

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	54,454,730.00	
2020	54,187,315.00	-0.49%
2021	65,585,475.00	20.44%
2022	75,806,100.00	39.21%
2023	61,811,430.00	13.51%

Revenue Model – Cooper Tire & Rubber Company

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Sewer Service Charge	Monthly Sewer Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
1/7/2022	6,948,820.00	\$24,421.18	\$120.97	\$24,300.21	\$43,154.45	\$14.87	\$43,139.58	97.50%	99.00%	\$373.85	\$663.69
2/4/2022	5,221,600.00	\$18,489.85	\$120.97	\$18,368.88	\$32,572.69	\$14.87	\$32,557.82	97.50%	99.00%	\$282.60	\$500.89
3/7/2022	4,858,980.00	\$17,220.68	\$120.97	\$17,099.71	\$30,309.95	\$14.87	\$30,295.08	97.50%	99.00%	\$263.07	\$466.08
4/8/2022	5,119,480.00	\$18,132.43	\$120.97	\$18,011.46	\$31,935.47	\$14.87	\$31,920.60	97.50%	99.00%	\$277.10	\$491.09
5/10/2022	5,014,650.00	\$17,765.53	\$120.97	\$17,644.56	\$31,281.33	\$14.87	\$31,266.46	97.50%	99.00%	\$271.45	\$481.02
6/6/2022	4,444,840.00	\$15,771.19	\$120.97	\$15,650.22	\$27,725.71	\$14.87	\$27,710.84	97.50%	99.00%	\$240.77	\$426.32
7/7/2022	4,981,900.00	\$17,650.90	\$120.97	\$17,529.93	\$31,076.97	\$14.87	\$31,062.10	97.50%	99.00%	\$269.69	\$477.88
8/5/2022	5,516,190.00	\$19,520.92	\$120.97	\$19,399.95	\$34,410.94	\$14.87	\$34,396.07	97.50%	99.00%	\$298.46	\$529.17
9/7/2022	4,856,740.00	\$17,212.84	\$120.97	\$17,091.87	\$30,295.97	\$14.87	\$30,281.10	97.50%	99.00%	\$262.95	\$465.86
10/6/2022	4,421,990.00	\$15,691.22	\$120.97	\$15,570.25	\$27,583.13	\$14.87	\$27,568.26	97.50%	99.00%	\$239.54	\$424.13
11/3/2022	5,836,990.00	\$20,643.72	\$120.97	\$20,522.75	\$36,412.73	\$14.87	\$36,397.86	97.50%	99.00%	\$315.73	\$559.97
12/7/2022	4,589,250.00	\$16,276.63	\$209.53	\$16,067.10	\$28,626.83	\$14.87	\$28,611.96	97.50%	99.00%	\$247.19	\$440.18
Total	61,811,430.00	\$218,797.09	\$1,540.20	\$217,256.89	\$385,386.17	\$178.44	\$385,207.73			\$3,342.41	\$5,926.27

Total Benefit = \$3,342.41 + \$5,926.27 = \$9,268.68

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
6409200	640920000	Smith's Ready Mix	3349 Tennessee Road	3"	6.83%	77.11%	ACWIC	None

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/10/2020	19,500.00	\$81.14	1/1/2021	13,625.00	\$52.13	1/13/2022	3,000.00	\$38.35	1/20/2023	13,000.00	\$113.82
2/11/2020	20,000.00	\$82.53	2/1/2021	13,625.00	\$52.13	2/11/2022	0.00	\$35.34	2/9/2023	29,700.00	\$172.27
3/11/2020	1,000.00	\$32.57	3/2/2021	27,250.00	\$104.26	3/15/2022	26,000.00	\$107.62	3/8/2023	46,300.00	\$230.37
4/14/2020	25,000.00	\$96.41	4/15/2021	27,250.00	\$104.26	4/21/2022	11,500.00	\$63.95	4/10/2023	40,000.00	\$208.32
5/8/2020	13,500.00	\$64.49	5/20/2021	43,500.00	\$160.32	5/17/2022	17,000.00	\$80.51	5/11/2023	28,000.00	\$166.32
6/9/2020	23,500.00	\$92.25	6/18/2021	55,500.00	\$196.46	6/10/2022	12,300.00	\$66.36	6/8/2023	13,500.00	\$115.57
7/10/2020	17,000.00	\$74.20	7/19/2021	47,500.00	\$172.36	7/15/2022	49,700.00	\$178.99	7/11/2023	24,000.00	\$152.32
8/12/2020	9,000.00	\$52.00	8/13/2021	36,000.00	\$137.73	8/12/2022	14,000.00	\$71.48	8/9/2023	32,000.00	\$180.32
9/10/2020	9,500.00	\$53.39	9/14/2021	24,000.00	\$101.59	9/14/2022	18,500.00	\$85.03	9/11/2023	73,500.00	\$325.57
10/14/2020	31,000.00	\$113.08	10/12/2021	29,500.00	\$118.16	10/11/2022	46,500.00	\$182.44	10/1/2023		
11/1/2020	13,625.00	\$52.13	11/12/2021	47,000.00	\$170.86	11/10/2022	37,000.00	\$197.82	11/1/2023		
12/1/2020	13,625.00	\$52.13	12/13/2021	5,000.00	\$44.37	12/15/2022	49,000.00	\$239.82	12/1/2023		
Total	196,250.00	\$846.32	Total	369,750.00	\$1,414.63	Total	284,500.00	\$1,347.71	Total	300,000.00	\$1,664.88

*New water meter installed in August 2023

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	332,000.00	
2020	196,250.00	-40.89%
2021	369,750.00	11.37%
2022	284,500.00	-14.31%
2023	432,500.00	30.27%

Revenue Model – Smith’s Ready Mix

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Service Charge	Monthly Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Benefit
9/14/2022	18,500.00	\$85.03	\$35.34	\$49.69	77.11%	99.00%	\$14.11
10/11/2022	46,500.00	\$182.44	\$35.34	\$147.10	77.11%	99.00%	\$41.77
11/10/2022	37,000.00	\$197.82	\$75.32	\$122.50	77.11%	99.00%	\$34.78
12/15/2022	49,000.00	\$239.82	\$75.32	\$164.50	77.11%	99.00%	\$46.71
1/20/2023	13,000.00	\$113.82	\$75.32	\$38.50	77.11%	99.00%	\$10.93
2/9/2023	29,700.00	\$172.27	\$75.32	\$96.95	77.11%	99.00%	\$27.53
3/8/2023	46,300.00	\$230.37	\$75.32	\$155.05	77.11%	99.00%	\$44.02
4/10/2023	40,000.00	\$208.32	\$75.32	\$133.00	77.11%	99.00%	\$37.76
5/11/2023	28,000.00	\$166.32	\$75.32	\$91.00	77.11%	99.00%	\$25.84
6/8/2023	13,500.00	\$115.57	\$75.32	\$40.25	77.11%	99.00%	\$11.43
7/11/2023	24,000.00	\$152.32	\$75.32	\$77.00	77.11%	99.00%	\$21.86
8/9/2023	32,000.00	\$180.32	\$75.32	\$105.00	77.11%	99.00%	\$29.81
Total	377,500.00	\$2,044.42	\$823.88	\$1,220.54			\$346.55

Total Benefit = \$346.55

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
6611905	661190503	Axis Properties	300 Olive Street	4"	76.67%	84.50%	ACWIC	ACSIC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/29/2020	1,800.00	\$48.85	1/1/2021	6,260.00	\$43.35	1/31/2022	16,000.00	\$89.14	1/31/2023	19,200.00	\$174.17
2/28/2020	1,700.00	\$48.85	2/10/2021	6,260.00	\$43.35	2/28/2022	22,900.00	\$109.92	2/27/2023	114,300.00	\$507.02
3/31/2020	2,300.00	\$49.68	3/30/2021	75,250.00	\$404.75	3/31/2022	14,200.00	\$83.72	3/27/2023	29,500.00	\$201.22
4/28/2020	200.00	\$48.85	5/5/2021	75,250.00	\$404.75	4/29/2022	12,100.00	\$77.39	4/25/2023	1,400.00	\$120.97
5/22/2020	2,300.00	\$49.68	5/31/2021	15,200.00	\$92.75	5/27/2022	8,300.00	\$65.95	5/24/2023	25,300.00	\$195.52
6/24/2020	1,000.00	\$48.85	6/30/2021	18,200.00	\$95.76	6/29/2022	9,600.00	\$69.86	6/26/2023	31,100.00	\$215.82
7/28/2020	2,200.00	\$49.41	7/30/2021	7,500.00	\$63.54	7/28/2022	15,300.00	\$87.03	7/25/2023	34,200.00	\$226.67
8/26/2020	1,500.00	\$48.85	8/30/2021	16,400.00	\$90.34	8/30/2022	21,700.00	\$106.30	8/24/2023	52,300.00	\$290.02
9/29/2020	1,100.00	\$48.85	9/29/2021	68,300.00	\$246.64	9/28/2022	26,500.00	\$120.76	9/22/2023	192,900.00	\$782.12
10/28/2020	6,260.00	\$43.35	10/27/2021	99,200.00	\$339.70	10/26/2022	23,500.00	\$166.46	10/1/2023		
11/1/2020	6,260.00	\$43.35	11/24/2021	19,200.00	\$98.78	11/30/2022	34,800.00	\$228.77	11/1/2023		
12/1/2020	6,260.00	\$43.35	12/30/2021	14,300.00	\$84.02	12/30/2022	58,300.00	\$311.02	12/1/2023		
Total	32,880.00	\$571.93	Total	421,320.00	\$2,007.73	Total	263,200.00	\$1,516.32	Total	500,200.00	\$2,713.53

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	45,300.00	
2020	32,880.00	-27.42%
2021	421,320.00	830.07%
2022	263,200.00	481.02%
2023	616,800.00	1,261.59%

Revenue Model – Axis Properties

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Sewer Service Charge	Monthly Sewer Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
9/28/2022	26,500.00	\$120.76	\$53.00	\$67.76	\$133.50	\$12.79	\$120.71	84.50%	99.00%	\$11.63	\$20.71
10/26/2022	23,500.00	\$166.46	\$120.97	\$45.49	\$141.10	\$14.87	\$126.23	84.50%	99.00%	\$7.81	\$21.66
11/30/2022	34,800.00	\$228.77	\$120.97	\$107.80	\$207.06	\$14.87	\$192.19	84.50%	99.00%	\$18.50	\$32.98
12/30/2022	58,300.00	\$311.02	\$120.97	\$190.05	\$353.70	\$14.87	\$338.83	84.50%	99.00%	\$32.61	\$58.14
1/31/2023	19,200.00	\$174.17	\$120.97	\$53.20	\$109.72	\$14.87	\$94.85	84.50%	99.00%	\$9.13	\$16.28
2/27/2023	114,300.00	\$507.02	\$120.97	\$386.05	\$703.14	\$14.87	\$688.27	84.50%	99.00%	\$66.25	\$118.11
3/27/2023	29,500.00	\$201.22	\$120.97	\$80.25	\$173.99	\$14.87	\$159.12	84.50%	99.00%	\$13.77	\$27.30
4/25/2023	1,400.00	\$120.97	\$120.97	\$0.00	\$14.87	\$14.87	\$0.00	84.50%	99.00%	\$0.00	\$0.00
5/24/2023	25,300.00	\$195.52	\$120.97	\$74.55	\$147.76	\$14.87	\$132.89	84.50%	99.00%	\$12.79	\$22.80
6/26/2023	31,100.00	\$215.82	\$120.97	\$94.85	\$183.97	\$14.87	\$169.10	84.50%	99.00%	\$16.28	\$29.02
7/25/2023	34,200.00	\$226.67	\$120.97	\$105.70	\$203.32	\$14.87	\$188.45	84.50%	99.00%	\$18.14	\$32.34
8/24/2023	52,300.00	\$290.02	\$120.97	\$169.05	\$316.26	\$14.87	\$301.39	84.50%	99.00%	\$29.01	\$51.72
Total	450,400.00	\$2,758.42	\$1,383.67	\$1,374.75	\$2,688.39	\$176.36	\$2,512.03			\$235.90	\$431.06

Total Benefit = \$235.90 + \$431.06 = \$666.96

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
7005300	700530001	Union Tank Car	2801 Nash-Thompson Ln	6"	48.97%	48.97%	ACWIC	ACSIC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/7/2020	52,800.00	\$222.43	1/1/2021	32,325.00	\$164.21	1/10/2022	30,800.00	\$169.06	1/10/2023	32,000.00	\$326.25
2/6/2020	56,700.00	\$233.26	2/10/2021	32,325.00	\$164.21	2/4/2022	35,900.00	\$184.42	2/3/2023	19,300.00	\$281.80
3/6/2020	33,300.00	\$168.31	3/1/2021	33,450.00	\$165.92	3/9/2022	22,800.00	\$144.97	3/6/2023	29,100.00	\$316.10
4/7/2020	44,400.00	\$199.12	4/9/2021	33,450.00	\$165.92	4/8/2022	24,000.00	\$149.79	4/4/2023	21,300.00	\$288.80
5/5/2020	42,200.00	\$193.01	5/11/2021	28,400.00	\$167.85	5/10/2022	13,800.00	\$117.86	5/5/2023	8,500.00	\$244.00
6/3/2020	41,000.00	\$189.68	6/16/2021	13,000.00	\$121.48	6/6/2022	15,600.00	\$123.28	6/5/2023	18,500.00	\$279.00
7/6/2020	38,000.00	\$181.35	7/12/2021	8,800.00	\$102.81	7/6/2022	17,300.00	\$128.40	7/6/2023	18,600.00	\$279.35
8/10/2020	28,600.00	\$155.26	8/6/2021	21,300.00	\$140.45	8/5/2022	24,400.00	\$149.79	8/4/2023	11,900.00	\$255.90
9/3/2020	37,100.00	\$178.85	9/8/2021	31,600.00	\$171.47	9/7/2022	19,000.00	\$133.52	9/16/2023	14,800.00	\$266.05
10/8/2020	29,400.00	\$157.48	10/6/2021	26,700.00	\$156.71	10/6/2022	5,900.00	\$94.07	10/1/2023	11,400.00	\$254.15
11/1/2020	32,325.00	\$164.21	11/4/2021	20,000.00	\$136.53	11/3/2022	14,300.00	\$266.60	11/1/2023		
12/1/2020	32,325.00	\$164.21	12/8/2021	16,300.00	\$125.39	12/7/2022	15,300.00	\$267.80	12/1/2023		
Total	468,150.00	\$2,207.17	Total	297,650.00	\$1,782.94	Total	239,100.00	\$1,929.56	Total	185,400.00	\$2,791.40

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	473,300.00	
2020	468,150.00	-1.09%
2021	297,650.00	-37.11%
2022	239,100.00	-49.48%
2023	220,900.00	-53.33%

Schedule 2

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Service Charge	Monthly Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
11/3/2022	14,300.00	\$266.60	\$228.25	\$38.35	\$91.20	\$14.87	\$76.33	48.97%	99.00%	\$39.18	\$77.98
12/7/2022	15,300.00	\$267.80	\$228.25	\$39.55	\$85.38	\$14.87	\$70.51	48.97%	99.00%	\$40.41	\$72.04
1/10/2023	32,000.00	\$326.25	\$228.25	\$98.00	\$189.59	\$14.87	\$174.72	48.97%	99.00%	\$100.12	\$178.50
2/3/2023	19,300.00	\$281.80	\$228.25	\$53.55	\$110.34	\$14.87	\$95.47	48.97%	99.00%	\$54.71	\$97.54
3/6/2023	29,100.00	\$316.10	\$228.25	\$87.85	\$171.49	\$14.87	\$156.62	48.97%	99.00%	\$89.75	\$160.01
4/4/2023	21,300.00	\$288.80	\$228.25	\$60.55	\$122.82	\$14.87	\$107.95	48.97%	99.00%	\$61.86	\$110.29
5/5/2023	8,500.00	\$244.00	\$228.25	\$15.75	\$42.95	\$14.87	\$28.08	48.97%	99.00%	\$16.09	\$28.69
6/5/2023	18,500.00	\$279.00	\$228.25	\$50.75	\$105.35	\$14.87	\$90.48	48.97%	99.00%	\$51.85	\$92.44
7/6/2023	18,600.00	\$279.35	\$228.25	\$51.10	\$105.97	\$14.87	\$91.10	48.97%	99.00%	\$52.21	\$93.07
8/4/2023	11,900.00	\$255.90	\$228.25	\$27.65	\$64.17	\$14.87	\$49.30	48.97%	99.00%	\$28.25	\$50.37
9/16/2023	14,800.00	\$266.05	\$228.25	\$37.80	\$82.26	\$14.87	\$67.39	48.97%	99.00%	\$38.62	\$68.85
10/1/2023	11,400.00	\$254.15	\$228.25	\$25.90	\$61.05	\$14.87	\$46.18	48.97%	99.00%	\$26.46	\$47.18
Total	215,000.00	\$3,325.80	\$2,739.00	\$586.80	\$1,232.57	\$178.44	\$1,054.13			\$599.50	\$1,076.95

Total Benefit = \$559.50 + \$1,076.95 = \$1,676.45

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
8405131	91577937300	Country Host Inn	900 Realtor Street	3"	0.00%	68.88%	ACWIC	ACSIC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/29/2020	236,900.00	\$684.56	1/30/2021	279,660.00	\$797.84	1/31/2022	332,300.00	\$1,024.03	1/31/2023	161,600.00	\$626.92
2/28/2020	276,000.00	\$793.08	2/28/2021	279,660.00	\$797.84	2/28/2022	410,600.00	\$1,259.83	2/27/2023	265,600.00	\$990.92
3/31/2020	209,000.00	\$607.12	3/30/2021	279,660.00	\$797.84	3/28/2022	246,500.00	\$767.99	3/27/2023	199,300.00	\$758.87
4/28/2020	245,500.00	\$708.43	5/5/2021	672,600.00	\$2,084.18	4/28/2022	263,766.67	\$820.86	4/25/2023	147,000.00	\$575.82
5/22/2020	218,700.00	\$634.04	5/31/2021	255,400.00	\$798.46	5/28/2022	263,766.67	\$820.86	5/24/2023	227,200.00	\$856.52
6/24/2020	298,400.00	\$855.26	6/30/2021	216,800.00	\$676.79	6/29/2022	263,766.67	\$820.86	6/26/2023	135,700.00	\$536.27
7/28/2020	251,000.00	\$723.69	7/30/2021	80,800.00	\$266.63	7/28/2022	241,200.00	\$749.67	7/25/2023	258,200.00	\$965.02
8/26/2020	420,500.00	\$1,194.16	8/30/2021	201,900.00	\$631.32	8/30/2022	412,100.00	\$1,264.35	8/24/2023	209,500.00	\$794.57
9/29/2020	324,700.00	\$928.26	9/29/2021	443,500.00	\$1,358.91	9/28/2022	217,100.00	\$677.10	9/22/2023	188,700.00	\$721.77
10/29/2020	279,660.00	\$797.84	10/27/2021	171,500.00	\$539.77	10/26/2022	168,400.00	\$621.34	10/1/2023		
11/29/2020	279,660.00	\$797.84	11/24/2021	161,600.00	\$509.96	11/30/2022	177,800.00	\$683.62	11/1/2023		
12/29/2020	279,660.00	\$797.84	12/30/2021	198,000.00	\$619.58	12/30/2022	198,500.00	\$756.07	12/1/2023		
Total	3,319,680.00	\$9,522.11	Total	3,241,080.00	\$9,879.11	Total	3,195,800.00	\$10,266.58	Total	1,792,800.00	\$6,826.68

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	3,393,800.00	
2020	3,319,680.00	-2.18%
2021	3,241,080.00	-4.50%
2022	3,195,800.00	-5.83%
2023	2,337,500.00	-31.12%

Revenue Model – Country Host Inn

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Sewer Service Charge	Monthly Sewer Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
10/26/2022	168,400.00	\$621.34	\$75.32	\$546.02	\$1,008.91	\$14.87	\$994.04	68.88%	99.00%	\$238.76	\$434.68
11/30/2022	177,800.00	\$683.62	\$75.32	\$608.30	\$1,099.38	\$14.87	\$1,084.51	68.88%	99.00%	\$266.00	\$474.24
12/30/2022	198,500.00	\$756.07	\$75.32	\$680.75	\$1,228.55	\$14.87	\$1,213.68	68.88%	99.00%	\$297.68	\$530.72
1/31/2023	161,600.00	\$626.92	\$75.32	\$551.60	\$998.29	\$14.87	\$983.42	68.88%	99.00%	\$241.20	\$430.03
2/27/2023	265,600.00	\$990.92	\$75.32	\$915.60	\$1,647.25	\$14.87	\$1,632.38	68.88%	99.00%	\$400.38	\$713.81
3/27/2023	199,300.00	\$758.87	\$75.32	\$683.55	\$1,233.54	\$14.87	\$1,218.67	68.88%	99.00%	\$298.90	\$532.90
4/25/2023	147,000.00	\$575.82	\$75.32	\$500.50	\$907.19	\$14.87	\$892.32	68.88%	99.00%	\$218.86	\$390.20
5/24/2023	227,200.00	\$856.52	\$75.32	\$781.20	\$1,407.64	\$14.87	\$1,392.77	68.88%	99.00%	\$341.60	\$609.03
6/26/2023	135,700.00	\$536.27	\$75.32	\$460.95	\$836.68	\$14.87	\$821.81	68.88%	99.00%	\$201.57	\$359.36
7/25/2023	258,200.00	\$965.02	\$75.32	\$889.70	\$1,601.08	\$14.87	\$1,586.21	68.88%	99.00%	\$389.05	\$693.62
8/24/2023	209,500.00	\$794.57	\$75.32	\$719.25	\$1,297.19	\$14.87	\$1,282.32	68.88%	99.00%	\$314.52	\$560.74
9/22/2023	188,700.00	\$721.77	\$75.32	\$646.45	\$1,167.40	\$14.87	\$1,152.53	68.88%	99.00%	\$282.68	\$503.98
Total	2,337,500.00	\$8,887.71	\$903.84	\$7,983.87	\$14,433.10	\$178.44	\$14,254.66			\$3,491.20	\$6,233.31

Total Benefit = \$3,491.20 + \$6,233.31 = \$9,724.51

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
8730250	873025002	Super 8 Motel	325 East 51st Street	3"	N/A	37.72%	ACWIC	ACSIC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/29/2020	6,600.00	\$45.34	1/30/2021	5,100.00	\$31.91	1/31/2022	9,500.00	\$51.90	1/31/2023	10,500.00	\$96.07
2/28/2020	14,000.00	\$65.88	2/28/2021	5,100.00	\$31.91	2/28/2022	6,500.00	\$42.87	2/27/2023	24,000.00	\$141.82
3/31/2020	43,200.00	\$146.92	3/30/2021	9,750.00	\$58.68	3/31/2022	14,000.00	\$65.46	3/27/2023	20,000.00	\$131.32
4/28/2020	86,500.00	\$267.11	5/5/2021	9,750.00	\$58.68	4/29/2022	18,600.00	\$79.31	4/25/2023	20,000.00	\$131.32
5/22/2020	69,000.00	\$218.54	5/31/2021	13,000.00	\$68.47	5/27/2022	11,400.00	\$57.63	5/24/2023	57,000.00	\$260.82
6/24/2020	26,000.00	\$99.18	6/30/2021	24,000.00	\$95.57	6/29/2022	18,000.00	\$77.50	6/26/2023	56,000.00	\$257.32
7/28/2020	8,500.00	\$50.61	7/30/2021	20,500.00	\$85.03	7/28/2022	27,000.00	\$104.61	7/25/2023	46,500.00	\$224.07
8/26/2020	6,500.00	\$45.06	8/30/2021	27,500.00	\$106.11	8/30/2022	20,500.00	\$85.03	8/24/2023	19,000.00	\$127.82
9/29/2020	14,000.00	\$65.88	9/29/2021	16,000.00	\$71.48	9/28/2022	18,500.00	\$79.01	9/22/2023	31,300.00	\$170.87
10/29/2020	5,100.00	\$31.91	10/27/2021	9,000.00	\$50.40	10/26/2022	25,000.00	\$140.64	10/1/2023		
11/29/2020	5,100.00	\$31.91	11/24/2021	10,500.00	\$54.91	11/30/2022	20,000.00	\$131.32	11/1/2023		
12/29/2020	5,100.00	\$31.91	12/30/2021	13,500.00	\$63.95	12/30/2022	15,000.00	\$113.82	12/1/2023		
Total	289,600.00	\$1,100.26	Total	163,700.00	\$777.09	Total	204,000.00	\$1,029.10	Total	284,300.00	\$1,541.43

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	912,800.00	
2020	289,600.00	-68.27%
2021	163,700.00	-82.07%
2022	204,000.00	-77.65%
2023	344,300.00	-62.28%

Revenue Model – Super 8 Motel

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Sewer Service Charge	Monthly Sewer Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
10/26/2022	25,000.00	\$140.64	\$75.32	\$65.32	\$151.82	\$14.87	\$136.95	37.72%	99.00%	\$106.12	\$222.49
11/30/2022	20,000.00	\$131.32	\$75.32	\$56.00	\$114.71	\$14.87	\$99.84	37.72%	99.00%	\$90.98	\$162.20
12/30/2022	15,000.00	\$113.82	\$75.32	\$38.50	\$83.51	\$14.87	\$68.64	37.72%	99.00%	\$62.55	\$111.51
1/31/2023	10,500.00	\$96.07	\$75.32	\$20.75	\$55.43	\$14.87	\$40.56	37.72%	99.00%	\$33.71	\$65.89
2/27/2023	24,000.00	\$141.82	\$75.32	\$66.50	\$133.43	\$14.87	\$118.56	37.72%	99.00%	\$108.04	\$192.61
3/27/2023	20,000.00	\$131.32	\$75.32	\$56.00	\$114.71	\$14.87	\$99.84	37.72%	99.00%	\$90.98	\$162.20
4/25/2023	20,000.00	\$131.32	\$75.32	\$56.00	\$114.71	\$14.87	\$99.84	37.72%	99.00%	\$90.98	\$162.20
5/24/2023	57,000.00	\$260.82	\$75.32	\$185.50	\$345.59	\$14.87	\$330.72	37.72%	99.00%	\$301.36	\$537.29
6/26/2023	56,000.00	\$257.32	\$75.32	\$182.00	\$339.35	\$14.87	\$324.48	37.72%	99.00%	\$295.68	\$527.15
7/25/2023	46,500.00	\$224.07	\$75.32	\$148.75	\$280.07	\$14.87	\$265.20	37.72%	99.00%	\$241.66	\$430.84
8/24/2023	19,000.00	\$127.82	\$75.32	\$52.50	\$108.47	\$14.87	\$93.60	37.72%	99.00%	\$85.29	\$152.06
9/22/2023	31,300.00	\$170.87	\$75.32	\$95.55	\$185.22	\$14.87	\$170.35	37.72%	99.00%	\$155.23	\$276.75
Total	344,300.00	\$1,927.21	\$903.84	\$1,023.37	\$2,027.02	\$178.44	\$1,848.58			\$1,662.57	\$3,003.21

Total Benefit = \$1,662.57 + \$3,003.21 = \$4,665.78

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
9902205	990220500	Miller County Correctional Facility	2300 East	3"	31.30%	31.30%	ACWIC	

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/7/2020	1,068,850.00	\$2,993.72	1/1/2021			1/7/2022	583,900.00	\$1,787.75	1/13/2023	263,200.00	\$989.52
2/6/2020	723,350.00	\$2,034.75	2/10/2021	960,550.00	\$2,720.13	2/4/2022	352,050.00	\$1,089.53	2/3/2023	133,490.00	\$535.54
3/5/2020	664,800.00	\$1,872.24	3/1/2021	845,125.00	\$2,472.93	3/7/2022	511,600.00	\$1,570.02	3/6/2023	162,290.00	\$636.34
4/7/2020	1,099,700.00	\$3,079.35	4/9/2021	845,125.00	\$2,472.93	4/8/2022	568,810.00	\$1,742.31	4/4/2023	216,550.00	\$826.25
5/5/2020	932,200.00	\$2,614.43	5/11/2021	867,600.00	\$2,702.35	5/10/2022	491,340.00	\$1,509.00	5/5/2023	220,900.00	\$841.47
6/3/2020	601,450.00	\$1,696.40	6/16/2021	524,100.00	\$1,607.66	6/6/2022	401,450.00	\$1,238.30	6/5/2023	272,900.00	\$1,023.47
7/6/2020	701,400.00	\$1,973.82	7/12/2021	443,050.00	\$1,363.58	7/7/2022	526,400.00	\$1,614.59	7/6/2023	150,000.00	\$593.32
8/5/2020	689,700.00	\$1,941.35	8/3/2021	425,350.00	\$1,310.27	8/5/2022	457,400.00	\$1,406.79	8/4/2023	192,650.00	\$742.60
9/3/2020	664,600.00	\$1,871.68	9/8/2021	449,050.00	\$1,381.64	9/7/2022	467,100.00	\$1,436.00	9/6/2023	166,850.00	\$652.30
10/8/2020	808,100.00	\$0.00	10/6/2021	430,250.00	\$1,325.03	10/6/2022	458,500.00	\$1,434.75	10/6/2023	159,250.00	\$625.70
11/1/2020			11/3/2021	427,200.00	\$1,315.84	11/3/2022	376,500.00	\$1,386.07	11/6/2023	171,350.00	\$759.04
12/1/2020			12/7/2021	547,100.00	\$1,676.93	12/7/2022	388,222.00	\$1,427.09	12/8/2023	241,500.00	\$1,095.13
Total	7,954,150.00	\$20,077.74	Total	6,764,500.00	\$20,349.28	Total	5,583,272.00	\$17,642.20	Total	2,350,930.00	\$9,320.68

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	9,900,970.00	
2020	7,954,150.00	-19.66%
2021	6,764,500.00	-31.68%
2022	5,583,272.00	-43.61%
2023	2,350,930.00	-76.26%

Revenue Model – Miller County Correctional Facility

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Benefit
11/3/2022	376,500.00	\$1,386.07	\$75.32	\$1,310.75	31.30%	99.00%	\$2,835.07
12/7/2022	388,222.00	\$1,427.09	\$75.32	\$1,351.77	31.30%	99.00%	\$2,923.80
1/13/2023	263,200.00	\$989.52	\$75.32	\$914.20	31.30%	99.00%	\$1,977.36
2/3/2023	133,490.00	\$535.54	\$75.32	\$460.22	31.30%	99.00%	\$995.43
3/6/2023	162,290.00	\$636.34	\$75.32	\$561.02	31.30%	99.00%	\$1,213.45
4/4/2023	216,550.00	\$826.25	\$75.32	\$750.93	31.30%	99.00%	\$1,624.22
5/5/2023	220,900.00	\$841.47	\$75.32	\$766.15	31.30%	99.00%	\$1,657.14
6/5/2023	272,900.00	\$1,023.47	\$75.32	\$948.15	31.30%	99.00%	\$2,050.79
7/6/2023	150,000.00	\$593.32	\$75.32	\$518.00	31.30%	99.00%	\$1,120.40
8/4/2023	192,650.00	\$742.60	\$75.32	\$667.28	31.30%	99.00%	\$1,443.29
9/6/2023	166,850.00	\$652.30	\$75.32	\$576.98	31.30%	99.00%	\$1,247.97
10/6/2023	159,250.00	\$625.70	\$75.32	\$550.38	31.30%	99.00%	\$1,190.44
Total	2,702,802.00	\$10,279.67	\$903.84	\$9,375.83			\$20,279.35

Total Benefit = \$20,279.35

Schedule 2

Location Number	Customer Number	Customer Name	Location Address	Meter Size	Tested Accuracy - AWWA M6 Manual	Accuracy Used in Benefit Calcs.	Water Rate Code	Sewer Rate Code
9903757	990375701	Arkansas Hwy and Trans Dept	10000 I-30	3"	51.26%	51.26%	ACWOC	ACSOC

Month	2020 Usage	Water Charges	Month	2021 Usage	Water Charges	Month	2022 Usage	Water Charges	Month	2023 Usage	Water Charges
1/10/2020	101,000.00	\$461.03	1/1/2021	34,810.00	\$169.24	1/13/2022	85,000.00	\$427.94	1/20/2023	75,300.00	\$497.81
2/11/2020	56,000.00	\$273.67	2/1/2021	34,810.00	\$169.24	2/11/2022	44,000.00	\$242.73	2/9/2023	24,700.00	\$232.16
3/11/2020	53,000.00	\$261.18	3/2/2021	34,810.00	\$169.24	3/15/2022	49,000.00	\$265.13	3/8/2023	47,000.00	\$349.23
4/14/2020	92,000.00	\$423.56	4/15/2021	101,000.00	\$518.12	4/21/2022	83,000.00	\$418.90	4/10/2023	68,000.00	\$459.48
5/8/2020	36,000.00	\$190.41	5/20/2021	72,000.00	\$369.21	5/17/2022	79,000.00	\$400.83	5/11/2023	51,000.00	\$370.23
6/9/2020	69,000.00	\$327.80	6/18/2021	92,000.00	\$459.56	6/10/2022	75,000.00	\$382.76	6/8/2023	57,000.00	\$401.73
7/10/2020	91,000.00	\$419.39	7/19/2021	97,000.00	\$482.14	7/15/2022	11,000.00	\$93.66	7/11/2023	106,950.00	\$663.97
8/12/2020	101,000.00	\$461.03	8/13/2021	85,000.00	\$427.94	8/12/2022	170,000.00	\$811.90	8/9/2023	93,800.00	\$594.93
9/10/2020	70,000.00	\$331.96	9/14/2021	70,000.00	\$360.18	9/14/2022	82,000.00	\$414.38	9/11/2023	56,400.00	\$398.58
10/14/2020	77,000.00	\$0.00	10/12/2021	65,000.00	\$337.59	10/11/2022	59,000.00	\$331.54	10/1/2023		
11/1/2020	34,810.00	\$169.24	11/12/2021	72,000.00	\$369.21	11/10/2022	54,000.00	\$385.98	11/1/2023		
12/1/2020	34,810.00	\$169.24	12/13/2021	82,000.00	\$414.38	12/15/2022	76,000.00	\$501.48	12/1/2023		
Total	815,620.00	\$3,488.51	Total	840,430.00	\$4,246.06	Total	867,000.00	\$4,677.23	Total	580,150.00	\$3,968.12

Year	Billed Usage (gallons)	% Increase / Decrease from Base Year
2019	1,500,350.00	
2020	815,620.00	-45.64%
2021	840,430.00	-43.98%
2022	867,000.00	-42.21%
2023	769,150.00	-48.74%

Revenue Model – Arkansas Highway and Transportation Department

Month	Billed Usage (gallons)	Billed Water Charges	Monthly Water Service Charge	Monthly Water Volume Charges	Billed Sewer Charges	Monthly Sewer Service Charge	Monthly Sewer Volume Charges	Existing Meter Accuracy	Guar. Meter Accuracy	Projected Water Benefit	Projected Sewer Benefit
10/11/2022	59,000.00	\$331.54	\$53.00	\$278.54	\$493.90	\$19.19	\$474.71	51.26%	99.00%	\$259.41	\$442.11
11/10/2022	54,000.00	\$385.98	\$112.98	\$273.00	\$508.50	\$22.30	\$486.20	51.26%	99.00%	\$254.25	\$452.81
12/15/2022	76,000.00	\$501.48	\$112.98	\$388.50	\$714.20	\$22.30	\$691.90	51.26%	99.00%	\$361.82	\$644.39
1/20/2023	75,300.00	\$497.81	\$112.98	\$384.83	\$707.66	\$22.30	\$685.36	51.26%	99.00%	\$358.40	\$638.30
2/9/2023	24,700.00	\$232.16	\$112.98	\$119.18	\$234.55	\$22.30	\$212.25	51.26%	99.00%	\$111.00	\$197.67
3/8/2023	47,000.00	\$349.23	\$112.98	\$236.25	\$443.05	\$22.30	\$420.75	51.26%	99.00%	\$220.03	\$391.86
4/10/2023	68,000.00	\$459.48	\$112.98	\$346.50	\$639.40	\$22.30	\$617.10	51.26%	99.00%	\$322.71	\$574.72
5/11/2023	51,000.00	\$370.23	\$112.98	\$257.25	\$480.45	\$22.30	\$458.15	51.26%	99.00%	\$239.58	\$426.69
6/8/2023	57,000.00	\$401.73	\$112.98	\$288.75	\$536.55	\$22.30	\$514.25	51.26%	99.00%	\$268.92	\$478.94
7/11/2023	106,950.00	\$663.97	\$112.98	\$550.99	\$1,003.58	\$22.30	\$981.28	51.26%	99.00%	\$513.15	\$913.90
8/9/2023	93,800.00	\$594.93	\$112.98	\$481.95	\$880.63	\$22.30	\$858.33	51.26%	99.00%	\$448.85	\$799.39
9/11/2023	56,400.00	\$398.58	\$112.98	\$285.60	\$530.94	\$22.30	\$508.64	51.26%	99.00%	\$265.99	\$473.71
Total	769,150.00	\$5,187.12	\$1,295.78	\$3,891.34	\$7,173.41	\$264.49	\$6,908.92			\$3,624.12	\$6,434.49

Total Benefit = \$3,624.12 + \$6,434.49 = \$10,058.61

**Table C-3
3” and Larger Horizontal Turbine and Sensus Omni C² Water Meter Tested Accuracies**

JCI Item	Location No.	Account No.	Account Name	Service Address	Meter Size	Meter MFG	Meter Model	Serial No.	Start Flow Rate	Low Flow Rate Accuracy	Intermediate Flow Rate Accuracy	Maximum Flow Rate Accuracy	Overall Weighted Average Accuracy
47	6003905	600390500	City of Texarkana Arkansas	900 Dudley	3"	Neptune	HP	1026248679	80.30%	96.50%	91.40%	91.60%	90.34%
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	3"	Neptune	HP	70029985	0.00%	0.00%	0.00%	27.30%	6.83%
65	7515932	751593205	Abernathy Company	3800 Abernathy Dr.	3"	Neptune	HP	26255550					Not Tested
135	9906974	990697400	County Avenue Baptist Church	6000 Sammy Lane	3"	Sensus	Omni C ²	74051532	98.80%	105.70%	105.20%	104.60%	104.41%
143	9907104	990710401	New Boston Investments LLC	5200 Convention Plaza Dr.	3"	Sensus	Omni C ²	74869996	104.70%	104.10%	105.70%	104.60%	105.33%

For the 3” and larger horizontal turbine water meters (Neptune HP and Sensus Omni C²) shown in Table C-3, JCI followed the recommended guidelines listed on page 54 of the American Water Works Association *Manual of Water Supply Practices – M6, Fifth Edition, Water Meters—Selection, Installation, Testing, and Maintenance* for determining the accuracy of the 3” and larger turbine type water meters.

$$\text{Weighted Average Accuracy} = (10\% \times \text{Low Flow Results}) + (65\% \times \text{Intermediate Flow Results}) + (25\% \times \text{Maximum Flow Results})$$

V. MEASUREMENT & VERIFICATION SERVICES

JCI will provide the M&V Services set forth below in connection with the Assured Performance Guarantee.

1. Within 90 days of the Year 5 anniversary of the commencement of the Guarantee Term, a JCI Performance Assurance Specialist will undertake the following testing activities to verify the accuracy of the meters set forth in the table below:
 - a. clean meter location/setting.
 - b. visually inspect location/setting for indications of water leakage.
 - c. Replace existing ultrasonic water meters with new or refurbished ultrasonic water meters that have been tested in accordance with AWWA standards.
 - d. send removed water meters to a JCI and Utility-approved facility for accuracy bench testing following both the AWWA Manual M6 and the manufacturer’s guidelines.
 - e. clean removed water meters and return to the Utility; and
 - f. replace any damaged and/or inaccurate water meters (e.g., overall weighted average accuracy outside of 100% ± 1.5%) in the test set if damage and/or inaccuracy were caused by normal wear and tear (Utility shall be responsible to replace any damaged and/or inaccurate meters not in the test set, as set forth in Schedule 3 below, as well as those in the test set to the extent damage and/or inaccuracy is caused by factors other than normal wear and tear). The 2” water meters refer to services that previously had a displacement type water meter with a 17” lay-length.

Size	Quantity	Test Year
0.625	50	Year 5
1”	59	Year 5
1.5”	23	Year 5
2”	19	Year 5

With respect to meters smaller than 3”, the average (central tendency) and variance (spread) will be calculated to estimate the population characteristics. Additional samples may be required if the variability in the sample test shows that the sample size is not sufficient to draw valid conclusions about the population. A complete retest will be conducted if the sample average is lower than the required weighted average accuracy. If these two samples are significantly different, another retest will be conducted.

2. Within sixty (60) days after the fifth anniversary of the commencement of the Guarantee Term, a JCI Performance Assurance Specialist will undertake the following testing activities to verify the post-retrofit water meter accuracies for large water meters. The Measured Project Benefits will be calculated for the current year and forward to the next test period or Guarantee Term whichever comes next.
 - a. Test the large water meters shown in the following table.

Schedule 2

JCI Item	Loc. No.	Account No.	Account Name	Service Address	Size
47	6003905	600390500	City Of Texarkana Arkansas	900 Dudley	3"
49	6257400	625740000	TASD Harmony	1600 Forest	4"
50	6400810	640081000	Smith-Keys Village Apts.	3302 Washington	4"
51	6400900	640090000	Cooper Tire & Rubber Co.	3500 Washington	6"
52	6400905	640090500	Cooper Tire & Rubber Co.	3500 Washington	6"
53	6409200	640920000	Smith's Ready Mix	3349 Tennessee	3"
56	6580500	658050000	Flying J Travel Plaza	8300 Arkansas Hwy 108	3"
57	6611905	661190503	Axis Properties	300 Olive	4"
58	6700710	670071002	Ark. Dept. Community Corrections	504 Walnut	6"
59	6711210	671121002	Ark. Dept. Community Corrections	0 East 5th Street	3"
60	7005300	700530001	Union Tank Car	2801 Nash-Thompson	6"
61	7007955	700795501	Abernathy Company	3800 Abernathy	4"
62	7007996	700799603	Abernathy Company	1 Jim Walters	3"
63	7008004	700800400	Smith-Blair, Inc.	30 Globe Avenue	3"
66	8205315	820531503	Parkside Apartments of Texarkana	1400 East 35th	3"
67	8402805	91577928966	4717 County, LLC, DBA Chapel Ridge Apts.	4717 County	4"
69	8405131	91577937300	Texarkana Motel Hospitality	900 Realtor	3"
70	8405225	840522504	Vista Health	801 Arkansas Blvd.	3"
71	8455415	845541500	TASD-Trice Elementary School	4504 Pinson	3"
73	8730200	873020002	Clarion Hotel Lacrosse	5100 North State Line	6"
74	8730250	873025002	Super 8 Motel	325 East 51st	3"
105	9902205	990220500	Miller County Corr. Facility	2300 East	3"
111	9903608	990360800	The Ridge at Texarkana	701 Oats	6"
113	9903757	990375701	Arkansas Hwy. and Trans Dept.	10000 I-30	3"
117	9904186	990418601	Arbor Pointe Apts., LP.	600 Oats	3"
118	9904473	990447300	Tri State Iron & Metal Co.	1725 East 9th	3"
126	9905520	990552001	Best Western Plus	5219 Crossroad Parkway	3"
129	9905618	990561801	TXHP Texarkana 2, LLC	5210 Crossroad Parkway	4"
149	9908754	91577925496	FedEx Freight, Inc.	8001 Highway 67	3"
151	9909423	91577934033	TASD Arkansas Middle School	5443 Jefferson	3"

- a. Clean meter location/setting.
 - b. Visually inspect location/setting for indications of water leakage.
 - c. All large meters shall remain in place and existing test ports will be utilized for accuracy testing.
 - d. Conduct field accuracy testing according to the AWWA M6 Manual, AWWA C715-18 Standards, and the manufacturer's guidelines.
 - e. JCI has the option to test the accuracy of additional large meters.
 - f. If a large water meter is found to have an overall weighted average accuracy of less than 98.5%, JCI shall replace that large water meter measuring chamber assembly.
3. For the first five years of the Guarantee Term, within 60 days of each anniversary of the commencement of the Guarantee Term, JCI will provide the Utility with an annual report containing :
- a. an executive overview of the project's performance and Project Benefits achieved to date.
 - b. a summary analysis of the Measured Project Benefits accounting; and
 - c. a detailed analysis of the Measured Project Benefits calculations.

VI. WATER METER PERFORMANCE CONSULTING SERVICES

As part of the additional fee set forth in Schedule 4, JCI will provide the performance consulting services set forth below.*

1. Site visits as necessary to review status and operation of Improvement Measures.
2. Quarterly review of the water pumped and billable water and sewer usage with performance period comparison to that of target values derived from Baseline year performance. Based upon trending results, a billable consumption evaluation and recommended corrective actions plan will be provided as required in consultation with Utility. The Utility will be responsible for implementing any corrective actions.
3. Quarterly evaluations of the billed data to assess the metering system and recommend a benefit optimization strategy to maximize value. The report will include:
 - a. accounts that failed to register any consumption.
 - b. accounts with minimal consumption as compared to past periods.
 - c. accounts with abnormally high consumption as compared to past periods.
 - d. Accounts with displacement type water meters whose registered consumption is approaching the manufacturer’s warranted usage limits.
 - e. a review of the billed consumption and revenue of up to one hundred (100) accounts that have historically generated the highest billable consumption for the Utility; and
 - f. verification that the water and sewer rate structures are being applied correctly.

*In order for JCI to provide the consulting services, the Utility must have a billing system that is capable of providing billing data extracts to JCI with all billing information in a file format that will permit performance analysis of the water system. Such billing information must be suitable for use in a Microsoft Access database and be available on a monthly basis in an ASCII Comma or Tab delimited format with the first line of the file being a header line to denote the data in each column. Monthly information with respect to each account includes the following:

<ul style="list-style-type: none"> • Account Number • Account Sequence – (if applicable) • Meter Sequence – (if applicable) • Cycle Code – (if applicable) • Route Code – (if applicable) • Sequence – (if applicable) • Customer Name • Customer Address • Rate Code – Water, Sewer, Irrigation 	<ul style="list-style-type: none"> • Account Status • Serial Number • Meter Size • Meter Manufacturer • Meter Location Information • Billing Date • Current odometer reading • Usage / consumption • Bill Amount (for each rate code item)
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CUSTOMER RESPONSIBILITIES

In order for JCI to perform its obligations under this Agreement with respect to the Work, the Assured Performance Guarantee, and the M&V Services, Customer and Utility shall be responsible for:

1. Providing JCI, its subcontractors, and its agents reasonable access to all facilities and properties that are subject to the Work, the Assured Performance Guarantee, and M&V Services.
2. Scheduling for shutdowns of affected locations during installation due to bad valves, lack of bypass, *etc.*, in order to change the meter.
3. Providing reviews and approvals of design submissions and other project documents within timeframes specified on the project schedule;
4. Taking all actions reasonably necessary to achieve the Non-Measured Project Benefits
5. Obtaining any permits, approvals, and licenses that are necessary for the performance of the Work and are not JCI responsibility to obtain as set forth in the Scope of Work;
6. Providing area during construction for equipment and material laydown.

In addition to the foregoing, the Utility is responsible for the items set forth below in connection with water meter projects:

1. Isolating the distribution system to allow for water meter/valve change-out, including identification of all shut-off valves;
2. Assisting in scheduling shutdowns and downtimes;
3. The Utility is responsible for water line repairs further than 24" away from the meter, unless such damage was caused by JCI or as otherwise noted herein. JCI is not liable for unavoidable damages outside of this 24" zone, either on the water distribution side or on the resident/business side, incurred from the water meter replacement process (*e.g.* shut-off, temporary outage, and restart of water service);
4. Ongoing care and maintenance of the water distribution system, including all water meters, and AMI system equipment at or above manufacturers' specifications and recommendations;
5. At a minimum, the Utility shall be responsible for maintaining the existing water and sewer rate schedules. Any reduction in monthly base charges, monthly allowable minimum base consumption, or monthly volume charges may reduce the projected project benefits to be recovered from improving water meter accuracy.
6. The Utility acknowledges that the implementation of any water rationing programs will serve to decrease consumption and therefore decrease water and sewer billable usage.
7. The Utility acknowledges that the projected benefits to be received through improved water meter accuracy are based upon the baseline water and sewer rate schedule. Should the Utility choose to either forgive or reduce water bills as a service to its account holders, the Utility accepts responsibility for the decreased water and sewer billable usage.
8. The Utility is responsible for the regular operations of the water distribution system, including the reduction in water utility operating and maintenance costs as agreed to in this Agreement.
9. The Utility is responsible for the continued maintenance of the Improvement Measures upon route acceptance and substantial completion, including all water meters and AMI system endpoints. This includes the continuance of all hardware and software annual maintenance agreements and hosting fees.
10. The Utility shall be responsible for obtaining replacement 3" and larger Neptune MACH 10 ultrasonic measuring chamber assemblies and 3" Sensus Omni + C² water meter measuring chamber assemblies and for the labor to install these units after the tenth year of the Guarantee Term.
11. The Utility is responsible for providing to JCI notice of any significant changes in schedules, operating hours, conditioned areas, personnel levels, changes in population, commercial, industrial, wholesale

account base, credits to water bills, imposed water rationing programs, or any other item which may have an impact on utility consumption and other operating costs.

12. The Utility assumes responsibility for any damage to the water meters by foreign objects as well as any intentional damage to the water meters by others than JCI personnel or their subcontractors. The Utility assumes responsibility for authorizing any non-metered water usage.
13. The Utility accepts responsibility for aggressive degradation in water meter accuracy due to water quality issues including, but not limited to, the presence of sand or other debris, the addition of sequestration agents to the water, damage caused by pressure transients (water hammer), and the presence of scale caused by hard water. Likewise, the Utility accepts responsibility for aggressive degradation in water meter accuracy due to changes in the water treatment process after project installation. Water quality must be at or better than the ranges found in the water quality report from June 6, 2023 (see Attachment 5).
14. The Utility assumes responsibility for maintaining the average water system pressure that was present during the baseline consumption period. A decrease in water system pressure may cause subsequent decreases in both billed water consumption and water and sewer billable usage.
15. The Utility acknowledges that weather may affect water consumption. Changes in the number of degree-days and/or annual rainfall amounts may serve to either increase or decrease billed consumption and its associated water and sewer billable usage.
16. The Utility acknowledges that demographic shifts (population growth or shrinkage) and changes in commercial business, industrial business and wholesale accounts may affect water consumption and its associated water and sewer billable usage.
17. The baseline consumption shall be defined as the sum of the annual billed consumption as provided to JCI by the Utility and agreed to in this audit and agreed to increase in billed consumption due to improving the accuracy of the water meters. In the event that the post-installation billed consumption does not increase, the Utility acknowledges that the agreed to increase in consumption was not realized may be due to factors beyond the control of JCI, such as changes in weather, demographic shifts, or usage patterns, as applicable.
18. The Utility assumes responsibility for complying with any government mandates regarding water source regulations and permits. Should a conflict arise between the responsibilities of the Utility as established by this Agreement and Arkansas Department of Environmental Quality (ADEQ) law or U.S. EPA legal or system operating requirements then the ADEQ law or U.S. EPA legal or system operating requirements will prevail and be followed without penalty to the Utility.
19. The Utility assumes responsibility for providing the monthly billing extract to JCI in a timely fashion.
20. The Utility agrees to provide data required for the Water Meter Performance Consulting Services to JCI in a timely manner.

WATER METER SYSTEM MAINTENANCE PROCESS

JCI will respond to 100% of initial service calls on any water meter installed as part of this Agreement, and not signed off/accepted, where the route was entered (opened). Once the water meter has been installed and route acceptance and Sign-Off has been completed, the Utility will be the initial responder to the call. JCI will only be called out to a water meter if a problem consists in item 2 below.

If the problem has anything to do with workmanship from an installation (during the warranty period), JCI will correct the issue (during the warranty period). Workmanship examples include anything that has not been completed per the Agreement (e.g. water meter not installed per manufacturer and AWWA guidelines).

Upon Sign-Off of each route, all responsibility for warranty coverage of installed equipment will be transferred from JCI to the Utility. Also, upon Sign-Off of each route, water meters that are "faulty" due to non-wear related failure such as but not limited to a register errors or failure, any end-user damages and/or a water meter that stops recording water flow after it has already recorded flow are the responsibility of the Utility.

USE OF, AND ACCESS TO PROJECT CRITICAL EQUIPMENT AND SOFTWARE

The Utility agrees to provide unrestricted and timely access to all equipment, software and hardware that is provided through the AMI system provider as part of this project. This equipment is inclusive of (but not limited to) the following items:

- Handheld programming device
- Mobile AMR system collector
- Water meter programming and interrogation devices
- Any other manufacturer equipment that is critical to installation

UTILITY INTERRUPTIONS AND UTILITY SUPPORT

JCI will be responsible for adequate management, notification, and coordination of installation efforts related to this project. Utility involvement and support may also be required during implementation of this improvement measure. Any Utility staff overtime costs that are a result of this project are the responsibility of the Utility.

WEEKLY UTILITY BILLING SYSTEM DATABASE REFRESH

The Utility shall provide a refresh file of entire water utility billing system database upon implementation of this Agreement. The monthly refresh file shall be provided in electronic format and posted to an FTP server mutually agreed to in advance of project Notice to Proceed. The file should be either comma delimited or fixed-width and contain (at minimum) the following fields:

- Service Type (water)
- Account Number
- Services Address
- Cycle/Zone (if applicable)
- Route/Book
- Reading Sequence
- ERT ID # (water endpoint)
- Meter Number (e.g., Serial #)
- Meter Make (Diehl, Neptune, Kamstrup, etc.)
- Meter Model (e.g., Hydrus, HP, TruFlo, MACH 10, flowIQ 3101, etc.)
- Meter Size (5/8, 3/4, 1, 1.5, 2, 3, 4, 6, 8, 10, 14)

REQUIRED ACCESS AND SUPPORT

Meter Access Program: Utility support may be required during implementation to obtain access to water meters and to coordinate utility interruptions JCI personnel will be responsible for adequate notification and coordination with appropriate Utility personnel and account holder to facilitate access and minimal disruption.

JCI shall follow the following Access Program:

- Written attempt one: JCI will proceed with water meter replacement per a scheduled implementation plan. If the installer cannot gain access to the water meter (inaccessible), a door hanger with the installer phone number to make an arrangement for access, will be left.
- Written attempt two: On a second occasion, JCI will attempt to reschedule and access the water meter in an attempt to complete the work. If JCI still cannot gain access to the water meter, another door hanger will be left.

Schedule 3

- If access cannot be obtained via “cold calls”, JCI will attempt to contact the account holder via telephone to gain access to the water meter. A valid telephone attempt is: a) when the account holder can be reached; or, b) when a message is left on an answering machine or voice mail. JCI will make a minimum of three telephone attempts utilizing the telephone number supplied by the Utility via the work order data and any other reasonable means available to JCI. A minimum of one telephone call must be attempted on Saturday or on a weekday after 5:00pm.
- Written attempt three: On a third occasion, JCI will call for an appointment, and then visit the premise in an attempt to complete the work. If JCI still cannot gain access to the water meter, another door hanger will be left.
- If the work order has not been completed and an appointment has not been established within ten (10) business days after JCI delivers the third written attempt, the work order will be returned to the Utility as a “Cannot Complete” order. For project tracking purposes, such orders will be considered complete. A weekly “Cannot Complete” list will be returned to the Utility in an Excel format and at a minimum will contain the following information:
 - ◆ Name
 - ◆ Address
 - ◆ Phone numbers called
 - ◆ Dates door hanger left for each of three written attempts
 - ◆ Dates of written attempts
 - ◆ Dates and time of each of three valid telephone attempts
- Hard to access accounts – Accounts that do not respond to the above attempts process shall be listed by JCI on a weekly basis and submitted back to the Utility, and the Utility will then be responsible for gaining access to these accounts; JCI may participate in the scheduling (with the Utility) and shall participate in the water meter change-out of these accounts.
- Faulty plumbing or abnormal conditions – If the JCI installer identifies a condition at a service that would prevent the water meter from being replaced, that account will be submitted by JCI in a list of accounts to return to the Utility and the Utility will be responsible for repairing the identified problem within a reasonable time period such that repair will not cause a delay in the implementation of this Scope of Work. Examples of abnormal conditions for water meters include but are not limited to the following, if not caused by JCI:
 - ◆ Faulty curb stop
 - ◆ Broken isolation valve or isolation valve that will not shut-off
 - ◆ Broken meter crocks
 - ◆ Corroded plumbing

PRICE AND PAYMENT TERMS

All pricing is contingent upon both the Customer and the City of Texarkana, Texas concurrently entering into performance contracts with JCI, including without limitation for both the deployment of an Itron Cellular AML system and an ASTERRA satellite leak detection with up to forty (40) days of field correlation of the Points of Interest across the Utility service area. Should the City of Texarkana, Texas, choose not to enter into a contract with JCI for their corresponding Scope of Work, or such contract is terminated, this Agreement shall terminate.

Customer shall make payments to JCI pursuant to this Schedule 4.

1. Work. The price to be paid by Customer for the Work shall be \$7,938,168. Payment from Customer to JCI shall include a mobilization down payment and due upon receipt of Notice to Proceed. Additional payments shall be made by Customer through the Construction Period as billed by JCI. Customer agrees to pay JCI within 30 days from receipt of JCI invoice.
2. M&V Services. The total price for JCI's M&V Services, as detailed on Schedule 2 of this Agreement, is \$288,293. This amount will be paid to JCI in annual installments shown in the table below. These payments will be due and payable when Customer receives JCI's invoice and in advance of the services JCI is to provide, and shall be made throughout the Guarantee Term.

Performance Years	Annual M&V Services
Year 1	\$36,878
Year 2	\$37,985
Year 3	\$39,124
Year 4	\$40,298
Year 5	\$134,008
Total	\$288,293

NOTICE TO PROCEED

Johnson Controls, Inc.
[Insert JCI Address]
ATTN: [Insert JCI Contact]

Re: Notice to Proceed for [Insert Project Name]

Dear [Insert JCI Contact]:

This Notice to Proceed is being issued by [Insert Customer Name] (“Customer”) to Johnson Controls, Inc. (“JCI”) pursuant to that certain Performance Contract entered into between Customer and JCI for the purpose of notifying JCI to commence work under such contract.

In the event that this Notice to Proceed is delivered by Customer prior to the execution of the Performance Contract by Customer and JCI, Customer understands and expects JCI will incur significant costs and expenses in complying with this Notice to Proceed. In the event the Performance Contract is not executed by the parties, for any reason, Customer agrees to pay JCI for its costs and fees incurred in complying with this Notice to Proceed on a time and material basis. Customer also agrees JCI shall be entitled to a reasonable mark-up thereon for profit and overhead. Customer agrees to pay amounts billed by JCI no later than five (5) days after Customer receives JCI’s payment application. JCI will continue to submit payment applications to Customer until the Performance Contract is executed. Once the Performance Contract is executed, JCI will begin submitting its payment applications to Customer in accordance with the terms and conditions set forth therein. Any amounts already paid by Customer will be credited towards the Performance Contract price.

By signing and dating this Notice to Proceed, the parties hereto agree to these terms and represent and warrant they have the authority to execute this Notice to Proceed on behalf of their respective organizations.

[Insert Customer Name]

Signature: _____

Printed Name: _____

Title: _____

Date: _____

**ACKNOWLEDGED & AGREED TO:
Johnson Controls, Inc.**

Signature: _____

Printed Name: _____

Title: _____

Date: _____

CHANGE ORDER

Performance Contract dated _____, 20____ between Johnson Controls, Inc. and Customer	Change Order No.	Date (mo/day/yr)
Customer [Insert Customer Name]		
The above referenced Performance Contract is hereby modified to the extent described below in accordance with the Terms and Conditions of the CHANGE ORDERS section thereof.		
Scope of Work changed as follows:		
Total amount of this Change Order		\$
Total Performance Contract amount as revised by this Change Order		\$
The time for completion is: <input type="checkbox"/> increased, <input type="checkbox"/> decreased, <input type="checkbox"/> unchanged. The new completion date resulting from this Change Order is:		(mo, day, yr)
[check if applicable] Assured Performance Guarantee changed as follows:		
Unless specifically changed by this Change Order, all terms, conditions and provisions of the above referenced Performance Contract remain unchanged and in full effect.		
JOHNSON CONTROLS, INC.	CUSTOMER	
Signature:	Signature:	
Printed Name:	Printed Name:	
Title:	Title:	

CERTIFICATE OF SUBSTANTIAL COMPLETION

PARTIES: JOHNSON CONTROLS, INC. ("JCI")
[Insert JCI Address]

[Insert Customer Name] ("Customer")
[Insert Customer Address]

PROJECT: [Insert Project Name]; Performance Contract dated _____, 20__ between JCI and Customer

By executing this Certificate of Substantial Completion, Customer acknowledges the following:

- a. The work set forth in the Performance Contract is substantially complete.
- b. Customer has received the manuals, warranty information, and training required under the Performance Contract.
- c. The following punch list items must be completed by JCI (check as applicable):
 - punch list attached
 - punch list complete
- d. Upon completion of the punch list items, or if such punch list items are complete, JCI and Customer shall sign the Certificate of Final Completion attached hereto.

Dated _____, 20__ .

CUSTOMER:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

CERTIFICATE OF FINAL COMPLETION

PARTIES: JOHNSON CONTROLS, INC. ("JCI")
[Insert JCI Address]

[Insert Customer Name] ("Customer")
[Insert Customer Address]

PROJECT: [Insert Project Name]; Performance Contract dated _____, 20__ between JCI and Customer

By executing this Certificate of Final Completion, Customer acknowledges the following:

- a. The work set forth in the Performance Contract has been reviewed and determined by Customer to be fully complete.
- b. Customer accepts the work as complete and hereby releases JCI's obligations under any performance and payment bonds posted for the project as of the date set forth below.

Dated _____, 20__ .

CUSTOMER:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

ATTACHMENT 5 – WATER QUALITY REPORT

Lab ID# MS00021

TNI ID # TNI01397

LELAP Certification # 01960



Mailing Address:
PO Box 1410
Ocean Springs, MS
39566-1410

6500 Sunplex Drive
Ocean Springs, MS 39564
228.875.6420 Phone
228.875.6423 Fax

June 06, 2023

Craig Hannah

Work Order # : 2305479

Johnson Controls
1603 Loop 289 West
Lubbock, TX 79416

Purchase Order #:

RE: Texarkana Water Utilities

Enclosed are Micro-Methods Laboratory, Inc. results of analyses performed on samples received 05/25/2023 10:23. If you have any questions concerning this report, please feel free to contact the office.

Sincerely,

Mitch Spicer

Lab Director
Micro-Methods Laboratory, Inc.



DISCLAIMER

The results only relate to the items or the sample and/or samples received by the laboratory. This report shall not be reproduced except in full, without the approval of the laboratory. All NELAP certified test methods performed meet the requirements of NELAC 2009 Standards. Any variances and/or deviations specific to this analytical report are referenced in the lab report using qualifiers and detailed explanations found in the case narrative.



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 Ocean Springs, MS 39564
 228-875-6420 Phone
 228-875-6423 Fax

Johnson Controls 1603 Loop 289 West Lubbock TX, 79416	Project: Texarkana Water Utilities Project Number: 3PYL-0031 Project Manager: Craig Hannah	Reported: 06/06/2023 14:58
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ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date/Time Sampled	Sampled by	Date/Time Received
Texarkana Water Utilities	2305479-01	Drinking Water	05/23/2023 16:00	Craig Hannah	05/25/2023 10:23

Sample Receipt Conditions			
Date/Time Received:	5/25/2023 10:23:00AM	Shipped by:	UPS
Received by:	Sarah E. Tomek	Submitted by:	Client
Date/Time Logged:	5/25/2023 10:33:00AM	Logged by:	Sarah E. Tomek
Cooler ID:	#366	Receipt Temperature:	19.4 °C
Cooler Custody Seals Present	No	Received on Ice but Not Frozen	Yes
Containers Intact	Yes	No Ice, Short Trip	No
COC/Labels Agree	Yes	Obvious Contamination	No
Labels Complete	No	Rush to meet HT	No
COC Complete	No	Received within HT	Yes
Volatile Vial Headspace >6mm	No	Proper Containers for Analysis	Yes
Field Sheet/Instructions Included	No	Correct Preservation	Yes
Samples Rejected/Documented in Log	Yes	Adequate Sample for Analysis	Yes
Temp Taken From Temp Blank	Yes	Sample Custody Seals Present	No
Temp Taken From Sample Container	No	Samples Missing from COC/Cooler	No
Temp Taken From Cooler	No		
COC meets acceptance criteria	No		

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CASE NARRATIVE SUMMARY

All reported results are within Micro-Methods Laboratory, Inc. defined laboratory quality control objectives unless detailed in narrative summary or identified as qualifications. NOTE: All results listed on this report are calculated on a wet weight basis (as received by the laboratory) unless otherwise noted in the analysis qualification sections.

Summary Comments:

Chain of custody incomplete upon receipt: not relinquished by sampler. All samples exceeded temperature range upon receipt. Contacted C. Hannah on 5/25/23 @ 1025 to notify. Client gave authorization to proceed with analyses. SET

Qualifiers: *No Data Qualification*

Analyte & Samples(s) Qualified: *None*

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Texarkana Water Utilities
2305479-01 (Drinking Water)

Analyte	Result	MRL	Units	Dil	Batch	Analyst	Date Time Prepared	Date Time Analyzed	Method	Qualifiers
Classical Chemistry Parameters										
Total Suspended Solids	ND	2.0	mg/L	1.0	3E26022	CG	05/26/2023 10:05	05/26/2023 10:05	SM 2540D 2015	
Hardness (EDTA)	15.0	1.5	"	"	3E31028	JBM	05/31/2023 10:00	05/31/2023 10:00	SM 2340C-2011	
Total Alkalinity	18.7	10.0	"	"	3E31029	JBM	05/31/2023 09:30	05/31/2023 09:30	SM 2320B 2011	
Orthophosphate	0.447	0.402	"	"	3E25024	DLW	05/25/2023 13:40	05/25/2023 14:27	EPA 365.1	
Total Solids	86	1	"	"	3E26017	CRG	05/26/2023 13:00	05/30/2023 15:00	SM 2540 B-2015	
Metals by EPA 200 Series Methods ICP-AES										
Calcium 315.887 [Radial]	4.65	0.050	mg/L	1.0	3E30040	CLV	05/30/2023 08:30	05/31/2023 10:50	EPA 200.7 Rev 4.4	
Iron 259.940 [Radial]	ND	0.050	"	"	"	CLV	-	-	"	
Magnesium 285.213 [Radial]	0.969	0.050	"	"	"	CLV	-	-	"	
Manganese 257.610 [Axial]	ND	0.050	"	"	"	CLV	-	-	"	
Phosphorus 178.284 [Axial]	0.226	0.050	"	"	"	CLV	-	-	"	

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Classical Chemistry Parameters - Quality Control

Analyte	Analyzed	Result	MRL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Qualifiers
Batch 3E25024 - Default Prep GenChem											
Blank (3E25024-BLK1)											
Orthophosphate	5/25/23 14:27	ND	0.402	mg/L							
LCS (3E25024-BS1)											
Orthophosphate	5/25/23 14:27	1.05	0.402	mg/L	1.00		105	84.8-122			
LCS Dup (3E25024-BSD1)											
Orthophosphate	5/25/23 14:27	1.04	0.402	mg/L	1.00		104	84.8-122	1.30	20	
Duplicate (3E25024-DUP1) Source: 2305479-01											
Orthophosphate	5/25/23 14:27	0.442	0.402	mg/L		0.447			1.02	30	
Matrix Spike (3E25024-MS1) Source: 2305479-01											
Orthophosphate	5/25/23 14:27	1.44	0.402	mg/L	1.00	0.447	99.7	68.9-130			
Matrix Spike Dup (3E25024-MSD1) Source: 2305479-01											
Orthophosphate	5/25/23 14:27	1.44	0.402	mg/L	1.00	0.447	99.7	68.9-130	0.00	30	
Batch 3E26017 - Default Prep GenChem											
Blank (3E26017-BLK1)											
Total Solids	5/30/23 15:00	ND	1	mg/L							
Duplicate (3E26017-DUP1) Source: 2305479-01											
Total Solids	5/30/23 15:00	91	1	mg/L		86			5.65	10	
Batch 3E26022 - Default Prep GenChem											
Blank (3E26022-BLK1)											
Total Suspended Solids	5/26/23 10:05	ND	1.0	mg/L							

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Classical Chemistry Parameters - Quality Control

Analyte	Analyzed	Result	MRL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Qualifiers
Batch 3E26022 - Default Prep GenChem											
LCS (3E26022-BSD1)											
Total Suspended Solids	5/26/23 10:05	79.0	10.0	mg/L	100		79.0	70-100			
LCS Dup (3E26022-BSD1)											
Total Suspended Solids	5/26/23 10:05	82.0	10.0	mg/L	100		82.0	70-100	3.73	20	
Duplicate (3E26022-DUP1) Source: 2305479-01											
Total Suspended Solids	5/26/23 10:05	ND	2.0	mg/L		ND				25	
Batch 3E31028 - Default Prep GenChem											
Blank (3E31028-BLK1)											
Hardness (EDTA)	5/31/23 10:00	ND	1.5	mg/L							
LCS (3E31028-BSD1)											
Hardness (EDTA)	5/31/23 10:00	40.0	1.5	mg/L	40.0		100	87.3-111			
LCS Dup (3E31028-BSD1)											
Hardness (EDTA)	5/31/23 10:00	40.0	1.5	mg/L	40.0		100	87.3-111	0.00	20	
Duplicate (3E31028-DUP1) Source: 2305479-01											
Hardness (EDTA)	5/31/23 10:00	16.0	1.5	mg/L		15.0			6.45	35	
Batch 3E31029 - Default Prep GenChem											
Blank (3E31029-BLK1)											
Total Alkalinity	5/31/23 9:30	ND	10.0	mg/L							

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Classical Chemistry Parameters - Quality Control

Analyte	Analyzed	Result	MRL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Qualifiers
Batch 3E31029 - Default Prep GenChem											
LCS (3E31029-BS1)											
Total Alkalinity	5/31/23 9:30	946	10.0	mg/L	1000		94.6	85-115			
Duplicate (3E31029-DUP1) Source: 2305479-01											
Total Alkalinity	5/31/23 9:30	21.2	10.0	mg/L		18.7			12.5	25	

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Metals by EPA 200 Series Methods ICP-AES - Quality Control

Analyte	Analyzed	Result	MRL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Qualifiers
Batch 3E30040 - EPA 200.2 DCN 1017 Rev 10											
Blank (3E30040-BLK1)											
Calcium 315.887 [Radial]	5/31/23 10:27	ND	0.050	mg/L							
Iron 259.940 [Radial]	5/31/23 10:27	ND	0.050	*							
Magnesium 285.213 [Radial]	5/31/23 10:27	ND	0.050	*							
Manganese 257.610 [Axial]	5/31/23 10:27	ND	0.050	*							
Phosphorus 178.284 [Axial]	5/31/23 10:27	ND	0.050	*							
LCS (3E30040-BB1)											
Calcium 315.887 [Radial]	5/31/23 10:31	0.207	0.050	mg/L	0.200		104	85-115			
Iron 259.940 [Radial]	5/31/23 10:31	0.195	0.050	*	0.200		97.7	85-115			
Magnesium 285.213 [Radial]	5/31/23 10:31	0.209	0.050	*	0.200		105	85-115			
Manganese 257.610 [Axial]	5/31/23 10:31	0.207	0.050	*	0.200		103	85-115			
Phosphorus 178.284 [Axial]	5/31/23 10:31	0.440	0.050	*	0.400		110	85-115			
LCS Dup (3E30040-BSD1)											
Calcium 315.887 [Radial]	5/31/23 10:35	0.217	0.050	mg/L	0.200		109	85-115	4.59	20	
Iron 259.940 [Radial]	5/31/23 10:35	0.206	0.050	*	0.200		103	85-115	5.10	20	
Magnesium 285.213 [Radial]	5/31/23 10:35	0.215	0.050	*	0.200		107	85-115	2.45	20	
Manganese 257.610 [Axial]	5/31/23 10:35	0.209	0.050	*	0.200		104	85-115	1.11	20	
Phosphorus 178.284 [Axial]	5/31/23 10:35	0.452	0.050	*	0.400		113	85-115	2.72	20	
Duplicate (3E30040-DUP1) Source: 2305479-01											
Calcium 315.887 [Radial]	5/31/23 10:54	4.93	0.050	mg/L		4.65			5.88	20	
Matrix Spike (3E30040-MS1) Source: 2305479-01											
Iron 259.940 [Radial]	5/31/23 10:54	0.199	0.050	mg/L	0.200	ND	99.4	70-130			
Magnesium 285.213 [Radial]	5/31/23 10:54	1.20	0.050	*	0.200	0.969	118	70-130			
Manganese 257.610 [Axial]	5/31/23 10:54	0.199	0.050	*	0.200	ND	99.3	70-130			
Phosphorus 178.284 [Axial]	5/31/23 10:54	0.681	0.050	*	0.400	0.226	114	70-130			

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.



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 Ocean Springs, MS 39564
 228-875-6420 Phone
 228-875-6423 Fax

Johnson Controls 1603 Loop 289 West Lubbock TX, 79416	Project: Texarkana Water Utilities Project Number: 3PYL-0031 Project Manager: Craig Hannah	Reported: 06/06/2023 14:58
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Metals by EPA 200 Series Methods ICP-AES - Quality Control

Analyte	Analyzed	Result	MRL	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Qualifiers
---------	----------	--------	-----	-------	-------------	---------------	------	-------------	-----	-----------	------------

Batch 3E30040 - EPA 200.2 DCN 1017 Rev 10

Matrix Spike Dup (3E30040-MSD1)

Source: 2305479-01

Iron 259.940 [Radial]	5/31/23 10:57	0.198	0.050	mg/L	0.200	ND	98.8	70-130	0.551	20	
Magnesium 285.213 [Radial]	5/31/23 10:57	1.18	0.050	*	0.200	0.969	103	70-130	2.42	20	
Manganese 257.610 [Axial]	5/31/23 10:57	0.193	0.050	*	0.200	ND	96.7	70-130	2.72	20	
Phosphorus 178.284 [Axial]	5/31/23 10:57	0.658	0.050	*	0.400	0.226	108	70-130	3.49	20	

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Certified Analyses Included in this Report

Analyte	Certification Code
<i>SM 2540 B-2015 in Water</i>	
Total Solids	C01,C02

****Only compounds included in this list are associated with accredited analyses****

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Laboratory Accreditations/Certifications

Code	Description	Number	Expires
C01	LA Environmental Lab Accreditation Program	01960	06/30/2023
C02	The NELAC Institute (NELAP)	TNI01397	06/30/2023
C03	Ms Dept of Health (Drinking Water Microbiology)	MS00021	12/31/2023
C04	Ms Dept of Health (Drinking Water Chemistry)	MS00021	12/31/2023
C05	Ms DEQ Lead Firm Certification	PBF-00000028	03/31/2024
C06	MsDEQ Asbestos Inspector : C.D. Bingham	ABI-00001348	02/09/2024
C07	MsDEQ Air Monitor : C.D. Bingham	AM-011572	02/10/2024
C08	MsDEQ Asbestos Inspector: C. W. Meins	ABI-00001821	09/09/2022
C09	MsDEQ Air Monitor : C.W. Meins	AM-011189	02/10/2024
C14	MsDEQ Lead Paint Inspector : C.D. Bingham	PBI-00003690	02/07/2024
C15	MsDEQ Lead Paint Inspector : C.W. Meins	PBI-00001740	02/07/2024

Report Definitions

TNC	Too Numerous To Count
DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the minimum reporting limit
NR	Not Reported
RPD	Relative Percent Difference
ICV	Initial Calibration Verification
CCV	Continuing Calibration Verification Standard
SSV	Secondary Source Verification Standard
LCS	Lab Control Spike - Lab matrix prepared with known concentration of analyte/s of interest analyzed by method.
MS	Matrix Spike - Sample prepared with known concentration of analyte/s of interest analyzed by method.
MSD	Matrix Spike Duplicate - Duplicate sample prepared with known concentration of analyte/s of interest analyzed by method.
MRL	Minimum Reporting Limit
%REC	Percentage Recovery of known concentration added to matrix
Batch	Group of samples prepared for analysis not to exceed 20 samples.
Matrix	Material containing analyte/s of interest
Surrogate	Analyte added to sample to determine extraction efficiency of method.

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Analyst Initials Key

<u>FullName</u>	<u>Initials</u>
Charles D. Bingham	CDB
Charles L Vorhoff	CLV
Christa R Gray	CRG
Dortha L. Wells	DLW
Jason B McCullar	JBM
Sarah E. Tomek	SET
Teresa Meins	TKM
Tina Tomek	TPT

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PO Box 1410, Ocean Springs, MS 39566-1410
(228) 875-6420 FAX (228) 875-6423

www.micromethodslab.com

Chain of Custody Record

Lab ID# MS00021
LELAP ID # 01960
TNI ID # TNI01397

M-M Lab
WO #

2305479

Company Name: JOHNSON CONTROLS, INC.			Project Manager: CRAIG HANNAH			Turn Around Time & Reporting Our normal turn around time is 10 working days				
Address: 1603 LOOP 289 WEST			Purchase Order #:			<input checked="" type="checkbox"/> Normal *All rush order Phone <input type="checkbox"/> Next Day* requests must be Mail <input type="checkbox"/> 2nd Day* prior approved. Fax <input type="checkbox"/> Other* Email				
City: LUBBOCK	State: TX	Zip: 79416	Email Address: CRAIG.C.HANNAH@JCI.COM			QC Level: Level 1 <input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3 <input type="checkbox"/>				
Phone: (806) 632-0063			Sampler Name Printed: CRAIG HANNAH							
Fax:			Sampler Name Signed: <i>Craig Hannah</i>							
List Analyses Requested						Field Testing				
Project Name: TEXARKANA WATER UTILITIES			Preservative:			ID#	ID#	ID#	ID#	Matrix: W = Water DW = Drinking Water S = Solid SO = Soil SE = Sediment L = Liquid A = Air O = Oil SL = Sludge
Project #: 3PYL-0031			# of Containers	Grab (G) or Composite (C)	Field Test	Field Test	Field Test	Field Test		
Sample Identification	Sampling Date/Time	Matrix Code								
TSS	5/23 4:00	DW	1	G						
TOTAL SOLIDS, ALKALINITY, HARDNESS, ORTHOPHOSPHATE	5/23 4:00	DW	1	G					Preservation: 1= H2SO4 2= H3PO4 3= NaOH 4= ZnC4H10O6 5= ZnC4H10O6 & NaOH 6= HNO3 7= Na2S2O3 8= HCl 9= NaHSO4	
Ca, Fe, Mg, Mn, & P	5/23 4:00	DW	1	G						
Received on Ice: <input checked="" type="checkbox"/> N Thermometer# 5			Cooler # 366			Receipt Temp Corrected (°C) 19.4°C				
Date & Time			By: <i>[Signature]</i>			Sample <input type="checkbox"/> Blank <input checked="" type="checkbox"/> Cooler				
						All Temps are Corrected Values				
Printed Name						Signature				
Company						Date				
Time						Notes:				
Relinquished by						6.98 pH TEMP 31.1°C *all samples exceeded temperature upon receipt. contacted C. Hannah on 5/25/23 @ 1025 to notify. client gave authorization to proceed w/ analyses.				
Received by <i>[Signature]</i>										
Relinquished by <i>[Signature]</i>										
Received by <i>[Signature]</i> MM 5/25/23 1023										
Relinquished by										
Received by										

DCN# F316 Rev.#5

Physical Address: 6500 Sunplex Drive, Ocean Springs MS 39564

Page 1 of 1

Issued 8/15/2022 SCH



CITY OF TEXARKANA, AR

BOARD OF DIRECTORS

AGENDA TITLE: Adopt a Resolution authorizing the Acting City Manager to enter into a lease agreement with the Texarkana Regional Airport to apply for a loan from the Arkansas Energy Office for solar covered parking. [TABLED August 5, 2024] (AIRPORT) Director Paul Mehrlich

AGENDA DATE: August 19, 2024

ITEM TYPE: Ordinance Resolution Other : _____

DEPARTMENT: Airport

PREPARED BY: Paul Mehrlich

REQUEST: Approve a lease agreement with the Texarkana Regional Airport assuming ownership, for fifteen years, of the parking solar array and electric meters, in order to apply for a .4% loan from Arkansas Energy Office. Airport will be billed monthly for payment of utilities and AEO loan, provide operations and maintenance of solar array.

EMERGENCY CLAUSE: N/A

SUMMARY: Solar lease agreement with Texarkana Airport. This item was TABLED at the August 5, 2024 Board of Director' meeting for clarification.

EXPENSE REQUIRED: 0

AMOUNT BUDGETED: 0

**APPROPRIATION
REQUIRED:** 0

**RECOMMENDED
ACTION:** Approve

EXHIBITS: Resolution, Solar lease agreement, and Airport Authority Resolution

RESOLUTION NO. _____

WHEREAS, the Texarkana Regional Airport and the City of Texarkana, Arkansas, wish to apply for a loan from the Arkansas Energy Office for solar covered parking; and

WHEREAS, the Airport was found to be ineligible for the .4% loan to pay for the Solar Panels; and

WHEREAS, the Arkansas Energy Office requires the sponsor to own the Solar Panels; and

WHEREAS, in order to obtain the loan, the Texarkana Regional Airport is required to lease the solar panels from the City of Texarkana, Arkansas; and

WHEREAS, Holistic Utilities has determined the project would provide a return on investment of \$798,065; and

WHEREAS, the Airport will be billed monthly for the payment of utilities and the Arkansas Energy Office loan to provide operations and maintenance of solar array;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the City of Texarkana, Arkansas, that the Acting City Manager is authorized to enter into the attached lease agreement between the Texarkana Regional Airport and the City of Texarkana, Arkansas.

PASSED AND APPROVED this 19th day of August 2024.

Allen L. Brown, Mayor

ATTESTED:

Heather Soyars, City Clerk

APPROVED:

Joshua L. Potter, City Attorney

Solar Carport Lease Agreement

This Solar Carport Lease Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Lessor below (the “**Effective Date**”).

Lessee:		Lessor:	
Name and Address	Texarkana Regional Airport 2600 TXK Blvd Texarkana, AR. 71854 Attention: Airport Director	Name and Address	City of Texarkana Arkansas 216 Walnut Street Texarkana, AR 71854 Attention: City Manager
Phone	(870) 774-2171	Phone	(870) 779-4991
E-mail	Director@TXKAirport.com	E-mail	Director@TXKAirport.com
Premises Ownership	Lessee owns the Premises.	Additional Lessor Information	

This Agreement sets forth the terms and conditions of the Lessee and sale of solar generated electric energy from the solar panel system described in **Exhibit 2** (the “**System**”) and installed at the Lessee’s facility described in **Exhibit 2** (the “**Facility**”).

The exhibits listed below are incorporated by reference and made part of this Agreement.

- Exhibit 1** Basic Terms and Conditions
- Exhibit 2** System Description
- Exhibit 3** Assignment of Contracts and Assets
- Exhibit 4** General Terms and Conditions

Lessee: Texarkana Regional Airport

Lessor: City of Texarkana Arkansas

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit 1
Basic Terms and Conditions

1. **Term:** 15 Years, beginning on the Commercial Operation Date.
2. **Additional Terms:** N/A
3. **Tax Incentives and Environment Attributes:** Accrue to Lessee
4. **Contract Price:**

Contract Year	Cost (\$)
1	\$101,308
2	\$101,308
3	\$101,308
4	\$101,308
5	\$101,308
6	\$101,308
7	\$101,308
8	\$101,308
9	\$101,308
10	\$101,308
11	\$101,308
12	\$101,308
13	\$101,308
14	\$101,308
15	\$101,308
16	\$ 1
17	
18	
19	
20	

5. **Anticipated Commercial Operation Date:** September 2024
6. **Lessee Options to Purchase System.** As set forth in Section 19(b).

Exhibit 2
System Description

1. **System Location:** 600 TXK Blvd, Texarkana, AR 71854
2. **System Size (DC kW):** 528
3. **Expected First Year Energy Production (kWh):** 722,077
4. **Structure:** Parking/Carport
5. **Facility and System Layout:** See **Exhibit 2, Attachment A**
6. **Utility:** SWEPCO

Exhibit 2
Attachment A:
Facility and System Layout

An Aerial Photograph of the Facility	See below.
Conceptual Drawing of the System	See below
Delivery Point	Array electrical production delivered into the SWEPCO grid via SWEPCO owned transformer. KWh credits from this delivered energy will be applied to TXK SWEPCO bills via meter aggregation.
Access Points	Array access via paid parking area at TXK airport.

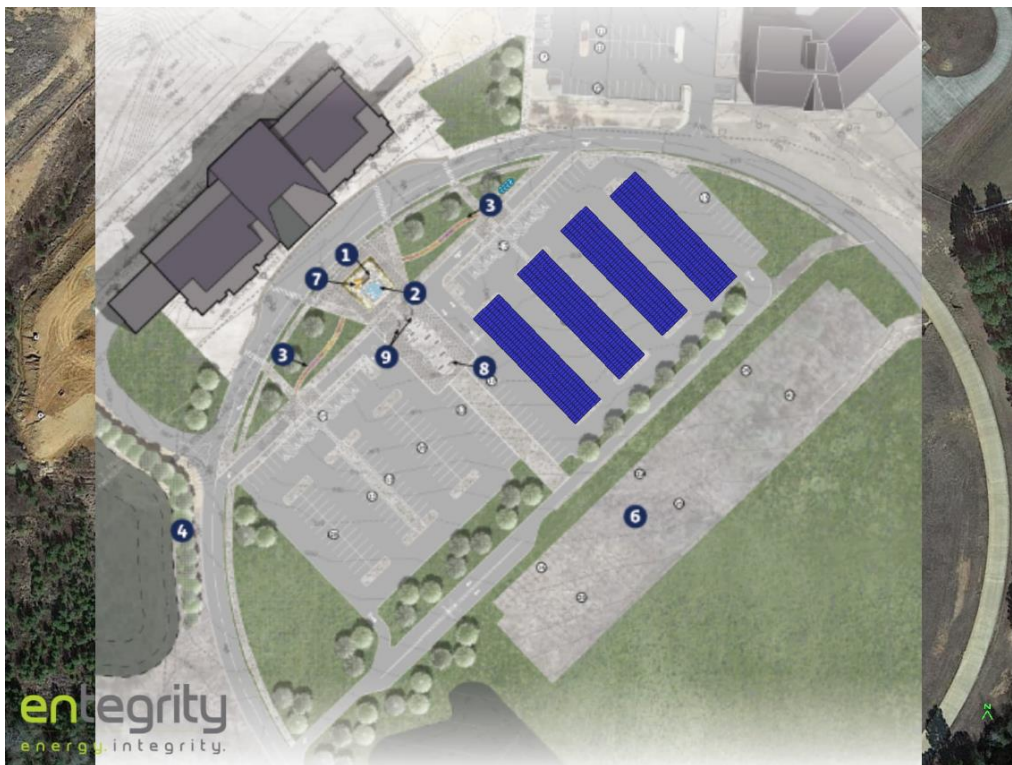


Exhibit 3
Assignment of Contracts and Assets

1. **Contingencies**: Assignment of Texarkana Regional Airport (TXK) electricity meters and solar structures is contingent upon award of the Arkansas Energy Performance Contracting Program – Revolving Loan Lease Fund (AEPC- RLLF) to Lessor.
2. **Procurement & Contracts**: Lessor shall abide by all prior procurement processes completed by Lessee and the Arkansas Energy Office in accordance with State of Arkansas ESPC requirements. These include:
 - a. Releasing the RFP;
 - b. Choosing an ESCO;
 - c. Entering into an IGA Contract;
 - d. Entering into an EPC Contract after the IGA is delivered;

Understanding there will be no change to project cost by this transfer, Lessor will acquire existing contracts with selected Energy Services Company (ESCO), Entegrity Energy Solutions.

Lessor will reapply to the RLLF directly with required supporting documentation as required by AEO.

3. **Meters**: Upon approval of the AEPC-RLLF to fund the solar structure, Lessee shall assign ownership of all SWEPCO electricity meters to Lessor for the term of the Lease.
4. **Solar Structures**: Solar Structures shall be assigned to Lessor by Lessee for the term of the Lease
5. **Electricity Cost**: Lessee shall reimburse Lessor for all electricity cost based monthly based on actual cost through the term of the Lease
6. **Lessee Cash Contribution**

Lessee shall directly pay Contractor (Entegrity Energy Solutions) the value of the anticipated Investment Tax Credit, which is \$758,344. Contract Price shall be based on the annual payment of the AEPC-RLLF loan after this cash contribution.

7. **Investment Tax Credits**

As System owner, Lessor is expected to receive a Direct Pay Investment Tax Credit (ITC) equal to 34% of the system cost (\$758,344). This is per the terms of the Inflation Reduction Act of August 2022.

Upon receipt, the full value of this ITC shall be assigned to Lessee. If actual ITC is less than the anticipated value, Lessee shall be responsible for any difference. This would not change the terms of the Contract Price as Lessee shall provide Cash Contribution (see previous section) equal to the value of the anticipated ITC.

Lessee shall cooperate with Lessor in securing the benefit of all Tax Credits.

Exhibit 4
Solar Carport Lease Agreement
General Terms and Conditions

8. **Definitions and Interpretation:** Unless otherwise defined or required by the context in which any term appears: (a) the singular includes the plural and vice versa; (b) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement; (c) references to any agreement, document or instrument mean such agreement, document or instrument as amended, modified, supplemented or replaced from time to time; and (d) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.

9. **Term and Termination.**

a. **Initial Term.** The initial term (“**Initial Term**”) of this Agreement shall commence on the Commercial Operation Date (as defined below) and continue for the length of time specified in **Exhibit 1**, unless earlier terminated as provided for in this Agreement. The “**Commercial Operation Date**” is the date Utility gives Lessee written notice that the System is mechanically complete and capable of providing electric energy to the Delivery Point. Such notice shall be deemed effective unless Lessee reasonably objects within five (5) days of the date of such notice. Upon Lessee’s request, Lessor will give Lessee copies of certificates of completion or similar documentation from Lessor’s contractor and the interconnection or similar agreement with the entity authorized and required under applicable law to provide electric distribution service to Lessee at the Facility (the “**Utility**”), as set forth on **Exhibit 2**. This Agreement is effective as of the Effective Date and Lessee’s failure to enable Lessor to provide the electric energy by preventing it from installing the System or otherwise not performing shall not excuse Lessee’s obligations to make payments that otherwise would have been due under this Agreement.

10. **Billing and Payment.**

- a. **Monthly Charges.** Lessee shall pay Lessor monthly at the rate shown in **Exhibit 1** (the “**Contract Price**”).
- b. **Monthly Invoices.** Lessor shall invoice Lessee monthly, either manually or through ACH. Such monthly invoices shall state (i) the amount of electric energy produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Lessee under this Agreement and (iii) the total amount due from Lessee. The Contract Price includes ACH invoicing.
- c. **Payment Terms.** All amounts due under this Agreement shall be due and payable net twenty (20) days from receipt of invoice. Any undisputed portion of the invoice amount not paid within the twenty (20) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) over the prime rate, as published in the Wall Street Journal (but not to exceed the maximum rate permitted by law).

11. **Environmental Attributes**

As specified on **Exhibit 1**, Lessee is the owner of all Environmental Attributes, including Renewable Energy Credits. Lessor shall cooperate with Lessee in obtaining, securing and transferring all Environmental Attributes, including by using the electric energy generated by the System in a manner necessary to qualify for such available Environmental Attributes. Lessor shall not be obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Lessee.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights related to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Environmental Incentives and Tax Credits. Lessee and Lessor shall file all tax returns in a manner consistent with this Section 5. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, emissions allowances, green tags tradable renewable credits and Green-e® products.

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including the Federal Energy Regulatory Commission or the California Public Utilities Commission), or any arbitrator with authority to bind a party at law.

12. **Conditions to Obligations.**

- a. **Conditions to Lessor’s Obligations.** Lessor’s obligations under this Agreement are conditioned on the completion of the following conditions to Lessor’s reasonable satisfaction on or before the Condition Satisfaction Date:
- i. Approval of the Lessor to receive funding for System through the AEPC-RLLF program
 - ii. Completion of a physical inspection of the Facility and the property upon which the Facility is located (the “**Premises**”) including, if applicable, geotechnical work, and real estate due diligence to confirm the suitability of the Facility and the Premises for the System;
 - iii. Successful completion of the System by Contractor.
 - iv. Confirmation that Lessor will obtain all applicable Environmental Incentives and Tax Credits;
 - v. Receipt of all necessary zoning, land use and building permits; and
 - vi. Execution of all necessary agreements with the Utility for interconnection of the System to Facility electrical system and/or the Utility’s electric distribution system.
- b. **Failure of Conditions.** If any of the conditions listed in subsection (a) are not satisfied by the Condition Satisfaction Date, the Parties will attempt in good faith to negotiate new dates for the satisfaction of the failed conditions. If the Parties are unable to negotiate new dates then Lessor may terminate this Agreement upon ten (10) days written notice to Buyer without liability for costs or damages or triggering a default under this Agreement.
- c. **Conditions to Lessee’s Obligations.** Lessee’s obligations under Section 4(a) are conditioned on the occurrence of the Commercial Operation Date for the System by the Outside Commercial Operation Date.

13. **Lessor’s Rights and Obligations.**

- a. **No Warranty.** NO WARRANTY OR REMEDY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY. The remedies set forth in this Agreement shall be Lessee’s sole and exclusive remedies for any claim or liability arising out of or in connection with this Agreement, whether arising in contract, tort (including negligence), strict liability or otherwise.

14. **Lessee's Rights and Obligations.**

- a. **Insurance.** Lessee shall maintain insurance on System with Lessor and City of Texarkana, TX listed as named beneficiaries. Insurance shall cover the full value of the system and insure against potential damage from weather, theft, accidental damage, and other potential incidents.
- b. **Permits and Approvals.** Lessee, with Lessor's reasonable cooperation, shall use commercially reasonable efforts to obtain, at its sole cost and expense:
- i. any zoning, land use and building permits required to construct, install and operate the System; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Facility electrical system and/or the Utility's electric distribution system.

Lessor shall cooperate with Lessee's reasonable requests to assist Lessor in obtaining such agreements, permits and approvals.

- c. **Standard System Repair and Maintenance.** Lessee shall assist with construction and installation of the System at the Facility. During the Term, Lessee will operate and perform all routine and emergency repairs to, and maintenance of, the System at its sole cost and expense, including any repairs or maintenance resulting from Lessee's negligence, willful misconduct or breach of this Agreement. Lessor shall not be responsible for any work done by others on any part of the System unless Lessor authorizes that work in advance in writing. Lessor shall not be responsible for any loss, damage, cost or expense arising out of or resulting from improper environmental controls or improper operation or maintenance of the System by anyone other than Lessor or Lessor's contractors. If the System requires repairs for which Lessee is responsible, Lessee shall pay for diagnosing and correcting the problem.
- d. **Use of Contractors and Subcontractors.** Lessee shall be permitted to use contractors and subcontractors to perform its obligations under this Agreement, provided however, that such contractors and subcontractors shall be duly licensed and shall provide any work in accordance with applicable industry standards. Notwithstanding the foregoing, Lessee shall continue to be responsible for the quality of the work performed by its contractors and subcontractors.
- e. **OSHA Compliance.** Both parties shall ensure that all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws or codes are adhered to in their performance under this Agreement.
- f. **Maintenance of Facility.** Lessee shall, at its sole cost and expense, maintain the Facility in good condition and repair. Lessee will ensure that the Facility remains interconnected to the Utility's electric distribution system at all times and will not cause cessation of electric service to the Facility from the Utility. Lessee is fully responsible for the maintenance and repair of the Facility's electrical system and of all of Lessee's equipment that utilizes the System's outputs. Lessee shall properly maintain in full working order all of Lessee's electric supply or generation equipment that Lessee may shut down while utilizing the System. Lessee shall promptly notify Lessor of any matters of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- g. **No Alteration of Facility.** Lessee shall not make any alterations or repairs to the Facility which could adversely affect the operation and maintenance of the System without Lessor's prior written consent. If Lessee wishes to make such alterations or repairs, Lessee shall give prior written notice to Lessor, setting forth the work to be undertaken (except for emergency repairs, for which notice may be given by telephone), and give Lessor the opportunity to advise Lessee in making such alterations or repairs in a manner that avoids damage to the System, but, notwithstanding any such advice, Lessee shall be responsible for all damage to the System caused by Lessee or its contractors. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, such work and any replacement of the System after completion of Lessee's alterations and repairs, shall be done by Lessor or its contractors at Lessee's cost. In addition, Lessee shall pay Lessor an amount equal to the sum of (i) payments that Lessee would have made to Lessor hereunder for electric energy that would have been produced by the System during such disconnection or removal; (ii) revenues that Lessor would have received with respect to the System under the any rebate program and any other assistance program with respect to electric energy that would have been produced during such disconnection or removal; (iii) revenues from Environmental Attributes that Lessor would have received with respect to electric energy that would have been produced by the System during such disconnection or removal; and (iv) Tax Credits that Lessor (or, if Lessor is a pass-through entity for tax purposes, Lessor's owners) would have received with respect to electric energy that would have been produced by the System during such disconnection or removal. Determination of the amount of energy that would have been produced during any disconnection or removal

shall be in accordance with the procedures in Section 10(b). All of Lessee's alterations and repairs will be done in a good and workmanlike manner and in compliance with all applicable laws, codes and permits.

- h. Liens.** Lessee shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on or with respect to the System or any interest therein. Lessee shall immediately notify Lessor in writing of the existence of any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim, shall promptly cause the same to be discharged and released of record without cost to Lessor, and shall indemnify Lessor against all costs and expenses (including reasonable attorneys' fees) incurred in discharging and releasing any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim. Notwithstanding anything else herein to the contrary, pursuant to Section 22.a), Lessor may grant a lien on the System and may assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement and the System to any Financing Party.
- i. Security.** Lessee shall be responsible for using commercially reasonable efforts to maintain the physical security of the Facility and the System against known risks and risks that should have been known by Lessee. Lessee will not conduct activities on, in or about the Premises or the Facility that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System.

15. Change in Law.

“**Change in Law**” means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation; (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date of this Agreement (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority which in the case of any of (i), (ii) or (iii), establishes requirements affecting owning, supplying, constructing, installing, operating or maintaining the System, or other performance of the Lessor's obligations hereunder and which has a material adverse effect on the cost to Lessor of performing such obligations; provided, that a change in federal, state, county or any other tax law after the Effective Date of this Agreement shall not be a Change in Law pursuant to this Agreement.

If any Change in Law occurs that has a material adverse effect on the cost to Lessor of performing its obligations under this Agreement, then the Parties shall, within thirty (30) days following receipt by Lessee from Lessor of notice of such Change in Law, meet and attempt in good faith to negotiate amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Lessor shall have the right to terminate this Agreement without further liability to either Party except with respect to payment of amounts accrued prior to termination.

16. Default, Remedies and Damages.

- a. Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below shall be deemed to be the “**Defaulting Party**”, the other Party shall be deemed to be the “**Non-Defaulting Party**”, and each event of default shall be a “**Default Event**”:

 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay (“**Payment Default**”);
 - ii. failure of a Party to substantially perform any other material obligation under this Agreement within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that such thirty (30) day cure period shall be extended (but not beyond ninety (90) days) if and to the extent reasonably necessary to cure the Default Event, if (A) the Defaulting Party initiates such cure within the thirty (30) day period and continues such cure to completion and (B) there is no material adverse effect on the Non-Defaulting Party resulting from the failure to cure the Default Event;
 - iii. if any representation or warranty of a Party proves at any time to have been incorrect in any material respect when made and is material to the transactions contemplated hereby, if the effect of such incorrectness is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
 - iv. Lessee loses its rights to occupy and enjoy the Premises;

- v. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect, and, if any such bankruptcy or other proceedings were initiated by a third party, if such proceedings have not been dismissed within sixty (60) days following receipt of a written notice from the Non-Defaulting Party demanding such cure; or

b. Remedies.

- i. Remedies for Payment Default. If a Payment Default occurs, the Non-Defaulting Party may suspend performance of its obligations under this Agreement. Further, the Non-Defaulting Party may (A) at any time during the continuation of the Default Event, terminate this Agreement upon five (5) days prior written notice to the Defaulting Party, and (B) pursue any remedy under this Agreement, at law or in equity, including an action for damages.
- ii. Remedies for Other Defaults. On the occurrence of a Default Event other than a Payment Default, the Non-Defaulting Party may (A) at any time during the continuation of the Default Event, terminate this Agreement or suspend its performance of its obligations under this Agreement, upon five (5) days prior written notice to the Defaulting Party, and (B) pursue any remedy under this Agreement, at law or in equity, including an action for damages. Nothing herein shall limit either Party's right to collect damages upon the occurrence of a breach or a default by the other Party that does not become a Default Event.
- iii. Damages Upon Termination by Default. Upon a termination of this Agreement by the Non-Defaulting Party as a result of a Default Event by the Defaulting Party, the Defaulting Party shall pay a Termination Payment to the Non-Defaulting Party determined as follows (the "**Termination Payment**"):
 - A. Lessee. If Lessee is the Defaulting Party and Lessor terminates this Agreement, the Termination Payment to Lessor shall be equal to the balance of the RLLF loan at the time of termination and ownership of the Facility and Meters shall revert to Lessee
 - B. Lessor. If Lessor is the Defaulting Party and Lessee terminates this Agreement, the Termination Payment to Lessor shall be equal to the balance of the RLLF loan at the time of termination and ownership of the Facility and Meters shall revert to Lessee
 - C. Obligations Following Termination. If a Non-Defaulting Party terminates this Agreement pursuant to this Section 16(b), then following such termination, Lessor shall, at the sole cost and expense of the Defaulting Party, remove the equipment (except for mounting pads and support structures) constituting the System. The Non-Defaulting Party shall take all commercially reasonable efforts to mitigate its damages as the result of a Default Event.

17. Representations, Warranties and Covenants.

- a. General Representations and Warranties. Each Party represents and warrants to the other the following as of the Effective Date:
 - i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and shall not violate any law; and this Agreement is valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
 - ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.
- b. Lessee's Representations, Warranties and Covenants. Lessee represents and warrants to Lessor the following as of the Effective Date and covenants that throughout the Term:

- i. **License.** Lessee has title to or a leasehold or other property interest in the Premises. Lessee has the full right, power and authority to grant the License contained in Section 8(a). Such grant of the License does not violate any law, ordinance, rule or other governmental restriction applicable to Lessee or the Facility and is not inconsistent with and will not result in a breach or default under any agreement by which Lessee is bound or that affects the Facility. If Lessee does not own the Premises or Facility, Lessee has obtained all required consents from the owner of the Premises and/or Facility to grant the License and enter into and perform its obligations under this Agreement.
- ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Lessee nor the performance by Lessee of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Lessee is a party or by which Lessee or the Facility is bound.
- iii. **Accuracy of Information.** All information provided by Lessee to Lessor, as it pertains to the Facility's physical configuration, Lessee's planned use of the Facility, and Lessee's estimated electricity requirements, is accurate in all material respects.
- iv. **Lessee Status.** Lessee is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
- v. **Hazardous Substances.** There are no Hazardous Substances at, on, above, below or near the Premises.

18. System and Facility Damage and Insurance.

a. System and Facility Damage.

- i. **Lessee's Obligations.** If the **Facility** is damaged or destroyed by casualty of any kind or any other occurrence other than Lessor's gross negligence or willful misconduct, such that the operation of the System and/or Lessee's ability to accept the electric energy produced by the System are materially impaired or prevented, Lessee shall promptly repair and restore the Facility to its pre-existing condition; provided, however, that if more than 50% of the Facility is destroyed during the last five years of the Initial Term or during any Additional Term, Lessee may elect either (A) to restore the Facility or (B) to pay the Termination Payment and all other costs previously accrued but unpaid under this Agreement and thereupon terminate this Agreement.

b. Insurance Coverage. At all times during the Term, Lessor and Lessee shall maintain the following insurance:

- i. **Lessee's Insurance.** Lessee shall maintain (A) property insurance on the System for the replacement cost thereof, (B) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (C) employer's liability insurance with coverage of at least \$1,000,000 and (iv) workers' compensation insurance as required by law.

c. Policy Provisions. All insurance policies provided hereunder shall (i) contain a provision whereby the insurer agrees to give the party not providing the insurance (A) not less than ten (10) days written notice before the insurance is cancelled, or terminated as a result of non-payment of premiums, or (B) not less than thirty (30) days written notice before the insurance is otherwise cancelled or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other party.

d. Certificates. Upon the other Party's request each Party shall deliver the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

e. Deductibles. Unless and to the extent that a claim is covered by an indemnity set forth in this Agreement, each Party shall be responsible for the payment of its own deductibles.

19. Ownership; Option to Lessee.

- a. **Ownership of System.** Throughout the Term (except as otherwise permitted in Section 19), Lessor shall be the legal and beneficial owner of the System at all times, and the System shall remain the personal property of Lessor and shall not attach to or be deemed a part of, or fixture to, the Facility or the Premises. Each of the Lessor and Lessee agree that the Lessor (or the designated assignee of Lessor permitted under Section 19) is the tax owner of the System and all tax filings and reports will be filed in a manner consistent with this Agreement. The System shall at all times retain

the legal status of personal property as defined under Article 9 of the Uniform Commercial Code. Lessee covenants that it will use commercially reasonable efforts to place all parties having an interest in or a mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on the Facility or the Premises on notice of the ownership of the System and the legal status or classification of the System as personal property. If there is any mortgage or fixture filing against the Premises which could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Lessee shall provide a disclaimer or release from such lienholder. If Lessee is the fee owner of the Premises, Lessee consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Facility is located. If Lessee is not the fee owner, Lessee will obtain such consent from such owner. Upon request, Lessee agrees to deliver to Lessor a non-disturbance agreement in a form reasonably acceptable to Lessor from the owner of the Facility (if the Facility is leased by Lessee), any mortgagee with a lien on the Premises, and other Persons holding a similar interest in the Premises. To the extent that Lessee does not own the Premises or Facility, Lessee shall provide to Lessor immediate written notice of receipt of notice of eviction from the Premises or Facility or termination of Lessee's lease of the Premises and/or Facility.

- b. **Option to Purchase**. At the end of the Initial Term, so long as Lessee is not in default under this Agreement, Lessee may purchase the System from Lessor for a purchase price equal to \$1. Lessee must provide a notification to Lessor of its intent to Lessee at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable, and the Lessee shall be complete prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable. Any such Lessee shall be on an as-is, where-is basis, and Lessor shall not provide any warranty or other guarantee regarding the performance of the System, provided, however, that Lessor shall assign to Lessee any manufacturers warranties that are in effect as of the Lessee, and which are assignable pursuant to their terms.

20. **Indemnification and Limitations of Liability.**

- a. **General**. Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party and the directors, officers, shareholders, partners, members, agents and employees of such other Party, and the respective affiliates of each thereof (collectively, the "**Indemnified Parties**"), from and against all loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from any third party actions relating to the breach of any representation or warranty set forth in Section 17 and from injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein shall require the Indemnifying Party to indemnify the Indemnified Party for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnified Party. This Section 20(a) however, shall not apply to liability arising from any form of hazardous substances or other environmental contamination, such matters being addressed exclusively by Section 20(c).
- b. **Notice and Participation in Third Party Claims**. The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party shall settle any Claim covered by this Section 20(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party shall have no liability under this Section 20(b) for any Claim for which such notice is not provided if that the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification**. Lessor shall indemnify, defend and hold harmless all of Lessee's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 20(c)(i)) to the extent deposited, spilled or otherwise caused by Lessor or any of its contractors or agents. Lessee shall indemnify, defend and hold harmless all of Lessor's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Lessor or any of its contractors or agents. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises or the Premises generally or any deposit, spill or release of any Hazardous Substance.

- i. **“Hazardous Substance”** means any chemical, waste or other substance (A) which now or hereafter becomes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollution,” “pollutants,” “regulated substances,” or words of similar import under any laws pertaining to the environment, health, safety or welfare, (B) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (C) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (D) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (E) for which remediation or cleanup is required by any Governmental Authority.

d. Limitations on Liability.

- i. **No Consequential Damages.** Except with respect to indemnification for third party claims pursuant to this Section 17 and damages that result from the willful misconduct of a Party, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers shall be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature arising out of their performance or non-performance hereunder even if advised of such. The Parties agree that (1) in the event that Lessor is required to recapture any Tax Credits or other tax benefits as a result of a breach of this Agreement by Lessee, such recaptured amount shall be deemed to be direct and not indirect or consequential damages, and (ii) in the event that Lessor is retaining the Environmental Attributes produced by the System, and a breach of this Agreement by Lessee causes Lessor to lose the benefit of sales of such Environmental Attributes to third parties, the amount of such lost sales shall be direct and not indirect or consequential damages.
- ii. **Actual Damages.** Except with respect to indemnification for third party claims pursuant to Section 26 and damages that result from the willful misconduct of Lessor, Lessor’s aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement shall not exceed the total payments made (or, as applicable, projected to be made) by Lessee under this Agreement. The provisions of this Section (20)(d)(ii) shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise. Any action against Lessor must be brought within one (1) year after the cause of action accrues.

21. Force Majeure.

- a. **“Force Majeure”** means any event or circumstances beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any Governmental Authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any Governmental Authority (provided that such action has been timely requested and diligently pursued); unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from the failure of the Party claiming Force Majeure to have exercised reasonable diligence); and failure of equipment not utilized by or under the control of the Party claiming Force Majeure.
- b. Except as otherwise expressly provided to the contrary in this Agreement, if either Party is rendered wholly or partly unable to timely perform its obligations under this Agreement because of a Force Majeure event, that Party shall be excused from the performance affected by the Force Majeure event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure event, as soon as reasonably practicable after obtaining knowledge of the occurrence of the claimed Force Majeure event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure event; and (iii) the Party affected by such Force Majeure event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Term shall be extended day for day for each day performance is suspended due to a Force Majeure event.
- c. Notwithstanding anything herein to the contrary, the obligation to make any payment due under this Agreement shall not be excused by a Force Majeure event that solely impacts Lessee’s ability to make payment.
- d. If a Force Majeure event continues for a period of thirty (30) days or more within a twelve (12) month period and prevents a material part of the performance by a Party hereunder, then at any time during the continuation of the Force

Majeure event, the Party not claiming the Force Majeure shall have the right to terminate this Agreement without fault or further liability to either Party (except for amounts accrued but unpaid).

22. **Assignment.**

- a. **Assignment.** This Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Lessor may, without the prior written consent of Lessee, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement and the System to any Financing Party, (ii) directly or indirectly assign this Agreement and the System to an affiliate or subsidiary of Lessor, (iii) assign this Agreement and the System to any entity through which Lessor is obtaining financing or capital for the System and (iv) assign this Agreement and the System to any person succeeding to all or substantially all of the assets of Lessor (provided that Lessor shall be released from liability hereunder as a result of any of the foregoing permitted assignments only upon assumption of Lessor's obligations hereunder by the assignee). In the event of any such assignment, the Lessor shall be released from all its liabilities and other obligations under this Agreement. However, any assignment of Lessor's right and/or obligations under this Agreement, shall not result in any change to Lessee's rights and obligations under this Agreement. Lessee's consent to any other assignment shall not be unreasonably withheld if Lessee has been provided with reasonable proof that the proposed assignee (x) has comparable experience in operating and maintaining photovoltaic solar systems comparable to the System and providing services comparable to those contemplated by this Agreement and (y) has the financial capability to maintain the System and provide the services contemplated by this Agreement in the manner required by this Agreement. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees.

23. **Miscellaneous Provisions**

- a. **Choice of Law.** The law of the State of Arkansas where the System is located shall govern this Agreement without giving effect to conflict of laws principles.
- b. **Arbitration and Attorneys' Fees.** Any dispute arising from or relating to this Agreement shall be arbitrated in Miller County, Arkansas. The arbitration shall be administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, and judgment on any award may be entered in any court of competent jurisdiction. If the Parties agree, a mediator may be consulted prior to arbitration. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.
- c. **Notices.** All notices under this Agreement shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either party may specify in writing. Each party shall deem a document faxed, emailed or electronically sent in PDF form to it as an original document.
- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 4 (Representations and Warranties), Section 13(a) (No Warranty), Section 18(b) (Insurance Coverage), Section 20 (Indemnification and Limits of Liability), Section Error! Reference source not found. (Confidentiality and Publicity), Section 23(a) (Choice of Law), Section 23 (b) (Arbitration and Attorneys' Fees), Section 23(c) (Notices), Section 23 (g) (Comparative Negligence), Section 23(h) (Non-Dedication of Facilities), Section 23(j) (Service Contract), Section 23(k) (No Partnership) Section 23(l) (Full Agreement, Modification, Invalidity, Counterparts, Captions) and Section 23(n) (No Third Party Beneficiaries).
- e. **Further Assurances.** Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Right of Waiver.** Each Party, in its sole discretion, shall have the right to waive, defer or reduce any of the requirements to which the other Party is subject under this Agreement at any time (other than with respect to and/or relating to the obligation to make any payment due under this Agreement); provided, however that neither Party shall be deemed to have waived, deferred or reduced any such requirements unless such action is in writing and signed by the waiving Party. No waiver will be implied by any usage of trade, course of dealing or course of performance. A Party's exercise of any rights hereunder shall apply only to such requirements and on such occasions as such Party

may specify and shall in no event relieve the other Party of any requirements or other obligations not so specified. No failure of either Party to enforce any term of this Agreement will be deemed to be a waiver. No exercise of any right or remedy under this Agreement by Lessee or Lessor shall constitute a waiver of any other right or remedy contained or provided by law. Any delay or failure of a Party to exercise, or any partial exercise of, its rights and remedies under this Agreement shall not operate to limit or otherwise affect such rights or remedies. Any waiver of performance under this Agreement shall be limited to the specific performance waived and shall not, unless otherwise expressly stated in writing, constitute a continuous waiver or a waiver of future performance.

- g. Comparative Negligence.** It is the intent of the Parties that where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.
- h. Non-Dedication of Facilities.** Nothing herein shall be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party shall knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party shall assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this agreement. If Lessor is reasonably likely to become subject to regulation as a public utility, then the Parties shall use all reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Lessor does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Lessor shall have the right to terminate this Agreement without further liability, and Lessor shall remove the System in accordance with Section 11 of this Agreement.
- i. Estoppel.** Either Party hereto, without charge, at any time and from time to time, within five (5) business days after receipt of a written request by the other party hereto, shall deliver a written instrument, duly executed, certifying to such requesting party, or any other person specified by such requesting Party: (i) that this Agreement is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification; (ii) whether or not to the knowledge of any such party there are then existing any offsets or defenses in favor of such party against enforcement of any of the terms, covenants and conditions of this Agreement and, if so, specifying the same and also whether or not to the knowledge of such party the other party has observed and performed all of the terms, covenants and conditions on its part to be observed and performed, and if not, specifying the same; and (iii) such other information as may be reasonably requested by the requesting Party. Any written instrument given hereunder may be relied upon by the recipient of such instrument, except to the extent the recipient has actual knowledge of facts contained in the certificate.
- j. Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Lessee will not take the position on any tax return or in any other filings suggesting that it is anything other than a Lessee of electricity from the System.
- k. No Partnership.** No provision of this Agreement shall be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither shall be considered the agent of the other.
- l. Full Agreement, Modification, Invalidity, Counterparts, Captions.** This Agreement, together with any Exhibits, completely and exclusively states the agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written, regarding its subject matter. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- m. Forward Contract.** The transaction contemplated under this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code, and the Parties further acknowledge and agree that each Party is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.
- n. No Third Party Beneficiaries.** Except for assignees and Financing Parties permitted under Section 19, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person.
- o. Bonding.**

- i. Performance bond liability. Any performance bond issued for a site or system will cease one (1) year from the completion of construction. If a warranty or guarantee is provided under the terms of this Agreement, the balance of any warranty or guarantee beyond one year term of the applicable performance bond shall continue to be guaranteed solely by Lessor under the terms of this Agreement. The performance bond does not guarantee any property restorative requirements.
- ii. Payment bond liability. Any payment bond issued will cease at the termination of any time required by law.
- iii. Performance Guarantee. Neither payment bonds, whether for labor or materials, nor performance bonds are applicable to any specified performance guarantee.

RESOLUTION NO. 2024 - 027

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS, APPROVING A "SOLAR CARPORT AIRPORT LEASE" BETWEEN THE TEXARKANA REGIONAL AIRPORT AS LESSEE AND THE CITY OF TEXARKANA, ARKANSAS, AS LESSOR/OWNER; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Texarkana Airport Authority proposes a fifteen-year lease for a solar parking canopy array adjacent to the Jim E. Yates Terminal with the City of Texarkana, Arkansas, as Lessor/Owner of the array, and the Authority as Lessee; and

WHEREAS, the Authority determined that such an array would serve to reduce operating costs of the new terminal building by generating electricity delivered into the SWEPCO grid by means of a SWEPCO-owned transformer; and KWh credits from this delivered energy would be applied to the Authority's SWEPCO bills via meter aggregation; and

WHEREAS, the Authority is not eligible – but the City of Texarkana, Arkansas, is eligible – for a 0.4% loan through the Arkansas Energy Office for acquiring a solar array and electric meters; and

WHEREAS, the proposed lease provides, among other things, for the Authority's payment to the City of Texarkana, Arkansas, of the AEO loan (annual payments of \$101,308) and monthly utilities, for the Authority to provide insurance covering the full value of the system naming both the Cities of Texarkana, Texas, and Texarkana, Arkansas, as beneficiaries, and for the Authority to operate and maintain the system throughout the lease term; and

WHEREAS, the City of Texarkana, Texas, while not a party to the proposed lease, is requested to provide approval of the lease consistent with the reciprocal ordinances governing the Authority enacted by both cities; and

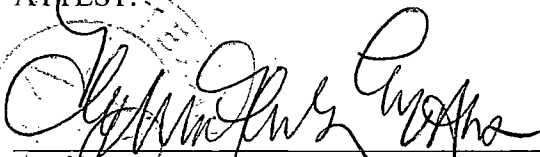
WHEREAS, the City Council finds and determines that the best interests of the citizens would be served by approving the proposed lease.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEXARKANA, TEXAS:

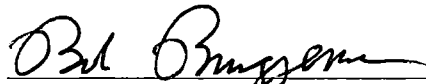
SECTION 1: The City Council approves the "Solar Carport Airport Lease" attached to this resolution as **Exhibit A**, incorporated herein by reference for all purposes, subject to the joint approval of the Board of Directors of the City of Texarkana, Arkansas.

SECTION 2: This Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED in Regular Council Session on this the 12th day of August, 2024.

ATTEST:


JENNIFER EVANS, CITY SECRETARY



BOB BRUGGEMAN, MAYOR

6:25 p.m.

Solar Carport Lease Agreement

This Solar Carport Lease Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Lessor below (the “**Effective Date**”).

Lessee:		Lessor:	
Name and Address	Texarkana Regional Airport 2600 TXK Blvd Texarkana, AR. 71854 Attention: Airport Director	Name and Address	City of Texarkana Arkansas 216 Walnut Street Texarkana, AR 71854 Attention: City Manager
Phone	(870) 774-2171	Phone	(870) 779-4991
E-mail	Director@TXKAirport.com	E-mail	Director@TXKAirport.com
Premises Ownership	Lessee owns the Premises.	Additional Lessor Information	

This Agreement sets forth the terms and conditions of the Lessee and sale of solar generated electric energy from the solar panel system described in **Exhibit 2** (the “**System**”) and installed at the Lessee’s facility described in **Exhibit 2** (the “**Facility**”).

The exhibits listed below are incorporated by reference and made part of this Agreement.

- Exhibit 1** Basic Terms and Conditions
- Exhibit 2** System Description
- Exhibit 3** Assignment of Contracts and Assets
- Exhibit 4** General Terms and Conditions

Lessee: Texarkana Regional Airport

Lessor: City of Texarkana Arkansas

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit 1
Basic Terms and Conditions

1. **Term:** 15 Years, beginning on the Commercial Operation Date.
2. **Additional Terms:** N/A
3. **Tax Incentives and Environment Attributes:** Accrue to Lessee
4. **Contract Price:**


Contract Year	Cost (\$)
1	\$101,308
2	\$101,308
3	\$101,308
4	\$101,308
5	\$101,308
6	\$101,308
7	\$101,308
8	\$101,308
9	\$101,308
10	\$101,308
11	\$101,308
12	\$101,308
13	\$101,308
14	\$101,308
15	\$101,308
16	\$ 1
17	
18	
19	
20	

5. **Anticipated Commercial Operation Date:** September 2024
6. **Lessee Options to Purchase System.** As set forth in Section 19(b).

Exhibit 2
System Description

1. **System Location:** 600 TXK Blvd, Texarkana, AR 71854
2. **System Size (DC kW):** 528
3. **Expected First Year Energy Production (kWh):** 722,077
4. **Structure:** Parking/Carport
5. **Facility and System Layout:** See **Exhibit 2, Attachment A**
6. **Utility:** SWEPCO

Exhibit 2
Attachment A:
Facility and System Layout

An Aerial Photograph of the Facility	See below.
Conceptual Drawing of the System	See below
Delivery Point	Array electrical production delivered into the SWEPCO grid via SWEPCO owned transformer. KWh credits from this delivered energy will be applied to TXK SWEPCO bills via meter aggregation.
Access Points	

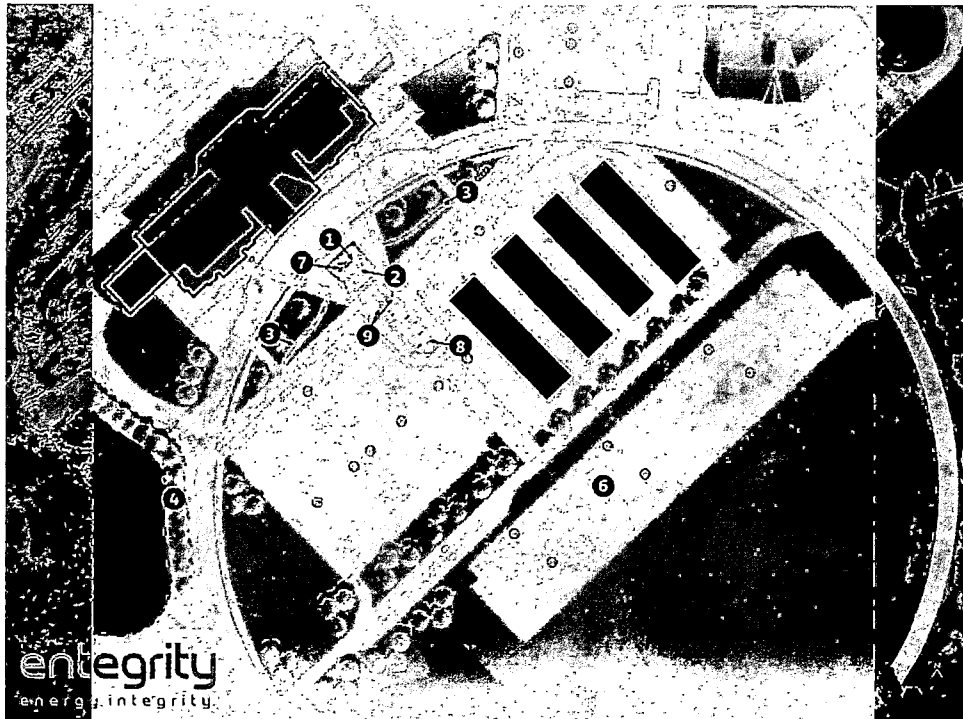


Exhibit 3
Assignment of Contracts and Assets

1. **Contingencies:** Assignment of Texarkana Regional Airport (TXK) electricity meters and solar structures is contingent upon award of the Arkansas Energy Performance Contracting Program – Revolving Loan Lease Fund (AEPC- RLLF) to Lessor.
2. **Procurement & Contracts:** Lessor shall abide by all prior procurement processes completed by Lessee and the Arkansas Energy Office in accordance with State of Arkansas ESPC requirements. These include:
 - a. Releasing the RFP;
 - b. Choosing an ESCO;
 - c. Entering into an IGA Contract;
 - d. Entering into an EPC Contract after the IGA is delivered;

Understanding there will be no change to project cost by this transfer, Lessor will acquire existing contracts with selected Energy Services Company (ESCO), Entegrity Energy Solutions.

Lessor will reapply to the RLLF directly with required supporting documentation as required by AEO.

3. **Meters:** Upon approval of the AEPC-RLLF to fund the solar structure, Lessee shall assign ownership of all SWEPCO electricity meters to Lessor for the term of the Lease.
4. **Solar Structures:** Solar Structures shall be assigned to Lessor by Lessee for the term of the Lease
5. **Electricity Cost:** Lessee shall reimburse Lessor for all electricity cost based monthly based on actual cost through the term of the Lease
6. **Lessee Cash Contribution**

Lessee shall directly pay Contractor (Entegrity Energy Solutions) the value of the anticipated Investment Tax Credit, which is \$758,344. Contract Price shall be based on the annual payment of the AEPC-RLLF loan after this cash contribution.

7. **Investment Tax Credits**

As System owner, Lessor is expected to receive a Direct Pay Investment Tax Credit (ITC) equal to 34% of the system cost (\$758,344). This is per the terms of the Inflation Reduction Act of August 2022.

Upon receipt, the full value of this ITC shall be assigned to Lessee. If actual ITC is less than the anticipated value, Lessee shall be responsible for any difference. This would not change the terms of the Contract Price as Lessee shall provide Cash Contribution (see previous section) equal to the value of the anticipated ITC.

Lessee shall cooperate with Lessor in securing the benefit of all Tax Credits.

Exhibit 4
Solar Carport Lease Agreement
General Terms and Conditions

8. **Definitions and Interpretation:** Unless otherwise defined or required by the context in which any term appears: (a) the singular includes the plural and vice versa; (b) the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not to any particular section or subsection of this Agreement; (c) references to any agreement, document or instrument mean such agreement, document or instrument as amended, modified, supplemented or replaced from time to time; and (d) the words “include,” “includes” and “including” mean include, includes and including “without limitation.” The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.

9. **Term and Termination.**

a. **Initial Term.** The initial term (“**Initial Term**”) of this Agreement shall commence on the Commercial Operation Date (as defined below) and continue for the length of time specified in **Exhibit 1**, unless earlier terminated as provided for in this Agreement. The “**Commercial Operation Date**” is the date Utility gives Lessee written notice that the System is mechanically complete and capable of providing electric energy to the Delivery Point. Such notice shall be deemed effective unless Lessee reasonably objects within five (5) days of the date of such notice. Upon Lessee’s request, Lessor will give Lessee copies of certificates of completion or similar documentation from Lessor’s contractor and the interconnection or similar agreement with the entity authorized and required under applicable law to provide electric distribution service to Lessee at the Facility (the “**Utility**”), as set forth on **Exhibit 2**. This Agreement is effective as of the Effective Date and Lessee’s failure to enable Lessor to provide the electric energy by preventing it from installing the System or otherwise not performing shall not excuse Lessee’s obligations to make payments that otherwise would have been due under this Agreement.

10. **Billing and Payment.**

a. **Monthly Charges.** Lessee shall pay Lessor monthly at the rate shown in **Exhibit 1** (the “**Contract Price**”).

b. **Monthly Invoices.** Lessor shall invoice Lessee monthly, either manually or through ACH. Such monthly invoices shall state (i) the amount of electric energy produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Lessee under this Agreement and (iii) the total amount due from Lessee. The Contract Price includes ACH invoicing.

c. **Payment Terms.** All amounts due under this Agreement shall be due and payable net twenty (20) days from receipt of invoice. Any undisputed portion of the invoice amount not paid within the twenty (20) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) over the prime rate, as published in the Wall Street Journal (but not to exceed the maximum rate permitted by law).

11. **Environmental Attributes**

As specified on **Exhibit 1**, Lessee is the owner of all Environmental Attributes, including Renewable Energy Credits. Lessor shall cooperate with Lessee in obtaining, securing and transferring all Environmental Attributes, including by using the electric energy generated by the System in a manner necessary to qualify for such available Environmental Attributes. Lessor shall not be obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Lessee.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights related to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Environmental Incentives and Tax Credits. Lessee and Lessor shall file all tax returns in a manner consistent with this Section 5. Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, emissions allowances, green tags tradable renewable credits and Green-e® products.

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including the Federal Energy Regulatory Commission or the California Public Utilities Commission), or any arbitrator with authority to bind a party at law.

12. Conditions to Obligations.

- a. **Conditions to Lessor's Obligations.** Lessor's obligations under this Agreement are conditioned on the completion of the following conditions to Lessor's reasonable satisfaction on or before the Condition Satisfaction Date:
- i. Approval of the Lessor to receive funding for System through the AEPC-RLLF program
 - ii. Completion of a physical inspection of the Facility and the property upon which the Facility is located (the “**Premises**”) including, if applicable, geotechnical work, and real estate due diligence to confirm the suitability of the Facility and the Premises for the System;
 - iii. Successful completion of the System by Contractor.
 - iv. Confirmation that Lessor will obtain all applicable Environmental Incentives and Tax Credits;
 - v. Receipt of all necessary zoning, land use and building permits; and
 - vi. Execution of all necessary agreements with the Utility for interconnection of the System to Facility electrical system and/or the Utility's electric distribution system.
- b. **Failure of Conditions.** If any of the conditions listed in subsection (a) are not satisfied by the Condition Satisfaction Date, the Parties will attempt in good faith to negotiate new dates for the satisfaction of the failed conditions. If the Parties are unable to negotiate new dates then Lessor may terminate this Agreement upon ten (10) days written notice to Buyer without liability for costs or damages or triggering a default under this Agreement.
- c. **Conditions to Lessee's Obligations.** Lessee's obligations under Section 4(a) are conditioned on the occurrence of the Commercial Operation Date for the System by the Outside Commercial Operation Date.

13. Lessor's Rights and Obligations.

- a. **No Warranty.** NO WARRANTY OR REMEDY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY. The remedies set forth in this Agreement shall be Lessee's sole and exclusive remedies for any claim or liability arising out of or in connection with this Agreement, whether arising in contract, tort (including negligence), strict liability or otherwise.

14. **Lessee's Rights and Obligations.**

- a. **Insurance.** Lessee shall maintain insurance on System with Lessor and City of Texarkana, TX listed as named beneficiaries. Insurance shall cover the full value of the system and insure against potential damage from weather, theft, accidental damage, and other potential incidents.
- b. **Permits and Approvals.** Lessee, with Lessor's reasonable cooperation, shall use commercially reasonable efforts to obtain, at its sole cost and expense:
- i. any zoning, land use and building permits required to construct, install and operate the System; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Facility electrical system and/or the Utility's electric distribution system.

Lessor shall cooperate with Lessee's reasonable requests to assist Lessor in obtaining such agreements, permits and approvals.

- c. **Standard System Repair and Maintenance.** Lessee shall assist with construction and installation of the System at the Facility. During the Term, Lessee will operate and perform all routine and emergency repairs to, and maintenance of, the System at its sole cost and expense, including any repairs or maintenance resulting from Lessee's negligence, willful misconduct or breach of this Agreement. Lessor shall not be responsible for any work done by others on any part of the System unless Lessor authorizes that work in advance in writing. Lessor shall not be responsible for any loss, damage, cost or expense arising out of or resulting from improper environmental controls or improper operation or maintenance of the System by anyone other than Lessor or Lessor's contractors. If the System requires repairs for which Lessee is responsible, Lessee shall pay for diagnosing and correcting the problem.
- d. **Use of Contractors and Subcontractors.** Lessee shall be permitted to use contractors and subcontractors to perform its obligations under this Agreement, provided however, that such contractors and subcontractors shall be duly licensed and shall provide any work in accordance with applicable industry standards. Notwithstanding the foregoing, Lessee shall continue to be responsible for the quality of the work performed by its contractors and subcontractors.
- e. **OSHA Compliance.** Both parties shall ensure that all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws or codes are adhered to in their performance under this Agreement.
- f. **Maintenance of Facility.** Lessee shall, at its sole cost and expense, maintain the Facility in good condition and repair. Lessee will ensure that the Facility remains interconnected to the Utility's electric distribution system at all times and will not cause cessation of electric service to the Facility from the Utility. Lessee is fully responsible for the maintenance and repair of the Facility's electrical system and of all of Lessee's equipment that utilizes the System's outputs. Lessee shall properly maintain in full working order all of Lessee's electric supply or generation equipment that Lessee may shut down while utilizing the System. Lessee shall promptly notify Lessor of any matters of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- g. **No Alteration of Facility.** Lessee shall not make any alterations or repairs to the Facility which could adversely affect the operation and maintenance of the System without Lessor's prior written consent. If Lessee wishes to make such alterations or repairs, Lessee shall give prior written notice to Lessor, setting forth the work to be undertaken (except for emergency repairs, for which notice may be given by telephone), and give Lessor the opportunity to advise Lessee in making such alterations or repairs in a manner that avoids damage to the System, but, notwithstanding any such advice, Lessee shall be responsible for all damage to the System caused by Lessee or its contractors. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, such work and any replacement of the System after completion of Lessee's alterations and repairs, shall be done by Lessor or its contractors at Lessee's cost. In addition, Lessee shall pay Lessor an amount equal to the sum of (i) payments that Lessee would have made to Lessor hereunder for electric energy that would have been produced by the System during such disconnection or removal; (ii) revenues that Lessor would have received with respect to the System under the any rebate program and any other assistance program with respect to electric energy that would have been produced during such disconnection or removal; (iii) revenues from Environmental Attributes that Lessor would have received with respect to electric energy that would have been produced by the System during such disconnection or removal; and (iv) Tax Credits that Lessor (or, if Lessor is a pass-through entity for tax purposes, Lessor's owners) would have received with respect to electric energy that would have been produced by the System during such disconnection or removal. Determination of the amount of energy that would have been produced during any disconnection or removal

shall be in accordance with the procedures in Section 10(b). All of Lessee's alterations and repairs will be done in a good and workmanlike manner and in compliance with all applicable laws, codes and permits.

- h. **Liens.** Lessee shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on or with respect to the System or any interest therein. Lessee shall immediately notify Lessor in writing of the existence of any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim, shall promptly cause the same to be discharged and released of record without cost to Lessor, and shall indemnify Lessor against all costs and expenses (including reasonable attorneys' fees) incurred in discharging and releasing any such mortgage, pledge, lien, charge, security interest, encumbrance or other claim. Notwithstanding anything else herein to the contrary, pursuant to Section 19(a), Lessor may grant a lien on the System and may assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement and the System to any Financing Party.
- i. **Security.** Lessee shall be responsible for using commercially reasonable efforts to maintain the physical security of the Facility and the System against known risks and risks that should have been known by Lessee. Lessee will not conduct activities on, in or about the Premises or the Facility that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System.

15. **Change in Law.**

"**Change in Law**" means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation; (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date of this Agreement (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority which in the case of any of (i), (ii) or (iii), establishes requirements affecting owning, supplying, constructing, installing, operating or maintaining the System, or other performance of the Lessor's obligations hereunder and which has a material adverse effect on the cost to Lessor of performing such obligations; provided, that a change in federal, state, county or any other tax law after the Effective Date of this Agreement shall not be a Change in Law pursuant to this Agreement.

If any Change in Law occurs that has a material adverse effect on the cost to Lessor of performing its obligations under this Agreement, then the Parties shall, within thirty (30) days following receipt by Lessee from Lessor of notice of such Change in Law, meet and attempt in good faith to negotiate amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Lessor shall have the right to terminate this Agreement without further liability to either Party except with respect to payment of amounts accrued prior to termination.

16. **Default, Remedies and Damages.**

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below shall be deemed to be the "**Defaulting Party**", the other Party shall be deemed to be the "**Non-Defaulting Party**", and each event of default shall be a "**Default Event**":
 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
 - ii. failure of a Party to substantially perform any other material obligation under this Agreement within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that such thirty (30) day cure period shall be extended (but not beyond ninety (90) days) if and to the extent reasonably necessary to cure the Default Event, if (A) the Defaulting Party initiates such cure within the thirty (30) day period and continues such cure to completion and (B) there is no material adverse effect on the Non-Defaulting Party resulting from the failure to cure the Default Event;
 - iii. if any representation or warranty of a Party proves at any time to have been incorrect in any material respect when made and is material to the transactions contemplated hereby, if the effect of such incorrectness is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
 - iv. Lessee loses its rights to occupy and enjoy the Premises;

- v. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect, and, if any such bankruptcy or other proceedings were initiated by a third party, if such proceedings have not been dismissed within sixty (60) days following receipt of a written notice from the Non-Defaulting Party demanding such cure; or

b. Remedies.

- i. Remedies for Payment Default. If a Payment Default occurs, the Non-Defaulting Party may suspend performance of its obligations under this Agreement. Further, the Non-Defaulting Party may (A) at any time during the continuation of the Default Event, terminate this Agreement upon five (5) days prior written notice to the Defaulting Party, and (B) pursue any remedy under this Agreement, at law or in equity, including an action for damages.
- ii. Remedies for Other Defaults. On the occurrence of a Default Event other than a Payment Default, the Non-Defaulting Party may (A) at any time during the continuation of the Default Event, terminate this Agreement or suspend its performance of its obligations under this Agreement, upon five (5) days prior written notice to the Defaulting Party, and (B) pursue any remedy under this Agreement, at law or in equity, including an action for damages. Nothing herein shall limit either Party's right to collect damages upon the occurrence of a breach or a default by the other Party that does not become a Default Event.
- iii. Damages Upon Termination by Default. Upon a termination of this Agreement by the Non-Defaulting Party as a result of a Default Event by the Defaulting Party, the Defaulting Party shall pay a Termination Payment to the Non-Defaulting Party determined as follows (the "**Termination Payment**"):
 - A. Lessee. If Lessee is the Defaulting Party and Lessor terminates this Agreement, the Termination Payment to Lessor shall be equal to the balance of the RLLF loan at the time of termination and ownership of the Facility and Meters shall revert to Lessee
 - B. Lessor. If Lessor is the Defaulting Party and Lessee terminates this Agreement, the Termination Payment to Lessor shall be equal to the balance of the RLLF loan at the time of termination and ownership of the Facility and Meters shall revert to Lessee
 - C. Obligations Following Termination. If a Non-Defaulting Party terminates this Agreement pursuant to this Section 13(b), then following such termination, Lessor shall, at the sole cost and expense of the Defaulting Party, remove the equipment (except for mounting pads and support structures) constituting the System. The Non-Defaulting Party shall take all commercially reasonable efforts to mitigate its damages as the result of a Default Event.

17. Representations, Warranties and Covenants.

- a. General Representations and Warranties. Each Party represents and warrants to the other the following as of the Effective Date:
 - i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and shall not violate any law; and this Agreement is valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
 - ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.
- b. Lessee's Representations, Warranties and Covenants. Lessee represents and warrants to Lessor the following as of the Effective Date and covenants that throughout the Term:

- i. **License.** Lessee has title to or a leasehold or other property interest in the Premises. Lessee has the full right, power and authority to grant the License contained in Section 8(a). Such grant of the License does not violate any law, ordinance, rule or other governmental restriction applicable to Lessee or the Facility and is not inconsistent with and will not result in a breach or default under any agreement by which Lessee is bound or that affects the Facility. If Lessee does not own the Premises or Facility, Lessee has obtained all required consents from the owner of the Premises and/or Facility to grant the License and enter into and perform its obligations under this Agreement.
- ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Lessee nor the performance by Lessee of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Lessee is a party or by which Lessee or the Facility is bound.
- iii. **Accuracy of Information.** All information provided by Lessee to Lessor, as it pertains to the Facility's physical configuration, Lessee's planned use of the Facility, and Lessee's estimated electricity requirements, is accurate in all material respects.
- iv. **Lessee Status.** Lessee is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
- v. **Hazardous Substances.** There are no Hazardous Substances at, on, above, below or near the Premises.

18. System and Facility Damage and Insurance.

a. System and Facility Damage.

- i. **Lessee's Obligations.** If the **Facility** is damaged or destroyed by casualty of any kind or any other occurrence other than Lessor's gross negligence or willful misconduct, such that the operation of the System and/or Lessee's ability to accept the electric energy produced by the System are materially impaired or prevented, Lessee shall promptly repair and restore the Facility to its pre-existing condition; provided, however, that if more than 50% of the Facility is destroyed during the last five years of the Initial Term or during any Additional Term, Lessee may elect either (A) to restore the Facility or (B) to pay the Termination Payment and all other costs previously accrued but unpaid under this Agreement and thereupon terminate this Agreement.

b. Insurance Coverage. At all times during the Term, Lessor and Lessee shall maintain the following insurance:

- i. **Lessee's Insurance.** Lessee shall maintain (A) property insurance on the System for the replacement cost thereof, (B) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (C) employer's liability insurance with coverage of at least \$1,000,000 and (iv) workers' compensation insurance as required by law.

c. Policy Provisions. All insurance policies provided hereunder shall (i) contain a provision whereby the insurer agrees to give the party not providing the insurance (A) not less than ten (10) days written notice before the insurance is cancelled, or terminated as a result of non-payment of premiums, or (B) not less than thirty (30) days written notice before the insurance is otherwise cancelled or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other party.

d. Certificates. Upon the other Party's request each Party shall deliver the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

e. Deductibles. Unless and to the extent that a claim is covered by an indemnity set forth in this Agreement, each Party shall be responsible for the payment of its own deductibles.

19. Ownership; Option to Lessee.

- a. **Ownership of System.** Throughout the Term (except as otherwise permitted in Section 19), Lessor shall be the legal and beneficial owner of the System at all times, and the System shall remain the personal property of Lessor and shall not attach to or be deemed a part of, or fixture to, the Facility or the Premises. Each of the Lessor and Lessee agree that the Lessor (or the designated assignee of Lessor permitted under Section 19) is the tax owner of the System and all tax filings and reports will be filed in a manner consistent with this Agreement. The System shall at all times retain

the legal status of personal property as defined under Article 9 of the Uniform Commercial Code. Lessee covenants that it will use commercially reasonable efforts to place all parties having an interest in or a mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature on the Facility or the Premises on notice of the ownership of the System and the legal status or classification of the System as personal property. If there is any mortgage or fixture filing against the Premises which could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Lessee shall provide a disclaimer or release from such lienholder. If Lessee is the fee owner of the Premises, Lessee consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Facility is located. If Lessee is not the fee owner, Lessee will obtain such consent from such owner. Upon request, Lessee agrees to deliver to Lessor a non-disturbance agreement in a form reasonably acceptable to Lessor from the owner of the Facility (if the Facility is leased by Lessee), any mortgagee with a lien on the Premises, and other Persons holding a similar interest in the Premises. To the extent that Lessee does not own the Premises or Facility, Lessee shall provide to Lessor immediate written notice of receipt of notice of eviction from the Premises or Facility or termination of Lessee's lease of the Premises and/or Facility.

- b. **Option to Purchase.** At the end of the Initial Term, so long as Lessee is not in default under this Agreement, Lessee may purchase the System from Lessor for a purchase price equal to \$1. Lessee must provide a notification to Lessor of its intent to Lessee at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable, and the Lessee shall be complete prior to the end of the applicable Contract Year or the Initial Term or Additional Term, as applicable. Any such Lessee shall be on an as-is, where-is basis, and Lessor shall not provide any warranty or other guarantee regarding the performance of the System, provided, however, that Lessor shall assign to Lessee any manufacturers warranties that are in effect as of the Lessee, and which are assignable pursuant to their terms.

20. **Indemnification and Limitations of Liability.**

- a. **General.** Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party and the directors, officers, shareholders, partners, members, agents and employees of such other Party, and the respective affiliates of each thereof (collectively, the "**Indemnified Parties**"), from and against all loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from any third party actions relating to the breach of any representation or warranty set forth in Section 14 and from injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein shall require the Indemnifying Party to indemnify the Indemnified Party for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnified Party. This Section 17(a) however, shall not apply to liability arising from any form of hazardous substances or other environmental contamination, such matters being addressed exclusively by Section 17(c).
- b. **Notice and Participation in Third Party Claims.** The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party shall settle any Claim covered by this Section 17(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party shall have no liability under this Section 17(b) for any Claim for which such notice is not provided if that the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification.** Lessor shall indemnify, defend and hold harmless all of Lessee's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 17(c)(i)) to the extent deposited, spilled or otherwise caused by Lessor or any of its contractors or agents. Lessee shall indemnify, defend and hold harmless all of Lessor's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Lessor or any of its contractors or agents. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises or the Premises generally or any deposit, spill or release of any Hazardous Substance.

- i. **"Hazardous Substance"** means any chemical, waste or other substance (A) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any laws pertaining to the environment, health, safety or welfare, (B) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (C) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (D) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (E) for which remediation or cleanup is required by any Governmental Authority.

d. **Limitations on Liability.**

- i. **No Consequential Damages.** Except with respect to indemnification for third party claims pursuant to this Section 17 and damages that result from the willful misconduct of a Party, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers shall be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature arising out of their performance or non-performance hereunder even if advised of such. The Parties agree that (1) in the event that Lessor is required to recapture any Tax Credits or other tax benefits as a result of a breach of this Agreement by Lessee, such recaptured amount shall be deemed to be direct and not indirect or consequential damages, and (ii) in the event that Lessor is retaining the Environmental Attributes produced by the System, and a breach of this Agreement by Lessee causes Lessor to lose the benefit of sales of such Environmental Attributes to third parties, the amount of such lost sales shall be direct and not indirect or consequential damages.
- ii. **Actual Damages.** Except with respect to indemnification for third party claims pursuant to Section 26 and damages that result from the willful misconduct of Lessor, Lessor's aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement shall not exceed the total payments made (or, as applicable, projected to be made) by Lessee under this Agreement. The provisions of this Section (17)(d)(ii) shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise. Any action against Lessor must be brought within one (1) year after the cause of action accrues.

21. **Force Majeure.**

- a. **"Force Majeure"** means any event or circumstances beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure. It shall include, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any Governmental Authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any Governmental Authority (provided that such action has been timely requested and diligently pursued); unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such availability of any of the foregoing results from the failure of the Party claiming Force Majeure to have exercised reasonable diligence); and failure of equipment not utilized by or under the control of the Party claiming Force Majeure.
- b. Except as otherwise expressly provided to the contrary in this Agreement, if either Party is rendered wholly or partly unable to timely perform its obligations under this Agreement because of a Force Majeure event, that Party shall be excused from the performance affected by the Force Majeure event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure event, as soon as reasonably practicable after obtaining knowledge of the occurrence of the claimed Force Majeure event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure event; and (iii) the Party affected by such Force Majeure event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Term shall be extended day for day for each day performance is suspended due to a Force Majeure event.
- c. Notwithstanding anything herein to the contrary, the obligation to make any payment due under this Agreement shall not be excused by a Force Majeure event that solely impacts Lessee's ability to make payment.
- d. If a Force Majeure event continues for a period of thirty (30) days or more within a twelve (12) month period and prevents a material part of the performance by a Party hereunder, then at any time during the continuation of the Force

Majeure event, the Party not claiming the Force Majeure shall have the right to terminate this Agreement without fault or further liability to either Party (except for amounts accrued but unpaid).

22. Assignment.

- a. **Assignment.** This Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Lessor may, without the prior written consent of Lessee, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement and the System to any Financing Party, (ii) directly or indirectly assign this Agreement and the System to an affiliate or subsidiary of Lessor, (iii) assign this Agreement and the System to any entity through which Lessor is obtaining financing or capital for the System and (iv) assign this Agreement and the System to any person succeeding to all or substantially all of the assets of Lessor (provided that Lessor shall be released from liability hereunder as a result of any of the foregoing permitted assignments only upon assumption of Lessor's obligations hereunder by the assignee). In the event of any such assignment, the Lessor shall be released from all its liabilities and other obligations under this Agreement. However, any assignment of Lessor's right and/or obligations under this Agreement, shall not result in any change to Lessee's rights and obligations under this Agreement. Lessee's consent to any other assignment shall not be unreasonably withheld if Lessee has been provided with reasonable proof that the proposed assignee (x) has comparable experience in operating and maintaining photovoltaic solar systems comparable to the System and providing services comparable to those contemplated by this Agreement and (y) has the financial capability to maintain the System and provide the services contemplated by this Agreement in the manner required by this Agreement. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees.

23. Miscellaneous Provisions

- a. **Choice of Law.** The law of the State of Arkansas where the System is located shall govern this Agreement without giving effect to conflict of laws principles.
- b. **Arbitration and Attorneys' Fees.** Any dispute arising from or relating to this Agreement shall be arbitrated in Miller County, Arkansas. The arbitration shall be administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, and judgment on any award may be entered in any court of competent jurisdiction. If the Parties agree, a mediator may be consulted prior to arbitration. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.
- c. **Notices.** All notices under this Agreement shall be in writing and shall be by personal delivery, facsimile transmission, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices shall be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either party may specify in writing. Each party shall deem a document faxed, emailed or electronically sent in PDF form to it as an original document.
- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 4 (Representations and Warranties), Section 7(h) (No Warranty), Section 15(b) (Insurance Coverage), Section 17 (Indemnification and Limits of Liability), Section 20 (Confidentiality and Publicity), Section 22(a) (Choice of Law), Section 22 (b) (Arbitration and Attorneys' Fees), Section 22(c) (Notices), Section 22 (g) (Comparative Negligence), Section 22(h) (Non-Dedication of Facilities), Section 22(j) (Service Contract), Section 22(k) (No Partnership) Section 22(l) (Full Agreement, Modification, Invalidity, Counterparts, Captions) and Section 22(n) (No Third Party Beneficiaries).
- e. **Further Assurances.** Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Right of Waiver.** Each Party, in its sole discretion, shall have the right to waive, defer or reduce any of the requirements to which the other Party is subject under this Agreement at any time (other than with respect to and/or relating to the obligation to make any payment due under this Agreement); provided, however that neither Party shall be deemed to have waived, deferred or reduced any such requirements unless such action is in writing and signed by the waiving Party. No waiver will be implied by any usage of trade, course of dealing or course of performance. A Party's exercise of any rights hereunder shall apply only to such requirements and on such occasions as such Party

may specify and shall in no event relieve the other Party of any requirements or other obligations not so specified. No failure of either Party to enforce any term of this Agreement will be deemed to be a waiver. No exercise of any right or remedy under this Agreement by Lessee or Lessor shall constitute a waiver of any other right or remedy contained or provided by law. Any delay or failure of a Party to exercise, or any partial exercise of, its rights and remedies under this Agreement shall not operate to limit or otherwise affect such rights or remedies. Any waiver of performance under this Agreement shall be limited to the specific performance waived and shall not, unless otherwise expressly stated in writing, constitute a continuous waiver or a waiver of future performance.

- g. Comparative Negligence.** It is the intent of the Parties that where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.
- h. Non-Dedication of Facilities.** Nothing herein shall be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party shall knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party shall assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this agreement. If Lessor is reasonably likely to become subject to regulation as a public utility, then the Parties shall use all reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Lessor does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Lessor shall have the right to terminate this Agreement without further liability, and Lessor shall remove the System in accordance with Section 11 of this Agreement.
- i. Estoppel.** Either Party hereto, without charge, at any time and from time to time, within five (5) business days after receipt of a written request by the other party hereto, shall deliver a written instrument, duly executed, certifying to such requesting party, or any other person specified by such requesting Party: (i) that this Agreement is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification; (ii) whether or not to the knowledge of any such party there are then existing any offsets or defenses in favor of such party against enforcement of any of the terms, covenants and conditions of this Agreement and, if so, specifying the same and also whether or not to the knowledge of such party the other party has observed and performed all of the terms, covenants and conditions on its part to be observed and performed, and if not, specifying the same; and (iii) such other information as may be reasonably requested by the requesting Party. Any written instrument given hereunder may be relied upon by the recipient of such instrument, except to the extent the recipient has actual knowledge of facts contained in the certificate.
- j. Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Lessee will not take the position on any tax return or in any other filings suggesting that it is anything other than a Lessee of electricity from the System.
- k. No Partnership.** No provision of this Agreement shall be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither shall be considered the agent of the other.
- l. Full Agreement, Modification, Invalidity, Counterparts, Captions.** This Agreement, together with any Exhibits, completely and exclusively states the agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written, regarding its subject matter. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- m. Forward Contract.** The transaction contemplated under this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code, and the Parties further acknowledge and agree that each Party is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.
- n. No Third Party Beneficiaries.** Except for assignees and Financing Parties permitted under Section 19, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto and shall not imply or create any rights on the part of, or obligations to, any other Person.
- o. Bonding.**

- i. Performance bond liability. Any performance bond issued for a site or system will cease one (1) year from the completion of construction. If a warranty or guarantee is provided under the terms of this Agreement, the balance of any warranty or guarantee beyond one year term of the applicable performance bond shall continue to be guaranteed solely by Lessor under the terms of this Agreement. The performance bond does not guarantee any property restorative requirements.
- ii. Payment bond liability. Any payment bond issued will cease at the termination of any time required by law.
- iii. Performance Guarantee. Neither payment bonds, whether for labor or materials, nor performance bonds are applicable to any specified performance guarantee.

**TEXARKANA AIRPORT AUTHORITY RESOLUTION No. 072524I
A RESOLUTION APPROVING THE EXECUTIVE DIRECTOR TO ENTER INTO
A MOU WITH THE CITY OF TEXARKANA AR, TURNING OVER FACILITES
AS NECESSARY, AND PROVIDING ASSURANCES, TO ALLOW THE CITY TO
OBTAIN A LOAN FROM THE STATE OF ARKANSAS ENERGY OFFICE TO
PAY FOR THE AIRPORT PARKING LOT SOLAR ARRAY**

WHEREAS, the Texarkana Regional Airport Authority was formed under Arkansas Code § 14-361-101 to be jointly owned by the cities of Texarkana AR and Texarkana TX; and

WHEREAS, the Airport Authority is entrusted with the power to operate, and regulate the airport; and

WHEREAS, The Airport under the guidance of the Arkansas Energy Office applied for a .4% loan to pay for a Parking Lot Solar Array; and,

WHEREAS, The Airport released an RFP, Choose an ESCO, entered an IGA Contract, entered into an EPC Contract after that IGA was delivered and applied to the loan fund with the required supporting documentation; and,

WHEREAS, The Airport received a letter from the Arkansas Energy Office that the Airport was found by bond council to be ineligible to receive funds; and,

WHEREAS, The City of Texarkana AR is eligible to receive funds; and,

WHEREAS, The City of Texarkana AR is a co-owner of the Airport and has an interest in keeping the debt service payments low and has indicated a willingness to enter into a MOU with the airport in order to apply for the loan funds,

NOW, THEREFORE, BE IT RESOLVED BY THE TEXARKANA AIRPORT AUTHORITY THAT:

SECTION 1. The Texarkana Regional Airport Authority Approves the Executive Director entering a MOU with the City of Texarkana AR, for 15 years, turning over facilities as necessary, and providing assurances, to allow the city to obtain a loan from the state of Arkansas Energy Office to pay for the airport parking lot solar array, pending the approval of both cities.

Adopted this 25th day of July, 2024

ATTEST



Ferdinand P Mehrlich III, Director

SIGNED



Airport Authority Chair

