REPORT TO CITY COUNCIL

Approved by:

John Scarborough, Public Works Director

Arnoldo Rodriguez, City Manager

Council Meeting of: September 18, 2019

Agenda Number: ___C-6___

SUBJECT:

Consideration of a Resolution Approving the First Amendment to the Agreement with Sensus USA Inc. for Advanced Water Meter Infrastructure Services and Authorizing the Mayor to Sign the Amendment on Behalf of the City; and

Consideration of a Resolution Amending the City of Madera FY 2019/20 Budget in the Amount of $10,300.00 for Advanced Metering Infrastructure Services.

RECOMMENDATION:

It is recommended that City Council (Council) adopt the Resolution approving the First Amendment to the Agreement with Sensus USA Inc. (Sensus) for Advanced Water Metering Infrastructure (AMI) Services which will allow an upgrade from the LOGIC to Analytics system in order to provide a more advanced system which can be integrated with Tyler Munis. Additionally, it is recommended Council adopt the Resolution amending the FY 2019/20 Budget to add an allocation in the amount of $10,300 for this upgrade. This cost includes one-time setup and integration fees, as well as training on the new system.

SUMMARY:

In February 2010, the City purchased a Sensus FlexNet AMI System to begin monitoring City water meters. The City completed three separate water meter installation projects which allowed for the installation of over 14,000 Sensus Water Meter SmartPoints which electronically transmit water use data from each meter to the City's Utility Billing Division. In December 2014, the Sensus software system and servers were upgraded and a five-year agreement for new AMI services was executed. The upgrade being proposed with this amendment would provide a more

advanced and user-friendly system to access detailed meter usage and event history, identify anomalies, and enable staff to track specific water usage and meter issues. The software upgrade will also allow for more efficient integration with Tyler Munis for utility billing purposes.

DISCUSSION:

In 2010, the City began monitoring water meters using the Sensus FlexNet AMI system. At that time, servers were installed to host the software and store the meter readings. In 2014, the City upgraded to the currently used system: LOGIC. The LOGIC system provided improved reporting and customer service options.

The proposed amendment would allow the City to upgrade, once again, to the Analytics system, the most current software being offered by Sensus. The Analytics system has several advantages over the current LOGIC system:

- Ease of Use: Analytics is an application-based software that is easy to use and can be easily navigated. LOGIC is not as user friendly and requires the user to access several links to obtain needed data.
- Sustainability: Analytics is a Sensus product that is maintained and supported at a high level with a direct line of communication to technology support staff. LOGIC is a third-party software making it difficult to receive support.
- Advancement: Anaytics is constantly being updated. Additional icons and reports are added on a regular basis and custom reports are available, if requested. LOGIC has not been updated in over three years.

The annual fee for Sensus is $28,000 which includes $18,000 for hosted service and software technical support and $10,000 for base station extended warranty. Sensus is the City's provider for the software, equipment and technical support for the automatic meter reading system. The meters electronically transmit hourly meter usage reads to the base stations through the electronic transmitters on meter. That data is collected and transferred through the software enabling access to the usage data for each meter for billing, water conservation and customer service purposes which breaks down to $2,333.33 per month. There are over 14,000 account which breaks down to approximately $0.17 per account, per month

Additionally, as the final phase in the Tyler Munis implementation project, the City is currently implementing the utility billing financial software. This process will include making technological connections between Tyler Munis and the Sensus meter reading software system.   This connection will allow the City to more efficiently gather water usage reads for the billing process. In order to complete this connection, the Sensus system must be upgraded from LOGIC to Analytics. If the proposed amendment is approved, the City will be able to complete the Tyler Munis utility billing and Sensus system upgrades and connections simultaneously.

FINANCIAL IMPACT:

The cost for the upgrade from the LOGIC to Analytics system will be a one-time fee of $10,300.00. This would include the following:

Table 1: Costs for Sensus upgrade	
Item	*Costs*
Analytics Setup Fee	$2,400
Analytics Standard Integration	$5,400
Analytics Training	$2,500
Total	**$10,300**

Staff has proposed that a budget amendment be made in this amount to the Water Maintenance/Operations Fund, Contracted Services. This associated budget amendment will be funded by the Water Unallocated Fund balance. The ongoing cost for the current Sensus agreement is included in the adopted FY 2019/20 Budget.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

This proposed action is consistent with the Madera Vision Plan:

> Action 434.1: Increase water-usage monitoring through meter reading and water-patrol to increase conservation.

ALTERNATIVES:

1. Council may elect to approve the amendment at which time staff will immediately begin coordinating the upgrade and integration with our existing financial software.
2. Council may elect to not approve the amendment. The action will result in the AMI system not being upgraded making support difficult and expensive to obtain in the future.
3. Council may request additional information regarding the Sensus upgrade to be brought back at a later meeting.

ATTACHMENTS:

1. Resolution Approving Agreement Amendment
2. Exhibit 1 to Resolution 1 – First Amendment to the Advanced Metering Infrastructure Agreement
3. Resolution Amending FY 2019/20 Budget
4. Exhibit AA

RESOLUTION NO. 19-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH SENSUS USA INC. FOR ADVANCED METERING INFRASTRUCTURE SERVICES AND AUTHORIZING THE MAYOR TO SIGN THE AMENDMENT ON BEHALF OF THE CITY

WHEREAS, the City of Madera (City) and Sensus USA Inc. (Sensus) entered into an Agreement dated January 5, 2015, for Advanced Metering Infrastructure Services; and

WHEREAS, Sensus has submitted the First Amendment to the Agreement in response to the City's request to upgrade the system software; and

WHEREAS, the proposed Amendment to the Agreement is in the best interests of the City and Sensus.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA, HEREBY, finds, orders and resolves as follows:

1. The above recitals are true and correct.

2. The First Amendment to the Agreement for Advanced Metering Infrastructure Services with Sensus, attached hereto as Exhibit 1, is approved.

3. The Mayor is authorized to execute the Amendment on behalf of the City.

4. This Resolution is effective immediately upon adoption.

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FIRST AMENDMENT TO THE
ADVANCED METERING INFRASTRUCTURE AGREEMENT
("First Amendment")

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This First Amendment is made this ___ day of _____ 2019 ("Effective Date"), by and between Sensus USA Inc., a corporation of the State of Delaware with offices at 637 Davis Drive, Morrisville, North Carolina 27560 ("Sensus"), and City of Madera, a city formed in the State of California, ("Customer").

WHEREAS, Sensus and Customer entered into an Advanced Metering Infrastructure Agreement on January 5, 2015 ("Agreement"); and

WHEREAS the parties desire to amend the Agreement according to the terms and conditions in this First Amendment; and

NOW THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth in this First Amendment, the parties hereto mutually covenant and agree to amend the Agreement as follows:

1. **Defined Terms.** Any terms used in this First Amendment as defined terms, and which are not defined herein, shall have the meanings given to those terms in the Agreement.

2. **Software.** By way of this First Amendment, Customer hereby elects to utilize Sensus Analytics software in lieu of the Harris-licensed Logic software. Accordingly, Exhibit A of the Agreement is hereby replaced in its entirety with the Exhibit A attached hereto.

3. **Intellectual Property.**   Section 5.E. of the Agreement is hereby replaced in its entirety with the following:

   E.   **Intellectual Property Rights.**
   - i.   Software and Materials. No Intellectual Property is assigned to Customer hereunder. Excluding Customer Data, Sensus shall own or continue to own all right, title, and interest in and to the Intellectual Property associated with the Software and related documentation, including any derivations and/or derivative works (the "Sensus IP"). To the extent, if any, that any ownership interest in and to such Sensus IP does not automatically vest in Sensus by virtue of this Agreement or otherwise, and instead vests in Customer, Customer agrees to grant and assign and hereby does grant and assign to Sensus all right, title, and interest that Customer may have in and to such Sensus IP. Customer agrees not to reverse engineer any Sensus Products purchased or provided hereunder.
   - ii.   Customer Data. Notwithstanding the prior paragraph, as between Customer and Sensus, Customer remains the owner of all right, title or interest in or to any Customer Data. "Customer Data" means solely usage data collected by the Field Devices. To avoid doubt, Customer Data does not include non-End User usage data collected by the Field Devices, Software, or AMI System, such as network and equipment status information or the like.
   - iii.   Consent to Use of Customer Data. Customer hereby irrevocably grants to Sensus a royalty-free, non-exclusive, irrevocable right and license to access, store, and use such Customer Data and any other data or information provided to Sensus, to (1) provide the Service; (2) analyze and improve the Service; (3) analyze and improve any Sensus equipment or software; or (4) for any other internal use. As used herein, "Service" means Sensus' obligations under this Agreement.
   - iv.   Access to Customer Data. Within 45 days of Customer's written request, Sensus will provide Customer a copy of the previous 24 months CMEP interval file and deliver the file to a drop location specified by Customer.

4. **Data Privacy.** New Section 5.P. is hereby added to the Agreement:

   P.   **Data Privacy.** Customer acknowledges that Sensus and its Affiliates (collectively, "Xylem") will collect and process personal data for the purposes outlined in this Agreement. Xylem's data privacy policy is available at https://www.xylem.com/en-us/support/privacy/. Customer acknowledges that it has read and understood Xylem's

privacy policy and agrees to the use of personal data outlined therein. The collection and use of personal data by Customer is Customer's responsibility.

5. **Insurance.** New Section 5.Q. is hereby added to the Agreement:

Q.   **Professional (E&O) Liability/Cyber Liability.** Sensus shall maintain Professional Liability, Technology Errors & Omissions Liability and Network Security & Privacy Liability insurance with limits of two million ($2,000,000) per claim and in the aggregate. Sensus will list Customer as an additional insured party under this insurance policy. Coverage shall include: (i) Failure to prevent unauthorized access to, use of or tampering with computer systems/networks, including denial of service, unless directly caused by a mechanical or electrical failure, (ii) Unauthorized disclosure of personal or confidential information, (iii) liability arising out Xylem' professional errors and/or omissions resulting in the introduction of a computer virus or other malicious code causing damage to Customer's computer system, network or similar related property and the data, software and programs thereon, (iv) liability for intellectual property infringement claims and for indemnification and legal defense of any claims of intellectual property infringement, including infringement of copyright, or trade mark, brought against Customer for the FlexNet System, (v) government investigations and associated fines/penalties, if insurable by law, resulting from the alleged or actual disclosure of personal or confidential information or security breach, (vi) liability for Customer's non-physical business interruption due to a security failure of a Sensus computer system, network, hardware or software or Sensus' professional services. The policy will have a retroactive date of no later than the effective date of this Agreement and coverage shall be maintained for an additional period of three (3) years following termination of the Agreement.

6. **Entire Agreement**. The Agreement, as amended by this First Amendment, constitutes and contains the entire understanding and agreement of the parties. To the extent that the provisions of this First Amendment are inconsistent with the Agreement, the terms of this First Amendment shall control. Except as expressly amended or modified in this First Agreement, all other terms and conditions of the Agreement shall remain in full force and effect and this First Amendment shall be binding upon the parties.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be signed by their respective officers, authorized as of the day and year written above.

SENSUS USA INC.   **CITY OF MADERA**

By: _____   By: _____

Name: _Tim Harriger_____   Name: ___Andrew Medellin_____

Title: __VP Sales NA Water_____   Title: _____Mayor_____

Date: __September 4, 2019_____   Date: _____9/18/2019_____

Software as a Service
1.   **Description of Services.**
This exhibit contains the details of the Software as a Service that Sensus shall provide to Customer if both; (i) pricing for the application of Software as a Service has been provided to the Customer; and (ii) the Customer is current in its payments to Sensus' authorized distributor for such application of Software as a Service.

A.   **Software as a Service Generally.**

Software as a Service is a managed service in which Sensus will be responsible for the day-to-day monitoring, maintenance, management, and supporting of Customer's software applications. In a Software as a Service solution, Sensus owns all components of the solution (server hardware, storage, data center, network equipment, Sensus software, and all third-party software) required to run and operate the application. These software applications consist of the following (each an "Application"):

●   Regional Network Interface (RNI) Software

The managed application systems consist of the hardware, Sensus Software, and other third-party software that is required to operate the software applications. Each Application will have a production, and Disaster Recovery (as described below) environment Test environments are not provided unless otherwise specifically agreed by Sensus in writing. Sensus will manage the Applications by providing 24 x 7 x 365 monitoring of the availability and performance of the Applications.

B.   **Use of Software as a Service.** Subject to the terms of this Agreement, Sensus shall make Software as a Service available to Customer to access and use solely for the Permitted Use and solely for so long as Customer is current in its payments to Sensus or its authorized distributor for Software as a Service. The Software as a Service term commences on the date that Sensus first makes Software as a Service available to Customer for use, and ends upon the earlier of: (i) the expiration or termination of the Agreement; (ii) breach by Customer of this exhibit or the Agreement; or (iii) Customer's termination of Software as a Service as set forth in paragraph (C) below.

C.   **Termination of an Application.** Customer shall have the option at any time before the end of the Term to terminate any Application by giving Sensus one hundred twenty (120) days prior written notice. Such notice, once delivered to Sensus, is irrevocable. Should Customer elect to terminate any Application, Customer acknowledges that; (a) Customer shall pay all applicable fees, including any unpaid Software as a Service fees due in the current calendar year plus a ten percent (10%) early termination fee, where such fee is calculated based on the annual Software as a Service fee due in the current calendar year; and (b) Software as a Service for such Application shall immediately cease. If Customer elects to terminate the RNI Application in the Software as a Service environment but does not terminate the Agreement generally, then upon delivery of the notice to Sensus, Customer shall purchase the necessary (a) RNI hardware from a third party and (b) RNI software license at Sensus' then-current pricing. No portion of the Software as a Service fees shall be applied to the purchase of the RNI hardware or software license.

D.   **Software as a Service means only the following services:**

i.   Sensus will provide the use of required hardware, located at Sensus' or a third-party's data center facility (as determined by Sensus), that is necessary to operate the Application.

ii.   Sensus will provide production and disaster recovery environments for Application.

iii.   Sensus will provide patches, updates, and upgrades to latest Sensus Hosted Software release.

iv.   Sensus will configure and manage the equipment (server hardware, routers, switches, firewalls, etc.) in the data centers:
   (a)   Network addresses and virtual private networks (VPN)
   (b)   Standard time source (NTP or GPS)
   (c)   Security access points
   (d)   Respond to relevant alarms and notifications

v.   Capacity and performance management. Sensus will:
   (a)   Monitor capacity and performance of the Application server and software applications 24x7x365 using KPI metrics, thresholds, and alerts to proactively identify any potential issues related to system capacity and/or performance (i.e. database, backspool, logs, message broker storage, etc.)
   (b)   If an issue is identified to have a potential impact to the system, Sensus will open an incident ticket and manage the ticket through resolution per Exhibit B, Technical Support.
   (c)   Manage and maintain the performance of the server and perform any change or configuration to the server, in accordance to standard configuration and change management policies and procedures.
   (d)   Manage and maintain the server storage capacity and performance of the Storage Area Network (SAN), in accordance to standard configuration and change management policies and procedures.
   (e)   Exceptions may occur to the system that require Sensus to take immediate action to maintain the system capacity and performance levels, and Sensus has authority to make changes without Customer approval as needed, in accordance to standard configuration and change management policies and procedures.

vi.   Database management. Sensus will:
   (a)   Implement the data retention plan and policy, and will provide the policy upon request.
   (b)   Monitor space and capacity requirements.
   (c)   Respond to database alarms and notifications.
   (d)   Install database software upgrades and patches.
   (e)   Perform routine database maintenance and cleanup of database to improve capacity and performance, such as rebuilding indexes, updating indexes, consistency checks, run SQL query/agent jobs, etc.

vii.   Incident and Problem Management. Sensus will:

(a)　Proactively monitor managed systems (24x7x365) for key events and thresholds to proactively detect and identify incidents.

(b)　Respond to incidents and problems that may occur to the Application(s).

(c)　Maintain policies and procedures for responding to incidents and performing root cause analysis for ongoing problems.

(d)　Correlate incidents and problems where applicable.

(e)　Sensus personnel will use the self-service portal to document and track incidents.

(f)　In the event that Sensus personnel is unable to resolve an issue, the issue will be escalated to the appropriate Subject Matter Expert (SME).

(g)　Maintain responsibility for managing incident and problems through resolution and will coordinate with Customer's personnel and/or any required third-party vendor to resolve the issue.

(h)　Provide telephone support consistent with Exhibit B, Technical Support in the case of undetected events.

viii.　Security Management. Sensus will:

(a)　Monitor the physical and cyber security of the server and Application(s) 24x7x365 to ensure system is highly secure in accordance with NIST Security Standards.

(b)　Perform active intrusion prevention and detection of the data center network and firewalls, and monitor logs and alerts.

(c)　Conduct period penetration testing of the network and data center facilities.

(d)　Conduct monthly vulnerability scanning by both internal staff and external vendors.

(e)　Perform anti-virus and Malware patch management on all systems.

(f)　Install updates to virus protection software and related files (including virus signature files and similar files) on all servers from the update being generally available from the anti-virus software provider.

(g)　Respond to any potential threat found on the system and work to eliminate any virus or malware found.

(h)　Adhere to and submit certification to NERC/CIP Cyber Security standards.

(i)　Monitors industry regulation/standards regarding security – NERC, FERC, NIST, OpenSG, etc. through the dedicated Sensus security team.

(j)　Provide secure web portal access (SSL) to the Application(s).

ix.　Backup and Disaster Recovery Management. Sensus will:

(a)　Perform daily backups of data providing one (1) year of history for auditing and restoration purposes.

(b)　Back-up and store data (on tapes or other storage media as appropriate) off-site to provide protection against disasters and to meet file recovery needs.

(c)　Conduct incremental and full back-ups to capture data, and changes to data, on the Application(s).

(d)　Replicate the Application(s) environments to a geographically separated data center location to provide a full disaster recovery environment for the Application production system.

(e)　Provide disaster recovery environment and perform fail-over to Disaster Recovery environment within forty-eight (48) hours of declared event.

(f)　Generate a report following each and any disaster measuring performance against the disaster recovery plan and identification of problem areas and plans for resolution.

(g)　Maintain a disaster recovery plan. In the event of a disaster, Sensus shall provide the services in accordance with the disaster recovery plan.

(h)　In the case of a disaster and loss of access to or use of the Application, Sensus would use commercially reasonable efforts per the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) specified herein to restore operations at the same location or at a backup location within forty-eight (48) hours.

(i)　The Application shall have a RTO of forty-eight (48) hours.

(j)　The RPO shall be a full recovery of the Application(s), with an RPO of one (1) hours, using no more than a twenty-four (24) hour old backup. All meter-related data shall be pushed from each Base Station/TGB restoring the database to real-time minus external interfaced systems from the day prior.

(k)　Data from external interfaced systems shall be recreated within a forty-eight (48) hour period with the assistance of Customer personnel and staff, as needed.

E.　**Customer Responsibilities:**

i.　Coordinate and schedule any changes submitted by Sensus to the system in accordance with standard configuration and change management procedures.

ii.　Participate in all required configuration and change management procedures.

iii.　Customer will log incidents related to the managed Application with Sensus personnel via email, web portal ticket entry, or phone call.

iv.　Responsible for periodic processing of accounts or readings (i.e., billing files) for Customer's billing system for billing or other analysis purposes.

v.　Responsible for any field labor to troubleshoot any SmartPoint modules or smart meters in the field in populations that have been previously deployed and accepted.

vi.　First response labor to troubleshoot FlexNet Base Station, R100s, Remote Transceivers or other field network equipment.

vii.　Responsible for local area network configuration, management, and support.

viii.　Identify and research problems with meter reads and meter read performance.

ix.　Create and manage user accounts.

x.　Customize application configurations.

xi.　Support application users.

xii.　Investigate application operational issues (e.g., meter reads, reports, alarms, etc.).

xiii.　Respond to alarms and notifications.

xiv.　Perform firmware upgrades over-the-air, or delegate and monitor field personnel for on-site upgrades.

F. **Software as a Service** does <u>not</u> include any of the following services:

    i. Parts or labor required to repair damage to any field network equipment that is the result of a Force Majeure event.

    ii. Any integration between applications, such as Harris MeterSense, would require a Professional Services contract agreement to be scoped, submitted, and agreed in a signed writing between Sensus and all the applicable parties.

    If an item is not listed in subparagraphs in item (D) above, such item is excluded from the Software as a Service and is subject to additional pricing.

2. **Further Agreements**
   A. **System Uptime Rate**.

       i. Sensus (or its contractor) shall manage and maintain the Application(s) on computers owned or controlled by Sensus (or its contractors) and shall provide Customer access to the managed Application(s) via internet or point to point connection (i.e., Managed-Access use), according to the terms below. Sensus endeavors to maintain an average System Uptime Rate equal to ninety-nine (99.0) per Month (as defined below). The System Uptime Rate, cumulative across all Applications, shall be calculated as follows:

$$\text{System Uptime Rate} = 100 \ \times \ \frac{(\text{TMO} - \text{Total Non-Scheduled Downtime minutes in the Month})}{\text{TMO}}$$

       ii. **Calculations**

           a. *Targeted Minutes of Operation* or *TMO* means total minutes cumulative across all Applications in the applicable month minus the Scheduled Downtime in the Month.

           b. *Scheduled Downtime* means the number of minutes during the Month, as measured by Sensus, in which access to any Application is scheduled to be unavailable for use by Customer due to planned system maintenance. Sensus shall provide Customer notice (via email or otherwise) at least seven (7) days in advance of commencement of the Scheduled Downtime.

           c. *Non-Scheduled Downtime* means the number of minutes during the Month, as measured by Sensus, in which access to any Application is unavailable for use by Customer due to reasons other than Scheduled Downtime or the Exceptions, as defined below (e.g., due to a need for unplanned maintenance or repair).

       iii. **Exceptions**. <u>Exceptions</u> mean the following events:

   - Force Majeure
   - Emergency Work, as defined below; and
   - Lack of Internet Availability, as described below.

           a. **Emergency Work**. In the event that Force Majeure, emergencies, dangerous conditions or other exceptional circumstances arise or continue during TMO, Sensus shall be entitled to take any actions that Sensus, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security or like concern to any of the Application(s) ("<u>Emergency Work</u>"). Such Emergency Work may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials and systems through which access to and/or use of the Application(s) by the Customer is made available (the "<u>Managed Systems</u>"). Sensus shall endeavor to provide advance notice of such Emergency Work to Customer when practicable and possible.

           b. **Lack of Internet Availability.** Sensus shall not be responsible for any deterioration of performance attributable to latencies in the public internet or point-to-point network connection operated by a third party. Customer expressly acknowledges and agrees that Sensus does not and cannot control the flow of data to or from Sensus' networks and other portions of the Internet, and that such flow depends in part on the performance of Internet services provided or controlled by third parties, and that at times, actions or inactions of such third parties can impair or disrupt data transmitted through, and/or Customer's connections to, the Internet or point-to-point data connection (or portions thereof). Although Sensus will use commercially reasonable efforts to take actions Sensus may deem appropriate to mitigate the effects of any such events, Sensus cannot guarantee that such events will not occur. Accordingly, Sensus disclaims any and all liability resulting from or relating to such events.

       iv. **System Availability.** For each month that the System Uptime Rates for the production RNI falls below 99.0%, Sensus will issue Customer the following Service Level Credits:

System Uptime Rate per calendar month	Service Level Credit
Less than 99.0% but at least 97.5%	5% of the monthly RNI SaaS Fees in which the service level default occurred (Note: SaaS fees are pre-paid annually and for purposes of SLA Credits are computed on a monthly basis.)
Less than 97.5% but at least 95.0%	10% of the monthly RNI SaaS Fees in which the service level default occurred
Less than 95.0%	20% of the monthly RNI SaaS Fees in which the service level default occurred

Service Level Credits for any single month shall not exceed 20% of the RNI SaaS Fee associated with the month in which the service level default occurred. Sensus records and data will be the sole basis for all Service Level Credit calculations and determinations, provided that such records and data must be made available to Customer for review and agreement by Customer. To receive a Service Level Credit, Customer must issue a written request no later than ten (10) days after the Service Level Credit has accrued. Sensus will apply each valid Service Level Credit to the Customer's invoice within 2 billing cycles after Sensus' receipt of Customer's request and confirmation of the failure to meet the applicable Service Level Credit. Service Level Credits will not be payable for failures to meet the System Uptime Rate caused by any Exceptions. No Service Level Credit will apply if Customer is not current in its undisputed payment obligations under the Agreement. Service Level Credits are exclusive of any applicable taxes charged to Customer or collected by Sensus. Sensus shall not refund an unused Service Level Credits or pay cash to Customer for any unused Service Level Credits. Any unused Service Level Credits at the time the Agreement terminates will be forever forfeited. THE SERVICE LEVEL CREDITS DESCRIBED IN THIS SECTION ARE THE SOLE AND EXCLUSIVE REMEDY FOR SENSUS' FAILURE TO MEET THE SYSTEM UPTIME REQUIREMENT OR ANY DEFECTIVE SAAS PERFORMANCE. IN NO EVENT SHALL THE AGGREGATE AMOUNT OF SERVICE LEVEL CREDITS IN ANY ANNUAL PERIOD EXCEED 20% OF THE ANNUAL RNI SAAS FEE.

B. Data Center Site-Security. Although Sensus may modify such security arrangements without consent or notice to Customer, Customer acknowledges the following are the current arrangements regarding physical access to and support of the primary hardware components of the Managed Systems:

    i.   The computer room(s) in which the hardware is installed is accessible only to authorized individuals.

    ii.   Power infrastructure includes one or more uninterruptible power supply (UPS) devices and diesel generators or other alternative power for back-up electrical power.

    iii.   Air-conditioning facilities (for humidity and temperature controls) are provided in or for such computer room(s) and can be monitored and adjusted for humidity and temperature settings and control. Such air systems are supported by redundant, back-up and/or switch-over environmental units.

    iv.   Such electrical and A/C systems are monitored on an ongoing basis and personnel are available to respond to system emergencies (if any) in real time.

    v.   Dry pipe pre-action fire detection and suppression systems are provided.

    vi.   Data circuits are available via multiple providers and diverse paths, giving access redundancy.

C. Responsibilities of Customer.

    i.   Customer shall promptly pay all Software as a Service fees.

    ii.   Customer may not (i) carelessly, knowingly, intentionally or maliciously threaten, disrupt, harm, abuse or interfere with the Application(s), Managed Systems or any of their functionality, performance, security or integrity, nor attempt to do so; (ii) impersonate any person or entity, including, but not limited to, Sensus, a Sensus employee or another user; or (iii) forge, falsify, disguise or otherwise manipulate any identification information associated with Customer's access to or use of the Application(s).

    iii.   The provisioning, compatibility, operation, security, support, and maintenance of Customer's hardware and software ("Customer's Systems") is exclusively the responsibility of Customer. Customer is also responsible, in particular, for correctly configuring and maintaining (i) the desktop environment used by Customer to access the Application(s) managed by Sensus; and (ii) Customer's network router and firewall, if applicable, to allow data to flow between the Customer's Systems and Sensus' Managed Systems in a secure manner via the public Internet.

    iv.   Upon receiving the system administrator account from Sensus, Customer shall create username and passwords for each of Customer's authorized users and complete the applicable Sensus registration process (Authorized Users). Such usernames and passwords will allow Authorized Users to access the Application(s). Customer shall be solely responsible for maintaining the security and confidentiality of each user ID and password pair associated with Customer's account, and Sensus will not be liable for any loss, damage or liability arising from Customer's account or any user ID and password pairs associated with Customer. Customer is fully responsible for all acts and omissions that occur through the use of Customer's account and any user ID and password pairs. Customer agrees (i) not to allow anyone other than the Authorized Users to have any access to, or use of Customer's account or any user ID and password pairs at any time; (ii) to notify Sensus immediately of any actual or suspected unauthorized use of Customer's account or any of such user ID and password pairs, or any other breach or suspected breach of security, restricted use or confidentiality; and (iii) to take the Sensus-recommended steps to log out from and otherwise exit the Application(s) and Managed Systems at the end of each session. Customer agrees that Sensus shall be entitled to rely, without inquiry, on the validity of the user accessing the Application(s) application through Customer's account, account ID, usernames or passwords.

    v.   Customer shall be responsible for the day-to-day operations of the Application(s) and FlexNet System. This includes, without limitation, (i) researching problems with meter reads and system performance, (ii) creating and managing user accounts, (iii) customizing application configurations, (iv) supporting application users, (v) investigating application operational issues, (vi) responding to alarms and notifications, and (vii) performing over-the-air commands (such as firmware updates or configuration changes).

D. Software Solution Components.

    i.   **Description of Software Solutions**. Sensus software consists of a core communication module and a set of applications. Some applications are required to perform basic solution capabilities, other applications are optional and add additional capabilities and function to the overall solution. As Customer's business process expands and/or new Sensus offerings are made available, additional applications and functionality can dynamically be added to the solution, provided Customer purchases such additional applications.

    ii.   **Regional Network Interface.** The Regional Network Interface (RNI) or Sensus head-end is the centralized intelligence of the FlexNet network; the RNI's primary objective is to transfer endpoint (such as meters) data to the Customer and the advanced feature applications. The RNI is adaptable to Customer configurations by simultaneously supporting a wide range of FlexNet enabled endpoints; including but not limited to meters (electric, water, gas), street lighting, and Home Area Network devices.

        a.   Core Package

            (i)   Communication

                1.   Manages all inbound and outbound traffic to and from endpoints

                2.   Outbound routing optimization

                3.   Route analyzer

                4.   AES256 bit encryption of radio messages

                5.   Reports and metric details of network performance and troubleshooting aids

                6.   Management of RF equipment (base stations and endpoint radios)

            (ii)   Data Collection

                1.   Missing read management

                2.   Management of duplicate reads

                3.   60 day temporary storage

            (iii) Application integration

                1.   To Sensus Analytics applications

                2.   Enable 3rd party application integration

                3.   Batch CMEP file export

                4.   Real-time access through MultiSpeak

    (iv) Endpoint Management
1. Gas, water, electric, lighting concurrent support
2. Remote configuration
3. Remote firmware updates
4. Reports, metrics and Troubleshooting

    (v) User Management
1. Secure access
2. Password management
3. Definable user roles
4. User permissions to manage access to capabilities

b. Integration of RNI. Sensus shall provide RNI integration support services to Customer only to the extent specifically provided below:

    (i) Sensus shall meet with the representative from the Customer's system(s) targeted for integration to determine which integration method is appropriate (e.g., Multispeak, CMEP, etc.).

1. In scope and included integration efforts: Provide the gateway URLs to the integrating system as needed, provide Customer with standard integration API documentation, validate and test that the correct Customer information is flowing into and/or out of the RNI.
2. Out of scope and subject to additional charges: Modifications or extensions to the standard API provided by Sensus and any integration efforts not outlined above as in scope and included.

    (ii) Customer Responsibilities:

1. Provide Sensus with information about the relevant information Customer wishes to transfer and integrate with the RNI.
2. Establish the network and security required for the two systems to reasonably communicate.
3. Verify integration to third party system functionality is working as intended.

    (iii) If an item is not listed in subparagraph (i) above, such item is excluded from the integration of Sensus RNI Support and is subject to additional pricing.

3. **Third Party Software.**
    A. **RedHat Linux.** If Sensus is providing Customer with a license to use RedHat Linux Software, Customer agrees to the following:

By entering into this Agreement, Customer agrees to abide by and to be legally bound by the terms and conditions of the Red Hat End User License Agreements identified below, each of which are incorporated into this Agreement by reference and are available at the websites identified below. Please read the Red Hat End User License Agreements and incorporated references carefully.

Subscription:	End User License Agreement:
Red Hat Enterprise Linux	http://www.redhat.com/licenses/rhel_rha_eula.html
JBoss Enterprise Middleware	http://www.redhat.com/licenses/jboss_eula.html

RESOLUTION NO. 19-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA AMENDING THE CITY OF MADERA FY 2019/20 BUDGET IN THE AMOUNT OF $10,300.00 FOR ADVANCED METERING INFRASTRUCTURE SERVICES

WHEREAS, the City Council previously adopted a City-wide Budget for the 2019/2020 Fiscal Year; and

WHEREAS, the City of Madera (City) has determined that it is necessary to amend an agreement with Sensus USA Inc. to provide upgraded system needs for advanced metering infrastructure service; and

WHEREAS, expenditure accounts will need to be increased within the Water Maintenance/Operations Fund to pay for the system upgrade; and

WHEREAS, the Water Fund has an adequate Water Unallocated Fund balance available to allow for the increase of appropriations.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA, HEREBY, finds, orders and resolves as follows:

1. The above recitals are true and correct.

2. The budget of the Water Maintenance/Operations Fund is hereby amended as shown in Exhibit AA to this Resolution to increase appropriations for the upgrade to the water metering infrastructure services system.

3. A signed copy of this Resolution shall be placed on file in the office of the Director of Financial Services who shall prepare the entries necessary to reflect budget changes identified in the City's accounting system.

4. This Resolution is effective immediately upon adoption.

* * * * *

EXHIBIT AA
CITY OF MADERA
<u>**Budget Appropriations: Res. 19-   09/04/2018**</u>

Budget Adjustments for Fiscal Year 2019/20

FUND	ORG CODE	OBJECT CODE	DESCRIPTION	(+)	(-)
Water Unallocated Fund Balance	20303830	7030	Facilities and Improvements		10,300
Water Maintenance/Operations	20303800	6440	Contracted Services	$ 10,300	
				$ 10,300	$ 10,300

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