



SWA

Sinclair Water Authority

126 Cay Drive Milledgeville, GA 31061

Joseph D. Witcher Plant Manager

Phone (706) 485-8993 Fax (706) 485-8994

Agenda

Monday, May 20, 2019 ♦ 5:00 PM

Sinclair Water Plant

Opening

1. Call to Order
2. Public Participation

Minutes

- [3.](#) Minutes - March 18, 2019

New Business

- [4.](#) Bond Refinancing-Bill Camp

Reports I

- [5.](#) Manager's Report - Joey Witcher
 - Alex Wiseman Update (informational written memo)

Old Business

- [6.](#) SWA and Georgia Power Testing
- [7.](#) Boat Quotes
- [8.](#) Policy to establish Procedural Requirements for the consideration of Action Items during the regular called meetings of the Board as presently proposed and as they may hereafter be rescheduled
- [9.](#) Bank Interest Rates Update
- [10.](#) Proposals; Suez, Scinor & Evoqua - see Christian Henry opinion memo

Reports II

- [11.](#) Plant Production (informational)
- [12.](#) Financial Reports (informational)

Closing

13. Next Meeting
 - July 22, 2019

14. Adjournment

Item Attachment Documents:

3. Minutes - March 18, 2019



SWA

Sinclair Water Authority

126 Cay Drive Milledgeville, GA 31061

Joseph D. Witcher Plant Manager

Phone (706) 485-8993 Fax (706) 485-8994

Minutes

Monday, March 18, 2019 ◊ 5:00 PM

Sinclair Water Plant

The Sinclair Water Authority met on Monday, March 18, 2019 at approximately 5:00 PM at the Sinclair Water Plant, 126 Cay Drive, Milledgeville, Georgia

PRESENT

- Chairperson Joan Minton
- Member Trevor Addison
- Member Sammy Hall
- Member Donna Van Haute

ABSENT

- Member David Waddell

STAFF PRESENT

- Plant Manager Joey Witcher
- Clerk Lynn Butterworth

Opening

1. Call to Order

Chairperson Minton called the meeting to order at approximately 5:00 p.m. She welcomed Baldwin County Commissioner Mr. John H. Westmoreland. (Copy of agenda made a part of the minutes.)

2. Public Participation

None

Minutes

3. Approval of Minutes - January 28, 2019 Regular Meeting

Motion to approve the January 28, 2019 Regular Meeting minutes.

Motion made by Member Addison, Seconded by Member Hall.

Voting Yea: Member Addison, Member Hall, Member Van Haute, Chairperson Minton

Reports 1

4. Manager's Report - Joey Witcher

a. Georgia Power Testing Schedule

Georgia Power provided information on water sampling and reporting. Per their schedule, testing time to posting the results can be up to 60 days, which may force SWA to do its testing. Member Hall inquired about Baldwin and Putnam Counties picking up some of the testing costs. Plant Manager Witcher estimated that costs are \$11,000 per year for one sample per week. (Copy of Georgia Power response made a part of the minutes.)

b. SWA Arsenic Testing Results

Arsenic Testing Results for 2017 and 2018 were reviewed. No arsenic has been detected, but these tests were completed prior to Georgia Power discharging into the lake. The costs for arsenic testing are included in above figures. (Copy of test results made a part of the minutes.)

c. Boat Quotes

Plant Manager Witcher reviewed a spreadsheet of the boat quotes he was able to obtain. He recommended the least expensive new boat verses used boats. The Sinclair Marina Grizzly Tracker (trailer included) for \$11,064.00 is the lowest price. He also advised that two stroke engines are less reliable. The boat will be used for algae treatments and sampling for testing. Sampling is done weekly and algae treatments are done biweekly when in bloom and monthly when not blooming. The board reminded Mr. Witcher to make sure SWA has permission for algae treatments from Georgia Power. Plant Manager Witcher also requested to house the boat at the marina for \$1100 per year. Member Van Haute recommended a jon boat with a 15 hp motor. The board asked Mr. Witcher to obtain some less expensive quotes for the next meeting and Member Addison asked him to talk to Georgia Power regarding permission to treat the algae. (Copy of spreadsheet made a part of the minutes.)

Old Business

5. Bank Interest Rates Update

Plant Manager Witcher advised that the interest rates came in low. He will send out for quotes again. No action was taken.

6. Tree Removal Bids

Plant Manager Witcher reported that four trees were removed from the property on Spurgeon Drive by Sasser's Tree Service for a cost of \$1200. He advised that they did a good job and project was complete. No action was taken.

7. CLO2 Committee Meeting Update

Member Van Haute reported that the committee met a couple of weeks ago and recommended leaving the Chlorine Dioxide system at the raw water pump station with estimated improvements totaling \$53,600. Mr. Alex Wiseman recommended to continue with the tote delivery to minimize on-site storage volumes, maintain chemical reactivity, and to minimize necessary site improvements. He further advised that this does not include the water line and that running our own line would be less expensive.

Motion to do our own water line.

Motion made by Member Hall, Seconded by Member Addison.

Motion amended to include funding costs will come from the membrane replacement fund.

Amended motion made by Member Hall, Seconded by Member Addison.

Voting Yea: Member Addison, Member Hall, Member Van Haute, Chairperson Minton

Motion to approve Chlorine Dioxide improvements as stated for \$53,600 with funding costs coming from the membrane replacement fund.

Motion made by Member Van Haute, Seconded by Member Addison.

Voting Yea: Member Addison, Member Hall, Member Van Haute, Chairperson Minton

8. Membrane Contract with SUEZ

Plant Manager Witcher advised that Suez has a 10-year price contract. Scinor Water America offers some costs savings, but they are not on the same level as Suez. The board asked him to have the attorney look over the Suez contract. No action was taken.

9. Generator Grant Update

Mr. Alex Wiseman advised that the Generator Grant application has been submitted to GEMA. It could be up to six months before we hear if we've been selected for funding. No action was taken.

New Business

10. EPWSA TTHM Level Inquiry Letter

The Eatonton-Putnam Water and Sewer Authority sent a letter inquiring about the level of TTHMs and how the levels will be monitored. A response letter was sent to them stating that it was too soon to guarantee numbers at this point. No action was taken.

(Copy of letters made a part of the minutes.)

11. Discuss SWA Draft and Final Agenda Submission Schedule

Member Addison recommended a little more organization with the SWA agendas. He distributed a proposed resolution to set some rules and requested it be added to next meeting agenda. Chairperson Minton asked for Members Addison and Waddell to get together to work on this before the next meeting. No action was taken.

(Copy of proposed resolution made a part of the minutes.)

12. Proposed 2019 Meeting Calendar

Chairperson Minton advised that she will work with Member Waddell on meeting calendar procedures. Member Addison requested for action to be taken at tonight’s meeting.

Motion to adopt the 2019 meeting calendar with the following dates: January 28, 2019; March 18, 2019; May 20, 2019; July 22, 2019; September 16, 2019; November 18, 2019.

Motion made by Member Addison, Seconded by Member Van Haute.

Voting Yea: Member Addison, Member Hall, Member Van Haute, Chairperson Minton
(Copy of calendar made a part of the minutes.)

13. Employee Insurance Opt Out Clause/Health Insurance Committee Update

Chairperson Minton advised that there are six employees on the insurance plan and that if an employee has a spouse with insurance they must go with the spouse’s insurance. The Health Insurance Committee suggestion was to approve an insurance opt out for employees with proof of other insurance along with a \$100 to the employee per pay period.

Motion to offer an insurance opt out to employees who provide proof of other insurance and a \$100 payment per pay period.

Motion made by Member Van Haute, Seconded by Member Addison.

Voting Yea: Member Addison, Member Hall, Member Van Haute, Chairperson Minton

Reports II

14. Plant Production Report

Chairperson Minton advised that the Plant Production reports were in the meeting package to review. No action was taken.

15. Financial Reports

Chairperson Minton advised that the Financial reports were in the meeting package to review. No action was taken.

Closing

16. Next Meeting - May 20, 2019

Chairperson Minton advised that the next meeting is scheduled for May 20, 2019 at 5:00 p.m.

17. Adjournment

Motion to adjourn the meeting.

Motion made by Member Van Haute, Seconded by Member Hall.

Voting Yea: Member Addison, Member Hall, Member Van Haute, Chairperson Minton

Meeting adjourned at approximately 5:58 p.m.

ATTEST:

Lynn Butterworth
Clerk

Joan Minton
Chairperson

Item Attachment Documents:

4. Bond Refinancing-Bill Camp

Two Buckhead Plaza, Suite 702
3050 Peachtree Road, N.W.
Atlanta, Georgia 30305
404.240.6840: Office
404.240.6891: Fax

To: Joan Minton, Chair Person – Sinclair Water Authority (GA)
From: Bill Camp – Raymond James
Date: April 30, 2019
Re: Up-dated Refunding Projections of the Authority’s Revenue Bonds, Series 2008A, B, & C

It was very good to talk with you yesterday. This is as summary on the current level of savings that could be achieved in the current market. I look forward to talking with you all further.


Series 2008A Bonds Principal Currently Outstanding	\$7,866,000
Call Feature	currently callable @ 100%
Coupon Rate	4.125%
Final Maturity	April 15, 2048

Series 2008B Bonds Principal Currently Outstanding	\$3,071,000
Call Feature	currently callable @ 100%
Coupon Rate	4.125%
Final Maturity	April 15, 2048

Series 2008C Bonds Principal Currently Outstanding	\$1,933,000
Call Feature	currently callable @ 100%
Coupon Rate	4.375%
Final Maturity	April 15, 2048

Series 2019 Estimated Refunding Principal Amount	\$11,210,000
Final Maturity	4/1/2048 (same month as above)
Bond Yield	3.05% (4-29-19 Insured & “A3” Underlying)
Projected Total Cash Flow Savings	\$2,096,000
Projected Present Value of Savings	\$739,658
PV Savings % of refunded principal	5.76%

As we have discussed before with the Authority, our suggested savings target for your refunding is 3% (or greater) for Present Value Savings (we pass the test with flying colors). We anticipate some time will be needed to bring the 2017 Offering Document forward. Also, Moody’s Investor Service will need to start their review process all over. We encourage you to allow us to begin the process and allow us to strike while the bond market is in your favor. As always, I am at your disposal.

Thank you,

William J. “Bill” Camp
Managing Director

Savings projections on next page:

Sinclair Water Authority (GA)

Revenue Refunding Bonds, Series 2019

(Insured & A3 under; 4-29-19)

Estimated Gross Debt Service Comparison

Date	Series 2019			Prior Bonds	Projected Savings
	Principal	Interest	New D/S		
04/01/2020	130,000.00	373,462.50	501,706.83	573,740.83	72,034.00
04/01/2021	200,000.00	494,050.00	694,050.00	764,987.86	70,937.86
04/01/2022	205,000.00	488,050.00	693,050.00	764,987.82	71,937.82
04/01/2023	215,000.00	479,850.00	694,850.00	764,987.83	70,137.83
04/01/2024	225,000.00	471,250.00	696,250.00	764,987.84	68,737.84
04/01/2025	235,000.00	460,000.00	695,000.00	764,987.76	69,987.76
04/01/2026	245,000.00	448,250.00	693,250.00	764,987.78	71,737.78
04/01/2027	260,000.00	436,000.00	696,000.00	764,987.78	68,987.78
04/01/2028	270,000.00	423,000.00	693,000.00	764,987.83	71,987.83
04/01/2029	285,000.00	409,500.00	694,500.00	764,987.83	70,487.83
04/01/2030	300,000.00	395,250.00	695,250.00	764,987.86	69,737.86
04/01/2031	315,000.00	380,250.00	695,250.00	764,987.81	69,737.81
04/01/2032	330,000.00	364,500.00	694,500.00	764,987.86	70,487.86
04/01/2033	345,000.00	348,000.00	693,000.00	764,987.83	71,987.83
04/01/2034	365,000.00	330,750.00	695,750.00	764,987.75	69,237.75
04/01/2035	380,000.00	312,500.00	692,500.00	764,987.81	72,487.81
04/01/2036	400,000.00	293,500.00	693,500.00	764,987.79	71,487.79
04/01/2037	420,000.00	273,500.00	693,500.00	764,987.80	71,487.80
04/01/2038	445,000.00	252,500.00	697,500.00	764,987.86	67,487.86
04/01/2039	465,000.00	230,250.00	695,250.00	764,987.84	69,737.84
04/01/2040	490,000.00	207,000.00	697,000.00	764,987.74	67,987.74
04/01/2041	510,000.00	187,400.00	697,400.00	764,987.84	67,587.84
04/01/2042	530,000.00	167,000.00	697,000.00	764,987.81	67,987.81
04/01/2043	550,000.00	145,800.00	695,800.00	764,987.85	69,187.85
04/01/2044	570,000.00	123,800.00	693,800.00	764,987.84	71,187.84
04/01/2045	595,000.00	101,000.00	696,000.00	764,987.87	68,987.87
04/01/2046	620,000.00	77,200.00	697,200.00	764,987.83	67,787.83
04/01/2047	640,000.00	52,400.00	692,400.00	764,987.83	72,587.83
04/01/2048	670,000.00	26,800.00	696,800.00	764,987.78	68,187.78
04/01/2049	-	-	-	63,748.98	63,748.98
Total	\$11,210,000.00	\$8,752,812.50	\$19,961,056.83	\$22,057,148.74	\$2,096,091.91

Gross Savings

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	1,453,647.07
Transfers from Prior Issue Debt Service Reserve Fund	(713,988.80)

Net Present Value Benefit **\$739,658.27**

Net PV Benefit / \$12,831,818 Refunded Principal	5.76%
Net PV Benefit / \$11,210,000 Refunding Principal	6.60%

Assumed Refunding Dated & Delivery Date 7/01/2019

Item Attachment Documents:

5. Manager's Report - Joey Witcher
Alex Wiseman Update (informational written memo)

1. Carter & Sloope update:

Alex Wiseman (informational written memo)

Carter & Sloop (Alex Wiseman update)

Below is a status update on the items that may be discussed at the May meeting.

- RWPS Improvements:
 - a. EPD has approved the proposed improvements. A copy of the approval letter is attached.
 - b. Material list for the water supply line to the RWPS has been completed. Material has been ordered..
 - c. Once materials are delivered, additional coordination with Baldwin and Putnam County is needed to schedule installation.

- Generator Grant
 - a. Application was submitted on March 1. No feedback yet from GEMA. Award notifications not expected until Fall 2019.

- Permit to Operate
 - a. C&S was contacted by EPD in early April requesting a new Permit application. The application on file was submitted in August 2017 after completion of the last membrane replacement project but it was never processed by EPD. When processing did begin in April of this year, the application was out-of-date and had to be re-signed by the Chairperson and resubmitted. SWA should receive the renewed Permit-to-Operate within the next 30 – 60 days.

Received 5/10/19-copy included



ENVIRONMENTAL PROTECTION DIVISION

MAY 3 2019

Mr. Joey Witcher
Sinclair Water Authority
126 Cay Dr.
Milledgeville, GA 31061

Re: **Sinclair Water Authority Water System**
WSID# 2370087
Putnam County

Dear Mr. Witcher:

In accordance with the Georgia Safe Drinking Water Act of 1977, as passed by the Georgia General Assembly, and the Rules for Safe Drinking Water, Chapter 391-3-5, a permit to operate the Sinclair Water Authority Water System, a public water system located in Putnam County, Georgia has been issued by the Environmental Protection Division (EPD) and is hereby enclosed. The specific conditions for operation of the water system are outlined in the pages attached to the permit. **Please provide a copy of this permit to anyone directly involved in the operation or sample collection for this water system.**

The Rules for Safe Drinking Water, Chapter 391-3-5, specify the number and frequency of microbiological, chemical, and radiological samples that must be analyzed for your water system. These compliance samples must be analyzed by EPD's Laboratory or any other commercial laboratory certified by EPD to conduct the analyses. If you participate in EPD's "Drinking Water Laboratory and Related Services", sample bottles with instructions for sample collection, preservation, and return shipping will be mailed to you as sampling is required. If you do not utilize the services of EPD's Laboratory for testing, you are responsible for complying with all applicable monitoring schedules in the Rules for Safe Drinking Water. Please visit <http://gadinkingwater.net> to view your required monitoring schedules and other pertinent water system information.

Please remember that all bacteriological and chemical samples, reports, and other information for this system that are submitted to EPD should be identified by the water system identification number, WSID# 2370087.

Sincerely,

Peter C. Nwogu
Drinking Water Unit Manager

Enclosure

cc: Drinking Water Permitting & Engineering Program, EPD
Putnam County Health Department

Richard E. Dunn, Director

Watershed Protection Branch
2 Martin Luther King, Jr. Drive
Suite 1152, East Tower
Atlanta, Georgia 30334
404-463-1511

PERMIT NO. CS2370087

ISSUE DATE: December 5, 2016

MODIFICATION DATE: MAY 3 2019



GEORGIA

DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROTECTION DIVISION

PERMIT TO OPERATE A PUBLIC WATER SYSTEM

In compliance with the provisions of the **GEORGIA SAFE DRINKING WATER ACT** of 1977, O.C.G.A. 12-5-170 et. seq., and the **RULES, CHAPTER 391-3-5**, adopted pursuant to the ACT

Sinclair Water Authority

is issued a **PERMIT TO OPERATE A PUBLIC COMMUNITY WATER SYSTEM** named

Sinclair Water Authority Water System

and located at

Milledgeville, Putnam County, Georgia

THIS PERMIT to operate the above public water system shall become effective on the date shown above and shall expire, absent any prior revocation or modification, at midnight **December 4, 2026**

THIS PERMIT is issued subject to the terms, conditions and schedules of compliance as follows:

1. **THE PERMITTEE** shall at all times operate the public water system in full compliance with the **GEORGIA SAFE DRINKING WATER ACT** of 1977, and the **RULES, CHAPTER 391-3-5**, adopted under the ACT. **THE DIRECTOR** may modify, suspend or revoke this permit as provided therein.
2. **THIS PERMIT** is transferable only with a change of ownership. **THE PERMITTEE** shall notify the succeeding owner by letter of the existing permit and surrender the original permit to the Director. The succeeding owner shall apply to the Director for a permit transfer within 30 days of receiving title to the property.
3. **THIS PERMIT** is further subject to the terms, conditions and schedules of compliance specified on the attached pages.



Richard E. Dunn, Director
Environmental Protection Division

STATE OF GEORGIA
DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION DIVISION

OWNER: Sinclair Water Authority

PERMIT NO.: CS2370087

SYSTEM: Sinclair Water Authority Water System

PERMIT CONDITIONS

4. This permit is for the operation of a public water system using surface water as the principal source of supply as indicated on your application. The approved production rate(s) for the surface water treatment plant(s) and the approved source of water are:

Lake Sinclair, Source 101

Lake Sinclair: Ultrafiltration with 4 membrane trains

- Train 1 – 153 Modules, 68,850 SF, 1,389 GPM (2.0 MGD) w/ membrane @ 29.1 GFD (flux rate)
- Train 2 – 153 Modules, 68,850 SF, 1,389 GPM (2.0 MGD) w/ membrane @ 29.1 GFD (flux rate)
- Train 3 – 153 Modules, 68,850 SF, 1,389 GPM (2.0 MGD) w/ membrane @ 29.1 GFD (flux rate)
- Train 4 – 180 Modules, 90,000 SF, 1,389 GPM (2.0 MGD) w/ membrane @ 29.6 GFD (flux rate)

Total Plant Production Capacity – 6.0 MGD

Operation of the water plant(s) in excess of the approved production rate(s) in a twenty-four (24) hour period (starting at 0000 to midnight 2400 hours) is a violation of this permit. Violations must be reported to the Drinking Water Program by telephone within forty-eight (48) hours and confirmed in writing within ten (10) days. The total amount of water produced must not exceed the limits imposed by your surface water withdrawal permit, #117-0390-06.

5. The permittee must provide continuous disinfection by chlorinating all water distributed by the system to maintain a detectable residual of free chlorine in the recommended amount of 0.2 milligrams per liter in all parts of the distribution system, or as specified in Section 391-3-5-.14, as amended, of the Rules for Safe Drinking Water.

6. The permittee shall analyze or have analyzed all microbiological and chemical samples required by the Rules for Safe Drinking Water, Chapter 391-3-5. Monitoring for each contaminant must be performed as scheduled by the Georgia Environmental Protection Division's (EPD) Watershed Compliance Program (WCP). The supplier must provide all test results to the WCP within the time frames established in the schedules. The permittee may use the laboratory services of the EPD's certified laboratory or any other laboratory certified by the WCP to perform the specific analysis. If a laboratory other than the EPD's certified laboratory is used, the laboratory results must be submitted to the following address as specified in Section 391-3-5-.30:

Environmental Protection Division
Watershed Protection Branch Compliance Program
Drinking Water Compliance Unit
2 Martin Luther King, Jr. Drive, SE, Suite 1152 East
Atlanta, Georgia 30334

The format used to report results must be approved by the WCP and must identify the system by the water system identification number, WSID# 2370087, and the laboratory performing the analysis. The laboratory's certification number must be included on the report. Results requiring immediate notification should be reported to the WCP by telephone at (404) 463-1511 or fax at (404) 651-9590.

STATE OF GEORGIA
DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION DIVISION

OWNER: **Sinclair Water Authority**

PERMIT NO.: **CS2370087**

SYSTEM: **Sinclair Water Authority Water System**

PERMIT CONDITIONS

7. The membrane process must continuously reject particulate matter larger than one micron ($1\ \mu\text{m}$) through a size exclusion mechanism and has a measurable removal efficiency of not less than 2.5 logs, that is verified through the application of a direct integrity test, while it is in operation:

- A. In order to demonstrate continued removal performance of at least 2.5 logs, direct integrity testing must be conducted on each membrane unit at a frequency of not less than once every 24 hours while the plant is in operation.
- i. The direct integrity testing must be conducted in accordance with the established performance standards (control limits) and methods acceptable to the Division.
 - ii. The direct integrity test shall have a resolution of three micron ($3\ \mu\text{m}$) or less.
 - iii. The sensitivity of the direct integrity test must verify maximum log removal value of not less than 2.5 logs for the membrane process.
 - iv. If at any time the established control limits for the direct integrity test is exceeded, the membrane unit shall be taken off-line for diagnostic testing and repair(s). The membrane unit shall not be returned to service until the repair(s) had been completed and confirmed through the application of a direct integrity test.
 - v. All excursions above the control limit for the direct integrity test shall be reported to the Division on a monthly basis, along with the required monthly operating report forms.
- B. Continuous monitoring and recording of the plant filtrate must be performed, using a particle counting device, in the size range between $2\ \mu\text{m}$ and $15\ \mu\text{m}$, while the plant is in operation.
- C. Continuous indirect integrity monitoring, using turbidity meters, must be conducted on each membrane unit. This is in addition to the required direct integrity testing.
- i. Continuous monitoring of filtrate turbidity must be conducted on each membrane unit, using turbidity meters, defined as readings and recordings every 15 minutes.
 - ii. Continuous monitoring must be independently conducted on each membrane unit. Multiplexing of monitoring equipment may be allowed to reduce the number of monitoring units required for plants using not more than two units.
 - iii. The filtrate turbidity from each membrane unit must be less than or equal to 0.10 NTU in at least 95% of individual samples taken each month.
 - iv. Two consecutive 15-minute filtrate turbidity readings above 0.15 NTU shall trigger direct integrity testing and subsequent diagnostic testing to verify and isolate the integrity breach.
 - v. Report the 95th percentile of monthly turbidity values for each membrane unit along with a summary of all excursions above 0.15 NTU to the EPD on a monthly basis, along with the required monthly operating plant forms.

STATE OF GEORGIA
DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION DIVISION

OWNER: Sinclair Water Authority

PERMIT NO.: CS2370087

SYSTEM: Sinclair Water Authority Water System

PERMIT CONDITIONS

8. Reports must be maintained by the permittee on the premises of the water system and be available for inspection. A true and correct copy of the operation records and other reports must be sent to the following address, by the tenth day of the month following the month being reported, unless otherwise stated in Section 391-3-5-.30 or elsewhere in the Rules:

Environmental Protection Division
Drinking Water Permitting & Engineering Program
Suite 1362, Floyd Towers East
2 Martin Luther King, Jr. Drive, SE
Atlanta, Georgia 30334
Phone: (404) 656-2750
Fax: (404) 651-9590

9. The permittee shall ensure that this public water system is operated in compliance with the Georgia Certification of Water and Wastewater Treatment Plant Operators and Laboratory Analysts Act, as amended, and the Rules adopted thereunder. The certification classification must be consistent with the public water system classification specified in Section 391-3-5-.39 of the Rules for Safe Drinking Water.

10. The permittee shall comply with O.C.G.A Sections 12-5-7 and 12-5-8 regarding limitations on outdoor irrigation, local variances from state restrictions on outdoor watering, and any rules and regulations related to drought management promulgated thereafter. This condition applies to any water system that holds a water withdrawal permit, or uses water provided by a system with a withdrawal permit.

11. Drinking water distributed by the permittee should not contain any impurity which will cause offense to the sense of sight, taste or smell and should not be excessively corrosive as to cause degradation of the water quality or deterioration of the distribution system, as specified in Section 391-3-5-.19 and .26 of the Rules for Safe Drinking Water.

12. The permittee is required to have a water conservation plan on file with the Division.

13. The permittee is required to provide continuous fluoridation to all water distributed by the system, as specified in Section 391-3-5-.16 of the Rules for Safe Drinking Water.

14. The permittee shall comply with Section 391-3-5-.06 of the Rules for Safe Drinking Water and shall meter all water supply sources connected to the public water system and shall report the system's water usage to the EPD's Drinking Water Permitting & Engineering Program.

15. The permittee shall comply with Section 391-3-5-.10 of the Rules for Safe Drinking Water and shall meter all new services connected to public water systems, unless specifically directed otherwise by the Director.

16. The permittee is required to have a Business Plan on file with the Division to demonstrate the water system's managerial and financial capacity to comply with all drinking water regulations in effect, or likely to be in effect. The Business Plan must be updated at intervals determined by the Director.

17. This permit replaces all Permits to Operate a Public Water System previously issued for the operation of this public water system.

**ENVIRONMENTAL PROTECTION DIVISION**

April 16, 2019

Mr. Alex Wiseman, PE
Carter & Sloope, Inc.
1031 Stonebridge Parkway
Watkinsville, GA 30677

RE: Chemical Storage Modifications
Sinclair Water Authority (WSID# 2370087)

Dear Mr. Wiseman:

The Georgia Environmental Protection Division (EPD) Drinking Water Permitting and Engineering Unit has reviewed the Chemical Storage Modifications Report submitted by Carter & Sloope, Inc. After thorough review, the report submitted meets Section 19.2.0 Storage of Chemicals requirements of the Minimum Standards for Public Water Systems, May 2000. Sinclair Water Authority must provide to EPD any update and/or changes to the approved modifications.

This approval letter is valid for one year from the date of issue. If the proposed project has not begun by that date, the Division may choose to reevaluate the project with regard to the Rules and Regulations in effect at that time.

If you have any questions concerning this letter, please contact this office at the number below.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Morson". The signature is written in a cursive style.

Jennifer Morson
Environmental Engineer
Drinking Water Permitting & Engineering
Phone: (404) 463-6426

cc: DWPEP, File

6. SWA and Georgia Power Testing

Current testing

Arsenic (included below)	\$10.00
Shipping Cost	\$11.26
Total Cost (per week)	\$21.26
Current Annual Cost @ Intake	\$1,105.52

Eurofins Metals Quote

Testing for the following @ SWA intake ONLY	
Cobalt Chromium	
Cadmium Lead	
Copper Arsenic	
Nickel Selenium	
Zinc Beryllium	\$110.00
Mercury	\$40.00
Total Testing Fee	\$150.00
Estimated Shipping	\$23.00
Total Cost (per week)	\$173.00
Estimated Annual Testing Cost @ 1 location	\$8,996.00

Testing for the following @ SWA intake and Ga Power outfall	
Cobalt Chromium	
Cadmium Lead	
Copper Arsenic	
Nickel Selenium	
Zinc Beryllium	\$220.00
Mercury	\$80.00
Total Testing Fee	\$300.00
Estimated Shipping	\$23.00
Total Cost (per week)	\$323.00
Estimated Annual Cost @ 2 locations	\$16,796.00

Estimate of Annual Testing Cost

Annual cost (arsenic only)	\$1,105.52
Annual cost (1 locations)	\$8,996.00
Annual cost (2 locations)	\$16,796.00

7. Boat Quotes

TRACKER BOAT CENTER

Order Acknowledgement and Agreement of Sale

5000 Bass Pro Blvd.
Macon, GA 31210
478-757-7580

22

CUSTOMER QUOTE

To: SINCLAIR WATER AUTHORITY CU#: 1902142
126 CAY DR
MILLEDGEVILLE, GA 31061
Phone: (706) 485-8993
Cell:
Email: NONE

Quote: 721951
Date: 02 MAY 2019
Stock #:
Sales Person: JOSEPH D. TERRY
Delivery Date:

STOCK ITEMS SOLD

(B) 2019 TRACKER MARINE
(M)

TRACKER TOPPER1542LW

Base Price:			1,399.00
Freight/Prep		50.00	1,449.00
Dealer Options	Quantity		
VIP	VIP DISCOUNT CARD	1.00	0.00
PDI	PREDELIVERY INSPECTION	1.00	0.00
990	SA TRAILER 1600G	1.00	919.00
991	MERCURY 15MH	1.00	2,557.00
Total List Price:			4,925.00
Deal Total:			4,925.00
Sales Price Before TTL:			4,925.00
Total Fees		50.00	4,975.00
Doc Fee		50.00	
STATE SALES TAX		344.75	5,319.75
Grand Total:			5,319.75

CUSTOMER ADVISED OF DESCRIPTION OF WARRANTY

WHEN THIS BOX IS CHECKED, THE UNIT WHICH IS THE SUBJECT OF THIS CONTRACT IS BEING SOLD ON AN "AS IS" BASIS, THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THIS UNIT IS WITH THE PURCHASER

WHEN THIS BOX IS CHECKED, THE UNIT HAS A 0% COSMETIC WARRANTY

METHOD OF PAYMENT C OSF Finance

I WOULD LIKE MORE INFORMATION ON CREDIT INSURANCE

I have read the terms and conditions that accompany this agreement and accept all such terms and conditions and agree to be bound by same.

MANAGER APPROVAL _____ DATE _____

CUSTOMER APPROVAL _____ DATE _____

This agreement is not final and binding on Seller unless approved and signed by a manager of Seller.

B & B Marine
Price Quote
770-922-6096

Customer Sinclair Water Authority

Phone # _____

Email: _____

Date 5-3-2019

Make G3 Boats

Model 1936

Engine F15 SEHA

Trailer 0/N

Accessories _____

Boat/Motor/Trailer Price 5445.00

Accessories _____

Subtotal _____

Tax _____

Freight/Prep _____

Boat Show Discount _____

Rebate _____

Rep. Signature *James D. Davis*

Quote Total 5445.00

*All Quotes Valid For 30 Days
*Boat Show Discount Valid Jan/31
*G3 And Yamaha Rebates Valid 3/31

Twin Bridges Landing

609 Twin Bridges Rd

Eatonton, Ga 31024

478-968-0713

War Eagle 542 F \$2800

Road king galvanized trailer \$1000

Mercury 15 ELH4S \$2900

\$6700

8. Policy to establish Procedural Requirements for the consideration of Action Items during the regular called meetings of the Board as presently proposed and as they may hereafter be rescheduled

RESOLUTION

A POLICY TO ESTABLISH PROCEDURAL REQUIREMENTS
FOR THE CONSIDERATION OF ACTION ITEMS DURING THE REGULAR
CALLED MEETINGS OF THE BOARD AS PRESENTLY PROPOSED AND AS THEY
MAY HEREAFTER BE RESCHEDULED

WHEREAS, the Sinclair Water Authority (hereinafter "Authority") desires to establish a Board policy regarding requirements for the consideration of action items during its regular called meetings and its other meetings as appropriate;

THEREFORE, BE IT RESOLVED, the Authority does hereby establish the following policy regarding procedural requirements for the consideration of action items during its regular called meetings and its other meetings as appropriate.

1. The Plant Manager shall prepare a detailed agenda on the subjects to be covered or acted on, and/or objectives to be met, for each regular scheduled meeting; and as time permits for all called meetings, public hearings, work sessions, or any other special meetings. The detailed agenda shall include such information as will make the Board aware of the issues to be presented, so that, together with the information being provided at the meeting, they will be able to make an informed decision as to the action to be taken. The agenda shall be made available to each Board Member not less than three business days before the meeting at which action is to be taken.
2. An Authority Member may add items to the agenda at any time. Any item requiring action must be added at least four business days prior to a meeting. An action item added less than four business days prior to the meeting may be discussed at the meeting and may be laid on the table for action at the next meeting. In case of an emergency or urgent need for action, the board may waive this requirement.
3. Regular called meetings are those as presently proposed and as will be established at the beginning of each year, subject to change of meeting dates by the Chair when necessary to insure that the greatest number of Board Members are present at those meetings.
4. A copy of the agenda and a list of those members present shall be made available to the public for inspection within two business days of the adjournment of any meeting.

IN WITNESS WHEREOF, this policy has been duly adopted by the governing authority of Sinclair Water Authority on the 20th day of May, 2019.

Chair Joan Minton

9. Bank Interest Rates Update

QUOTES ON CERTIFICATES OF DEPOSIT

TERM	* MINIMUM DOLLAR AMOUNT	RATE AMOUNT PLEDGED
<u>30 day</u>	\$500,000.00	<u>.50</u>
<u>60 day</u>	\$500,000.00	<u>.50</u>
<u>90 day</u>	\$500,000.00	<u>.50</u>
<u>120 day</u>	\$500,000.00	<u>.65</u>
<u>150 day</u>	\$500,000.00	<u>.70</u>

Early Withdrawal Fee

yes/no

Penalty Fee

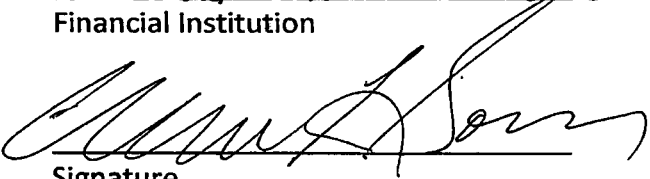
Based on term of CD

*** The actual dollar amount that will be invested will be greater.**

Quotes will be good for acceptance by the Authority through May 31, 2019.

Respectfully submitted,

Farmers Merchants Bank
Financial Institution


Signature

CEO SCD
Title

QUOTES ON CERTIFICATES OF DEPOSIT

TERM	* MINIMUM DOLLAR AMOUNT	RATE AMOUNT PLEDGED
<u>12 MONTH</u>	\$500,000.00	<u>2.02%^{APR} / 110% of BALANCE</u>
<u>24 MONTH</u>	\$500,000.00	<u>2.32%^{APR} / 110% of BALANCE</u>
_____	\$500,000.00	_____
_____	\$500,000.00	_____
_____	\$500,000.00	_____

Early Withdrawal Fee yes/no Penalty Fee _____

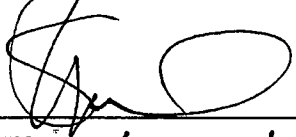
* The actual dollar amount that will be invested will be greater.

Quotes will be good for acceptance by the Authority through May 31, 2019.

THE ABOVE ARE OUR SPECIALS

Respectfully submitted,

THE PEOPLES BANK
Financial Institution

 706-927-6141
Signature STEVEN J. FRANK, CPA

CHIEF FINANCIAL OFFICER
Title

QUOTES ON CERTIFICATES OF DEPOSIT

TERM	* MINIMUM DOLLAR AMOUNT	RATE AMOUNT PLEDGED
<u>15 month</u>	\$500,000.00	<u>2.0 APY</u>
<u>35 month</u>	\$500,000.00	<u>2.45 APY</u>
_____	\$500,000.00	_____
_____	\$500,000.00	_____
_____	\$500,000.00	_____

Early Withdrawal Fee yes / no Penalty Fee 6 months interest

*** The actual dollar amount that will be invested will be greater.**

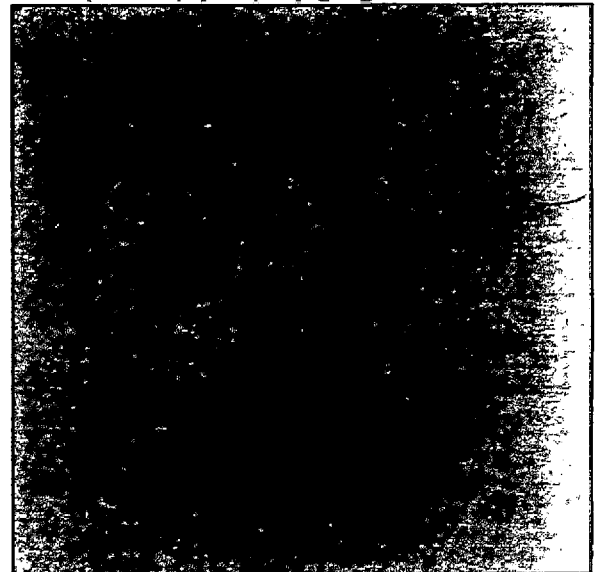
Quotes will be good for acceptance by the Authority through May 31, 2019.

Respectfully submitted,

Century Bank and Trust
Financial Institution

Jana Dyer
Signature

VP
Title



QUOTES ON CERTIFICATES OF DEPOSIT

TERM	* MINIMUM DOLLAR AMOUNT	RATE AMOUNT PLEDGED
<u>15 MONTH</u>	\$500,000.00	<u>2.05% APY</u>
<u>27 MONTH</u>	\$500,000.00	<u>2.35% APY</u>
<u>35 MONTH</u>	\$500,000.00	<u>2.50 APY</u>
_____	\$500,000.00	_____
_____	\$500,000.00	_____

Early Withdrawal Fee yes/no Penalty Fee 6 months interest

*** The actual dollar amount that will be invested will be greater.**

Quotes will be good for acceptance by the Authority through May 31, 2019.

Respectfully submitted,

EXCHANGE BANK

Financial Institution

Roy D. Washburn III

Signature

CFO / SVP

Title

Item Attachment Documents:

10. Proposals; Suez, Scinor & Evoqua - see Christian Henry opinion memo

2019 Membrane Replacement Proposal comparison

Company Name	Square footage/Train	Design Flux	Pore Opening	Modifications Required	Membranes compatible with current programming	Tech Support and Data Tracking Ability	Initial Cost	Annual cost	10 yr cost (4 Sets)	Cost Differential	Warranty	Notes:
Evoqua	73047.00	32.7 GDF	?	Yes	Likely for basic cleaning & TMP functions; questionable for LRV calculations	?	\$345,530.00	N/A	\$1,382,120.00	\$218,120.00	1yr Cliff/10yr Proprated	
Scinor	69169.00	29.1 GDF	0.1 micron	New Cassettes	Likely for basic cleaning & TMP functions; questionable for LRV calculations	SWA to customize current PLC & HMI software to capture operating data.	\$291,000.00	N/A	\$1,164,000.00	-	1yr Cliff/10yr Proprated	Optional Financing Available
Suez	68850	29.1 GDF	0.02 micron	No	Yes	Automated ZenoTrac software with process engineer review by Manufacturer	N/A	\$121,469.00	\$1,214,690.00	\$50,690.00	2yr Full replacment/8 yr prorated	

Christian Henry SUEZ Proposal Opinion

I reviewed the proposed Suez contract this afternoon, and overall, I didn't see anything out of the ordinary for one of these type of large vendor sales/service contracts. There are few things that I don't love, but I'm not sure that they're "deal-breakers." Unfortunately, a lot of these large vendors refuse to negotiate away from their standard terms. So, I don't know if trying to negotiate with Suez over the things I don't particularly like will be successful or worth the trouble. Regardless, here are the parts of the agreement that I would like to see changed:

1. Limitations on Liability

This portion of the contract (Section 14), limits Suez's maximum exposure for any breach of the agreement to the contract price. Worst-case scenario, if some portion of Suez's product is defect, that causes a cancer outbreak among SWA's customers, and SWA is sued for that, SWA's maximum recovery/indemnification from Suez would be the contract price, which wouldn't come close to handling those claims. Obviously, this is a worst case scenario, but I do not like these kind of limitation of liability clauses.

In addition to limiting any liability to Suez to the contract price, this section further eliminates any consequential damages. So, if Suez's product fails, and SWA can't supply water to its customers without spending a lot of money on some sort of fix, SWA can't recover for any of those expenses. Recovery is limited to fixing the actual problem.

Lastly, Suez's liability ends when its warranty ends. Suez's warranty (not the actual manufacturer's warranty which is 2 years) for services is 6 months. Thus, after six months, SWA has no recourse against Suez if its services were defective or insufficient.

1. Arbitration Clause

Section 16 of the contract contains an arbitration clause whereby SWA waives its rights to use the courts for any action arising out of this contract, instead agreeing to binding arbitration. Companies like Suez have these clauses in their contracts for a reason-arbitration is much more favorable to them than regular litigation. This is a huge disadvantage to SWA if there is a breach. I'd like this part of the clause deleted, but most of these companies will not agree to that.

Otherwise, I didn't find anything objectionable about this contract.

I've attached a proposed Addendum to the Contract to present to Suez to see if they'll go for it.

If they balk, then it all comes down to how important the contract is to the Authority. Again, these concerns of mine are worst-case-scenario type concerns. So, there's very little chance that any of this will be necessary, but if it the worst happens, these provisions in the addendum would be very helpful. Let me know if you want for me to talk directly to anyone at Suez, or if need me to do anything further with this, and I'll be glad to do it.

Thanks and have a good weekend.

-Christian Henry
cherry@hallboothsmith.com

ADDENDUM TO MEMBRANE REPLACEMENT CONTRACT

STATE OF GEORGIA
COUNTY OF PUTNAM

DEFINITIONS

1. SWA: Sinclair Water Authority, by and through its duly constituted Board
2. Vendor: Zenon Environmental Corporation
3. Contract: Agreement between SWA and Vendor for membrane replacement, proposal no. 340216; original project no. 500327
4. Effective Date: This Addendum is effective on the last date signed by the Parties below

TERMS

This ADDENDUM amends and supplements that portion of Contract identified as "Attachment A" to "Suez Standard Terms and Conditions" as follows:

1. Section 14. Limitations on Liability. is deleted and removed in its entirety.
2. Section 16. Governing Law, Dispute Resolution. is deleted and replaced with the following:

This Agreement shall be governed by the substantive laws of the State of Georgia. In the event of a dispute concerning this Agreement, the complaining Party shall notify the other Party in writing thereof. Management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. All actions arising out of, or in any way connected with Contract shall be litigated and decided in the Superior Court of Putnam County, and Vendor hereby submits itself to the jurisdiction and venue of that court and waives any rights to insist upon venue or jurisdiction elsewhere or raise any such defenses in any such action.

For Vendor:

For SWA:

[sign name]
[print name]:

Date

Joan Minton, Chair
Sinclair Water Authority

Date

[print title]:

membrane replacement plan proposal

to:	Sinclair Water Authority referred to here as Sinclair or Buyer	date:	May 9, 2019
		no. of pages:	35 including cover
attention:	Joey Witcher, plant superintendent	email:	j.witcher@sinclairwaterauthority.com
plant address:	126 Cay Drive, Milledgeville, GA 31061 USA	telephone no.:	706 485 8993
		cell no.:	678 544 6864
		fax no.:	706 485 8994
from:	Craig Brown regional lifecycle manager southeastern USA	email:	craig.brown@suez.com
		telephone no.:	678 687 3393
cc:			
subject:	membrane replacement:612 x ZW1000 450ft ² CPX modules. 10-year payment plan and replacement schedule	proposal no.:	340216-1
		original project no.:	500327
plant data:	Please provide corrections if inaccurate Sinclair Water Authority Water Treatment Plant, municipal drinking water treatment, 6.0 MGD/24 hrs. 3 trains, 3 x 51/60M cassettes/train with ZW1000 450ft ² CPX modules and 1 train, 3 x 60/60M cassettes/train with ZW1000 v3 500ft ² modules. Substantial completion date: May 30, 2008. 1 st train replaced in 2013. 2 nd train replaced in 2014. 3 rd train replaced in 2017. 4 th train added in 2017 using existing modules from the other trains.		

SUEZ Water Technologies & Solutions

As of October 2, 2017, we are pleased to announce that GE's former Water & Process Technologies business has officially become a part of SUEZ. A new Business Unit called Water Technologies & Solutions has been created within SUEZ, combining its industrial water offering with GE's Water business.

With the creation of SUEZ Water Technologies & Solutions, you will see no change to the substance of your existing contract(s). While the name of the business will change to SUEZ, the underlying legal entity and associated tax ID # will remain.

proposal provisos

This proposal has been issued based on the information provided by the customer and on information currently available to SUEZ Water Technologies & Solutions at the time of proposal issuance. Any changes or discrepancies in site conditions, including but not limited to changes in system influent water characteristics, changes in environmental health and safety (EH&S) conditions, changes in the reissued state/provincial disposal system permit, changes in buyer financial standing, buyer requirements, or any other relevant change or discrepancy in the factual basis upon which this proposal was created may lead to changes in the offering, including but not limited to changes in pricing, guarantees, quoted specifications, or terms and conditions.

confidential and proprietary information

The enclosed materials are considered proprietary property of SUEZ Water Technologies & Solutions (SUEZ). No assignments, either implied or expressed, of intellectual property rights, data, know how, trade secrets or licenses of use thereof are given. All information is provided exclusively to the addressee and agents of the addressee for the purposes of evaluation and is not to be reproduced or divulged to other parties, nor used for manufacture or other means, without the express written consent of SUEZ. The acceptance of this document will be construed as an acceptance of the foregoing.

trademarks

The following are trademarks of SUEZ Water Technologies & Solutions and may be registered in one or more countries:

+100, ABMet, Absolute.Z, Absolute.Za, AccuSensor, AccuTrak, AccuTrak PLUS, ActNow, Acufeed, ALGAECAP, AmmCycle, Apogee, APPLICATIONS ATLAS, AquaFloc, AquaMax, Aquamite, Aquaplex, AquaSel, Aquatrex, Argo Analyzer, AutoSDI, BENCHMARK, Betz, BetzDearborn, BEV Rite, BioHealth, BioMate, BioPlus, BIOSCAN, Bio-Trol, Butaclean, Certified Plus, CheckPoint, ChemFeed, ChemSensor, ChemSure, CHEX, CleanBlade, CLOROMAT, CoalPlus, COMP-METER, COMP-RATE, COMS (Crude Overhead Monitoring System), Continuum, CopperTrol, CorrShield, CorTrol, Custom Clean, Custom Flo, Cyto3, DataGuard, DataPlus, DataPro, De:Odor, DELTAFLOW, DEOX, DeposiTrol, Desal, Dianodic, Dimetallic, Dispatch Restore, Durasan, DuraSlick, Durasolv, Duratherm, DusTreat, E-Cell, E-Cellerator, ELECTROMAT, Embreak, EndCor, EXACT, FACT-FINDER, Feedwater First, Ferrameen, Ferroquest, FilterMate, Fleet View, FloGard, Flotrex, Flotronics, FoamTrol, FoodPro, Fore4Sight, ForeSight, FRONTIER, FS CLEAN FLOW, FuelSolv, Full-Fit, G.T.M., GenGard, GEWaterSource, Glegg, Heat-Rate Pro, High Flow Z, HPC, HPD Process, HyperSpense, Hypura, Hytrex, InfoCalc, InfoScan, InfoTrac, InnovOx, InSight, IONICS, IONICS EDR 2020, IPER (Integrated Pump & Energy Recovery), iService, ISR (Integrated Solutions for Refining), JelClear, KlarAid, Kleen, LayUp, Leak Trac, Leakwise, LEAPmbr, LEAPprimary, Learning Source, LOGIX, LoSALT, M-PAK, MACarrier, Mace, Max-Amine, MegaFlo, Membrex, MemChem, Memtrex, MerCURxE, MetClear, MiniWizard, MK-3, MOBILEFLOW, MobileRO, Modular Pro, ModuleTrac, MonitAll, Monitor, Monitor Plus, Monsal, MP-MBR, MULTIFLOW, Muni.Z, NEWater, NGC (Next Generation Cassette), Novus, NTBC (Non Thermal Brine Concentrator), OptiGuard, OptiSpense, OptiTherm, Osmo, Osmo TITAN, Osmonics, Pacesetter, PaceSetter, Petroflo, Petromeen, pHlimPLUS, PICOPORE, PlantGuard, PolyFloc, PowerTreat, Predator, PRO E-Cell, Pro Elite, ProCare, ProCera, ProChem, Proof Not Promises, ProPAK, ProShield, ProSolv, ProSweet, Purtrax, QSO (Quality System Optimization), QuickShip, RCC, RE:Sep, Rec-Oil, Recurrent, RediFeed, ReNEW, Renewell, Return on Environment, RMS (Rackless Modular System), ROSave.Z, SalesEdge, ScaleTrol, SeaPAK, SeaPRO, SeaSMART, Seasoft, SeaTECH, Selex, Senciscore, Sentinel, Sepa, Sevenbore, Shield, SIDTECH, SIEVERS, SmartScan, SoliSep, SoliSet, Solus, Spec-Aid, Spectrus, SPLASH, Steamate, SteriSafe, Styrex, SUCROSOFT, SUCROTEST, Super Westchar, SuperStar, TFM (Thin Film Membrane), Therminator, Thermoflo, Titan RO, TLC, Tonkaflo, Travelab, Trend, TruAir, TrueSense, TurboFlo, Turboline, Ultrafilic, UsedtoUseful, Vape-Sorber, VeriFeed, VersaFlo, Versamate, VICI (Virtual Intelligent Communication Interface), V-Star, WasteWizard, WATER FOR THE WORLD, Water Island, Water-Energy Nexus Game, WaterGenie, WaterNODE, WaterNOW, WaterPOINT, WellPro.Z, XPlat, YieldUp, Z-BOX, Z-MOD, Z-PAK, Z-POD, ZCore, ZeeBlok, ZeeLung, ZeeWeed, ZENON, and Z.Plex.

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1 introduction

SUEZ Water Technologies & Solutions is pleased to present this proposal at the request of Sinclair Water Authority for drinking water membrane modules to replace the full plant over a 10-year period at the Sinclair Water Authority Water Treatment Plant (WTP).

SUEZ is proposing a 10-year payment plan to cover the full plant replacement – all four trains. The initial replacement will be in Train 4 and is slated to occur in 2019. The remaining three trains are estimated to be replaced in their 10th operating year.

SUEZ is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver **solutions** that help our clients meet their critical business objectives.

Through long-acquired membrane experience, SUEZ has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are at the ready to serve and support Sinclair through this next membrane lifecycle.

2 scope – SUEZ

Through the term of this agreement, SUEZ will provide a quantity of replacement membranes equivalent to the surface area (ft²) of the existing full plant of membranes at the Sinclair Water Authority WTP, except for Train 4. Train 4 will receive the same number of membrane modules currently installed in Trains 1 through 3.

Based on the current life of the plant, SUEZ recommends the following replacement schedule based on an agreement start date in 2019. The proposed replacement plan represents a full plant worth of membranes over the expected four replacement events. Each replacement event represents one train, 153 x ZW1000 450ft CPX modules:

proposed membrane replacement schedule

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Train 4	-	-	-	Train 1	Train 2	-	-	Train 3	-	612

Through the term of this agreement, SUEZ will work with Sinclair to determine the actual timing of replacement events based on plant performance and membrane condition, with the ultimate goal to maximize membrane life.

This replacement services program provides assurance to the Sinclair that over the course of the agreement, the quantity of membrane modules specified above will be provided for use at the Sinclair Water Authority WTP.

The pricing herein is based on membrane shipment as detailed in the above schedule. It is possible that, through virtue of good membrane management and plant operation, Sinclair may extend membrane life of the current set of membranes beyond the end date of this

agreement. To avoid unnecessary premature replacement, Sinclair may choose to defer delivery of membranes into a future year provided that all membranes are received and accepted prior to July 1, 2030.

For optimal economics and to follow best membrane replacement practices, pricing is based on replacing the full plant on a train by train basis. Should Sinclair request that replacement be carried out on less than a full train quantity, an adjustment to the annual invoice may be made to account for additional costs.

2.1 membrane replacement

2.1.1 membrane modules

Supply 153 x ZeeWeed 1000 450ft² CPX drinking water membrane modules per train. Membrane modules will be individually bagged, boxed and crated ready for ocean shipment. Total membrane modules supplied over the term of the agreement will be 612.

2.1.2 hardware

Supply 336 x #131 EPDM permeate spigot o-rings per train (306 for installation of the modules + 30 spares).

2.1.3 warranty

ZeeWeed membrane modules will be supplied with a 10 year (2+8) prorated Seller's warranty against manufacturing defects. For details of the warranty coverage on the membrane modules supplied, please see section 9.

Membrane replacements will be FCA manufacturing facility.

2.1.4 delivery

- ❑ **DDP** - Delivery will be by standard ocean/ground on the basis of DDP Sinclair Water Authority WTP, 126 Cay Drive, Milledgeville, GA, USA or other named place of destination; Incoterms 2010. DDP = delivery duty paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, Sinclair shall specify an alternate, equivalent destination without delay.
- ❑ **origin** - Delivery of ZeeWeed membranes originates from the SUEZ Water Technologies & Solutions, ZENON Membrane Products (ZEM), Bláthy Ottó u 4, Oroszlány, 2840 Hungary facility.
- ❑ **title & risk** - Title and risk of loss or damage to membrane modules and crating shall pass to Sinclair upon delivery at the named place of destination.
- ❑ **export documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. SUEZ will prepare and provide the required EPA documentation to the Carrier.
- ❑ **MPF** - Merchandise processing fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD \$25 per formal entry and a maximum of USD \$485. On the basis of DDP terms, this fee will be paid by SUEZ within the quoted price.

- ❑ **taxes and duty** - A US Customs duty of 3.9% applies to all ZeeWeed membranes shipped individually or in shipping frames; not in operational cassette frames. On the basis of DDP terms, this duty will be paid by SUEZ within the quoted price. Any new duty imposed after the date of this proposal is the responsibility of Sinclair. All applicable local, state, or federal taxes are the responsibility of Sinclair.
- ❑ **temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing. If required, the price of temperature control will be included within the firm quote on freight by SUEZ.
- ❑ **unloading** - may require one of or a combination of a loading dock, extended forks and an experienced fork lift driver at delivery destination. Please consult with SUEZ at the time of purchase order (PO) preparation on this.

shipping crate Information (estimated)

qty	description	dimensions (in/cm/mm)	weight (lb/kg)
15	ZW1000 10M module crate	L=65 x W=34 x H=47	660
1	ZW1000 3M module crate	L=34" x W=34 x H=30	246

- ❑ **availability** - Delivery of membrane modules is typically 15 – 20 weeks after receipt of order. Definitive membrane module availability will be confirmed when notification of required replacement for each train is received from Sinclair.

2.1.5 on-site technical advisory services

Please note that on-site technical advisory assistance for the installation and commissioning process has not been included in the scope of this proposal. Without on-site technical advisory services, no documentation is included. SUEZ strongly recommends that Sinclair consider having at least one experienced person on site during the commissioning process. Upon request, SUEZ will provide Sinclair with a quotation.

2.2 InSight Pro

SUEZ will supply InSight Pro services for the duration of the 10 year agreement. Included with the service is 3 replacement/upgrades for the black box. See attachment b for additional details.

2.3 24/7 telephone technical support

SUEZ will supply 24/7 support services for the duration of the 10 year agreement. See attachment c for additional details.

2.4 annual service visit

On an annual basis, SUEZ will provide a single FSR on-site visit for up to 5 x 8 hour days to provide equipment support, training and other functions as required. See attachment d for additional details.

3 ZeeWeed configuration

configuration data	existing plant configuration		proposed configuration after replacement of Train 4
number of trains, plant	4		4
number of trains as configured	3	1	4
total number of cassette spaces per train	3	3	3
total cassettes installed, plant	9	3	12
type of ZeeWeed membrane	ZW1000 CPX	ZW1000 V3	ZW1000 CPX
module surface area, ft ²	450ft ²	500ft ²	450ft ²
maximum number of modules per cassette	60	60	60
installed number of modules per cassette	51	60	51
total module count, train	153	180	153
total surface area in operation, ft ² , train	68,850	90,000	68,850
total module count, plant	639		612
total surface area in operation, ft ² , plant	206,550		206,550
% surface area decrease from existing, plant			
minimum temperature, °C	8		8
flow capacity, average flow for 16hr operation, GPM	4,166		4,166
flow capacity, average flow for 16hr operation, GPD	4,000,000		4,000,000
design net flux for 16 hour operation, gfd	29.1		29.1

4 price

qty	item	part no.	total price
612	ZeeWeed membrane modules - ZW1000 450 ft ² (0.95 mm O.D. CPX)	3111343	1,214,690
612	individual membrane module packaging - bag/box/crate	3097663	
1	ZeeWeed cassette hardware per section 2.1.2		
4	freight & freight insurance DDP plant site, INCO® terms 2010	3095534	
1	extended 2+8 year prorated membrane replacement warranty		0
3	InSight black box (replacements over the 10 year term)	3137351	192,780
10	InSight process consulting (annual fee)	3110634	
10	annual service visit (1 FSR on-site for 5 x 8hr days)	135491	
10	24/7 technical support (annual fee)	3066598	
All figures are in USD. Please make purchase order to ZENON Environmental Corporation.			1,407,470

Payment schedule (invoicing schedule)

calendar Year	estimated replacement schedule	Sinclair Water Authority payment	balance remaining
2019	1 train - 153 modules	140,747.00	1,266,723.00
2020	-	140,747.00	1,125,976.00
2021	-	140,747.00	985,229.00
2022	-	140,747.00	844,482.00
2023	1 train - 153 modules	140,747.00	703,735.00
2024	1 train - 153 modules	140,747.00	562,988.00
2025	-	140,747.00	422,241.00
2026	-	140,747.00	281,494.00
2027	1 train - 153 modules	140,747.00	140,747.00
2028	-	140,747.00	0.00
	total	1,407,747	

Notes:

1. payment of first installment to be provided with PO#. This payment will represent the 2019 calendar year payment regardless of whether it is submitted in 2018 or 2019.
2. Subsequent payments will be invoiced on the anniversary of the first payment unless the initial payment is made in 2018. If that is the case subsequent payments will be invoiced on January 1st. For example, if the initial payment is made on Dec 3 2018, the following payment will be invoiced on January 1, 2020.

3. Should the agreement be terminated for any reason, see section 8, item 5.

5 scope - Sinclair

5.1 installation preparation

- Receive, transport, off-load, handle and provide temperature-controlled storage of the equipment and materials required.
- Membranes must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area at a temperature of 5-30°C (41-86°F). Membranes should not be stored longer than necessary prior to installation. Sinclair is responsible for risk of loss of Seller's parts while in storage at the plant.
- Inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections.

5.2 installation

All tasks required for the onsite installation of the membranes, including removal of existing modules, installation of new modules and disposal of all materials.

6 solution design notes

6.1 permits

regulatory requirements

Sinclair is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. SUEZ will provide the necessary manufacturer's technical support on regulatory issues. Provision is made in the price proposed for the cost of control code changes to update the MIT for the plant following the installation of the membranes.

Please speak with your regional lifecycle manager (RLM) if there are any regulatory requirements or concerns.

utilization

SUEZ understands that these modules are required as replacements for currently installed modules.

These modules are offered on the basis that the membrane modules will not be used to provide expanded flow beyond the current plant flow rating. SUEZ makes no guarantees, implied or otherwise as to the performance of these modules in any other capacity than as replacement membranes.

6.2 maintenance notes for replacement membranes

At the time of any full plant or full train membrane replacement, it is recommended to evaluate the appropriate timing of repairs or replacement of the following ancillary system components:

- Is it the right time to address any tank coating repairs which may be required?
- Is it the right time to replace non-metal cassette components?
- Are any of the aeration or permeate connection hoses, clamps, camlocks, camlock seals and couplings due for replacement?

preferential flow

Preferential flows can create a risk of over-fluxing of new modules when they are installed in the same train with older modules. The mixing of old and new modules in the same cassette also makes management of slack adjustment more difficult. SUEZ recommends that Sinclair plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules. In this case, by replacing all membrane modules on a train by train basis, this risk has been neutralized.

membrane slack

SUEZ's membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The pace of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant's membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

maximum operating temperature	recommended slack inspection frequency
0-24 °C / 32-76 °F	every 2 years
25-30 °C / 77-86 °F	once per year
>30 °C / > 86 °F	twice per year

membrane repairs

All new modules are factory tested at our manufacturing facilities and are in good working order as they are packaged and crated for shipment. On occasion, a limited number of modules arriving at site may require repairs due to uncontrollable factors during shipping and receiving, in particular with multi-modal shipments. SUEZ recommends having one fiber repair kit on hand during the handling and installation of the drinking water modules.

6.3 technical

hoses & fittings

SUEZ has assumed for this proposal that the current aeration and permeate cassette connections for the ZW1000 cassettes do not need replacing at this time. If this is not so, please advise SUEZ and request that they be added to this proposal.

blowers

For the purposes of this proposal, the range of blower turndown capacity has been assumed to be adequate for this upgrade.

pre-screen

To ensure effective operation and to maximize membrane life, SUEZ recommends operation of a pre-treatment screen, upstream of the pretreatment process, with mesh or punched-hole openings less than or equal to 0.5 mm and with no possibility of bypass or carryover. All processes after this screening must be covered and protected from outside elements such that no leaves, twigs or any foreign material can enter the membrane tank.

7 quality at SUEZ – the vision

We are driven by a passion for delivering on every commitment. We are dedicated to providing our customers the highest quality offerings with unparalleled customer service and responsiveness. We are committed to working through any problem in an open and honest manner—always with unyielding integrity.

quality policy

At SUEZ Water Technologies & Solutions, we are committed to:

- passionately driving customer satisfaction and loyalty by partnering with customers to help achieve their success.
- delivering results with a sustained global compliance culture.
- continually improving everything we do.
- empowering our employees to engage and own quality.

We accomplish this by building on our strong foundation of quality and raising the bar to the next level of success. By operationalizing quality and engaging everyone on our team, we will create a culture where our customers, suppliers and employees feel the difference.

8 terms and conditions of sale

a - specific terms and conditions of sale

1 legal entity for contracting

ZENON Environmental Corporation is the name of the Seller, and means a business component of, or legal entity within the SUEZ Water Technologies & Solutions business (SUEZ) which is selling ZeeWeed modules.

Please advise us if this SUEZ entity is not set up in your purchasing system as a vendor and you do have another SUEZ entity set up. We are keen to make the purchase process as convenient as possible for Sinclair.

short form: Where a short reference is required in this document, for convenience, we are called simply SUEZ.

2 payment terms

On **approved credit**, payment terms are net 30 days from customer receipt of invoice. Please see the invoicing schedule in section 4, price.

3 proposal validity

Prices quoted and proposal terms are valid up to thirty (30) days after the date of issue of this proposal unless confirmed with a purchase order.

4 bonds

Performance or payment bonds are not included in the price. These bonds can be purchased on request but will be at an additional cost.

5 early termination

In the event of contract termination other than as defined in attachment a.15 of this agreement the following will apply:

- SUEZ will initiate delivery of all materials and services for which payment has been received in excess of the value of materials and services provided by SUEZ at the time of cancelation.
- Buyer will, within 30 days, make a payment to SUEZ equal to the value of materials and services provided to the point of termination, less the cumulative sum of payments paid by Buyer.
- Once terminated, there is no option to restart the agreement. No penalties or reimbursements, other than those outlined in this agreement, shall be paid by either party.

6 purchase order guidelines

Please ensure that your purchase order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- legal entity** – Please be sure your purchase order is issued in the name of the specific SUEZ legal entity issuing this proposal cited above. We will be glad to work with your purchasing department to set this entity up as an approved supplier/vendor. Please advise us if this SUEZ entity is not set up in your purchasing system as a vendor and you do have another SUEZ entity set up.
- hard copy** – Our strong preference is to receive a hard copy of your purchase order rather than a PO number alone.
- proposal number and date** – Please reference the 6-digit proposal number and the proposal date which are found in the footer of each page.
- price** – State the total price you are accepting for this order.
- taxes** – Provide any required tax exemption certificates.
- ship-to address** – Please clearly define the plant site address or delivery location and the receiver's email & telephone. Please specify receiving hours and any special off-loading requirements.
- delivery date** – Please include your requested delivery date or agreement start date.

SUEZ confidential and proprietary information

membrane replacement plan proposal for the Sinclair Water Authority WTP
proposal number 340216 – revision # 1 – May 9, 2019

- **purchase order** – Please send your purchase order to SUEZ by email to service.pocentral.wts@suez.com.

b – general terms and conditions of sale

SUEZ's standard terms and conditions apply. See attachment a.

Note to purchasing agent: The SUEZ's standard set of commercial terms & conditions are written for moderate value transactions to allow an efficient and rapid provision of services and parts. Where corporate agreement terms have been previously agreed, these may be brought forward by either party and applied by mutual consent. If either of these terms sets are not immediately acceptable, please expect a typical 6-10 week cycle of mutual review to build agreement on changes.

9 Seller's warranty - ZeeWeed membrane module

10 year prorated replacement (2+8) – Sinclair Water Authority

This schedule sets out the warranty with respect to ZeeWeed membrane modules ("membrane modules"). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any particular purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer, and in no event will the Seller be liable for any special, direct, indirect or consequential damages, including, without limitation, loss of profits. This warranty is not transferable.

1 product

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the fibers and the potted plastic headers. This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

Identification: membrane modules are shipped by the Seller with a serial number identification which confirms their place in the cohort set of membrane modules covered by this membrane module warranty.

2 Seller

ZENON Environmental Corporation is the name of the Seller, and means a business component of, or legal entity within the SUEZ Water Technologies & Solutions business (SUEZ) which is selling ZeeWeed modules and is the Seller offering this warranty. The Seller may assign this warranty to other SUEZ affiliates.

3 Buyer

Buyer means Sinclair Water Authority.

4 project

Project means the 612 membrane modules sold under this proposal number 340216-1.

5 contract of sale

Contract of sale means the sales contract governing the sale of membrane module(s) for the project between Buyer and the Seller or its SUEZ affiliate.

6 scope of warranty

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2010 FCA SUEZ manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, certifications, brokerage, receiving, forklift services, storage at site, reattachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

full replacement – Full replacement means that in the case of a valid warranty claim for a membrane module failure, Buyer receives a replacement membrane module and does not pay for the value of use of the membrane module prior to failure.

prorated replacement – Prorated replacement means Buyer pays for actual use of a membrane module from which Buyer has derived value over time. Prorated replacement allows the Seller to pay reasonable compensation under warranty for any product use not enjoyed by Buyer due to premature failure.

The ratio of full replacement to prorated replacement in this warranty is set out in Item 8 of Section 9.

7 warranty start date

For the original membrane modules in a plant, this membrane warranty will start on the earlier of:

- a. The date that installation of the original membrane module(s) has been substantially completed, or
- b. Six months from the date of shipment of the original membrane module(s) to Buyer.

For replacement or expansion membranes, this membrane warranty will start on the earlier of:

- a. The date of installation, or
- b. 1 month from the date of delivery to site.

8 warranty duration

total warranty duration: a total of **120** months composed of a base period and an extended period.

base period with full replacement: **24** months

All purchasers of ZeeWeed membrane modules are entitled to this base period of full replacement warranty coverage without purchasing an extended Seller's warranty.

extended period with full replacement: a total of **96** months following the base period

Replacement membrane modules are covered by warranty only to the extent of the warranty of the original membrane module which has been replaced. At all events, this warranty shall expire and be of no force or effect **120** months following the warranty start date.

9 notification of claim

All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.

Buyer shall provide the following information:

- a. A description of the defect giving rise to the claim;
- b. Photographs showing the manufacturing defect;
- c. The serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim; and
- d. Operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

10 verification of claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination. The Seller may also conduct reasonable tests and inspections at Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

11 satisfaction of claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane

modules with newer membrane module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

12 Membrane Module Replacement Price – Prorated Replacement

The base Membrane Module Replacement Price (MMRP) used to calculate the prorated amount to be paid by the Buyer to replace defective Membrane Modules under warranty shall be **USD\$ 1,480.00** + adjustment for inflation. The inflation adjustment will be calculated according to changes in the Consumer Price Index, US City Average, All Urban Consumers, All Items less Food and Energy, as published by the US Bureau of Labor Statistics, + one (1.0) percent for the period from May 1st, 2019 through to the latest available CPI Index report.

For Membrane Modules supplied under valid warranty claims, the prorated share that the Buyer will pay is calculated as follows:

Prorated Share of Price =	$\frac{\text{Number of whole months elapsed between the Membrane Module Replacement Date \& the Warranty Start Date}}{\text{Warranty Duration in Months}} \times \text{Membrane Module Replacement Price} \times \text{Changes in CPI Index} + 1.0\%$
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Note - This Membrane Module Replacement Price (MMRP) is not applicable for Membrane Modules requested for purchase by Buyer for any non-warranty or other purposes, including but not limited to flux reduction, or plant hydraulic capacity increases. Modules purchased under these or other scenario's will be sold to Buyer by Seller at the list price in effect at the time of order

13 operating information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail to verify uninterrupted compliance with the Seller's operations and maintenance manual prepared by the Seller and supplied to Buyer as part of the contract. At a minimum, operation data must include information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module. Buyer shall log its procedures performed related to a membrane module including relocation of membrane modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where membrane modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the membrane modules.

14 limitation of warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

- a. A material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to Buyer as part of the contract, including material failure to adhere to the Seller's specified membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents.
- b. Failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, in published product manuals and in specifications.
- c. Failure to adhere to all transportation and module storage recommendations outlined by Seller.
- d. Failure to ensure correct operation and/or functioning of the screening equipment.
- e. Introduction of destructive foreign materials into the membrane module tanks. Destructive foreign materials may include natural or human-made materials that are introduced into the membrane system influent channel or tanks originating from construction and maintenance activities or from inadequate pretreatment or from aquatic species including clams and snails or from damage to the tank or tank coating. Buyer shall be responsible to maintain

- correct function of the screen mechanism, to flush accumulated grit from the tank bottom and to flush accumulated foreign materials from the membrane modules.
- f. Failure to install and maintain operating data acquisition and electronic data transmission functions at the plant.
 - g. Physical abuse or misuse, incorrect removal or installation of membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of membrane modules or cassettes.
 - h. Unauthorized alteration of any components or parts originally supplied by the Seller.
 - i. Intentional damage.

15 return procedure

In the event that the return of a membrane module is required pursuant to this warranty, Buyer will first obtain a return goods authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid. If Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned membrane modules pursuant to this warranty is complete. Any membrane module examined by Seller as part of a warranty claim where the membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to Buyer, freight collect.

10 signed agreement

Through the issue of this proposal, SUEZ signals their intent to enter into an agreement with Sinclair. Sinclair and SUEZ acknowledge that they have read and understood this agreement and agree to be bound by the terms and conditions specified in it.

offered by legal entity: ZENON Environmental Corporation, also known as SUEZ or Seller

accepted by legal entity: Sinclair Water Authority also known as Sinclair or Buyer

authorized signature by: _____

title: _____

signature date: _____

signature: x _____

purchase order no: _____

Upon acceptance of this proposal, please forward the following either

• by email with .pdf attachments or • by postal mail or • by fax.

1) this signature page completed to:

2) a hard copy of your purchase order, and

3) any required tax exemption certificates

service.pocentral.wts@suez.com

or

SUEZ Water Technologies & Solutions

attention: Contracts Administrator

Please contact

service.pocentral.wts@suez.com

for correct address

or

fax no.: 905 469 2243

This agreement comes into force when SUEZ has issued a formal acceptance of Sinclair's Purchase order or formal acceptance of this Sinclair signed agreement.

doc. control: author: RM filename: Sinclair Water 340216-1 612 x ZW1000 450ft² May 9 2019

last modified: 5/9/2019 6:05 PM technical review: JE (REV 0), CB

commercial review: JE (REV 0), CB

DOA: Bikt (REV 0), JI

attachment a SUEZ standard terms and conditions

general terms and conditions of sale

1. **exclusive terms and conditions.** Together with any other terms the Parties agree to in writing, these General Terms and Conditions – together with the last proposal in order of time issued by the Seller – form the exclusive terms (“Agreement”) whereby Buyer agrees to purchase, and Seller agrees to sell products and equipment (jointly “Equipment”) and to provide advice, instruction and other services in connection with the sale of that Equipment (“Services”). If Buyer sends to Seller other terms and conditions to which Seller may not respond, including but not limited to those contained in Buyer’s purchase order, such shall not apply. This Agreement may only be revised by a change order approved in writing by both Parties. All terms not defined herein shall be defined in Seller’s proposal.
2. **equipment and services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement. Unloading, handling, storage, installation, and operation of Buyer’s systems or the Equipment are the responsibility of Buyer. Buyer shall not require or permit Seller’s personnel to operate Buyer’s systems or the Equipment at Buyer’s site.
3. **prices and payment.** Buyer shall pay Seller for the Equipment and Services in accordance with the payment schedule (as set forth in Seller’s proposal or, if applicable, in any special conditions agreed to in writing by the Parties). Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by Buyer in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and Buyer shall deliver the adjusted guarantee within five (5) days of request by Seller. Buyer agrees to reimburse Seller for collection costs, including 2% (two percent) interest per month (not to exceed the maximum amount permitted by applicable law), should Buyer fail to timely pay. Buyer shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.
4. **taxes and duties.** Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement (“Seller Taxes”). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Seller Taxes (“Buyer Taxes”). The Agreement prices do not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Agreement price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes. Buyer shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable, prior to execution of the Agreement by both Parties or issuance by the Seller of the order acceptance. Buyer’s failure to provide evidence of exemption at time of order will relieve Seller of any obligation to refund taxes paid by Seller.
5. **delivery, title, risk of loss.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to Buyer FCA (Incoterms 2010) Seller’s facility. The time for delivery of the Equipment to Buyer shall be specified in this Agreement. Seller’s sole liability for any delay in delivery of the Equipment shall be as expressly set out in this Agreement. The place of delivery specified herein shall be firm and fixed, provided that Buyer may notify Seller no later than forty-five (45) days prior to the scheduled shipment date of the Equipment of an alternate point of delivery, Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Seller, Buyer shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer, and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation. Failure by Buyer to take delivery of the Equipment shall be a material breach of this Agreement.

Title and risk of loss to the Equipment shall be transferred from Seller to Buyer at the point of delivery upon handover in accordance with this Agreement. Title and risk of loss to the Services shall pass as they are performed.
6. **warranties and remedies.** Seller warrants that Equipment shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any

mutually agreed specifications. Seller's warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by Buyer or third parties, repairs or alterations made by Buyer without Seller's written consent, influent water which does not comply with agreed parameters, or fair wear and tear.

Unless otherwise expressly provided in this Agreement, the foregoing warranties are valid for:

- (a) chemicals and Services, for six (6) months from their date of delivery or the provision of Services;
- (b) consumables, including filters and spiral wound membranes (other than spiral wound membranes for process treatment), the earlier of twelve (12) months from date of first use or fifteen (15) months from their date of delivery;
- (c) spiral wound membranes for process fluid treatment, ninety (90) days from their date of first use;
- (d) ultrafiltration membranes (ZW500, ZW700B, ZW1000, ZW1500), twelve (12) months from their date of delivery;
- (e) Equipment other than chemicals and consumables, the earlier of, fifteen (15) months from delivery or shipment to storage, or twelve (12) months from start-up/first use;
- (f) software, ninety (90) days from the date of receipt;
- (g) Equipment not manufactured by Seller, the warranty shall be the manufacturer's transferable warranty only,

Any claim for breach of these warranties must be promptly notified in writing, and Buyer shall make the defective item available to the Seller, or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair at Seller's facility or (at Seller's option) replace at Seller's facility the defective item of Equipment, and re-perform defective Services. In performance of its obligations hereunder, Seller will not control the actual operation of either Buyer's systems or the Equipment at the Buyer's site.

Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.

The warranties and remedies are conditioned upon (a) proper unloading, handling, storage, installation, use, operation, and maintenance of the Equipment and Buyer's facility and all related system in accordance with Seller's instructions and, in the absence, generally accepted industry practice, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Equipment or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void.

The Buyer will be entitled to assign to a subsequent owner of the Equipment the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the Equipment. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party. The warranties and remedies set forth in this article are in lieu of and exclude all other warranties and remedies, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

Unless otherwise expressly stipulated in this Agreement, Seller gives no warranty or guarantee as to process results or performance of the Equipment, including but not limited to product quality, flow, production, capacity, membrane life, chemical consumption, regulatory compliance or energy consumption.

7. general indemnity. Seller shall indemnify and hold harmless Buyer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of Seller or its officers, agents, employees, and/or assigns while engaged in activities under this Agreement. Buyer shall likewise indemnify and hold harmless Seller from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of the Buyer, its officers, agents, employees, and/or assigns. In the event such damage or injury is caused by the joint or concurrent negligence of Seller and Buyer, the loss shall be borne by each Party in proportion to its negligence. For the purposes of this article (i) "Third party" shall not include Buyer or any subsequent owner of the Equipment, their subsidiaries, parents, affiliates, agents, successors or assigns including any operation or maintenance contractor, or their insurer; and (ii) no portion of the Equipment is "third party property".

8. compliance with laws and permits. All permits, authorizations, and licenses which are required to construct, install and/or operate Buyer's facility or equipment, to use the Equipment, or to manage and dispose of any wastes, discharges, and residues resulting from Buyer's use of the Equipment, shall be obtained and maintained by Buyer at Buyer's sole expense. Buyer is responsible for compliance with all laws and regulations applicable to the storage, use,

handling, installation, maintenance, removal, registration, and labeling of all Equipment after delivery of the Equipment, as well as for the proper management and disposal of all wastes, discharges, and residues.

9. buyer's site conditions. Buyer warrants that any data furnished to the Seller concerning conditions at Buyer's site (including but not limited to any existing Buyer facility, equipment or processes, influent water or other substances to be treated or measured with the Equipment) is accurate and complete, and the Seller reserves the right to utilize the most appropriate design compatible with generally accepted engineering practices, and to make changes in details of design, manufacture and arrangement of Equipment unless precluded by any limitations specified in this Agreement. Seller shall notify Buyer of (1) any conditions at Buyer's site which materially differ from those indicated in the data furnished by Buyer, (2) any previously unknown physical conditions at Buyer's site of an unusual nature, not revealed by previous investigations and differing from those ordinarily encountered in the type of work provided for in this Agreement, and (3) the presence of any Hazardous Materials (as defined below), the existence of a contaminated soil, unexploded ordinance, or archaeological remains. If such conditions cause an increase in Seller's cost or in the time required for the performance of Seller's obligations, Seller shall be entitled to an equitable adjustment in the Agreement price and an extension in the time for performance.

10. hazardous materials and wastes. In the event that Seller encounters any Hazardous Materials (meaning toxic substances, hazardous substances, pollutants, contaminants, regulated wastes, or hazardous wastes as such terms may be defined or classified in any law, statute, directive, ordinance or regulations promulgated by any applicable governmental entity) at Buyer's site, other than Hazardous Materials introduced by Seller or that are otherwise the express responsibility of Seller under this Agreement, Buyer shall immediately take whatever precautions are required to legally eliminate such Hazardous Materials so that the Seller's work under this Agreement may safely proceed. At no time shall Seller be deemed to have taken title to or the responsibility for the management or disposal of any wastes, Hazardous Materials, influent water, any resultant product streams, wastewater streams, discharges, cleaning materials, or any other materials or substances processed by the Equipment or otherwise located at Buyer's site. Seller does not take responsibility for and hereby expressly disclaims responsibility for the characterization or disposal of wastes, Hazardous Materials, or for the identification, selection, or management of disposal facilities for any wastes.

11. excusable delays. Seller shall not be liable nor in breach or default of its obligations under this Agreement to the extent performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond the reasonable control of Seller, including, but not limited to: acts of God, natural disasters, unusually severe weather, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Buyer or Buyer's contractors/suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay or non-performance, plus such additional time as may be necessary to overcome the effect of the delay or non-performance. If delivery or performance is delayed for a period exceeding 180 (one hundred and eighty) days, either Party may terminate this Agreement without further liability provided that Seller shall be paid an amount equal to that which would be payable to Seller under the article entitled "Termination". If Seller is delayed by any acts (or omissions) of Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, Seller shall be entitled to an equitable adjustment in schedule, price and/or performance, as applicable.

12. emergencies. If the safety of Seller's personnel is threatened or likely to be threatened by circumstances outside the reasonable control of Seller, including but not limited to war, armed conflict, civil unrest, riots, terrorism, kidnapping, presence of or exposure to hazardous materials, unsafe working conditions, or by the threat of such circumstances or a lack of adequate protections against such circumstances, Seller shall be entitled to take all necessary steps to ensure the security and safety of its personnel including the evacuation of personnel until such circumstances no longer apply. Any such occurrence shall be considered an excusable delay event. Buyer shall reasonably assist in the event of any such evacuation.

13. confidentiality, intellectual property. Both Parties agree to keep confidential the other Party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Equipment to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables (including the Equipment) supplied or developed under this Agreement. Buyer agrees that it will not file patent applications on the Equipment or any development or enhancement of the Equipment, or of processes and methods of using the Equipment, without Seller's express prior written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its other buyers based upon purchase and use of such Equipment. Seller grants to Buyer a non-exclusive, non-terminable, royalty free license to use the intellectual property embedded in Equipment delivered to and paid for by the Buyer, as well as any drawings, design or data delivered to and paid for by the Buyer, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at Buyer's site. Such license may only be assigned to a subsequent owner of the Equipment or to an operations and maintenance

subcontractor. Such license does not extend to the re-creation of the Equipment or the manufacture of spares or consumables by Buyer or third parties.

Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to Buyer a limited, non-exclusive and terminable royalty free project-specific license to such software for the use, operation or maintenance at Buyer's site of any Equipment purchased hereunder to which the software is a necessary component. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software.

Seller shall indemnify and hold harmless Buyer from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, or country of delivery (provided there is a corresponding patent issued by the USA), or USA copyright or copyright registered in the country of delivery. If the Buyer notifies the Seller promptly of the receipt of any such claim, does not take any position adverse to the Seller regarding such claim and gives the Seller information, assistance and exclusive authority to settle and defend the claim, the Seller shall, at its own expense and choice, either (i) settle or defend the claim and pay all damages and costs awarded in it against the Buyer, or (ii) procure for the Buyer the right to continue using the Equipment or Service, or (iii) modify or replace the Equipment or Service so that it becomes non-infringing, or (iv) remove the infringing Equipment and refund the price. The above paragraph shall not apply to any misuse of Equipment or Equipment which is manufactured to the Buyer's design, or to alleged infringement arising from the combination, operation, or use of any Equipment or Services with other equipment or services when such combination is part of any allegedly infringing subject matter. The foregoing list of sub-sections (i), (ii), (iii), and (iv) and related terms state the entire liability of the Seller for intellectual property infringement by any Equipment or Service.

14. limitations on liability. Notwithstanding anything else contained in this Agreement, to the maximum extent permitted by law, and regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory:

- (a) THE TOTAL LIABILITY OF THE SELLER AND OF ITS INSURER FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY EQUIPMENT OR SERVICES SHALL NOT EXCEED THE TOTAL PRICE PAID BY BUYER UNDER THIS AGREEMENT OR (IN THE CASE OF AN AGREEMENT FOR SERVICES WITH A TERM OF MORE THAN ONE YEAR) THE ANNUAL PRICE PAYABLE BY BUYER UNDER THIS AGREEMENT;
- (b) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCTION, LOSS OF USE OF EQUIPMENT OR SERVICES OR ANY ASSOCIATED EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF REPLACEMENT WATER OR POWER, DOWNTIME COSTS, INCREASED OPERATING COSTS, CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;
- (c) SELLER'S LIABILITY SHALL END UPON EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, PROVIDED THAT BUYER MAY CONTINUE TO ENFORCE A CLAIM FOR WHICH IT HAS GIVEN NOTICE PRIOR TO THAT DATE BY COMMENCING AN ACTION OR ARBITRATION, AS APPLICABLE UNDER THIS AGREEMENT, BEFORE EXPIRATION OF ANY STATUTE OF LIMITATIONS OR OTHER LEGAL TIME LIMITATION BUT IN NO EVENT – TO THE EXTENT PERMITTED BY APPLICABLE LAW – LATER THAN FIVE (5) MONTHS AFTER EXPIRATION OF SUCH WARRANTY PERIOD.

For the purposes of this article, "Seller" shall mean Seller, its affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, individually or collectively. If Buyer is supplying Seller's Equipment or Services to a third party, Buyer shall require the third party to agree to be bound by this article. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this article.

15. termination. This Agreement and any performance pursuant to it may be terminated by either Party, and the consequences of such termination shall be as set out in the next paragraph, if the other Party

- (a) becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws; or
- (b) fails to make any payment when due or to establish any payment security required by this Agreement, or commits a material breach or defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days of written notice from the other Party.

Upon the termination of this Agreement by Buyer for cause (i) Seller shall reimburse Buyer the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer

to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Agreement price allocable to Equipment completed, and (b) amounts for Services performed before the effective date of termination. Upon the termination of this Agreement by Seller for cause Buyer shall pay to Seller within thirty (30) days of receipt of invoice the price of all Equipment or Services delivered at the date of termination, plus an amount equal to all costs and expenses incurred in the engineering, sourcing, financing, procurement, manufacture, storage and transportation of the Equipment including materials, work in progress and any cancellation charges assessed against Seller by Seller's suppliers including reasonable overhead and profit on all such costs and expenses. Alternatively, if any schedule of termination payments has been agreed between the Parties, Buyer shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.

Seller shall have the right to suspend performance upon written notice to Buyer in any case where Seller would have the right to terminate the Agreement under this article, without prejudice to Seller's right to terminate this Agreement for cause. Any cost incurred by Seller in accordance with any such suspension (including storage costs) shall be payable by Buyer upon submission of the Seller's invoice(s). Performance of the Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of such suspension.

16. governing law, dispute resolution. This Agreement shall be governed by the substantive laws of the State of Georgia. In the event of a dispute concerning this Agreement, the complaining Party shall notify the other Party in writing thereof. Management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court closest to the Buyer and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this article.

Notwithstanding the foregoing, each Party shall have the right to commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Agreement, in order to seek and obtain a restraining order or injunction to enforce the confidentiality intellectual property provisions set forth in the first two paragraphs of article 13; nuclear use restrictions set forth in article 17, or to seek interim or conservatory measures not involving monetary damages.

17. no nuclear use. Equipment and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, the Buyer warrants that it shall not use or permit others to use the Equipment or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability.

18. export control. Seller's obligations are conditioned upon Buyer's compliance with all USA and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Equipment (including software and technical data) other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

19. changes. Each Party may at any time propose changes in the schedule or scope of Equipment or Services. All changes to the Equipment or Services shall be subject to mutual agreement via a written change order or variation, which shall only become effective once signed by both Parties. The scope, Agreement price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. It shall be acceptable and not considered a change if Seller delivers Equipment (including Equipment replacement under warranty) that bears a different, superseding or new part or version number compared to the part or version number listed in the Agreement, provided that in no circumstance shall this affect any other of Seller's obligations including those set forth in article 6.

20. conflicts; survival, assignment. If there is any conflict between this Agreement and any written proposal or quotation provided by Seller, then the terms and conditions set forth in this Agreement shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and this Agreement shall be interpreted and implemented in a manner which best fulfills Parties' intended agreement. Those provisions which by their nature remain applicable after termination shall survive the termination of this Agreement for any reason. Seller may assign or novate its rights and obligations under the Agreement, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Agreement to any party without Buyer's consent, and the Buyer hereby agrees, by signing this Agreement, to such assignment and to execute any document that may be necessary to complete Seller's assignment or novation. This Agreement shall not

otherwise be assigned by either Party without the other Party's prior written consent, and any assignment without such consent shall be void.

Seller may (i) manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing; and (ii) may subcontract portions of the Services, so long as Seller remains responsible for such.

21. no third-party beneficiary. Except as specifically set forth in the article entitled "Limitations on Liability" and "No Nuclear Use", this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

22. entire agreement. This Agreement embodies the entire agreement between Buyer and Seller and supersedes any previous documents, correspondence or agreements between them. No modification, amendment, revision, waiver, or other change shall be binding on either Party unless agreed in writing by the Party's authorized representative. Any oral or written representation, warranty, course of dealing, or trade usage not specified herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement

attachment b InSight – knowledge management solution

InSight captures and transforms your plant data into meaningful and actionable information, ultimately providing the knowledge you need to maximize performance, avoid operational interruptions, optimize your processes, and reduce the total cost of operation. InSight provides:

- ❑ **analytics:** InSight allows review of historical and current plant performance against success criteria.
- ❑ **early detection and alarming:** InSight helps operators detect emerging problems, so that action can be taken before a failure is experienced in the future.
- ❑ **productivity:** InSight's automated data collection reduces the tedious work of entering and reporting operator-collected data, including data required for membrane warranties. InSight helps staff get more done with tools that enhance their personal productivity, enabling them to see and do more.
- ❑ **reporting:** InSight's automated performance reports highlight operational details for key performance indicators.
- ❑ **membrane replacement strategy:** InSight data provides the information needed to plan a cost effective strategy for membrane replacement and upgrades with a deep understanding of factors affecting membrane performance.

features of InSight

- ❑ **simplicity:** InSight makes it easy to see how well your applications are performing over a specified time horizon.
- ❑ **reports:** InSight provides regular scheduled performance reports and summaries.
- ❑ **alerts:** InSight provides alerts if any process parameters fall outside their normal operating range.
- ❑ **mobility:** InSight provides smartphone or tablet access allowing the user the same abilities to see system health, current data, trends, reports and even enter operational data and notes as within the control room.
- ❑ **security:** InSight can archive all plant data securely in an off-site central database. Data is password protected.
- ❑ **data sources:** InSight allows for data to be acquired from a wide range of sources and modes of capture – including automatic (wired and wireless) and direct manual data entry.

key benefits

- ❑ InSight allows you to consolidate all your data to pull out valuable information to drive better business results.

- InSight helps to drive safety, reliability, accountability and increased throughput in your plant.
- InSight digitizes data and tools to liberate your operations and service teams to do their jobs more effectively.
- InSight provides peace of mind by having another level of surveillance which allows you to redefine operational excellence.

InSight packages

Two InSight packages are available to meet Buyer needs:

- InSight Basic** – digital asset monitoring
- InSight Pro** – process consulting service

The service level of InSight offered to Sinclair is:

InSight Pro – process consulting service

InSight Pro

InSight Pro puts a professional SUEZ process expert onto your team, collaborating to empower your operating team to apply the power of InSight.

The process expert is specifically assigned to your plant and will monitor key parameters on a regular rhythm using the InSight platform. The process expert will be in regular contact with the key members of your operations team to discuss and resolve performance, process and operational issues. While supporting your operations team with day-to-day issues, the process expert will also use InSight to bring attention to long term trends and provide operational recommendations.

As part of InSight Pro, the process expert provides bi-weekly process reports with analysis of key trends and recommendations to support plant operation, membrane cleaning and overall performance. In addition, an annual summary performance report is provided.

If the need for troubleshooting does arise, your SUEZ process expert is accessible, familiar with your system and empowered with accurate information to assist.

InSight service conditions

- SUEZ will perform the services specified in the scope section of this document under the following provisos.
- mutual duties of care and discernment:** SUEZ shall exercise due care to provide process advice in a responsible manner and with the degree of care, skill and diligence accepted within the industry. Buyer shall exercise discernment in the application of any advice provided by SUEZ, with due regard for the normal potential for data inaccuracy, errors or omissions.
- competence:** SUEZ process experts are not experts in and should not be expected to provide advice with regard to any laws, legislation, regulations, policies or guidelines. Buyer must consult with its own legal and regulatory experts for such advice.

operating responsibility: Sinclair retains control of the plant at all times and plant operators retain full and final responsibility for all process and operating decisions. Responsibility for the any use of InSight charts for compliance reporting rests with the plant operators.

For the purposes of this agreement, the term "operate the system" shall mean to run or control the functioning of the equipment or to otherwise conduct or manage the affairs of any aspect of water or wastewater treatment or other functions at Sinclair's site, and shall include functions such as providing operators or laborers to adjust or control water treatment ("WT") equipment, wastewater treatment ("WWT") equipment or sludge management facilities ("SMF"), providing program oversight or directing on-site or contract operators/laborers to adjust or control WWT or SMF, providing personnel responsible for or providing oversight of water treatment residual quality, wastewater effluent quality, sludge quality, waste characterization, or waste disposal activities, or providing personnel with continual or daily operational responsibilities with respect to water or wastewater treatment, influent or effluent compliance monitoring, process monitoring, government reporting or notification, or permit compliance.

While the process expert is able to view and monitor trends remotely, InSight does not allow the process expert to make any changes to your set points in the HMI. Plant operators have the exclusive ability to control changes locally. Through other permissions, separate from InSight, plant operators may grant the ability to dial in and view control code and execute code changes to selected controls experts.

- ❑ **delays:** Where SUEZ is responsible for service delay during the agreement, the duration of the agreement shall be extended for the same duration as the service delay.
- ❑ Where Sinclair is responsible for InSight service delays or interruptions, there will be no extension to the agreement term and Sinclair is responsible to contact SUEZ for reactivation after the cause of an interruption has been resolved.
- ❑ **hardware replacement:** Sinclair retains ownership of any hardware supplied for data acquisition and transmission. Sinclair will be billed for the replacement of this hardware if replacement is required and requested from SUEZ. Installation will normally be performed by Sinclair.
- ❑ **connectivity:** a strong and consistent power source and connection for data transmission is vital to the delivery of InSight services. SUEZ recommends a discussion with the Sinclair IT department to determine the best method of connectivity. Please see section 0 for tips to ensure connectivity is optimized.

optimizing connectivity

A strong, secure and consistent power source and method of data transmission are essential for the delivery of InSight services. SUEZ recommends an early discussion with the Buyer IT representative regarding the existing IT and controls infrastructure to determine the best method of connectivity.

Below are SUEZ's best practices and issues for consideration to ensure reliable connectivity.

power source

An unreliable power source, low voltage, or extended power loss will cause the data acquisition computer to reboot or lock up and may result in a loss of data. To avoid power loss to the computer and/or DIGI cellular gateway resulting in disruption to the connectivity:

- ensure equipment is installed following proper code and electrical installation practices;
- install equipment in a temperature-controlled environment;
- ensure connection to clean and filtered power; SUEZ recommends connection to UPS power.

data transmission

InSight data is transmitted using an internet connection. The preferred option is to use a pre-existing internet connection currently available on site; a discussion with customer IT would be required. A second option is to connect through the SUEZ-provided DIGI cellular gateway. To optimize the data transmission, SUEZ recommends that hardware and antennae are installed in areas with strong cellular signal (i.e. avoid basements and inside metal buildings or cabinets).

duration & start date

SUEZ will provide InSight as per the pricing section to Sinclair for a duration of **120** months (10 years).

The start date of the InSight service contract will normally coincide with the establishment of successful, routine acquisition of data. Start-up will include a telephone conference call and user training.

InSight terms and conditions of sale**c – data provisions**

1. **data rights.** The parties acknowledge that in performance of the services, Seller will be collecting data from Buyer relating to Buyer's processes, materials, equipment and other information ("Data"). Buyer hereby consents to the collection of such Data by the Seller. The following provisions will apply to Data.
2. **custodian.** Seller will be custodian of the Data. Seller will store and maintain the Data in a secure manner and logically separate from data belonging to other customers consistent with industry standards. Data will be stored and maintained by Seller for an archive period of 1 year, and then shall be destroyed. Periodic back-ups of Data will be maintained as necessary for Seller to perform its obligations herein and in accordance with reasonable commercial practices. Seller may store such information in any location and in such a manner as it deems appropriate in its sole discretion in accordance with reasonable commercial practices. All Data remains subject to the confidentiality provisions set forth in this agreement.
3. **Buyer access.** Seller may provide access to Buyer to Data during the period which Data is stored. For individual access, Buyer shall provide a request for authorization for each individual requesting such access. Authorized personnel of Buyer shall be issued a unique user ID and password that identifies and may be used by only a single user. All requests for access shall be through an officially approved and documented process of Buyer. Seller shall use reasonable commercial efforts to provide user access to Buyer in a timely manner. In the case that any employee or contractor no longer requires access or in the case where such employee or contractor is voluntarily or involuntarily terminated, Buyer shall notify Seller immediately at which time such user ID will be disabled and access terminated. Seller shall not be liable for any access by individuals based on whole or in part by the failure on the part of Buyer to provide timely notice of restrictions on or termination of access.

Upon reasonable request by Buyer and to the extent technically feasible or practical, copies of some or all of Buyer's Data shall be transferred to Buyer pursuant to mutually agreed upon protocols, procedures and schedules. Moreover, reports that summarize Data may be developed from time to time and provided to Buyer. Seller shall be compensated on a time and materials basis for any such transfer or report generation.

Buyer or Seller may develop applications for accessing Data from mobile devices. Additional user identification and secure login information may be required by Seller. Seller shall use reasonable commercial efforts to ensure that mobile access to Data is secure. However, Buyer acknowledges that much of wireless network security is controlled by 3rd party carriers or network vendors and Seller shall not be liable for any security breaches based in whole or in part on services provided by such 3rd parties.

4. **Seller access.** Seller will restrict access to Data to those employees, agents and contractors of Seller with a need to know. In addition to accessing Data through computer terminals, such employees, agents and contractors may access Data through computer monitors disposed in monitoring laboratories or control rooms at sites operated by or on behalf of Seller. Access by such individuals on behalf of Seller to stored Data shall be controlled through individual user names and passwords consistent with Seller's information technology policies and procedures. Access by such individuals on behalf of Seller to displayed Data on monitors shall be restricted through controlled access or other reasonable security measures determined by Seller in its sole discretion.
5. **security/unauthorized access.** Buyer shall not reverse engineer, hack, access or attempt to access, or have anyone do so on its behalf, any data, systems, programming, or any other information maintained by Seller. In addition, Buyer or those acting on Buyer's behalf shall not develop or insert into any of Seller's systems, networks or data any back-door access, viruses, Trojan horses, tracking or other cookies, malware or any other unauthorized software.
6. **right to use data.** Buyer shall have unlimited rights to use the Data for any purposes not inconsistent with this agreement. Seller may use the Data (1) for any and all purposes in furtherance of this agreement; (2) for internal research and development purposes; and (3) in the aggregate for statistical and other analysis, provided that in the case of (3) above, no information identifying Buyer shall be associated with such analysis. Seller may share Data with its affiliates, including its affiliates in other countries, for the purposes described above.
7. **network interface.** Buyer will install and maintain any and all equipment, systems, software and network interfaces at, and provide telecommunications access to, its facilities as may be required to gather and communicate Data to Seller's monitoring systems in conformance with Seller's interface specifications. Buyer shall use commercially reasonable efforts to maintain its equipment, systems, software and network interfaces to ensure that there are no viruses, Trojan horses, tracking or other cookies, malware or any other harmful software embedded in or attached to Data or such equipment, systems, software or network interfaces that are accessed by or otherwise affect Seller's equipment, systems or software. Upon reasonable request by Seller, Buyer shall perform testing or audits to verify compliance with this paragraph at Seller's sole expense.
8. **use.** Buyer agrees to use Seller-supplied equipment only in accordance with Seller's instructions and shall only use Seller approved chemical products in connection with the equipment. To the extent that Buyer fails to do so, Buyer hereby agrees that any and all applicable warranties for the Services, including, but not limited to, any accuracy or performance guarantees shall be waived.
9. **intellectual property.** Buyer shall not nor shall it allow any third party to reverse engineer the equipment nor permit or otherwise grant any third party access to the equipment for such purpose.
Neither party shall acquire any right, title, or interest in or to any patents, trademarks, trade secrets, copyrights or other intellectual property of the other Party or any intellectual property rights therein in existence before the date of this agreement.
Buyer shall own all right, title and interest in and to all documents, data, reports and other deliverables provided in accordance with the services hereunder ("Deliverables") and all intellectual property and all intellectual property rights therein, and Seller hereby assigns to Buyer all right, title and interest of Seller in and to all intellectual property rights in the deliverables.
Seller retains all intellectual property rights in the services, excluding the deliverables.
10. **Buyer indemnified.** Except to the extent that goods are made entirely to Buyer's design, specifications or instructions, Seller shall be liable for and indemnify, defend and hold harmless Buyer from and against all claims asserted against, or

suffered, sustained, paid or incurred by Buyer arising out of or relating to the actual or alleged infringement or misappropriation of any intellectual property rights, and any litigation or other proceedings based thereon, with respect to any goods or any intellectual property made or provided by or on behalf of Seller. Seller shall have the right at its own expense to substitute non-infringing goods or to modify infringing goods so they become non-infringing, or to obtain the necessary licenses to use the infringing goods, in each case only if the substituted or modified goods meets all of the requirements of and is subject to all of the provisions of this agreement.

attachment c 24/7 telephone technical support

SUEZ's 24/7 telephone technical support provides a team of specialists available to help keep your system online and in production in the event of the system operating outside of specified conditions.

calls during business hours

Plant operators have telephone access to a skilled SUEZ technical support specialist who will assist plant operators in troubleshooting of system problems such as electrical (PLC/HMI), mechanical and process control issues.

Plant operators can call the daytime hours telephone number provided below at any time during business hours and ask for technical support.

calls after-hours - emergency telephone technical support

Our technical support team is always on call and is equipped with system information to effectively talk a plant operator through an emergency, potentially averting loss of plant production and expensive call outs. The telephone technical support group maintains access to all plant drawings for rapid reference during 24/7 support calls. The telephone technical support group has portable computers equipped to access the plant control system remotely, in order to gain a better understanding of the situation, and to make any necessary adjustments to control set-points or software. Remote access requires a high-speed internet connection at your facility and requires that you have permissions set up in advance. The technical support specialist will manage the resources needed within SUEZ to assist you in resolving your plant issues. All client issues are tracked through to resolution using SUEZ's state-of-the-art issue tracking software.

Plant operators can call the after-hours telephone number provided below.

when you call

When you call, or if you are leaving a message, please provide the following information:

- plant name;
- your plant's original SUEZ project number;
- your contact telephone number for a call back;
- a brief description of the issue.

hours of operation & telephone numbers	
<p>daytime hours of operation: telephone, toll free in North America:</p> <p>outside of North America: daytime hours e-mail address:</p>	<p>8:00 am to 6:00 pm Monday to Friday, Eastern Time Zone GMT-5 1-866-271-5425 press 1 for technical support</p> <p>1-905-469-7723 gewater.technicalsupport@ge.com</p>
<p>after hours & holidays:</p> <p>telephone, toll free in North America: outside of North America:</p>	<p>6:00 pm to 8:00 am Monday to Friday, Eastern Time Zone GMT-5 weekends - all of Saturday and Sunday</p> <p>1-866-271-5425 1-905-469-7723</p>

getting the most out of your call

Having the following plant documentation conveniently available to the plant operator and close to the telephone will contribute greatly to effective and rapid troubleshooting when a problem arises.

- CLSC:** control logic summary chart – details of the control logic - ranges, set points and action or derivation of alert/alarm;
- OSC:** operation sequence chart - The PLC follows specific steps to automatically control valves, pumps and other devices during modes of operation of the treatment plant. These steps are listed and described in the OSC.
- P&ID's:** piping & instrumentation diagram – schematic illustration of the functional relationship of piping, instrumentation and system equipment components;
- electrical drawings:** These will help with locating devices and fuses.
- a copy of this telephone technical support service description.

For control related issues, before making the call, it is very helpful to gather the last 5 relevant alarm messages and the corresponding instrument or equipment tag numbers.

service limitations

Not all issues can be resolved through telephone support.

In the event that the SUEZ technical support group cannot resolve the problem with the plant operator over the phone in a reasonable time frame, more extensive service support options are available at the rates and at the prices and under the conditions published in the SUEZ services labor rate sheet.

- off-site control code programming;
- on-site service by a service representative;
- on-site or off-site process support.

Wherever feasible, calls regarding non-urgent issues should be made during business hours.

For any further questions regarding this telephone technical support service, please feel free to contact us through the business hours telephone number or email above.

parts

If you do not require technical support but need (a) part(s) which is not included in this agreement, and you have the part number(s), you may call the SUEZ water product support line at 1-866-271-5425 - press option "2" for parts.

attachment d annual service visit

scheduled site visits

The proposed services package includes:

- 1 visit per year;
- 40 hours of on-site time per visit.

Sinclair may modify the frequency and duration of service visits and may amend the schedule as required. Please note that such changes may result in additional costs to be invoiced directly back to Sinclair.

agenda setting – priority deliverables

SUEZ and Sinclair will cooperatively plan the time allotted to service visits to complete priority activities identified by Sinclair or selected from the scope of service below and produce maximum value from the service visit. Not all items in this scope or checklist are necessarily performed on every visit. The SUEZ field service representative (FSR) and the plant operators will initially define priority deliverables and jointly revise these priorities as required. Activities to monitor, diagnose and repair membrane issues will take precedence over other activities.

first recovery cleaning

One site visit can be scheduled to correspond with the first recovery cleaning. This visit is designed to complete some of the learning which is started well during the commissioning training program but which cannot be fully absorbed until the operators have some basic experience and the system is 100% operational. The agenda for this visit will include the following elements:

- procedure guidance to operators as they execute the first cleaning;
- guidance to operators as they execute their first membrane inspection;
- guided hands-on experience in actual fiber repair;
- follow-up hands-on training to answer the questions that emerge after the first months of actual operating;
- address a short list of open issues left from commissioning and extended by days if necessary to deal with a more extensive punch list.

process monitoring

- Inspect and confirm proper operation of the membrane system in accordance with the SUEZ operation & maintenance manual.
- Review operating logs, analytical tests and InSight data (if available) with the operator(s). Discuss operator concerns and SUEZ issues emerging from this review.
- Discuss imminent seasonal shifts. Plan and implement forward looking adjustments.

- Advise the operations manager of technical updates as they become available from SUEZ.

membrane integrity

- Evaluate the aeration patterns in the tank, inspect tank walls and floors.
- Lift and inspect membrane cassettes, as required to assess condition.
- Assess pressure decay test or bubble test data as it correlates to the membrane condition and/or permeate water quality. Assist plant operators to repair membrane fibers as required.
- Assess the effectiveness of on-going membrane cleaning procedures (air scouring, recovery cleaning, maintenance cleaning, relaxation and/or back-pulsing) and provide recommendations to the plant operators as necessary.

controls

- Review system alarm history, discuss any related issues with operator(s) and recommend appropriate actions to be taken.
- Perform limited PLC code modifications as planned in advance, secured by proper documentation, dial-in capabilities and file backup precautions.
- Verify operation of all safety interlock/controllers, pressure switches and temperature switches.

verification of instrument calibration

- Review set points, verify the condition of all control instruments, sensors, probes, and transmitters, including switching action and output. Assist operators with re-calibration, as necessary.
- Collaborate with the plant operator in maintaining a log of calibration activities.

preventive maintenance planning

- Develop a preventive maintenance plan with the plant operator.
- Review the spare parts provisions with the plant operator and identify any additional parts to provide the desired level of security, including spares related to non-SUEZ equipment.

training

During scheduled site visits, the SUEZ service representative can provide operators with informal training on any areas of concern; to explain the operation, process, maintenance or troubleshooting activities and, in general, to enhance operator ability and confidence.

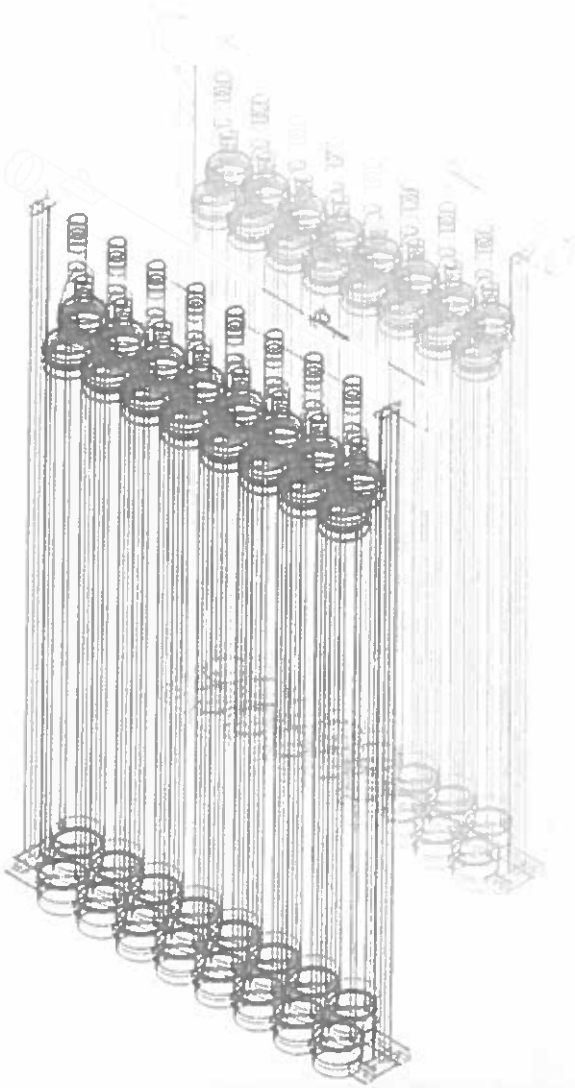
reporting

SUEZ will provide a report to record membrane condition, tasks accomplished during the visit and identify key operating and maintenance issues.

spares

The SUEZ service representative will review the spares provisions with the plant operator to identify any additional spare parts which should be brought into inventory to provide the

desired level of security to the plant including spares related to non-SUEZ equipment. No supply of spare parts and consumables is included in quoted prices for this service agreement.



Membrane Filtration Plant

Sinclair Water Authority

Milledgeville, GA

March 11, 2019

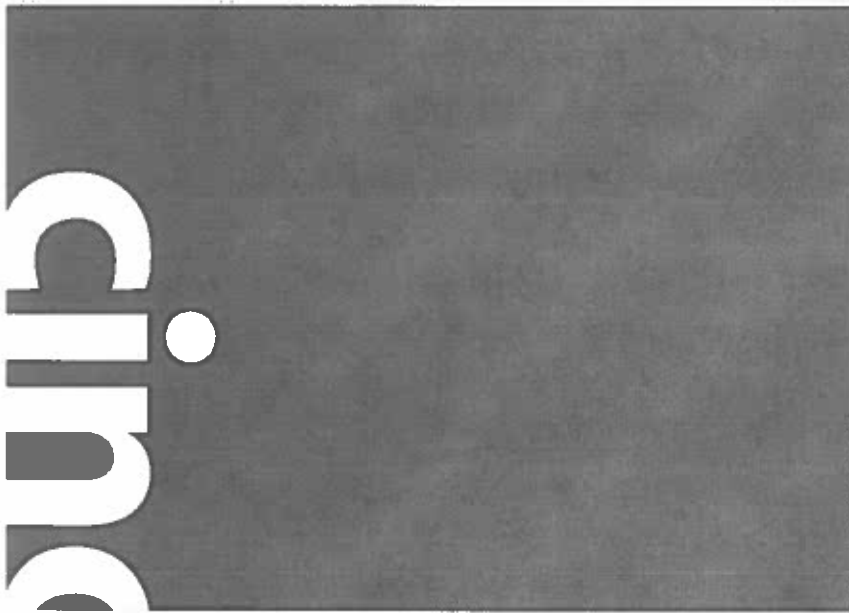
Scinor Water America, LLC

40 Wall Street, 28th Floor

New York, NY 10005

800.774.1385

info@scinor.com | scinor.com



Mr. Joey Witcher
Sinclair Water Authority
Milledgeville, GA 31061

March 11, 2019

RE: Membrane Filtration Plant – Scinor UF Retrofit Proposal

Dear Mr. Witcher,

Thank you for considering Scinor for your membrane replacement project. Below you will find the information that you have requested. Scinor is a focused, flexible and customer-oriented company that provides a personalized level of service. The combination of our experience and the understanding of your facility will ensure a successful execution.

Overview

Scinor welcomes the opportunity to supply **THREE SMT600-S51-M72 cassettes for retrofitting one train of the existing ZW1000 UF modules.** The modules feature industry-leading performance attributed to the TIPS hollow-fiber construction. Over 600 installations and extensive applications experience demonstrate that the Scinor product is world class.

The Scinor retrofit maintains the existing DEP approved flux rate of 29.6 gfd flux rate.

Benefits

The intent of our solution is to utilize as much of the existing plant infrastructure as possible, minimize any process or programming changes to the greatest extent possible and achieve the stated performance goals. Selecting Scinor to demonstrate the ability to provide a retrofit solution provides many benefits, including:

- Potential for increased production capacity based on TIPS membrane permeability
- Reduced operational costs associated with fiber breakage and frequent chemical cleaning
- Reduced membrane purchase costs
- Securing a second supply source of membranes to ensure long-term stability and eliminate over-dependence on current supplier
- Eliminate sole-sourcing high dollar value plant equipment
- Maintain much of existing plant infrastructure
- Complimentary first year of process phone support
- Long term membrane warranty

Financing Option

We offer a financing option in which payment for the membrane equipment may be financed over an extended time. This is often preferable to other types of agreements in which a supplier offers to accept an annual payment towards a future membrane replacement purchase. Such agreements obligate the Owner to pay a Supplier for equipment that may not be necessary for many years and forego the potential interest on such funds in the meantime. In addition, it obligates the Owner to select said Supplier years into the future, when more preferable or cost-effective options may become available.

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Guaranteed Future Membrane Pricing

If a guaranteed future membrane price is desired, Scinor offers to address this simply by escalating the pricing of the initial equipment purchase by inflation index (ie CPI index). This protects the Owner from drastic price increases in the future while not expending funds today for equipment which may or may not be needed for years.

Please feel free to contact me with any questions or clarifications you may require.

Sincerely,



Scinor Water America, LLC
Joe Tardio, VP Sales

cc: Mr. Bruce Kerr, Principle Environmental (local manufacturer's rep)

Company Introduction

The Scinor group of companies (Scinor Water Limited) is a global supplier of hollow fiber membranes, modules, systems and plants used for water treatment applications for industrial and potable water applications. Founded in 2009, Scinor has its roots in this market going back to 1993. Our proprietary hollow fiber filter membranes are made from Polyvinylidene Fluoride (PVDF) using the Thermally Induced Phase Separation (TIPS) method of manufacture. We construct filter modules using our membranes in our own proprietary designs and in configurations that directly replace most products supplied by major manufacturers of hollow fiber products.

Scinor's three operating companies - Beijing Scinor Membrane Technology Co., Ltd., Beijing Scinor Water Technology, Co., Ltd, and Scinor Water America, LLC, - benefit from over 20 years of history in reverse osmosis, hollow fiber filter, and engineering and plant construction business. Beijing Scinor Membrane Technology Co., Ltd. manufactures hollow fiber membranes, modules and systems. Beijing Scinor Water Technology, Co., Ltd is the engineering, procurement, and construction arm of the company building water treatment plants using our proprietary membranes and designs throughout Asia.

Scinor Water America, LLC is the international distribution arm of the business operating out of New York. Scinor Water America, LLC is a US company jointly owned by Scinor Water Limited and the Scinor Water America management team. Formed in 2014, the company markets, distributes, and services Scinor's TIPS PVDF Ultrafiltration membranes throughout the world.

Scinor's unique membranes were developed over a ten-year period beginning in 1993 at China's prestigious Tsinghua University under the direction of Dr. Xiao Lin Wang. These membranes are made using a patented manufacturing technique that results in an interconnected homogeneous pore structure having a uniform 0.1 micron pore size. The Scinor group of companies is the exclusive owner of this technology and has first rights to all new developments in this field coming out of Tsinghua University through a long-term research partnership.

Thermally Induced Phase Separation (TIPS) manufacturing results in PVDF membranes with a high crystalline structure that are extremely durable and that have high chemical tolerance. TIPS membranes have been proven to provide much longer service life than membranes manufactured using other manufacturing techniques. Scinor has over one hundred installations in service.

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Our facilities and quality standards are ISO 9001 certified and our green manufacturing techniques and facilities are ISO 14001 certified. Our goal is to provide the highest quality products that provide great economy of use all in an environmentally friendly way.

Retrofit Experience

Scinor has successfully commissioned over 600 systems including retrofits of most major membrane manufacturers, of both pressure and submerged configurations. Our track record demonstrates the technical expertise that has set us apart from others.

Through years of experience, we understand that the key to a successful membrane installation is a combination of a strong membrane, a solid system design, an understanding of how to apply the membrane in a particular application and ongoing service support. Scinor offers customers an extremely durable TIPS PVDF membrane, industry-leading system design experience, deep applications knowledge and a dedicated service team.

Scinor modules provide a simple **retrofit** option to end users which are often limited to replacing membranes via the original membrane and/or system supplier. This means that Scinor offers a choice when replacing what once was a proprietary system – this lowers replacement costs to the end-users and also provides a TIPS PVDF membrane and all the benefits that TIPS brings – greater mechanical strength, higher chemical tolerance, and greater permeability.

Technology Overview

Thermally Induced Phase Separation, or TIPS, is a unique method for manufacturing polymeric membranes which yields a mechanically stronger, chemically more tolerant, and more permeable membrane than other methods.

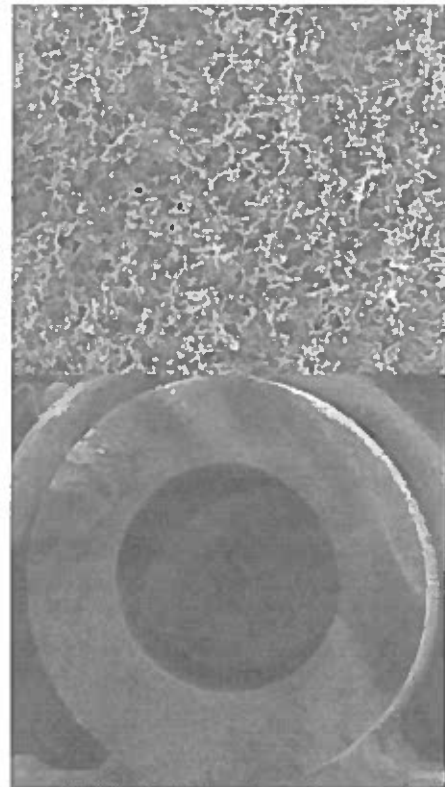
Ultrafiltration as applied on drinking water and wastewater has evolved significantly over the past 30 years. While research existed for some time, the technology started gaining acceptance in the early nineties with the introduction of dead-end mode (as opposed to cross-flow mode),

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integrity tests, and cleaning protocols that began to increase overall cost-effectiveness. The US Surface Water Treatment Rule that became effective in 1993 further propelled the technology towards acceptance in the industry as it provided an ideal solution to meet the tighter regulations.

With tighter regulations and additional advances came more manufacturers with their own proprietary membranes. These manufacturers pushed the envelope on what could be accomplished with polymeric UF membranes and through years of competition yielded what is now commonplace in the industry – Polyvinylidene fluoride membranes, outside-in flow pattern, and pressurized membranes (as opposed to the submerged variety). While today this can be mistaken as a commodity market, there are important differentiators in the market that can provide additional value to end-users.

TIPS is the next evolution in the dynamic marketplace and one of the most important differentiators when it comes to UF. This is because TIPS membranes provide for greater permeability, greater mechanical strength, and higher chemical tolerance to the great majority of UF membranes available. In the TIPS manufacturing process employed by Scinor, phase separation occurs at high temperature resulting in a high crystalline PVDF structure with a homogeneous sponge-like, interconnected pore structure and maximum permeability. All of this leads to longer membrane life, better performance, and ultimately a better cost-effective solution

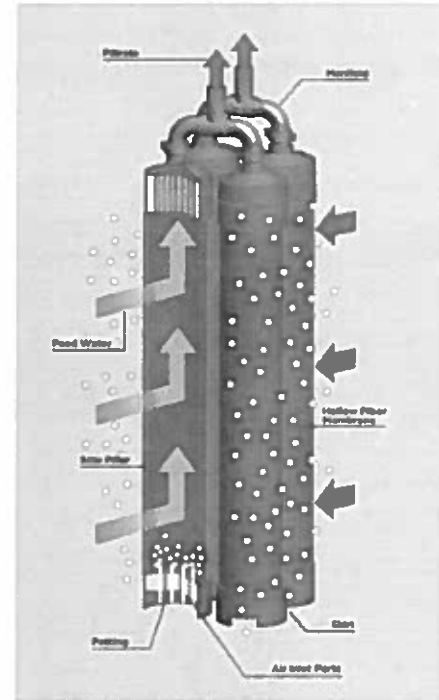


Product Overview

SMT600-S50 Submerged Ultrafiltration Module

Scinor SMT600 Ultrafiltration modules utilizing our state - of-the-art Thermally Induced Phase Separation (TIPS) PVDF membranes provide for the highest permeability, mechanical strength, and chemical tolerance in the industry. The BR23 modules are designed to be operated in either activated sludge as an MBR or as a tertiary filter after clarification for stringent reuse applications. They also retrofit major membrane vendor installations giving end-users a choice when replacing membranes.

SMT600-S50 submerged modules are applied in vacuum operation during filtration mode that draws water outside-in through the fibers, removing all solids. Cassette, fiber distribution, and associated piping design results in low energy consumption and a significantly smaller footprint than other MBRs in the market providing for the most cost-effective wastewater solution. Cleaning processes used to maintain stable operation are air scour, relaxation, maintenance clean, and clean-in-place.



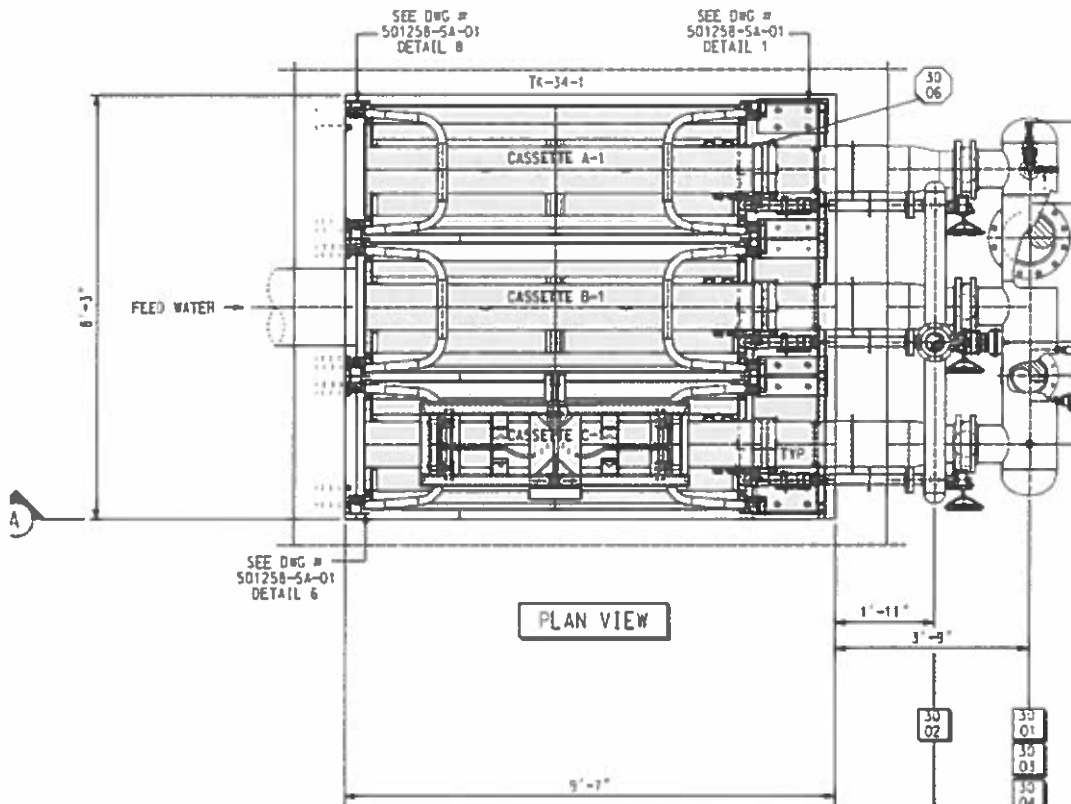
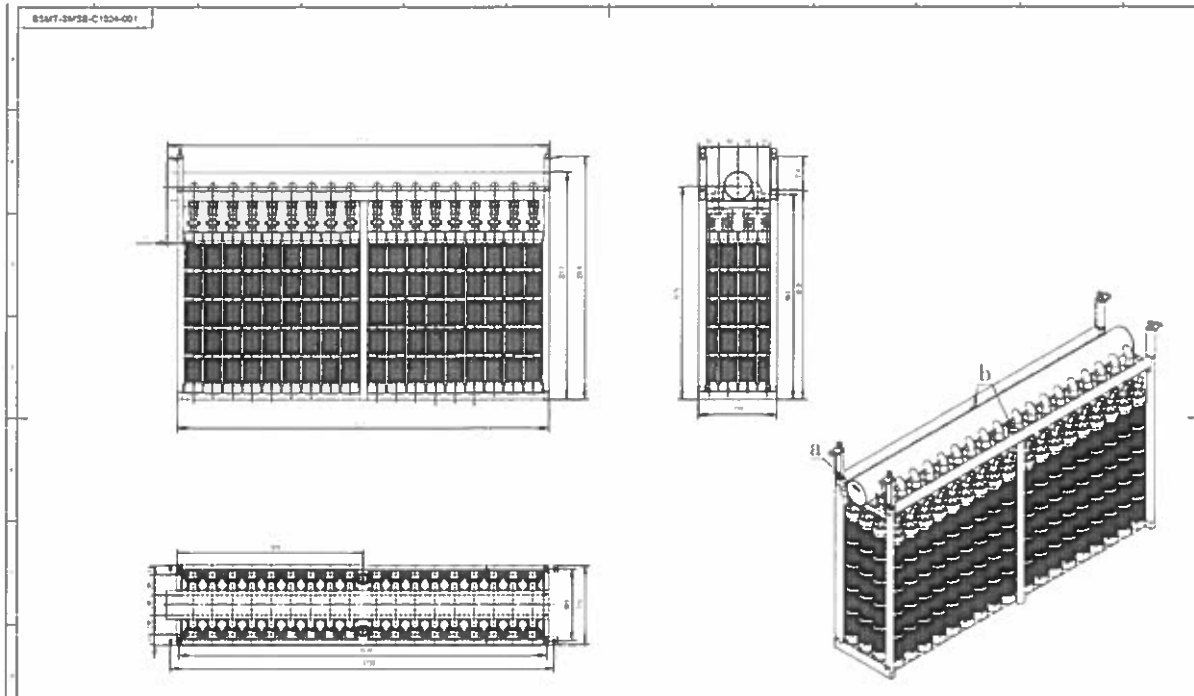
PRODUCT ADVANTAGES	
<p>Excellent Filtered Water Quality</p> <ul style="list-style-type: none"> • Tight 0.1 μm pore size distribution • Low fiber breakage rate <p>Long Operational Life</p> <ul style="list-style-type: none"> • High mechanical strength and durability • >5000 mg/L Sodium Hypochlorite tolerance <p>Low Capital Cost</p> <ul style="list-style-type: none"> • High flux rates on all water sources 	<p>Low Requirements for Pretreatment</p> <ul style="list-style-type: none"> • Outside-in configuration • Optimal -flow channel <p>Low Operating and Maintenance Requirements</p> <ul style="list-style-type: none"> • Low energy and chemical consumption due to higher permeability • Automatic operation

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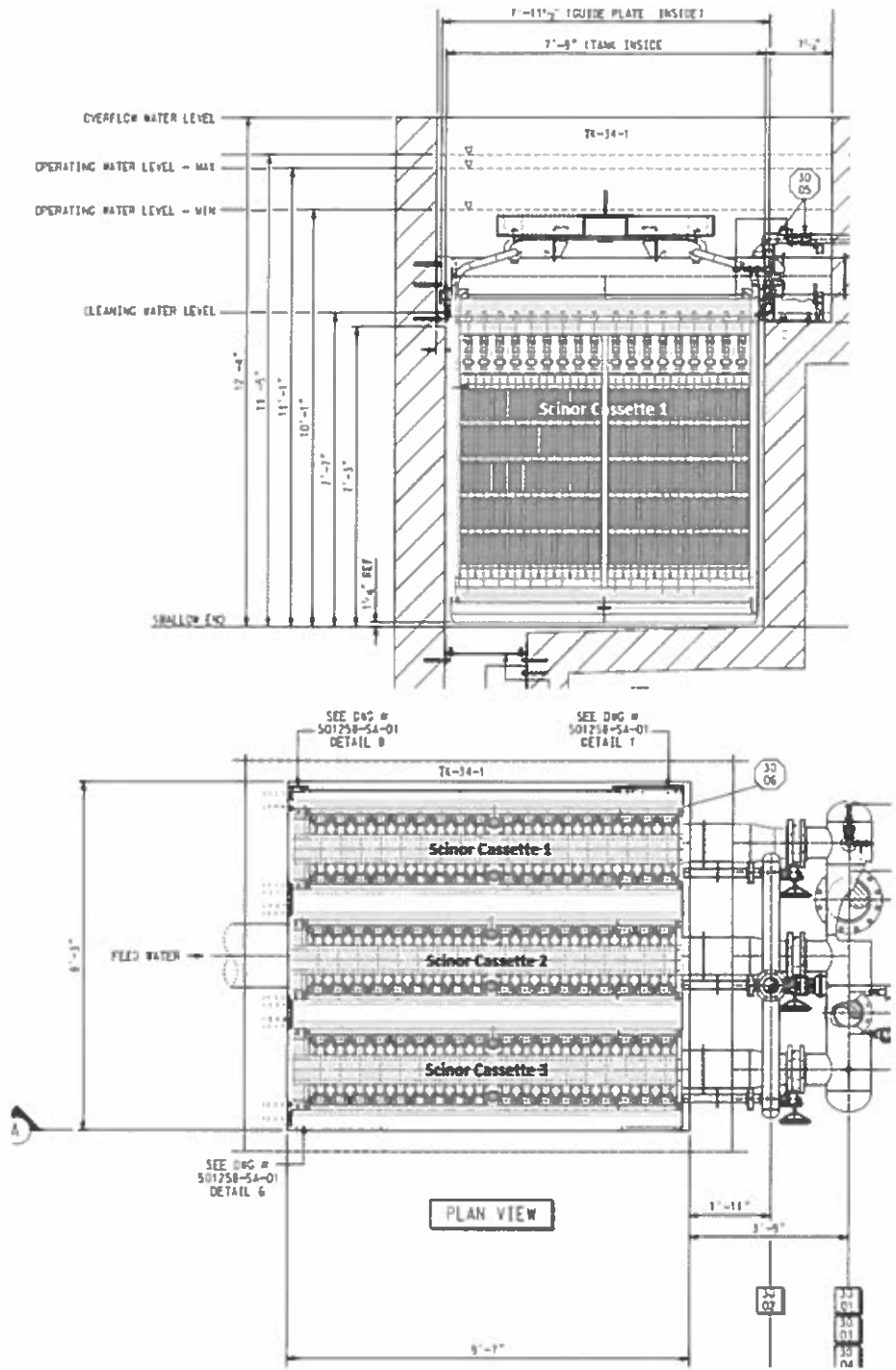
Design Summary

Parameter	Value	
UF Design	NEW	EXISTING
Membrane Module	Scinor SMT600-S51	ZeeWeed 1000 v3
Membrane Type	TIPS PVDF	NIPS PVDF
Filtration Rating (nominal)	0.1 micron	0.02
Total feed flow (gpm)	1,400	1,400
Membrane Surface Area per Module (m2)	51	41.8
Membrane Cassette Model	S51-M72	51 mods installed/60 spaces
Number of Modules per Cassette	42	51
Number of Cassettes per Train	3	3
Total number of modules per train	126	153
Total number of membrane trains	1	1
Total number of Installed Modules	126	153
Total Membrane Area Installed (m2)	6,426	6,395
Total Membrane Area Installed (ft2)	69,169	68,840
Design Flux (gfd, average net)	29.1	29.3
Net Capacity per Cassette (MGD)	0.62	0.62
Net Capacity per Train (MGD)	1.9	1.9
System Feed Flow – Total (MGD)	2.0	2.0
System Recovery	92.0%	92.0%
System Net Filtrate Capacity - Total Avg (MGD)	1.9	1.9

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Budgetary Pricing

Item	Description	Quantity	Unit Price	Total Price
SMT600-S51-M72 cassette	<u>SMT600-S51-M72 cassette</u> INCLUDED - 42 x S51 membrane modules per cassette - Cassette frame - 5 days of on-site startup support services	3 cassettes	\$97,000 USD	\$291,000 USD
	BY OTHERS - Installation - freight to site - sales tax, bonds, insurance			
TOTAL				\$291,000 USD

1.1 Validity

This offer is valid for 30 days from date of proposal.

1.2 Incoterms

DDP Jobsite – Freight Prepay & Add. Freight charges not included in pricing.

1.3 Lead time

Approx. 12-14 weeks order acknowledgment

1.4 Taxes & Duties

Local sales taxes are not included in pricing. Please forward tax exempt certificate, if applicable.

1.5 Warranty

Standard 12 month equipment warranty included. 10 year pro-rated long-term membrane warranty

1.6 Payment Terms

Full amount due NET 30 days from date delivered to jobsite.

Financing Option

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In lieu of payment in full, Owner may elect to enter into an equipment financing agreement, subject to the principal terms below and subject to a credit check performed by SELLER:

- \$50,000 due at time of Award/Purchase Order
- \$50,000 due at time of equipment start-up
- Balance of contract amount due in equal monthly payments over a 24 month term at a 7.5% interest rate

ATTACHMENTS

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Membrane Warranty (Sample Only)

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10 Year Pro-rated Module Performance Warranty

Sinclair Water Authority, GA - Vacuum Ultrafiltration Modules

Scinor Water America, LLC (Hereinafter Call Seller)

provides the following limited warranty when installed and operated in accordance with Seller's design and operating specifications, according to the following provisions:

1. Materials and Workmanship Limited Warranty

Seller warrants that the vacuum Ultrafiltration modules provided (Hereinafter call "Modules") are free from defects in materials and workmanship. Seller's obligation under this limited warranty covers a period not to exceed twelve (12) months from date of delivery of the module(s) to carrier appointed shipping point, provided that such modules are operated and maintained in accordance with Seller's published specifications, the Conditions set below, and good engineering practices. If module(s) is determined to be defective under this provision of the limited warranty upon examination by Seller, Seller's obligation under this warranty is limited to the repair or, at Seller's discretion, replacement of these defective module(s).

2. Pro-rated Module Warranty

a) Warranty Start Date

Seller warrants the performance of its modules, when operated under Seller's published specifications, the Conditions set forth below and good engineering practices, for a period of 5 years, from whichever of the following events occurs first:

- A. The first day a process stream is introduced to module; or
- B. Three (3) months following date of delivery to project Jobsite

b) Warranty Term

A. Absolute Coverage Period

If the membrane modules fail to perform as outlined for up to twelve months commencing from the Warranty Start Date, Seller will be given the opportunity to remedy the situation. If Seller is not able to remedy the situation, Seller will repair or replace those modules that do not perform if they are removed from service due to poor performance.

B. Pro-rata Coverage Period

If the membrane modules fail to perform as outlined after twelve months up to sixty months commencing from the Warranty Start Date, Seller will be given the opportunity to remedy the situation. If Seller is not able to remedy the situation or repair the modules, Seller will replace those modules as specified in the following paragraph 2c.

c) Replacement or Repair

- i. Buyer's sole remedy for any breach of warranty is limited to and shall be fully discharged by Seller via repairing or replacing any defective module or, at Seller's sole discretion, supplying additional modules to achieve satisfactory performance. Seller reserves the right to test the asserted defective modules to establish the basis of any warranty claims
- ii. Seller, on confirmation of a valid claim by testing or inspection, provides a prorated quantity of new module per the below formula (taxes, duties,

Replacement Module Price = \$Price in USD x (# of months from startup/60 months)

10 Year Pro-rated Module Performance Warranty

Sinclair Water Authority, GA - Vacuum Ultrafiltration Modules

installation, freight and any other surcharges are excluded). This value may be adjusted annually based upon the U.S. Consumer Price Index, as calculated by the U.S. Bureau of Labor and Statistics

iii. Modules shipped to Seller for warranty examination must be shipped freight prepaid. Modules examined as part of a warranty claim which are found to be performing as warranted will be returned to the buyer freight collect. If failure is determined to be from cause other than breach of warranty as set forth above, buyer shall pay to seller cost of testing via Report of Warranty Claim, in connection to any additional charge, such as labor, chemical consumption, seller will return the module to buyer freight collect after payment.

iv. Seller's liability under any warranty is limited solely (in Seller's discretion) to replacing, repairing or issuing credit for products which become defective during the Warranty Period

d) Warranted Performance During Warranty Period

Seller warrants satisfactory performance of each module which, when operated under Seller's published specifications, the Conditions set forth below and good engineering practices, based on the following:

- A. Modules are able to support the design flow rates as initially designed;
- B. Fiber breakage shall not exceed 25 individual fibers per module during any consecutive period of twelve (12) months.
- C. Turbidity shall be less than or equal to 0.1 NTU during normal forward flow operation

D. Modules satisfy the Seller's minimum threshold for direct integrity testing

e) Service Conditions

Seller's warranties as described herein shall be null and void if any of the following conditions, unless otherwise specified, are not met:

- A. The design parameters (flow, recovery, Piping Arrangement etc.) plus instrumentation and other components of the system in which the modules(s) are employed shall be consistent with sound engineering practice as approved by the Seller. Seller reserves the right to review any changes in system design for compliance
- B. Any surge of hydraulic loading shall be avoided, such as Water Hammer, shock/vibration, water surge.
- C. Feed Water quality shall be in accordance with the supplied Ultrafiltration Product Manual, customer specification, or customer supplied water quality analysis prior to sale;
- D. Normalized Flux shall be within the range of the Seller's recommended Flux range;
- E. Feed water temperature shall be between 34°F-104°F
- F. Feed water maximum oxidant Concentration shall be less than 200 mg/L (as NaOCl)
- G. Feed water shall be free of oil, grease, or any other organic and inorganic matter or solutions, which is harmful to the modules, e.g High polymer, fluorine - Containing solvent.
- H. Module shall be stored in original packing and preservative solution prior to installation. Exposure to direct sunlight shall be avoided. Storage temperature must be within 34°F-104°F
- I. Module must not be exposed to freezing conditions

10 Year Pro-rated Module Performance Warranty

Sinclair Water Authority, GA - Vacuum Ultrafiltration Modules

for any period of time

- J. Module must be wetted at all times
 - K. During Continuous operating or shutdown status, the pH shall be no less than 1 or greater than 11.
 - L. Trans-membrane Pressure (Hereinafter Called TMP) shall not exceed 12.3 psi at any time, the operating TMP prior to Clean-In-Place (hereinafter call CIP) shall not exceed 10 psi.
 - M. Backwash pressure shall not exceed to 21.2 psi at any time.
 - N. Air for scour shall use oil-free gas, air capacity per module shall be between 3.1-7.5 SCFM at atmosphere condition.
 - O. Pre-filter with a rating of 300 Micron or less shall be installed directly upstream of module(s) in order to prevent intrusion of foreign debris.
 - P. CIP Procedures must be employed should a TMP rise of 6 psi or greater occur from the completion of previous CIP
 - Q. Limitation of pH range for CIP shall be no less than 1 and greater than 13, and maximum oxidant concentration shall not exceed 5,000 mg/L (as NaOCl).
 - R. Seller is responsible for providing the user with adequate system operating and maintenance manuals, operator and supervisor training; ensuring user's ability to perform cleaning and other performance restoration and diagnostic procedures;
 - S. Buyer shall ensure that frequent, adequate system and subsystem normalized performance data are routinely recorded in a systematic format and reviewed. Such information to be available to Seller on a reasonable basis in the event a claim is made against Seller pursuant to this performance warranty.
 - T. Seller reserves the right to change the specifications referred to in this document at any time, without prior notice.
 - f) Other Obligations of Buyer & User
 - A. Preservative solutions shall be flushed out from modules before startup.
 - B. Turbidity values shall be measured after 5 minutes of normal forward flow mode
 - C. Before returning any module(s) to Seller for warranty examination, Seller must be contacted to obtain return authorization. Any module(s) shipped to Seller's facility without return documentation will be returned to shipper unopened, freight collected
- ### 3. Coverage Conditions
- A. Liability for consequential, incidental, special, exemplary, and punitive damages are excluded.
 - B. The Buyer shall send a written notice to Seller within fourteen (14) days of problem occurrence or the claim is waived
 - C. Failure or refusal to fully disclose to Seller the use and operating parameters of Seller modules shall render all warranties other than that covering materials and workmanship null and void.
 - D. At the sole discretion of the Seller, any evidence of tampering, misuse, abuse or negligence by Buyer or User is cause for rendering all warranty coverage null and void, and Seller shall reserve the right to pursue any related losses as a result of Buyer's actions.
 - E. Warranty does not cover fiber damage due to any foreign substances that may enter the modules.
 - F. Seller reserves the right to void coverage if customer is in default of payment
 - G. Limitation of Liability. IN NO EVENT SHALL EITHER



Scinor Water America, LLC
1440 Broadway, 23rd Floor
New York, NY 10018
800.774.1385
www.scinor.com

10 Year Pro-rated Module Performance Warranty

Sinclair Water Authority, GA - Vacuum Ultrafiltration Modules

PARTY BE LIABLE HEREUNDER FOR INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES EVEN IF ADVISED IN ADVANCE OF THE POSSIBILITY FOR SUCH DAMAGES AND VENDOR'S TOTAL LIABILITY FOR DAMAGES UNDER THIS AGREEMENT AND THE ORDER SHALL BE LIMITED TO THE TOTAL FEES DUE HEREUNDER FOR THE INVOICE UPON WHICH A CLAIM IS BASED.

10 Year Pro-rated Module Performance Warranty

Sinclair Water Authority, GA - Vacuum Ultrafiltration Modules

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Standard Terms & Conditions of Sale

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STANDARD TERMS AND CONDITIONS OF SALE

These terms and conditions of sale (“Agreement”) are applicable to any order placed with and accepted by Scinor Water America, LLC (referred to herein as “Supplier”):

1. **SCOPE OF AGREEMENT.** Supplier, upon acceptance of an Order placed by Buyer, will supply the products and services specified in the Order (the “Work”) to Buyer, pursuant to the terms and conditions of this Agreement and its exhibits and Supplier’s acceptance of such order submitted by Buyer is expressly limited to the terms and conditions of this Agreement notwithstanding any contrary provision contained in Buyer’s purchase orders, invoices, acknowledgements or other documents. The details of the Work (e.g. quantity, price, and product specifications) shall be set forth in the relevant Order.
2. **PRICE AND TERMS.** (a) The prices payable by Buyer for goods and services to be supplied by Supplier under this Agreement will be specified in the applicable Order. Unless otherwise expressly stated in an Order, all prices exclude shipping and taxes. (b) Payment terms are net thirty (30) calendar days from the date of the invoice. If Buyer does not pay an invoiced amount within terms, Buyer will in addition pay finance charges of one and one-half percent (1.5%) per month on the late balance and Supplier reserves the right to (1) withhold shipment of the Work until full payment is made; and/or (2) revoke any credit extended to Buyer. In the event that Buyer’s account is more than ninety (90) days in arrears, Buyer shall reimburse Supplier for the reasonable costs, including attorney’s fees, of collecting such amounts from Buyer. In the event of any dispute regarding an invoice, no finance charges will apply in the event that Buyer provides written notice of the dispute prior to the due date for such payment. (c) Upon reasonable request by the Supplier, Buyer shall provide copies of its most recent audited financial statements or other reasonable evidence of its financial capacity and such other information as Supplier reasonable requests to determine credit status or credits limits. (d) Buyer shall provide notice within five (5) business days of the occurrence of any event which materially affects Buyer’s ability to perform its obligations under this Agreement including but not limited to: (i) the material default of any supplier or sub-contractor; (ii) labor strike or dispute; or (iii) material uncured default with respect to any debt obligations of Buyer. (e) Pricing schedules (whether attached to this Agreement or an Order) are subject to change upon a change in the price of applicable raw materials (as reflected on a recognized trade or commodity pricing tracker) in excess of five percent (5%) from the date of such schedule. (f) Unless otherwise specified in the Order, Work will be delivered FOB Supplier’s manufacturing facility and will be shipped to Buyer via carriers selected by Supplier.
3. **BUYER MATERIALS AND DATA.** (a) Buyer represents and warrants that any matter it furnishes for performance of services by Supplier (i) does not infringe any copyright or trademark or other Intellectual Property Rights of any third party; (ii) is not libelous or obscene; (iii) does not invade any persons right to privacy; and (iv) does not otherwise violate any laws or infringe the rights of any third party. (b) Buyer warrants that it has the right to use and to have Supplier use on behalf of Buyer any data provided to Supplier or its Affiliates by Buyer including specifically customer names, identifying information, addresses and other contact information and related personal information (“Data”).
4. **INTELLECTUAL PROPERTY.** Any and all inventions, discoveries, patent applications, patents, copyrights, trademarks and trade names, commercial symbols, trade secrets, work product and information embodying proprietary data existing and owned by Buyer as of the date of the Order or made or conceived by employees of Buyer during the Term of the Order shall be and remain the sole

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and exclusive property of Buyer provided that Buyer grants to Supplier a license to use, display and distribute (and to sub-license its affiliates and sub-contractors to use, display and distribute) any intellectual property rights delivered to Supplier as reasonably necessary to perform any Order. Any and all inventions, discoveries, patent applications, patents, copyrights, trademarks and trade names, commercial symbols, trade secrets, work product and information embodying proprietary data existing and owned by Supplier as of the date of the Order or made or conceived by employees, consultants, representatives or agents of Supplier during the term of this Agreement shall be and remain the sole and exclusive property of Supplier.

5. **CONFIDENTIAL INFORMATION.** Any information that parties receive or otherwise have access to incidental to or in connection with this Agreement (collectively, the “Confidential Information”), shall be and remain the property of the disclosing party. Confidential Information shall not include information which: (i) was in the possession of the Receiving Party at the time it was first disclosed by the Disclosing Party; (ii) was in the public domain at the time it was disclosed to the Receiving Party; (iii) enters the public domain through sources independent of the Receiving Party and through no breach of this provision by the Receiving Party; (iv) is made available by the Disclosing Party to a third party on an unrestricted, non-confidential basis; (v) was lawfully obtained by the Receiving Party from a third party not known by the Receiving Party to be under an obligation of confidentiality to the Disclosing Party; or (vi) was at any time developed by the Receiving Party independently of any disclosure by the Disclosing Party. Confidential Information may be used to the extent necessary to perform this Agreement and the parties shall not disclose Confidential Information to any third party, except to its agents (who have executed confidentiality agreements containing terms substantially similar to the terms) as necessary to provide the Work hereunder. In no event shall Buyer acquire any right, title or interest in and to any product or process information, including related know how, either existing or developed during the course of the business relationship with Supplier and Buyer, and in no event shall Supplier acquire and right, title, or interest in and to any materials or information provided to it by Buyer.
6. **INDEMNIFICATION.** The indemnifying party, as Indemnitor, shall indemnify, defend and hold harmless the indemnified party, as Indemnitee, its officers, directors, employees, agents, subsidiaries, and other affiliates from and against any and all claims, damages, liabilities, and expenses (including attorney fees) arising from any third-party claim based on Indemnitor’s (or its agent’s) breach of any representation, warranty, covenant, agreement, or obligation under the Order or this Agreement , or Indemnitor’s (or its agent’s) grossly negligent and/or willful acts in carrying out its obligations under the Order or the Agreement, provided that in no event shall Supplier be responsible for any claims arising out of its compliance with instructions, requirements, or specifications provided by or required by Buyer (including the use of information, artwork, logos, and/or trademarks provided by Buyer). Neither party will be responsible for indemnifying another party hereto where the basis of the indemnity claim arises out of such other party’s own negligence or willful misconduct. In order to avail itself of this indemnity provision, Indemnitee shall promptly provide notice to Indemnitor of any such claim, tender the defense of the claim to Indemnitor, and cooperate with Indemnitor in the defense of the claim. Indemnitor shall not be liable for any cost, expense, or compromise incurred or made by Indemnitee in any legal action without the Indemnitor’s prior written consent.
7. **BREACH.** In addition to all other rights to which a party is entitled under this Agreement, if either party breaches any term of the Order or the Agreement, the non-breaching party shall have the right to:
 - (a) terminate the Order immediately upon written notice to the other party; and
 - (b) seek to obtain

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injunctive relief to prevent such breach or to otherwise enforce the terms of this Agreement. Failure to properly demand compliance or performance of any term of the Order or this Agreement shall not constitute a waiver of Supplier's rights hereunder and prior to any claim for damages being made for non-conformance or breach, Buyer shall provide Supplier with reasonable notice of any alleged deficiencies in the Work or performance under the Order or this Agreement and Supplier shall have a reasonable opportunity to cure any such alleged non-conformance or breach.

8. **WARRANTY.** Supplier warrants that the Work shall reasonably conform to specifications in all material respects. Other than the warranties set forth in this section, Supplier makes no warranty of any kind, expressed or implied or otherwise whatsoever, that the services performed or any items produced will be merchantable or fit for any particular purpose or use. In the event of any breach of any warranty specified in this provision, Buyer's exclusive remedy shall be that Supplier shall, at its option, repair or replace any defective goods at no cost to Buyer or refund any purchase price paid for such Work.
9. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY BE LIABLE HEREUNDER FOR INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES EVEN IF ADVISED IN ADVANCE OF THE POSSIBILITY FOR SUCH DAMAGES AND VENDOR'S TOTAL LIABILITY FOR DAMAGES UNDER THIS AGREEMENT AND THE ORDER SHALL BE LIMITED TO THE TOTAL FEES DUE HEREUNDER FOR THE INVOICE UPON WHICH A CLAIM IS BASED.
10. **NOTICE.** Any notice sent pursuant to the Order or this Agreement shall be sent by certified mail, return receipt requested, or by overnight mail to the addresses on the Order or to such address as either party may in the future designate. A copy of any notice to Supplier shall be also sent to General Counsel, Scinor Water America, LLC, 1440 Broadway, 23rd Floor, New York, NY 10018 together with a copy this Agreement. Notices shall be effective upon receipt.
11. **ASSIGNMENT.** Except as otherwise provided, the Order and this Agreement shall be binding upon and inure to the benefit of the parties' successors and lawful assigns.
12. **STATUS.** Buyer and Supplier are separate entities. Nothing in the Order or this Agreement shall be construed as creating an employer-employee or joint venture relationship.
13. **COMPLIANCE WITH LAW.** Each party shall comply with all state, federal and local laws and regulations applicable to its performance hereunder.
14. **GOVERNING LAW.** The Order and this Agreement shall be governed by the laws of the State of New York, without reference to conflicts of law principles. Any legal suit, action or proceeding arising out of or relating to the Order or these this Agreement shall be commenced in a federal court in New York or in state court in the County of Suffolk, New York, and the appellate courts thereof, and each party hereto irrevocably submits to the exclusive jurisdiction and venue of any such court in any such suit, action or proceeding. With respect to any litigation arising out of the Order or this Agreement, the parties expressly waive any right they may have to a jury trial and agree that any such litigation shall be tried by a judge without a jury and the prevailing party shall be entitled to recover its expenses, including reasonable attorney's fees, from the other party.

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15. **FORCE MAJEURE.** Neither party shall be liable for any failure to perform or delay in performance of this Agreement to the extent that any such failure arises from acts of God, war, civil insurrection or disruption, riots, government act or regulation, strikes, lockouts, labor disruption, cyber or hostile network attacks, inability to obtain raw or finished materials, inability to secure transport, or any cause beyond such party's commercially reasonable control.
16. **SURVIVAL.** In the event any provision of the Order or this Agreement is held by a tribunal of competent jurisdiction to be contrary to the law, the remaining provisions of the Order or this Agreement will remain in full force and effect. All sections herein relating to payment, ownership, confidentiality, indemnification and duties of defense, representations and warranties, waiver, waiver of jury trial and provisions which by their terms extend beyond the Term shall survive the termination of the Order and this Agreement.
17. **ENTIRE AGREEMENT.** The Order, this Agreement and the operative provisions of any quotation issued by Supplier and any purchase order issued by Buyer, sets forth the entire agreement and understanding among the parties as to the subject matter hereof, and merges and supersedes all prior discussions, agreements, and understandings of every and any nature among them. No proposal, purchase order, order confirmation, acceptance, or any other document provided by either Party to the other, nor any electronic click-wrap, terms of use or similar online consent or acceptance language accompanying or set forth as a prerequisite to any electronic interface or utility associated with any Work, shall be deemed to amend the terms hereof and any such contradictory or additional terms shall be ineffective. No party shall be bound by any condition, definition, warranty, or representations, other than as expressly set forth or provided for in the Order or this Agreement, or as may be, on or subsequent to the date hereof set forth in writing and signed by the party to be bound thereby. In the event of any ambiguity or conflict between any of the terms and conditions contained in this Agreement and the terms and conditions contained in an Order, the terms and conditions of this Agreement shall control, unless the Parties have expressly provided in such Order that a specific provision in this Agreement is amended, in which case this Agreement shall be so amended, but only with respect to such Order. The Order or this Agreement may not be amended, supplemented, changed, or modified, except by agreement in writing signed by the parties to be bound thereby.



BUDGETARY QUOTATION

April 4, 2019

Mr. Joey Witcher
Water Plant Superintendent
City of Milledgeville

RE: Memcor direct replacement of existing UF membranes

Dear Mr. Witcher,

Evoqua Water Technologies is pleased to submit the following conceptual design and budgetary proposal for the supply of replacement membrane modules at the City of Milledgeville Water Plant.

Built on our 30+ years of experience in supplying membranes and membrane systems, the MEMCOR CSII system is the next evolution of the MEMCOR product family. The system utilizes the latest enhanced PVDF UF membrane technology and features design enhancements which reduce installation costs, improve system performance, and simplify operations. While CSII is MEMCOR's latest incremental innovation, it is supported by the most rigorous R&D testing MEMCOR has ever undertaken.

Membrane replacement considerations

- No changes to operating protocols or controls
- Improved integrity and solids handling capability due to vertical membrane orientation
- Access to Memcor 24/7 complimentary customer support
- Enables supply chain flexibility
- 1-year cliff/ 10-year prorated warranty

The proposed Memcor® L20N membrane is currently in operation across the Country. Our current generation "N" pvdf fiber is designed to handle increased solids loading while producing constant, high quality water. The below chart shows just some of the hundreds of installations currently running the proposed "N" fiber.



<u>Project Name</u>	<u>Location</u>	<u>Capacity (MGD)</u>	<u>Start Date</u>
Three Valleys Water, Chertsey WTW	London, UK	12	2004
Forest Park Water	Chalfont, PA	40	2006
Manitowoc Public Utilities	Manitowoc, WI	20	2007
Kenewick WTP	Kenewick, WA	15	2007
Yuba City WTP	Yuba City, CA	12	2007
Duckmaloi WTP	Duckmaloi, NSW	3	2008
Dalton Utilities, Mill Creek WTP	Dalton, GA	12	2009
Guam WTP	Guam	6	2009
Scottish Water, Invercarnie WTW	North Aberdeen, UK	13	2009
Barberton WTP	Barberton, OH	8	2010
Erie Water Works	Erie, PA	45	2012
Highland Park WTP	Highland Park, IL	30	2014

In addition to the above list, there is a large, submerged drinking water plant in TN which is running both Memcor and the ZW1000 side by side. Hallsdale-Powell is a unique reference that can provide first hand insight on the pros and cons of both systems. We encourage the District to contact them for additional feedback.

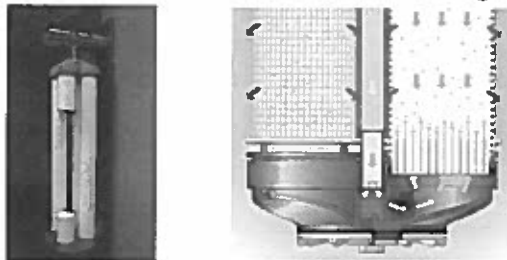
Hallsdale-Powell Utility District, Powell, TN
 Mr. Joe Snyder, Plant Superintendent
 865-274-9857

Evoqua has prepared a design for your *consideration*. The proposed design provides a representation of one of several available membrane system configurations available to Milledgeville. A summary of these options is provided in the table below.

Design Criteria	Design
Design Type	CSII
Design Flow	2 MGD
Design Flux	32.7 GFD
Module Type	L20N
Surface area/module	374.6 ft ²
Modules/Racks	65
Number of membrane racks	3
Number of modules per tank	195
Membrane area per tank	73,047 ft ²

The CSII system described produces 2 MGD per cell. The CSII provides the same operation flexibility currently operating at Milledgeville WTP. The rack system offered will install into the same area currently housing the existing membranes. The Rack will connect directly to the existing filtrate connection. The air scour connection will also be adapted to connect to the new rack. Some internal steel work supports may be necessary, this will require a site visit for review and recommendation. The price includes for some additional internal steel work supports. Additionally, Evoqua can provide a turnkey price for this installation work if desired.

Enclosed with this proposal is a specification sheet for the Memcor AM65L20N assembly which replaces an existing cassette. Each tank can accommodate 3 x AM65L20N assemblies to produce 2 MGD. In addition to providing an easy option for membrane replacement, it provides an upgrade to the Memcor vertical membrane configuration (shown below). The



vertical orientation eliminates any slack that occurs in a horizontal configuration while simultaneously providing better aeration and solids removal capability.



Budgetary Pricing

The estimated cost to replace one (1) cell of cassettes with Memcor® direct replacement membranes includes certain one-time only development costs. The estimated engineering cost is required to complete drawings, submittals, process calculations, programming modifications, etc.... Future cell replacements are not expected to require this level of engineering resources.

Design : CSII - 3 x AM65L20	
➤ Qty 195 - L20N Membranes	➤ Dedicated Project Manager
➤ Qty 3 - 65L20N Assemblies	➤ Internal tank steel work
➤ Qty 3 - Air hose Assemblies	➤ Engineering design and support
➤ Field service support	➤ Field service supervision
➤ Freight, tools, hardware	➤ 1-year cliff, 10-year pro-rated warranty
Total estimated Cost	\$345,530.00 USD

Evoqua is confident the City will enjoy improved performance with lower operation costs while employing the latest in membrane technology. The City can be assured they are receiving the latest generation in membrane technology. Your customers will continue to enjoy some of the cleanest water on the planet.

Should the City have any questions, concerns or require any additional information please do not hesitate to contact us.

Matthew Dee <i>Matthew Dee</i> Customer Care Manager – Memcor Products Matthew.dee@Evoqua.com 978-863-4602	W. Craig Justice Heyward Incorporated Atlanta Office: (770) 496-9808 Mobile: (404) 444-0448
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Evoqua Water Technologies LLC – Standard Terms of Sale

1. **Applicable Terms.** These terms govern the purchase and sale of equipment, products, related services, leased products, and media goods if any (collectively herein "Work"), referred to in Seller's proposal ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is expressly conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.
2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation specifically provides otherwise, freight, storage, insurance and all taxes, levies, duties, tariffs, permits or license fees or other governmental charges relating to the Work or any incremental increases thereto shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. If Buyer claims a tax or other exemption or direct payment permit, it shall provide Seller with a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs and penalties arising out of same. All payments are due within 30 days after receipt of invoice. Buyer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval by Seller. Back charges without Seller's prior written approval shall not be accepted.
3. **Delivery.** Delivery of the Work shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, delivery terms are ExWorks Seller's factory (Incoterms 2010). Title to all Work shall pass upon receipt of payment for the Work under the respective invoice. Unless otherwise agreed to in writing by Seller, shipping dates are approximate only and Seller shall not be liable for any loss or expense (consequential or otherwise) incurred by Buyer or Buyer's customer if Seller fails to meet the specified delivery schedule.
4. **Ownership of Materials and Licenses.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data, software and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Work. Buyer shall not disclose any such material to third parties without Seller's prior written consent. Buyer grants Seller a non-exclusive, non-transferable license to use Buyer's name and logo for marketing purposes, including but not limited to, press releases, marketing and promotional materials, and web site content.
5. **Changes.** Neither party shall implement any changes in the scope of Work described in Seller's Documentation without a mutually agreed upon change order. Any change to the scope of the Work, delivery schedule for the Work, any Force Majeure Event, any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Seller to an equitable adjustment in the price and time of performance.
6. **Force Majeure Event.** Neither Buyer nor Seller shall have any liability for any breach or delay (except for breach of payment obligations) caused by a Force Majeure Event. If a Force Majeure Event exceeds six (6) months in duration, the Seller shall have the right to terminate the Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed prior to the date of termination. "**Force Majeure Event**" shall mean events or circumstances that are beyond the affected party's control and could not reasonably have been easily avoided or overcome by the affected party and are not substantially attributable to the other party. Force Majeure Event may include, but is not limited to, the following circumstances or events: war, act of foreign enemies, terrorism, riot, strike, or lockout by persons other than by Seller or its sub-suppliers, natural catastrophes or (with respect to on-site work), unusual weather conditions.
7. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the (i) Work shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and (ii) the Services shall be performed in a timely and workmanlike manner. Determination of



suitability of treated water for any use by Buyer shall be the sole and exclusive responsibility of Buyer. The foregoing warranty shall not apply to any Work that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. The Seller warrants the Work, or any components thereof, through the earlier of (i) eighteen (18) months from delivery of the Work or (ii) twelve (12) months from initial operation of the Work or ninety (90) days from the performance of services (the "Warranty Period"). If Buyer gives Seller prompt written notice of breach of this warranty within the Warranty Period, Seller shall, at its sole option and as Buyer's sole and exclusive remedy, repair or replace the subject parts, re-perform the Service or refund the purchase price. Unless otherwise agreed to in writing by Seller, (i) Buyer shall be responsible for any labor required to gain access to the Work so that Seller can assess the available remedies and (ii) Buyer shall be responsible for all costs of installation of repaired or replaced Work. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Work in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (i) damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller) and (ii) media goods (such as, but not limited to, resin, membranes, or granular activated carbon media) once media goods are installed. THE WARRANTIES SET FORTH IN THIS SECTION 7 AND THE WARRANTY SET FOR IN THE "EXTENDED LOW PRESSURE MEMBRANE MODULE WARRANTY" SECTION OF EVOQUA'S PROPOSAL ARE THE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITATION OF LIABILITY PROVISION BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

8. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.
9. **Assignment.** Neither party may assign this Agreement, in whole or in part, nor any rights or obligations hereunder without the prior written consent of the other party; provided, however, the Seller may assign its rights and obligations under these terms to its affiliates or in connection with the sale or transfer of the Seller's business and Seller may grant a security interest in the Agreement and/or assign proceeds of the agreement without Buyer's consent.
10. **Termination.** Either party may terminate this agreement, upon issuance of a written notice of breach and a thirty (30) day cure period, for a material breach (including but not limited to, filing of bankruptcy, or failure to fulfill the material obligations of this agreement). If Buyer suspends an order without a change order for ninety (90) or more days, Seller may thereafter terminate this Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed, whether delivered or undelivered, prior to the date of termination.
11. **Dispute Resolution.** Seller and Buyer shall negotiate in good faith to resolve any dispute relating hereto. If, despite good faith efforts, the parties are unable to resolve a dispute or claim arising out of or relating to this Agreement or its breach, termination, enforcement, interpretation or validity, the parties will first seek to agree on a forum for mediation to be held in a mutually agreeable site. If the parties are unable to resolve the dispute through mediation, then *any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Pittsburgh, Pennsylvania before three arbitrators who are lawyers experienced in the discipline that is the subject of the dispute and shall be jointly selected by Seller and Buyer. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The Arbitrators shall issue a reasoned decision of a majority of the arbitrators, which shall be the decision of the panel. Judgment may be entered upon the arbitrators' decision in any court of competent jurisdiction. The substantially prevailing party as determined by the arbitrators shall be reimbursed by the other party for all costs, expenses and charges, including without*



limitation reasonable attorneys' fees, incurred by the prevailing party in connection with the arbitration. For any order shipped outside of the United States, any dispute shall be referred to and finally determined by the International Center for Dispute Resolution in accordance with the provisions of its International Arbitration Rules, enforceable under the New York Convention (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) and the governing language shall be English.

12. **Export Compliance.** Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Work provided under this Agreement, including any export license requirements. Buyer agrees that such Work shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.
13. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE WORK, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR ALL WARRANTY CLAIMS OR FOR ANY BREACH OR FAILURE TO PERFORM ANY OBLIGATION UNDER THE CONTRACT, SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE WORK. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.
14. **Rental Equipment / Services.** Any leased or rented equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Buyer, and no right or property interest is transferred to the Buyer, except the right to use any such Leased Equipment as provided herein. Buyer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the Leased Equipment. Buyer shall be responsible to maintain the Leased Equipment in good and efficient working order. At the end of the initial term specified in the order, the terms shall automatically renew for the identical period unless canceled in writing by Buyer or Seller not sooner than three (3) months nor later than one (1) month from termination of the initial order or any renewal terms. Upon any renewal, Seller shall have the right to issue notice of increased pricing which shall be effective for any renewed terms unless Buyer objects in writing within fifteen (15) days of issuance of said notice. If Buyer timely cancels service in writing prior to the end of the initial or any renewal term this shall not relieve Buyer of its obligations under the order for the monthly rental service charge which shall continue to be due and owing. Upon the expiration or termination of this Agreement, Buyer shall promptly make any Leased Equipment available to Seller for removal. Buyer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.
15. **Miscellaneous.** These terms, together with any Contract Documents issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Buyer's documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. To the extent the Agreement is considered a subcontract under Buyer's prime contract with an agency of the United States government, in case of Federal Acquisition Regulations (FARs) flow down terms, Seller will be in compliance with Section 44.403 of the FAR relating to commercial items and those additional clauses as specifically listed in 52.244-6, Subcontracts for Commercial Items (OCT 2014). If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions. Both Buyer and Seller reject the applicability of the United Nations Convention on Contracts for the international sales of goods to the relationship between the parties and to all transactions arising from said relationship.



Extended Low Pressure Membrane Module Warranty

1. Term of the Low Pressure Membrane Module Warranty
 - a. This Warranty shall commence ("Commencement Date") on the earlier of:
 - i) wet startup of the equipment, or
 - ii) 6 months after the delivery of the final low pressure membrane skid/rack to the Buyer.
 - b. This Warranty shall continue for a period of 10 years from the Commencement Date (the "Module Warranty Period").
2. Repair and Replacement Conditions
 - a. In the event an individual low pressure membrane module exhibits defects in material or workmanship, as defined in Paragraph 2.b. below, the Seller shall, at its sole option and as the Buyer's sole remedy, conduct either of the following:
 - i) Repair the low pressure membrane module at no cost to Buyer; or
 - ii) Provide replacement low pressure membrane modules per the warranty replacement schedule listed in Paragraph 5 below.
 - b. Low pressure membrane modules shall be deemed to be exhibiting defects in material or workmanship under the following conditions:
 - i) If the low pressure membrane module fails Seller's standard integrity test and cannot be repaired by the Buyer; or
 - ii) If a low pressure membrane module fails Seller's standard integrity test and requires pin repair by Buyer on more than three occasions in any three month period or more than six occasions in any twelve month period after commencement of the Module Warranty Period, it may be repaired or replaced by Seller under the terms of low pressure membrane module warranty.
 - c. Buyer will return to Seller the end of each low pressure membrane module with the serial number to qualify for a replacement module.
3. Low Pressure Membrane Module Warranty Exclusions: The Buyer recognizes that damage resulting from any of the following shall be excluded from coverage under the low pressure membrane module warranty:
 - a. Alteration or faulty installation of membrane system equipment, components or low pressure membrane modules by any person other than an employee or representative of Seller without the Seller's prior written consent.
 - b. Buyer causing or permitting any low pressure membrane modules to dry or to have a moisture content below that specified in the operating instructions.
 - c. Chemical or physical conditions such as (but not limited to) pH, temperature or climatic factors outside recommended operating parameters in the appropriate section of the Operating and Maintenance Manual even where Seller is aware of the existence of these conditions.
 - d. Supply of influent water exhibiting parameters inconsistent with the parameters determined or specified at the time of bid and/or pilot testing. Deviance from any specified influent parameters may diminish or, in certain cases, void this warranty.
 - e. Exposure of the low pressure membrane modules to oil, organic solvents and other substances not



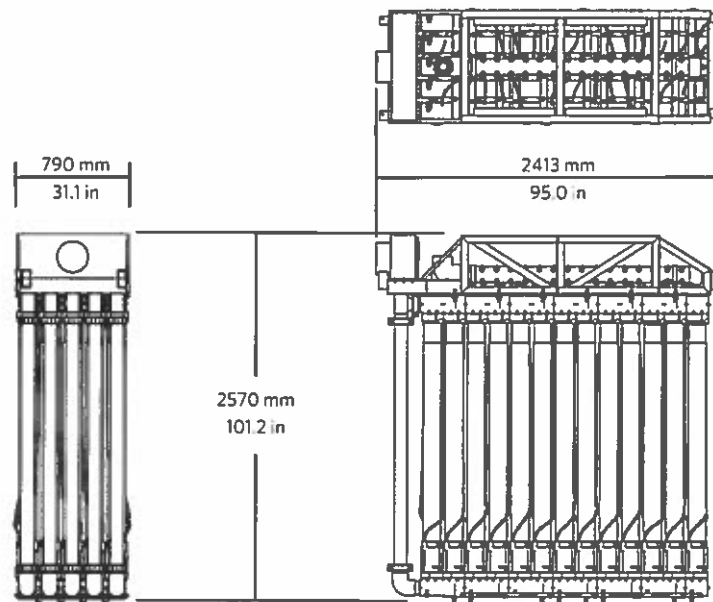
normally present in water. In particular, waste water from oil filters and/or compressors shall not be permitted to come in contact with the low pressure membrane modules at any time.

- f. Permanent or temporary exposure of the low pressure membrane modules to sand, grit or other particulate that may result in fiber damage or abrasion.
 - g. Improper maintenance of the equipment (including failure to perform general pinning maintenance) as defined in Seller supplied Operating and Maintenance Manual.
 - h. Use of water treatment chemicals or cleaning procedures other than chemicals, cleaning solutions and procedures approved by the Seller.
 - i. Use of cationic polymer in the Buyer's water treatment process without the prior written consent of Seller.
4. **Warranty Conditions:** This warranty is conditioned upon Buyer:
- a. Not being in default of any payment obligations to Seller; and
 - b. Maintaining hand-written or electronic operational logs and providing such logs to Seller in the event of a warranty claim.
5. **Warranty Replacement Schedule**
- a. **First 12 Months:** If a low-pressure membrane module shall require replacement under the repair and replacement conditions described in section 2 above during the first twelve (12) months of the "Module Warranty Period", a replacement will be supplied by Seller at no charge.

Next 108 Months: If a low-pressure membrane module shall require replacement under the repair and replacement conditions described in section 2 above during the next one hundred eight (108) months of the Module Warranty Period, a replacement will be supplied by Seller and invoiced based upon a pro-rata value of a total of One hundred twenty (120) months. The pro-rata value shall be determined using a replacement price of US\$1,200.00 per module adjusted by the increase in the North American Consumer Price Index (CPI) All Urban Consumers (US City Average) and reducing this price by 1/120th for each month remaining in the 120-month period.
 - b. Replacement modules supplied by the Seller to Buyer under warranty shall assume the balance of the low pressure membrane module warranty that remained on the defective low pressure membrane module that was replaced under warranty.
 - c. Freight costs associated with the furnishing of replacement modules provided under the low pressure membrane module warranty is not included in the warranty replacement price. Accordingly, the shipping/delivery terms for replacement modules supplied under the low pressure membrane module warranty shall be "Ex Works Seller's Facility" and Seller shall arrange, and Buyer shall pay for, transportation of replacement membrane modules to Buyer's facility.
6. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER DAMAGES AND SELLER'S TOTAL LIABILITY UNDER THIS EXTENDED LOW PRESSURE MEMBRANE MODULE WARRANTY, WHEN ADDED TO ALL LIABILITY OF SELLER TO THE BUYER AND ANY END USER OF THE SYSTEM, IF DIFFERENT FROM THE BUYER, UNDER THE SYSTEM SALE CONTRACT, SHALL NOT EXCEED THE LIMITATION ON LIABILITY SET FORTH IN THE SYSTEM SALE CONTRACT. THE FOREGOING LIMITATIONS APPLY REGARDLESS OF WHETHER THE LIABILITIES OR DAMAGES ARISE OR ARE ALLEGED TO ARISE UNDER CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

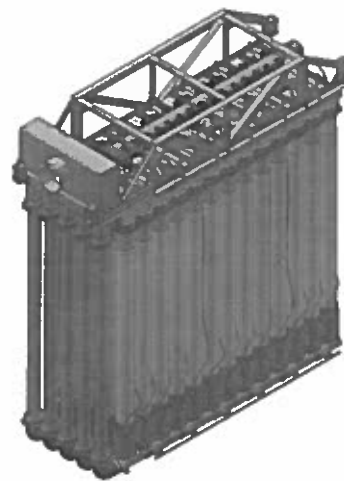
MEMCOR®
an EVOQUA brand

MEMCOR® AM 65L20 RACK ASSEMBLY SPECIFICATION



AM 65L20 RACK ASSEMBLY SPECIFICATIONS

Parameter	Details
Module Operating Process	Submerged Ultrafiltration
Typical Applications	Potable water and waste water filtration
Membrane Module Type	MEMCOR® L20N Hollow Fiber Membrane Filtration Modules (refer to separate specification sheets) ^{Note i}
Filtration Flow Direction	Outside to Inside
Backwash Type	Air Scour with Liquid Backwash
Number of Membrane Modules Fitted	Standard size 65 x L20 Membrane Filtration Modules in 5 rows
Membrane Material	PVDF (Polyvinylidene Fluoride)
Nominal Membrane Pore Size	0.04 µm
Nominal Membrane Area	2260 m ² / 24300 ft ²
Potable Water Approvals ^{Note ii}	NSF/ANSI Standard 61 approval application for housing assembly in progress - Drinking water system components



AM 65L20 RACK ASSEMBLY DETAILS

Parameter	Details
Rack Manifold Process Connections	Filtrate Outlet Connector (standard): 200 NS / 8" Horizontal Schedule 10 Pipe Plain End Filtrate Outlet Connector (high flow rate option): 250 NS / 10" Horizontal Schedule 10 Pipe Plain End Aeration Air Inlet Connector: 1 x 50 NS / 2" Female NPT Coupling.
Nominal Rack Assembly Frame Dimensions (Overall including support frame)	790 mm W x 2413 mm L x 2570 mm H 31.1" W x 95.0" L x 101.2" H
Approximate Rack Assembly Mass (loaded with 65 moist Modules)	1370 kg / 3020 lb
Top Frame Assembly	SS316 ^{Note iii}
Main Filtrate Header	SS316 ^{Note iii}
Aeration Air Inlet Connector	ABS
Wetted Module Components	PVDF, Polyurethane, Polyethylene, Polyamide, EPDM
Module Support Clips	Glass Filled Nylon Mouldings
Top and Bottom Filtrate Manifolds	Glass Filled ABS Mouldings
Top and Bottom Filtrate Manifold Internal connecting clamps and fasteners	Plastic Grooved Pipe Couplings with SS316 fasteners ^{Note iii}
Air Distribution Tubing	PE
Other Wetted Components	SS316, ABS, PVC, EPDM O-rings ^{Note iii}
Temperature Range for Transportation and Storage (Empty Housings Only)	> 0 to 50 °C / > 32 to 122 °F ^{Note i} (Must not be exposed to freezing conditions)
Protection from ultraviolet (UV) radiation	Rack Assemblies should not be exposed to ultraviolet radiation (direct sunlight) during storage or operation.

Notes:

- i. When Membrane Filtration Modules are fitted to the Rack Assembly, the transport, storage and operating limits of the membranes determine allowable limits of exposure. Please refer to the relevant Module specification sheet for further details.
- ii. ANSI is a trademark of the American National Standards Institute. NSF is a trademark of the National Science Foundation.
- iii. Some alternative materials of construction may be recommended for seawater or other high TDS applications.



Evoqua Water Technologies

Email memcor_oem@evoqua.com

MEMCOR is a registered trademark of Evoqua, its subsidiaries or affiliates, in some countries.

The information provided in this literature contains merely general descriptions or characteristics of performance which in actual case of use do not always apply as described or which may change as a result of further development of the products. An obligation to provide the respective characteristics shall only exist if expressly agreed in the terms of the contract. Additional operating information, storage instructions and warranty terms may apply. Please contact Evoqua Water Technologies for more information.

www.memcor-oem.com

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MC-AM-65L20-RACKASSY-OEM-PS-A4-V01_1016

Item Attachment Documents:

11. Plant Production (informational)

Sinclair Water Authority

Plant Production Report

May 20, 2019

Flows Monthly Report

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Date	Time	Raw	Permeate	Lagoon	Putnam	Baldwin	Choby's	Total Dist
2019-04-01	23:59:59	3,223,433	2,743,009	247,759	1,053,428	1,731,166		2,784,594
2019-04-02	23:59:59	3,447,278	2,952,034	258,878	1,056,111	1,687,025		2,743,136
2019-04-03	23:59:59	3,320,395	2,812,354	254,265	997,868	1,785,092		2,782,960
2019-04-04	23:59:59	3,577,759	3,066,304	264,444	1,065,824	1,745,251		2,811,075
2019-04-05	23:59:59	3,438,263	2,935,234	268,388	1,072,908	1,778,696		2,851,604
2019-04-06	23:59:59	3,310,581	2,794,038	260,864	881,777	1,851,825		2,733,602
2019-04-07	23:59:59	3,436,384	2,924,035	278,574	962,958	1,958,258		2,921,216
2019-04-08	23:59:59	3,367,700	2,913,447	553,523	792,758	1,798,852		2,591,610
2019-04-09	23:59:59	3,240,071	2,447,172	262,489	922,132	1,663,710		2,585,842
2019-04-10	23:59:59	3,231,218	2,795,899	225,821	1,013,114	1,801,616		2,814,730
2019-04-11	23:59:59	3,468,536	3,016,702	237,139	887,490	1,956,104		2,843,594
2019-04-12	23:59:59	3,257,167	2,846,142	200,080	854,324	1,736,287		2,590,611
2019-04-13	23:59:59	3,224,806	2,794,384	225,578	976,007	1,823,575		2,799,582
2019-04-14	23:59:59	3,394,829	2,938,916	232,766	927,478	2,012,248		2,939,726
2019-04-15	23:59:59	3,297,552	2,872,242	207,976	843,934	1,944,782		2,788,716
2019-04-16	23:59:59	3,317,187	2,860,784	236,505	1,030,440	1,681,500		2,711,940
2019-04-17	23:59:59	3,116,799	2,686,580	204,618	958,619	1,727,771		2,686,390
2019-04-18	23:59:59	3,221,619	2,787,268	216,341	974,104	1,834,904		2,809,008
2019-04-19	23:59:59	3,203,930	2,763,624	228,603	916,290	1,771,823		2,688,113
2019-04-20	23:59:59	3,191,764	2,754,954	208,331	915,332	1,832,443		2,747,775
2019-04-21	23:59:59	3,466,257	2,999,301	223,902	811,773	2,009,353		2,821,126
2019-04-22	23:59:59	3,456,145	3,016,150	191,035	932,842	1,913,595		2,846,437
2019-04-23	23:59:59	3,506,763	3,066,115	199,039	1,119,658	1,988,357		3,108,015
2019-04-24	23:59:59	3,675,667	3,202,599	229,969	931,604	1,988,053		2,919,657
2019-04-25	23:59:59	3,094,901	2,687,230	204,337	838,252	1,901,788		2,740,040
2019-04-26	23:59:59	3,429,444	2,973,393	226,450	1,045,284	1,913,999		2,959,283
2019-04-27	23:59:59	3,669,166	3,168,352	242,106	1,064,109	2,154,581		3,218,690
2019-04-28	23:59:59	3,858,466	3,340,182	270,267	987,331	2,227,462		3,214,793
2019-04-29	23:59:59	3,722,505	3,240,872	222,589	1,023,519	2,055,905		3,079,424
2019-04-30	23:59:59	3,639,152	3,158,962	212,313	1,133,609	2,111,754		3,245,363
TOTAL:		101,805,737	87,558,278	7,294,949	28,990,877	56,387,775		85,378,652
MIN:		3,094,901	2,447,172	191,035	792,758	1,663,710		2,585,842
MAX:		3,858,466	3,340,182	553,523	1,133,609	2,227,462		3,245,363
AVG:		3,393,525	2,918,609	243,165	966,363	1,879,593		2,845,955
COUNT:		30	30	30	30	30	0	30

Billable Gallons

Apr-19

Chobys Meter #1	3/31/2019	671,148,990
Chobys Meter #1	4/30/2019	728,797,630
	Total	57,648,640
Mays Road Meter	3/31/2019	16,124,000
Mays Road Meter	4/30/2019	16,416,000
	Total	292,000
Ga. Power Meter	3/31/2019	172,117
Ga. Power Meter	4/30/2019	174,099
	Total	1,982
DNR Boat House	3/31/2019	46,928
DNR Boat House	4/30/2019	47,867
	Total	939

Baldwin Billable Gallons 57,353,719

Putnam Billable Gallons

Main Putnam Meter	28,990,877
Mays Road Meter	292,000
Ga. Power Meter	1,982
DNR Boat House	939
Putnam Billable Gallons	29,285,798

SinclairWater Authority
126 Cay Drive
Milledgeville, Ga. 31061
706-485-8993

Sinclair Water Authority
Milledgeville, GA 31061

Invoice **112**

Date	Invoice #
4/30/2019	266

Bill To
Baldwin County Board of Commissioners 121 N. Wilkinson St. Ate 314 Milledgeville, GA 31061

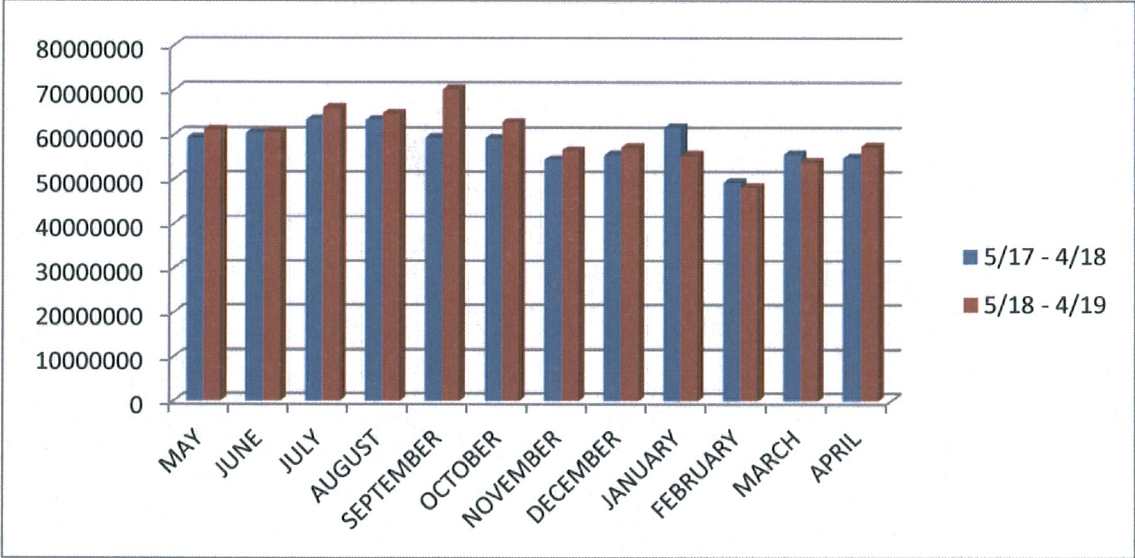
Description	Qty	Rate	Amount
Baldwin Billable Gallons	57,353	0.422	24,202.97
Baldwin Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Baldwin Alum Sludge Disposal		1,350.00	1,350.00

Total			\$93,217.97
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MONTHLY BILLABLE GALLONS FOR BALDWIN COUNTY

May 2017 Thru April 2019

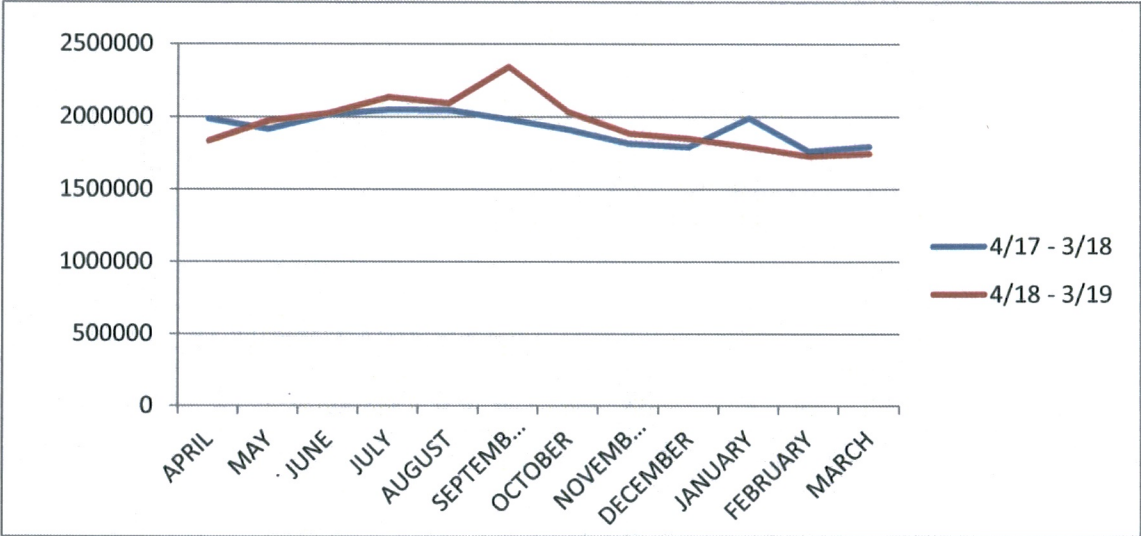
	GALLONS 5/17 - 4/18	GALLONS 5/18 - 4/19
MAY	59346650	61088810
JUNE	60435470	60653130
JULY	63483160	66078070
AUGUST	63403840	64780410
SEPTEMBER	59416400	70235670
OCTOBER	59227270	62831610
NOVEMBER	54456850	56454782
DECEMBER	55504360	57218316
JANUARY	61694940	55462219
FEBRUARY	49309520	48265800
MARCH	55590480	53973721
APRIL	54914140	57353719



MONTHLY FLOW RATES FOR BALDWIN COUNTY

April 2017 Thru March 2019

	FLOWRATES* 4/17 - 3/18	FLOWRATES* 4/18 - 3/19
APRIL	1986503	1830471
MAY	1914408	1970606
JUNE	2014515	2021771
JULY	2047843	2131550
AUGUST	2045285	2089690
SEPTEMBER	1980546	2341189
OCTOBER	1910557	2026826
NOVEMBER	1815228	1881826
DECEMBER	1790463	1845752
JANUARY	1990159	1789103
FEBRUARY	1761054	1723778
MARCH	1793241	1741087



*These figures are the average daily flow each month for Baldwin County
 These figures are based on the billable gallons for each month

Sinclair Water Authority
Milledgeville, GA 31061

Invoice **115**

Date	Invoice #
4/30/2019	267

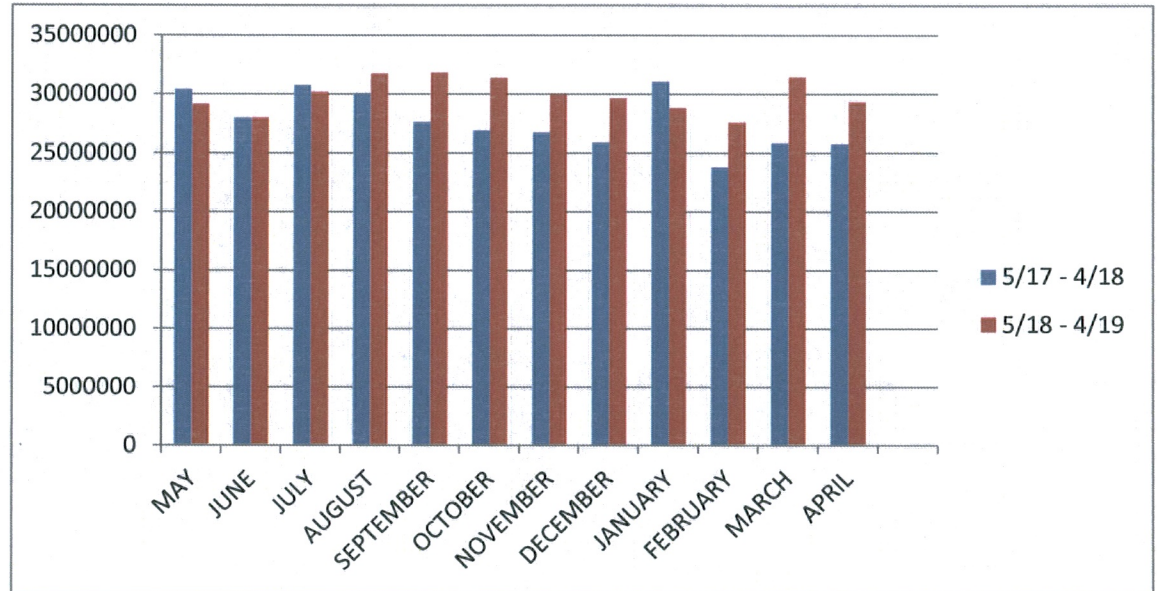
Bill To
Putnam Co. Board of Commissioners 117 Putnam Drive Suite A Eatonton, GA 31024

Description	Qty	Rate	Amount
Putnam Billable Gallons	29,285	0.422	12,358.27
Putnam Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Putnam Alum Sludge Disposal		1,350.00	1,350.00

	Total	\$81,373.27
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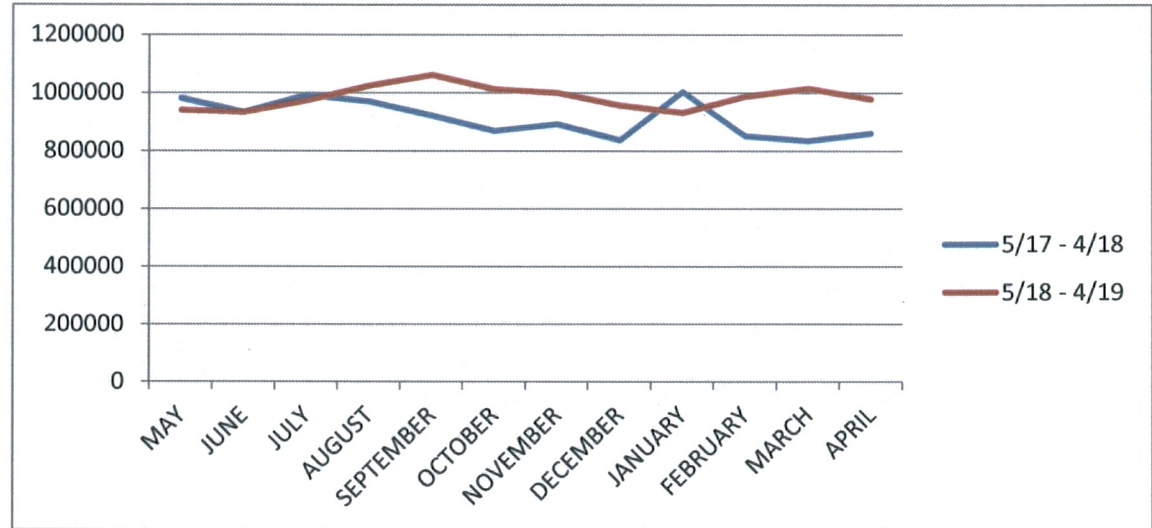
MONTHLY BILLABLE GALLONS FOR PUTNAM COUNTY May 2017 Thru April 2019

	GALLONS 5/17 - 4/18	GALLONS 5/18 - 4/19
MAY	30388503	29101432
JUNE	27977898	27956573
JULY	30753979	30133017
AUGUST	30069289	31704699
SEPTEMBER	27616307	31778869
OCTOBER	26926808	31347172
NOVEMBER	26763714	29970026
DECEMBER	25914230	29621963
JANUARY	31074293	28818273
FEBRUARY	23811328	27584062
MARCH	25839838	31407865
APRIL	25755751	29285798



MONTHLY FLOW RATES FOR PUTNAM COUNTY May 2017 Thru April 2019

	FLOWRATES* 5/17 - 4/18	FLOWRATES* 5/18 - 4/19
MAY	980274	938755
JUNE	932596	931885
JULY	992063	972032
AUGUST	969977	1022732
SEPTEMBER	920543	1059295
OCTOBER	868606	1011199
NOVEMBER	892123	999000
DECEMBER	835942	955547
JANUARY	1002396	929621
FEBRUARY	850404	985145
MARCH	833543	1013156
APRIL	859191	976193



*These figures are the average daily flow each month for Putnam County
These figures are based on the billable gallons for each month

Flows Monthly Report

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Date	Time	Raw	Permeate	Lagoon	Putnam	Baldwin	Choby's	Total Disl
2019-03-01	23:59:59	3,158,983	2,715,925	231,249	1,029,651	1,582,643		2,612,294
2019-03-02	23:59:59	3,128,390	2,651,462	246,579	833,888	1,749,449		2,583,337
2019-03-03	23:59:59	3,226,453	2,780,192	283,667	951,656	1,769,300		2,720,956
2019-03-04	23:59:59	3,087,907	2,657,184	210,502	1,061,815	1,560,055		2,621,870
2019-03-05	23:59:59	3,201,861	2,752,597	221,953	1,272,203	1,526,347		2,798,550
2019-03-06	23:59:59	3,346,424	2,901,980	224,134	934,126	1,773,415		2,707,541
2019-03-07	23:59:59	3,227,084	2,769,914	216,668	989,446	1,654,324		2,643,770
2019-03-08	23:59:59	3,131,791	2,693,466	247,017	1,100,736	1,557,258		2,657,994
2019-03-09	23:59:59	3,353,397	2,860,877	235,351	801,865	1,747,538		2,549,403
2019-03-10	23:59:59	3,117,870	2,666,303	234,173	1,080,518	1,780,694		2,861,212
2019-03-11	23:59:59	3,144,755	2,683,277	231,150	745,917	1,599,081		2,344,998
2019-03-12	23:59:59	3,289,324	2,837,920	221,819	907,070	1,777,012		2,684,082
2019-03-13	23:59:59	3,198,932	2,759,825	495,754	1,088,231	1,608,237		2,696,468
2019-03-14	23:59:59	3,344,689	2,487,443	275,207	924,424	1,748,629		2,673,053
2019-03-15	23:59:59	3,456,828	2,945,444	261,852	1,115,685	1,720,852		2,836,537
2019-03-16	23:59:59	3,290,611	2,781,658	251,166	959,281	1,756,138		2,715,419
2019-03-17	23:59:59	3,511,231	2,973,823	257,860	949,370	1,938,846		2,888,216
2019-03-18	23:59:59	3,346,558	2,838,755	246,783	1,091,951	1,673,668		2,765,619
2019-03-19	23:59:59	3,454,843	2,959,188	278,454	957,614	1,742,029		2,699,643
2019-03-20	23:59:59	3,226,910	2,742,399	238,425	945,776	1,767,417		2,713,193
2019-03-21	23:59:59	3,245,893	2,745,979	259,009	1,002,307	1,642,450		2,644,757
2019-03-22	23:59:59	3,456,795	2,949,865	251,142	1,178,229	1,808,910		2,987,139
2019-03-23	23:59:59	3,624,247	3,090,122	273,910	896,506	1,843,759		2,740,265
2019-03-24	23:59:59	3,489,680	2,976,980	245,329	1,080,288	1,887,491		2,967,779
2019-03-25	23:59:59	3,564,155	3,041,950	257,896	1,124,877	1,896,747		3,021,624
2019-03-26	23:59:59	3,305,857	2,834,937	255,734	969,238	1,638,057		2,607,295
2019-03-27	23:59:59	3,146,144	2,668,866	236,310	937,327	1,685,024		2,622,351
2019-03-28	23:59:59	3,258,230	2,766,698	246,930	968,827	1,731,501		2,700,328
2019-03-29	23:59:59	3,544,901	3,032,077	258,145	1,129,521	1,798,934		2,928,455
2019-03-30	23:59:59	3,430,111	2,911,404	258,967	1,112,044	1,709,394		2,821,438
2019-03-31	23:59:59	3,446,579	2,931,620	255,604	997,359	1,902,200		2,899,559

TOTAL:	102,757,433	87,410,130	7,908,739	31,137,746	53,577,399		84,715,145
MIN:	3,087,907	2,487,443	210,502	745,917	1,526,347		2,344,998
MAX:	3,624,247	3,090,122	495,754	1,272,203	1,938,846		3,021,624
AVG:	3,314,756	2,819,682	255,121	1,004,443	1,728,303		2,732,747
COUNT:	31	31	31	31	31	0	31

Billable Gallons

Mar-19

Chobys Meter #1	2/28/2019	616,905,150
Chobys Meter #1	3/31/2019	671,148,990
	Total	54,243,840
Mays Road Meter	2/28/2019	15,856,000
Mays Road Meter	3/31/2019	16,124,000
	Total	268,000
Ga. Power Meter	2/28/2019	169,998
Ga. Power Meter	3/31/2019	172,117
	Total	2,119
DNR Boat House	2/28/2019	46,928
DNR Boat House	3/31/2019	46,928
	Total	0

Baldwin Billable Gallons	53,973,721
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Putnam Billable Gallons

Main Putnam Meter	31,137,746
Mays Road Meter	268,000
Ga. Power Meter	2,119
DNR Boat House	0
Putnam Billable Gallons	31,407,865

SinclairWater Authority
 126 Cay Drive
 Milledgeville, Ga. 31061
 706-485-8993

Sinclair Water Authority
Milledgeville, GA 31061

Invoice 121

Date	Invoice #
4/5/2019	264

Bill To
Baldwin County Board of Commissioners 121 N. Wilkinson St. Ate 314 Milledgeville, GA 31061

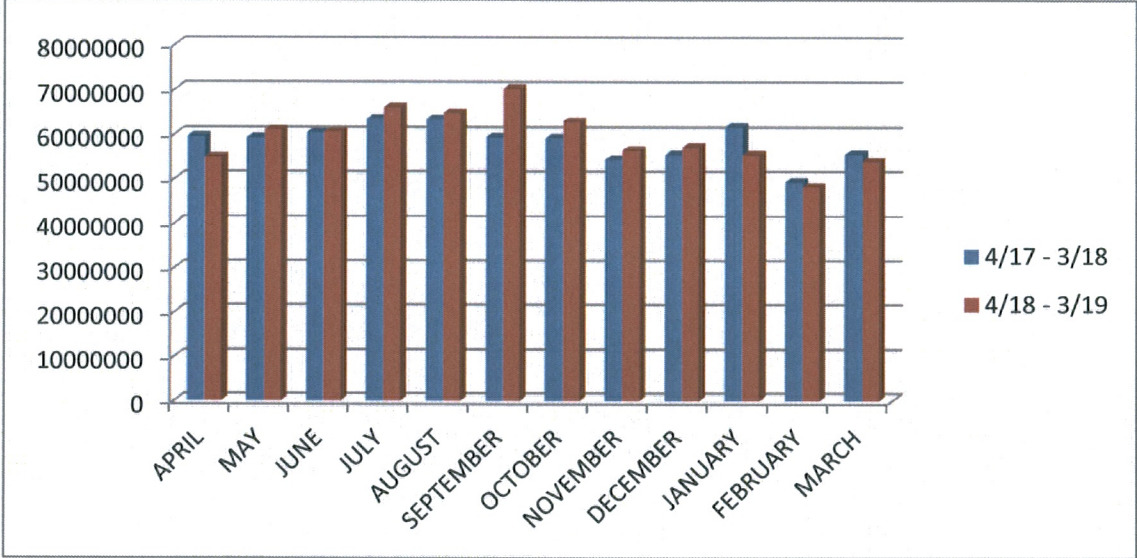
Description	Qty	Rate	Amount
Baldwin Billable Gallons	53,974	0.422	22,777.03
Baldwin Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Baldwin Alum Sludge Disposal		1,350.00	1,350.00

Total	\$91,792.03
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MONTHLY BILLABLE GALLONS FOR BALDWIN COUNTY

April 2017 Thru March 2019

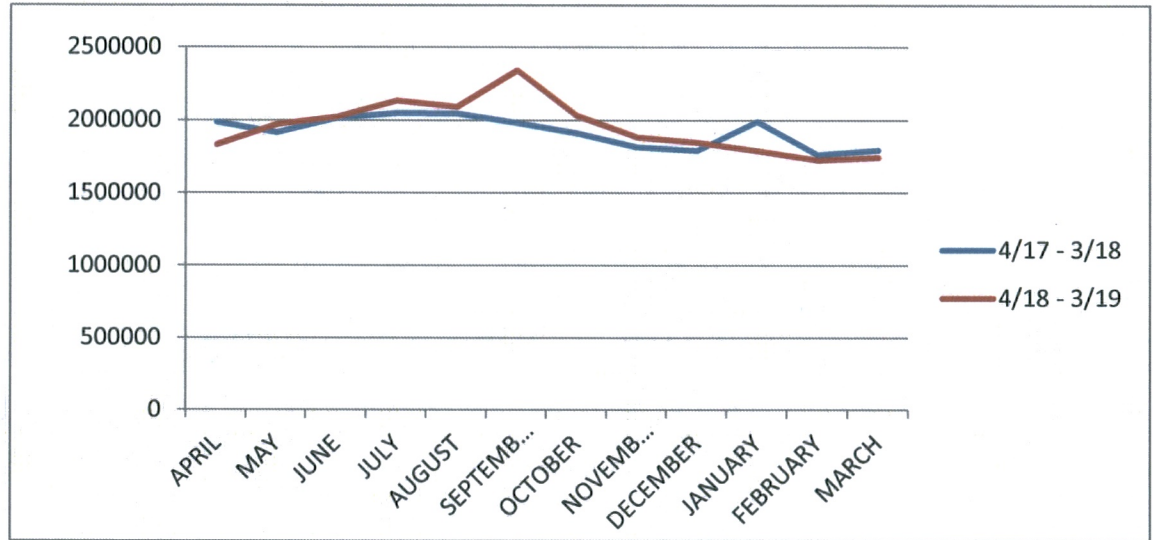
	GALLONS 4/17 - 3/18	GALLONS 4/18 - 3/19
APRIL	59595110	54914140
MAY	59346650	61088810
JUNE	60435470	60653130
JULY	63483160	66078070
AUGUST	63403840	64780410
SEPTEMBER	59416400	70235670
OCTOBER	59227270	62831610
NOVEMBER	54456850	56454782
DECEMBER	55504360	57218316
JANUARY	61694940	55462219
FEBRUARY	49309520	48265800
MARCH	55590480	53973721



MONTHLY FLOW RATES FOR BALDWIN COUNTY

April 2017 Thru March 2019

	FLOWRATES* 4/17 - 3/18	FLOWRATES* 4/18 - 3/19
APRIL	1986503	1830471
MAY	1914408	1970606
JUNE	2014515	2021771
JULY	2047843	2131550
AUGUST	2045285	2089690
SEPTEMBER	1980546	2341189
OCTOBER	1910557	2026826
NOVEMBER	1815228	1881826
DECEMBER	1790463	1845752
JANUARY	1990159	1789103
FEBRUARY	1761054	1723778
MARCH	1793241	1741087



*These figures are the average daily flow each month for Baldwin County
 These figures are based on the billable gallons for each month

Sinclair Water Authority
Milledgeville, GA 31061

Invoice 124

Date	Invoice #
4/5/2019	265

Bill To
Putnam Co. Board of Commissioners 117 Putnam Drive Suite A Eatonton, GA 31024

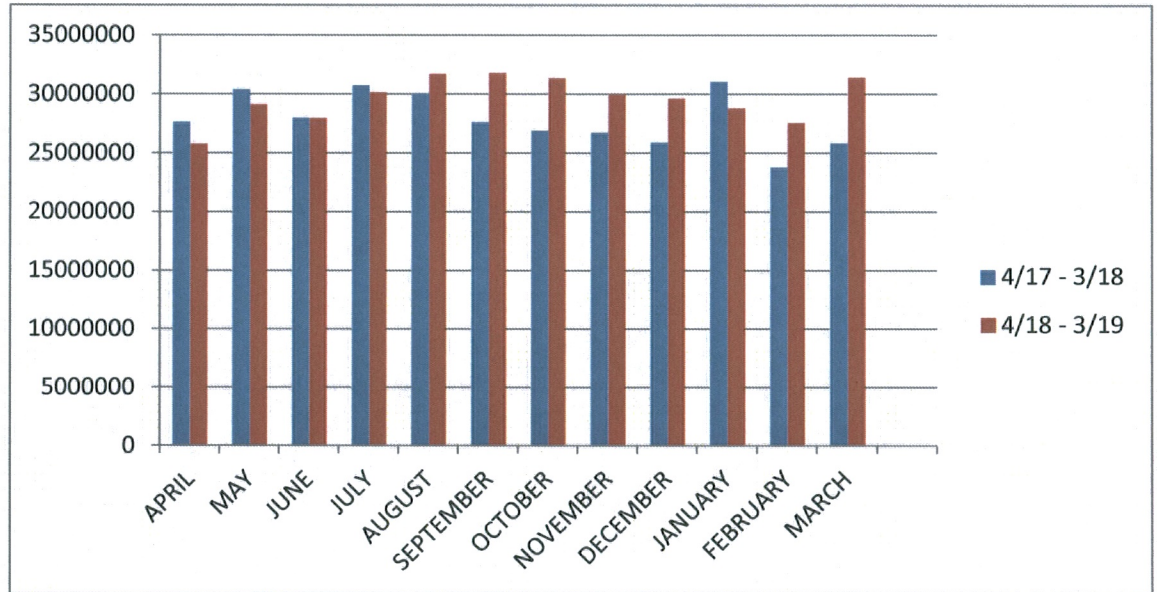
Description	Qty	Rate	Amount
Putnam Billable Gallons	31,408	0.422	13,254.18
Putnam Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Putnam Alum Sludge Disposal		1,350.00	1,350.00

	Total	\$82,269.18
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MONTHLY BILLABLE GALLONS FOR PUTNAM COUNTY

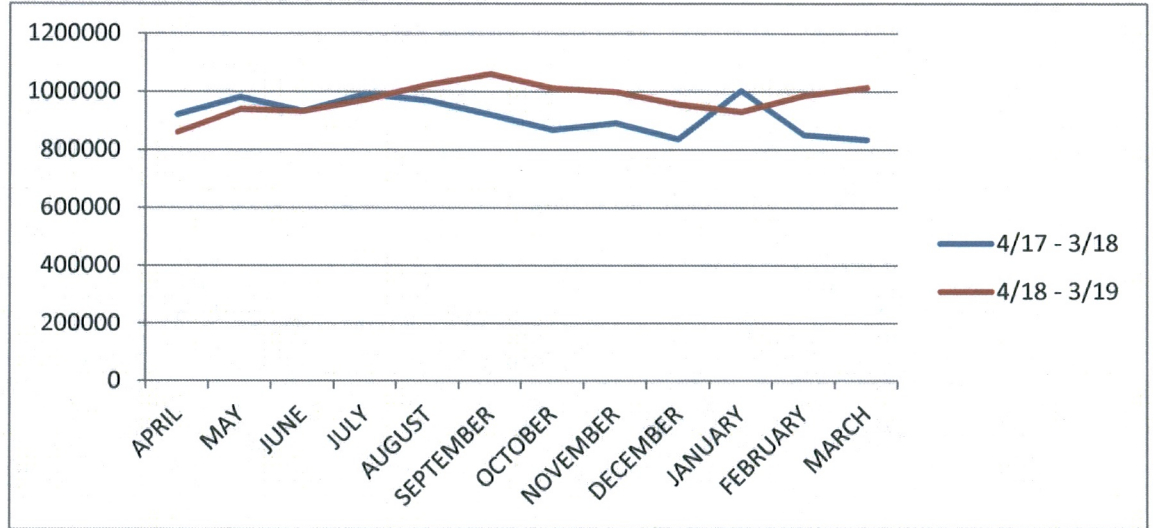
April 2017 Thru March 2019

	GALLONS 4/17 - 3/18	GALLONS 4/18 - 3/19
APRIL	27618947	25755751
MAY	30388503	29101432
JUNE	27977898	27956573
JULY	30753979	30133017
AUGUST	30069289	31704699
SEPTEMBER	27616307	31778869
OCTOBER	26926808	31347172
NOVEMBER	26763714	29970026
DECEMBER	25914230	29621963
JANUARY	31074293	28818273
FEBRUARY	23811328	27584062
MARCH	25839838	31407865



MONTHLY FLOW RATES FOR PUTNAM COUNTY April 2017 Thru March 2019

	FLOWRATES* 4/17 - 3/18	FLOWRATES* 4/18 - 3/19
APRIL	920631	859191
MAY	980274	938755
JUNE	932596	931885
JULY	992063	972032
AUGUST	969977	1022732
SEPTEMBER	920543	1059295
OCTOBER	868606	1011199
NOVEMBER	892123	999000
DECEMBER	835942	955547
JANUARY	1002396	929621
FEBRUARY	850404	985145
MARCH	833543	1013156



*These figures are the average daily flow each month for Putnam County
These figures are based on the billable gallons for each month

12. Financial Reports (informational)

Sinclair Water Authority

Financial Reports

May 20, 2019

Sinclair Water Authority Profit & Loss Budget vs. Actual January through April 2019

	Jan - Apr 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
34.4200 · Water sales				
34.4210 · Water sales - Baldwin	361,532.64	369,509.36	-7,976.72	97.8%
34.4220 · Water sales - Putnam	320,073.68	321,620.68	-1,547.00	99.5%
Total 34.4200 · Water sales	681,606.32	691,130.04	-9,523.72	98.6%
34.4230 · Alum Sludge Revenue				
34.4235 · Alum sludge revenue-Baldwin	5,400.00	5,400.00	0.00	100.0%
34.4240 · Alum sludge revenue-Putnam	5,400.00	5,400.00	0.00	100.0%
Total 34.4230 · Alum Sludge Revenue	10,800.00	10,800.00	0.00	100.0%
36.1000 · Interest Earned	4,575.63	4,533.36	42.27	100.9%
Total Income	696,981.95	706,463.40	-9,481.45	98.7%
Gross Profit	696,981.95	706,463.40	-9,481.45	98.7%
Expense				
51 · Pers Serv & Benefits				
51.1000 · Salaries and wages				
51.1100 · Salaries & Wages-Regular	100,540.04	97,023.36	3,516.68	103.6%
51.1400 · Salaries & Wages - Other	10,054.81	11,969.68	-1,914.87	84.0%
Total 51.1000 · Salaries and wages	110,594.85	108,993.04	1,601.81	101.5%
51.2000 · Employee Benefits				
51.2100 · Group Health Insurance	23,652.02	24,333.36	-681.34	97.2%
51.2120 · BCBS-Dental	1,314.86	833.35	481.51	157.8%
51.2130 · BCBS-Vision	165.32	133.36	31.96	124.0%
51.2200 · Social Security (FICA)	6,357.51	6,733.36	-375.85	94.4%
51.2300 · Medicare	1,486.81	1,600.00	-113.19	92.9%
51.2400 · Retirement Plan Base Contr	1,953.48	2,100.00	-146.52	93.0%
51.2450 · Retirement Plan Match	2,930.43	3,166.68	-236.25	92.5%
51.2460 · Pension Plan	0.00	2,166.68	-2,166.68	0.0%
51.2700 · Workers' Compensation	-3,097.00	6,666.68	-9,763.68	-46.5%
51.2900 · Group Life Insurance	441.26	733.36	-292.10	60.2%
51.2950 · Other Employee Benefits	0.00	100.00	-100.00	0.0%
Total 51.2000 · Employee Benefits	35,204.69	48,566.83	-13,362.14	72.5%
Total 51 · Pers Serv & Benefits	145,799.54	157,559.87	-11,760.33	92.5%
52 · Services				
52.1000 · Professional & technical				
52.1200 · Professional services				
52.1210 · Legal Fees	247.50	333.36	-85.86	74.2%
52.1220 · Accounting Services	0.00	5,333.36	-5,333.36	0.0%
Total 52.1200 · Professional services	247.50	5,666.72	-5,419.22	4.4%
52.1300 · Technical services				
52.1310 · Engineering	9,645.00	2,500.00	7,145.00	385.8%
52.1320 · Computer Services	133.87	333.36	-199.49	40.2%
52.1330 · Laboratory Testing	4,004.35	8,630.00	-4,625.65	46.4%

Sinclair Water Authority Profit & Loss Budget vs. Actual January through April 2019

	Jan - Apr 19	Budget	\$ Over Budget	% of Budget
52.1340 · Payroll Processing	1,075.22	633.36	441.86	169.8%
Total 52.1300 · Technical services	14,858.44	12,096.72	2,761.72	122.8%
Total 52.1000 · Professional & technical	15,105.94	17,763.44	-2,657.50	85.0%
52.2000 · Property services				
52.2150 · Alum Sludge Disposal	7,167.46	10,800.00	-3,632.54	66.4%
52.2210 · Building Maintenance	21,659.63	6,666.68	14,992.95	324.9%
52.2220 · Equipment Maintenance	36,194.28	23,333.36	12,860.92	155.1%
52.2230 · Automobile Expense	0.00	333.36	-333.36	0.0%
Total 52.2000 · Property services	65,021.37	41,133.40	23,887.97	158.1%
52.3000 · Other services				
52.3100 · Insurance Expense	0.00	9,166.68	-9,166.68	0.0%
52.3200 · Telephone (communications)	1,690.92	1,666.68	24.24	101.5%
52.3300 · Advertising	0.00	400.00	-400.00	0.0%
52.3500 · Travel Expense	1,618.94	1,333.36	285.58	121.4%
52.3550 · Travel - Local	0.00			
52.3600 · Dues and fees	36.21	200.00	-163.79	18.1%
52.3700 · Education Training	663.00	1,300.00	-637.00	51.0%
52.3800 · License Renewals	195.00			
52.3850 · Contract Labor	2,085.40	4,666.68	-2,581.28	44.7%
Total 52.3000 · Other services	6,289.47	18,733.40	-12,443.93	33.6%
Total 52 · Services	86,416.78	77,630.24	8,786.54	111.3%
53 · Supplies				
53.1100 · Office Supplies	2,268.95	1,500.00	768.95	151.3%
53.1135 · Chemicals	50,986.33	77,639.68	-26,653.35	65.7%
53.1140 · Laboratory Supplies	6,386.19	7,333.36	-947.17	87.1%
53.1150 · Safety Items	652.07	466.68	185.39	139.7%
53.1200 · Utilities / Energy	57,779.10	53,333.36	4,445.74	108.3%
53.1220 · Raw Water Withdrawal	0.00	16,000.00	-16,000.00	0.0%
53.1270 · Gasoline	115.76	666.68	-550.92	17.4%
53.1710 · Uniforms	449.90	366.68	83.22	122.7%
Total 53 · Supplies	118,638.30	157,306.44	-38,668.14	75.4%
66900 · Reconciliation Discrepancies	-53.28			
Total Expense	350,801.34	392,496.55	-41,695.21	89.4%
Net Ordinary Income	346,180.61	313,966.85	32,213.76	110.3%
Other Income/Expense				
Other Expense				
56 · Depreciation & amortization				
56.1000 · Depreciation Expense	190,420.92			
56.1900 · Maint. Reserve/Depreciation	0.00	34,638.68	-34,638.68	0.0%
Total 56 · Depreciation & amortization	190,420.92	34,638.68	155,782.24	549.7%
58 · Debt service				
58.1310 · USDA Loans Principal	0.00	76,940.00	-76,940.00	0.0%

10:47 AM
 4/03/19
 Actual Basis

**Sinclair Water Authority
 Profit & Loss Budget vs. Actual
 January through April 2019**

	<u>Jan - Apr 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
58.1330 · GEFA Loan #1 Principal	0.00	2,029.36	-2,029.36	0.0%
58.1340 · GEFA Loan #2 Principal	0.00	14,415.68	-14,415.68	0.0%
58.2300 · Interest Expense - USDA Loans	178,143.83	178,056.00	87.83	100.0%
58.2310 · GEFA Loan #1 Interest Expense	753.88	736.00	17.88	102.4%
58.2320 · GEFA Loan #2 Interest Expense	7,262.72	7,152.00	110.72	101.5%
Total 58 · Debt service	<u>186,160.43</u>	<u>279,329.04</u>	<u>-93,168.61</u>	<u>66.6%</u>
Total Other Expense	<u>376,581.35</u>	<u>313,967.72</u>	<u>62,613.63</u>	<u>119.9%</u>
Net Other Income	<u>-376,581.35</u>	<u>-313,967.72</u>	<u>-62,613.63</u>	<u>119.9%</u>
Net Income	<u><u>-30,400.74</u></u>	<u><u>-0.87</u></u>	<u><u>-30,399.87</u></u>	<u><u>3,494,337.9%</u></u>

Sinclair Water Authority
Balance Sheet
 As of April 30, 2019

	<u>Apr 30, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
11.1100 - Cash	
11.1111 - Exchange Bank Operating	511,231.25
11.1112 - Exchange - Payroll	5,000.00
11.1120 - Exchange-USDA Reserve	517,018.32
11.1140 - CD - USDA Reserve	258,639.58
Total 11.1100 - Cash	<u>1,291,889.15</u>
11.1150 - Petty Cash	100.00
Total Checking/Savings	<u>1,291,989.15</u>
Accounts Receivable	
11.1900 - Accounts Receivable	174,591.24
Total Accounts Receivable	<u>174,591.24</u>
Other Current Assets	
11.2100 - Accrued Receivables	172,628.45
11.3800 - Prepaid Assets	36,828.56
Total Other Current Assets	<u>209,457.01</u>
Total Current Assets	<u>1,676,037.40</u>
Fixed Assets	
11.7100 - Land & Row	76,763.35
11.7400 - Water Treatment Plant	18,828,423.46
11.7410 - Accum Depr-Buildings	-6,328,466.47
11.7500 - Machinery and Equipment	100,702.80
11.7510 - Accum Depr-Machinery & Equip	-72,712.80
11.7620 - CIP - Membrane Replacement	5,071.00
Total Fixed Assets	<u>12,609,781.34</u>
Other Assets	
11.9000 - Deferred Outflows of Resources	
11.9300 - Defrred Outflw of Resrc-Pension	1,560.00
Total 11.9000 - Deferred Outflows of Resources	<u>1,560.00</u>
Total Other Assets	<u>1,560.00</u>
TOTAL ASSETS	<u><u>14,287,378.74</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
12.1110 - Accounts Payable	16,633.05
Total Accounts Payable	<u>16,633.05</u>
Credit Cards	
12.1122 - VISA	993.97
Total Credit Cards	<u>993.97</u>
Other Current Liabilities	
12.1190 - Accrued Payables	63,558.49
12.1300 - Payroll Deductions Payable	
12.1310 - BCBS-Dental	1,171.85
12.1312 - AFLAC	49.47
12.1315 - BCBS-Vision	222.28
12.1320 - Group Health Insurance	4,356.31
12.1330 - Social Security (FICA)	-0.03
12.1390 - 457 Plan Deductions	-35.74
Total 12.1300 - Payroll Deductions Payable	<u>5,764.14</u>
12.1435 - Compensated Absences Payable	5,940.92
12.2400 - Accrued Interest Payable	26,096.17
12.2500 - Deferred Revenue	4,989.01
Total Other Current Liabilities	<u>106,348.73</u>
Total Current Liabilities	<u>123,975.75</u>
Long Term Liabilities	
12.5265 - Net Pension Liability	-5,670.00
12.5300 - Notes Payable non-current	
12.5310 - USDA Loan	12,849,599.07
12.5320 - GEFA Loan Payable 2013	104,923.04
12.5330 - GEFA Loan Payable 2014	934,273.68
Total 12.5300 - Notes Payable non-current	<u>13,888,795.79</u>
12.9000 - Deferred Inflows of Resources	
12.9300 - Defard Inflows of Resrs-Pension	4,164.00
Total 12.9000 - Deferrad Inflows of Resources	<u>4,164.00</u>
Total Long Term Liabilities	<u>13,887,289.79</u>
Total Liabilities	<u>14,011,265.54</u>
Equity	
13.2400 - Contributed Capital-USDA	1,907,000.00
13.3700 - Retained Earnings	-1,453,468.74
13.3790 - Prior Period Adjustment	13,956.25

Sinclair Water Authority
Balance Sheet
As of April 30, 2019

	<u>Apr 30, 19</u>
13.3791 - PPA-Change in Accounting Method	-46,757.57
13.3792 - PPA-Change in Acctg Principle	-114,216.00
Net Income	-30,400.74
Total Equity	<u>276,113.20</u>
TOTAL LIABILITIES & EQUITY	<u><u>14,287,378.74</u></u>

2019 Billing Budget - With Alum Sludge Included In Fixed Cost

2% / 2%

	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018	2018	2018	2019
	January	February	March	April	May	June	July	August	September	October	November	December	Annual
TOTAL FIXED EXPENSES	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	138,030	\$138,030	\$1,656,360
REVENUE													
Baldwin Var. Cost	\$23,405	\$20,488	\$22,777	\$24,203	\$24,712	\$24,712	\$24,712	\$24,712	\$24,712	\$24,712	\$24,712	\$24,712	\$288,571
Baldwin Fixed (1/2 FC)	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$828,180
Total Baldwin Cost	92419.96	89502.68	91792.03	93217.97	93727.32	93727.32	93727.32	93727.32	93727.32	93727.32	93727.32	93727.32	1116751.00
Putnam Var. Cost	\$12,161	\$11,640	\$13,254	\$12,358	\$12,740	\$12,740	\$12,740	\$12,740	\$12,740	\$12,740	\$12,740	\$12,740	\$151,335
Putnam Fixed (1/2 FC)	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$828,180
Total Putnam Cost	81176.20	80655.03	82269.18	81373.27	81755.18	81755.18	81755.18	81755.18	81755.18	81755.18	81755.18	81755.18	979515.11
Total Var. Cost	\$35,566	\$32,128	\$36,031	\$36,561	\$37,453	\$37,453	\$36,659	\$36,659	\$36,659	\$36,659	\$36,659	\$36,659	\$439,906
Total Cost billed to Cty's	\$173,596	\$170,158	\$174,061	\$174,591	\$175,483	\$175,483	\$175,483	\$175,483	\$175,483	\$175,483	\$175,483	\$175,483	\$2,096,266
Baldwin Water Usage Unit(1000 gals)	55,462	48,549	53,974	57,353	58,560	58,560	58,560	58,560	58,560	58,560	58,560	58,560	683,818
Putnam Water Usage/Unit(1000 gals)	28,818	27,583	31,408	29,285	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190	358,614
Total Water Usage	84,280	76,132	85,382	86,638	88,750	88,750	88,750	88,750	88,750	88,750	88,750	88,750	1,042,432
Baldwin Cost/Unit(1000 gals)	\$1.67	\$1.84	1.70	1.63	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	2	\$1.60	\$1.63
Putnam Cost/Unit(1000 gals)	\$2.82	\$2.92	2.62	2.78	\$2.71	\$2.71	\$2.71	\$2.71	\$2.71	\$2.71	3	\$2.71	\$2.73
COST PER MILLION GALLONS	\$2,059.76	\$2,235.04	\$2,038.62	\$2,015.18	\$1,977.27	\$1,977.27	\$1,977.27	\$1,977.27	\$1,977.27	\$1,977.27	\$1,977.27	\$1,977.27	\$2,010.94

Note: 2019 Variable Cost multiplier: \$ 0.422

Variable Cost includes Utilities and Chemicals only