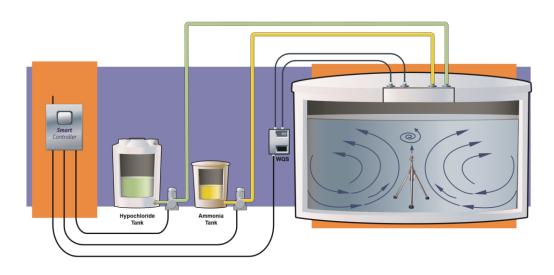
A cleanwater 1 Company

# FIRM PROPOSAL MONOCLOR® RESIDUAL CONTROL SYSTEM FOR SWEETWATER AUTHORITY, CA 18MG BONITA VALLEY RESERVOIR



PSI Water Technologies, Inc. File No.: P23-5992 (Firm) CA Contractor's License: #877235

Prepared on: February 22, 2024

#### **SALES REPRESENTATIVE**

Cleanwater1, Inc. Kevin Sanner 550 Sycamore Dr. Milpitas, CA 95035

Tel: (310) 975-9719

Email: ksanner@cleanwater1.com

#### **TABLE OF CONTENTS**

Cover Letter

Section 1: Monoclor RCS® Patents Information

Section 2: Scope of Supply

Section 3: Proposal Acceptance

Section 4: Terms and Conditions

Section 5: Attachments

**IMPORTANT NOTICE:** All the information in this Proposal is confidential and has been prepared for Buyer's use solely in considering the purchase of the Equipment described. Transmission of all or any part of this Proposal to others or use by Buyer for other purposes is unauthorized without Seller's advance written consent.

February 22, 2024

Justin Brazil
Director of Water Quality
Sweetwater Authority, CA.

Re: Monoclor® Residual Control System for Sweetwater Authority, CA.

PSI Water Technologies, Inc. File No.: P23-5992 Rev-2

Dear Justin,

Thank you for your interest in PSI Water Technologies, Inc. (PSI), a cleanwater1 company. We have prepared this firm proposal for providing a Monoclor® Residual Control System (RCS) for the 18MG Bonita Valley Reservoir. Our proposal is based on the following design criteria:

#### **Design Criteria**

Reservoir Length, ft 276.0 Reservoir Width, ft 392.0 Reservoir Height, ft 24.0

Maximum Capacity, MG18.0 (9MG per Basin)Maximum Flow, MGD1.84 (0.92MGD per Basin)Reservoir TypeBelow Ground Concrete

Dividing Wall Yes, Separating reservoir into two equal sized basins

Disinfectant Chloramines
Power Supply 240VAC/1PH
Chlorine Dose, ppm 3.5 (Assumed)

Peak Chlorine Demand, ppd 26.85

#### **System Features & Advantages**

The Monoclor® RCS is an intelligent, automated disinfectant boosting system that gives operators the ability to set and control residual levels in water storage tanks and key locations in the distribution system. The Monoclor® RCS utilizes advanced water quality sensors, powerful active mixing, an automated chemical feed system, and an advanced control algorithm to set and maintain residual levels in water storage tanks and distribution systems. The Monoclor® RCS has been tested and validated through extensive laboratory testing and many full-scale installations over the last 5 years.

Our Monoclor® RCS consists of all equipment essential for a complete system, including:

- 1. Accurate chemical dosing at the correct ratio
- 2. Proper mixing to ensure a homogenous water body that will not stratify
- 3. High energy mixing that ensures instantaneous reaction of introduced chemicals
- 4. Real-time monitoring and control logic to maintain or achieve equilibrium by responding to dynamic reservoir conditions

The Monoclor® RCS enables operators to:

- 1. Set and maintain consistent disinfectant levels in storage tanks and key locations in the distribution system
- 2. Continuously blend disinfectant residual and eliminate thermal and chemical stratification
- 3. Eliminate costly and labor-intensive manual boosting
- 4. Quickly counteract adverse water quality changes, such as low residual
- 5. Optimize and balance disinfectant levels across a water distribution system

The PAX PWM600 mixer is a submersible active mixing system for potable water storage tanks and reservoirs. When operated correctly, the PAX PWM600 mixer can rapidly eliminate thermal stratification, decrease ice formation, rapidly blend and distribute doses of residual disinfectant, and maintain uniform chemical and temperature conditions. Under some conditions, the mixing action can also reduce the rate of residual disinfectant loss and lower volatile disinfection byproduct levels inside the tank when used as part of an in-tank aeration system.

A detailed scope of supply and the firm price is listed in Section 2 of this proposal. **The pricing is valid for 180 days**.

We look forward to working with you on this project. If we can be of any further assistance, please do not hesitate to contact me on (310) 975-9719.

Sincerely,

Kevin Sanner Regional Sales Manager

Cc: Solomon Bruce-Oliver, PSI Water Technologies, Inc. Raymond Kaesbauer, Cleanwater1, Inc.

#### SECTION 1

### Monoclor® Residual Control System Patents Information

The Monoclor® RCS manufactured by PSI Water Technologies (PSI), is the leading technology on the market for automated in-tank residual control system. With over 100 installations and 200 years of cumulative operating time, the Monoclor® RCS has the largest install base in the U.S as well as in Southern California. The proven technology is backed by several patents and combined proprietary IP developed over the years by both PSI and PAX Water Technologies (PAX) engineering teams.

The patented control algorithm used by the Monoclor® RCS enables full automated residual control to maintain desired disinfection concentration and composition despite variations in the incoming water chemistry over time due to seasonal changes or other uncontrollable factors. Competitors' systems are not fully automated and may require a system shutdown and operator intervention if chemistry differs from the assumed operation conditions.

The Monoclor® RCS algorithm precisely detect the position on the breakpoint curve based on the rate of change of chlorine residual and ORP and assesses the presence or absence of free ammonia in the water. The algorithm uses that information to adjust the ammonia feed rate automatically depending if it is on the left- or right-side of the breakpoint curve. When no excess of ammonia is detected, the ammonia pump is engaged automatically at a 5:1 chlorine to ammonia ratio.

The Water Quality Station (WQS) is an all-in-one package to monitor all relevant water quality parameters (total chlorine, ORP, pH, temperature). It comes standard with redundant total chlorine probes to ensure reliability of the chlorine measurements. An alarm is automatically triggered if the difference between the two chlorine sensors readings is above a preset threshold. The WQS controller also performs an internal check continuously to verify performance of each probe and triggers a fault if an anomaly is detected.

The Chemical Feed Skid systems are designed, assembled, and tested at the PSI factory. The skids have all the required instrumentations, such as pressure gauge, chemical level sensor, calibration column and pressure relief valve.

The various sub-systems (WQS, Chemical Feed Skids (CFS), and mixer) communicate directly with the Smart Control Center via a single serial cable. No additional wiring is involved during the installation.

#### Alarms and safeguards of the Monoclor RCS® system

The Smart Control Center (SCC) has an extensive built-in alarm management system. It automatically shuts down the dosing pump(s) when critical alarms® occur. Operator can configure alarm thresholds and acknowledge alarms® directly via the HMI screen on the SCC. Alarm notifications by email or SMS are also available with the optional telemetry package.

In addition to the alarm management system, SCC has multiple fail-safe in place. The WQS uses redundant chlorine sensors to ensure reliability of the chlorine measurements used by the Monoclor® RCS. This allows operators to set up an alarm tracking the difference between the two sensor measurements.

The SCC also continuously monitors the status of the active mixer and stops the dosing pump immediately if the mixer is turned off. Internal communication errors with sub- systems will also stop the dosing pumps until the error is resolved.

#### PAX Mixer - built-in mixer safeguards and/or protection.

The mixer Control Center is installed with a safety disconnect switch. The VFD monitors the mixer operation and triggers a fault if abnormal behavior is detected. For instance, the Control Center will shut down the mixer automatically when the water level is too low, and the mixer is spinning in air rather than water. This automatic shutdown prevents damage to the motor, which is designed to be submerged in water.

The Smart Control Center monitors the mixer status continuously to make sure the mixer is properly running when chemical dosing pumps are engaged. In the case of a mixer failure to run or if there is an internal fault with the mixer, the Smart Control Center will also trigger an alarm to the operator.

PAX Mixers are also equipped with the following:

- GFCI-Protection:115/230VAC, single-phase, with a 300 mA trip level GFCI
- Branch Circuit Protection: Panel equipped with a 115/230VAC 20-Amp main breaker

### A cleanwater 1 Company





#### **MONOCLOR RCS® PATENTS:**

PSI has patented three different control algorithms for use in our residual control technology. The decision as to which algorithm to use is based on the specific water quality requirements of a given application. The patented control algorithms used by the Monoclor® RCS enables fully automated residual control to maintain desired disinfection concentration and composition despite variations in the incoming water chemistry over time, whether due to seasonal changes or other uncontrollable factors.

The Monoclor® RCS algorithm we most commonly employ precisely determines the water quality in the tank and then automatically and continually determines the position of the residual on the breakpoint curve based on the average <u>rate of change</u> in chlorine residual and average rate of change in oxidation-reduction potential (ORP), which effectively assesses the presence or absence of free ammonia in the water. The algorithm uses that information to determine whether and which chemicals need to be injected into the water and then automatically adjusts the feed rate depending on whether the chlorine residual is on the left- or right-side of the breakpoint curve. The algorithm may dose chlorine only, ammonia only, or chlorine and ammonia at a 5:1 chlorine to ammonia ratio. By basing the dosing regimen on the average rate of change in chlorine and ORP, the algorithm minimizes the fluctuations in the residual around the targeted set point.

As noted above, PSI has patents on three different control algorithms, including the algorithm described above. To assist with your understanding of our control logic, I have included a description of all three patents below:

- U.S. Patent No. 10,766,796 provides a system and method for automatically controlling chloramine concentrations in a water storage tank by dosing chlorine or both chlorine and ammonia into the tank based upon the chloramine concentration level in the tank after initially dosing only chlorine or both chlorine and ammonia.
- U.S. Patent No. 10,800,685 provides a system and method for automatically controlling chloramine concentrations in a water storage tank by dosing chlorine or both chlorine and ammonia into the tank based upon the average rate of change in chloramine concentration after initially dosing only chlorine or both chlorine and ammonia into the tank.
- U.S. Patent No. 10,836,659 provides a system and method for automatically controlling chloramine concentrations in a water storage tank by dosing chlorine or both chlorine and ammonia into the tank based upon the average rate of change in ORP after initially dosing only chlorine or both chlorine and ammonia into the tank. It also provides a system and a method for automatically controlling chloramine concentrations in a water storage tank by dosing chlorine or both chlorine and ammonia into the tank based on an average rate of change in total chlorine concentration and/or an average rate of change in ORP, as determined from two or more water samples taken from the tank at different times.

#### **SECTION 2**

#### **SCOPE OF SUPPLY**

- A. Scope of Supply by PSI
- B. Scope of Work by Others
- C. Clarifications
- D. Terms of Payment
- E. Delivery

### A cleanwater 1 Company

#### A. MONOCLOR® RCS – BULK HYPO

<u>No</u>	<u>Item Description</u>	<u>Qty.</u>
1.	<ul> <li>Smart Control Center, SCC1000</li> <li>Allen-Bradley MicroLogix 1400 Programmable Logic Controller (PLC)</li> <li>Magelis DT3517.4" HMI: Color LCD touch screen</li> <li>Communication: Ethernet based access to HMI software from computer or smartphone within same network</li> <li>Remote Monitoring Telemetry</li> <li>Water Quality Station Communication: Two wire twisted cable</li> <li>Chemical Dosing Controller: RS-485 port for chemical feed system communications</li> <li>SCADA: Modbus TCP/IP standard, analog output available if necessary</li> <li>Enclosure: Equal to or greater than Type 4 rating</li> </ul>	2
2.	<ul> <li>Hypochlorite Storage Tank, including:</li> <li>Double Wall HDLPE Construction</li> <li>1,000 Gallon Capacity (30 days storage)</li> <li>Radar Level Transmitter</li> <li>Top Manway</li> <li>Tank Fittings</li> <li>Dimensions: 72" D x 65" H</li> </ul>	1
3.	Chemical Feed System – Chlorine  Skid: Black polypropylene  Pump: Watson Marlow CWT Peristaltic Pump, 7.93 GPH @100 PSI  Piping: PVC schedule 80  Secondary Containment: 9 gallons secondary containment  Controller - Input/Output: 4 digital inputs, 2 digital outputs, 2 analog inputs, 1 analog output  Controller - Communication: Modbus RS-485 with Smart Control Center  Controller - Pump Control Option: Digital relay, analog (4-20 mA), power switch  Accessories:  Calibration Column Pressure Relief Valve Wye Strainer Pressure Transmitter Back Pressure Regulator	2

### A cleanwater Company

<u>No</u>	Item Description	<u>Oty.</u>
4.	<ul> <li>Liquid Ammonium Sulfate (LAS) Storage Tank, including:         <ul> <li>Double Wall HDLPE Construction</li> <li>220 Gallon Capacity (30 Days Storage)</li> <li>Radar Level Transmitter</li> <li>Top Manway</li> <li>Tank Fittings</li> <li>Dimensions: 48" D x 48" H</li> </ul> </li> </ul>	1
5.	<ul> <li>Chemical Feed System - Ammonia</li> <li>Skid: Black polypropylene</li> <li>Pump: Watson Marlow CWT Peristaltic Pump, 7.93 GPH @100 PSI</li> <li>Piping: PVC schedule 80</li> <li>Secondary Containment: 9 gallons secondary containment</li> <li>Controller - Input/Output: 4 digital inputs, 2 digital outputs, 2 analog inputs, 1 analog output</li> <li>Communication: Modbus protocol with Smart Control Center</li> <li>Connection: RS-485 cable</li> <li>Enclosure: Equal to or greater than Type 3R rating</li> <li>Pump Control Option: Digital relay, analog (4-20 mA), power switch</li> <li>Accessories:         <ul> <li>Calibration Column</li> <li>Pressure Relief Valve</li> <li>Wye Strainer</li> <li>Pressure Transmitter</li> <li>Back Pressure Regulator</li> </ul> </li> </ul>	2
6.	<ul> <li>Water Quality Station, WQS1000</li> <li>Water Connection: 3/8" Push-connect</li> <li>Sampling Flow Rate: 10 GPH</li> <li>Connectivity: Modbus RS485 Connection</li> <li>Data Logging: Real-time DAQ on USB flash drive</li> <li>Measurement - Total Chlorine: Dual Amperometric reagent less online sensor, 0-10 PPM measuring range, 0.01 PPM resolution</li> <li>Measurement - ORP Sensor (Platinum Extended Tip)</li> <li>Measurement - Temperature: 32-212° F measuring range, 0.1° F resolution</li> <li>Measurement - pH: 0-14 measuring range, 0.01 resolution</li> <li>Measurement - Water Level (optional): pressure transducer, resolution of 1% maximum scale</li> <li>Enclosure: Equal to or greater than Type 3R rating</li> </ul>	2

### A cleanwater Company

<u>No</u>	Item Description	Oty.
7.	Sample Pump  MFG: Micropump Model I Drive GJ Series 24VDC	2
8.	<ul> <li>PWM6oo Mixer Wet Assembly, including:</li> <li>Stainless steel 316 impeller designed to mix up to 25 million gallons of water</li> <li>Passivated to minimize corrosion</li> <li>The ability to function continuously regardless of tank cycles</li> <li>230V three phase 3 horsepower water-cooled motor powered by the PAX Control Center</li> <li>Injection Stems (Qty.2)</li> </ul>	2
9.	Control Center Dry Assembly with SCADA Compatibility, including:  NEMA 4 Enclosure:  Lockable and weather resistant  Overall weight of control center 55 lbs.  Green and Red LED Indicator lights to display motor status  White LED Indicator light to display power  Cooling fan  Motor Controller/VFD:  Allen Bradley  Allen Bradley  HOA Switches  Manual speed control  Thermal shut-off protection built-in  Current overload protection built-in  Current overload protection  SCADA outputs included:  Digital Output signal indicating motor running  Digital Output signal indicating fault  Digital Input/Output signal for remote motor on/off  RS-485 or Dry Contact connections  4-20mA signal	2
10.	Cable 170 ft., including:  • Flat-jacketed 4 conductor	2
11.	Tripod Assembly, PWM6oo, including:  Stainless steel 316 legs	2

<u>No</u>	<u>Item Description</u>	<u>Oty.</u>
	<ul> <li>Chlorine/chloramine resistant rubber foot pad to avoid scratching tank floor</li> </ul>	
	Stainless steel knobs for tool-less installation	
12.	<ul> <li>Stainless steel 316 handle to deploy mixer in full tanks</li> </ul>	2
13.	Tank Penetration Accessory ■ Stainless steel strain relief for 4 wire flat-jacketed cable	2
14.	Manufacturer's Services for Installation Inspection, System Start-Up, and Operator Training (2 Days at the Jobsite)	Included
15.	Submittal and Operation & Maintenance Manual as Follows  Submittal: Sent Electronically O&M Manual: Sent Electronically	Included
16.	FOB Factory, Milpitas, CA with Full Freight Allowed to Jobsite, Sweetwater Authority, CA.	Included
	FIRM PRICE [ITEMS 1-16]	\$366,436.00

### A cleanwater 1 Company

#### B. SCOPE OF WORK BY OTHERS

- 1. Equipment unloading and installation.
- 2. Secondary containment of all equipment and piping.
- 3. Salt Supply (Onsite Hypo).
- 4. 12.5% Sodium Hypochlorite supply (Bulk Hypo).
- 5. 40% Liquid Ammonium Sulfate supply.
- 6. Each chemical storage tank must be labeled appropriately according to local regulations. Check with your local regulating agency for requirements.
- 7. Proper distance between chemical storage tanks must be maintained according to local regulations.
- 8. All civil works and concrete pad for equipment.
- 9. Any underground or structural work.
- 10. Design and supply of anchor bolts and seismic restraints.
- 11. All interconnecting piping, including between chemical storage tanks, metering pumps and accessories, water sampling cabinet/station, and connections at hatch.
- 12. Electrical power to PAX Mixer (240VAC/1Ph/60Hz for 20A), Water Quality Station (100-240VAC/1Ph/60Hz for 10A), Smart Control Center (100-120VAC/1PH/60Hz for 10A), and Chemical Feed Skid(s) (100-120VAC/1Ph/60Hz for 10A).
- 13. Any electrical conduit runs.
- 14. Any tank recoating services, labor, or parts.
- 15. All hose, pipe and tubing supports, strut, and clamps.
- 16. Freeze protection for all tubing and piping external to the reservoir, if required.
- 17. All electrical conduit, wiring, electrical material (including disconnect switches), etc. between control panel, hypochlorite tank, metering pumps, SCADA, etc.
- 18. Hatch penetrations or modifications.
- 19. Room ventilation, air conditioning, or lighting.
- 20. Videotaping.
- 21. All taxes, fees, lien waivers, bonds and licenses.
- 22. Permitting or regulatory approval.
- 23. Valves, fittings, appurtenances not specifically listed under Scope of Supply by PSI
- 24. Any items not explicitly listed under Scope of Supply by PSI.

#### C. CLARIFICATIONS

- 25. All equipment excluding PAX Mixers must be installed in an indoor location. A shed or enclosure is not included in the proposal.
- 26. Sample water flow is 10 GPH. The sample water is assumed to be pumped to the Water Quality Station and then routed to a nearby drain.
- 27. Reservoir Low Water Level must be above 6' for PAX Mixer to function properly.
- 28. PSI recommends adding secondary containment to Hypochlorite and Ammonia chemical feed lines. When possible, trenching these lines underground would be optimal.
- 29. The performance of the Monoclor® RCS design reported in this document is dependent on the tank operations data provided in the design criteria and may vary significantly under different operating conditions and/or scenarios.
- 30. PSI requires a minimum of two (2) weeks notification prior to performing onsite installation inspection, system start-up and training. PSI will work with you to attempt to accommodate your scheduling needs.
- 31. Do not mix hypochlorite and ammonia as toxic vapors will be produced.

#### D. TERMS OF PAYMENT

- Twenty Percent (20%) Payment Invoiced on Approved Submittals
- Seventy Five Percent (75%) Payment Invoiced on Equipment Shipment
- Five Percent (5%) Payment at Startup
- Net 30 Days
- Price Valid for 180 Days

#### E. DELIVERY

Submittal: 6 - 8 Weeks After Receipt of Fully Executed Order

Equipment Shipment: 10 - 12 Weeks After Approval of Submittals

### **SECTION 3**

**PROPOSAL ACCEPTANCE** 

#### Monoclor® Residual Control System

PSI Water Technologies, Inc. File No.: P23-5992 (Firm)

- 1) PSI Water Technologies, Inc. (Seller) proposes to furnish the equipment described in this proposal. Any items not shown above as detailed under "SCOPE OF SUPPLY BY PSI" are EXCLUDED. In addition:
  - a. Seller's price will be held valid for a period of 30 days from the date of this proposal ("Proposal Date"). Seller shall have the right to reprice this proposal if the Buyer's order is received more than 30 days beyond the Proposal Date or delivery more than 365 days after commercial agreement.
  - b. Prices are in US Dollars.
  - c. Local or state taxes are not included in this proposal.
- 2) This proposal by Seller is contingent upon: (i) Seller's written acceptance of the signed proposal, a purchase order, or other document issued by the Buyer in response to this proposal; and (ii) <u>Buyer's assent to the terms and conditions contained in this proposal</u>, such terms to take precedence in the event of conflict with any other terms or documents incorporated into the contract arising out of this proposal unless otherwise agreed in a writing, signed by Seller; and (iii) satisfactory completion of an anti-corruption due diligence review, if applicable.
- 3) All of the information supplied by Seller in connection with this proposal (including drawings, designs and specifications) (the "Information") is confidential and/or proprietary and has been prepared for Buyer's use solely in evaluating the purchase of the equipment and/or services described herein. Transmission of all or any part of the Information to others, or use by Buyer for any purpose other than such evaluation, is expressly prohibited without Seller's prior written consent.
- 4) Please return a signed copy of this proposal or address and send your purchase order to:

PSI Water Technologies, Inc.

550 Sycamore Drive

Milpitas, CA 95035

Attn: Guy Chadwell

Phone: 408.819.3043

Fax: 408.866.4660

**Proposal Acceptance** 

E-mail: orders@cleanwater1.com

 $Thank you for your interest in PSI \,Water \,Technologies, Inc. \,We are \,committed \,to \,meeting \,your \,expectations.$ 

### 

Bill To Name:	Ship To Name:
Bill To Email:	Ship To Email:
Bill To Phone:	Ship To Phone:
Bill to Address:	Ship to Address:
City State Zip	City State Zip

#### **SECTION 4**

### TERMS AND CONDITIONS Monoclor® Residual Control System

- 1. Applicable Terms. PSI Water Technologies, Inc. ("Seller") will sell, and the buyer ("Buyer") will purchase, the products and/or services referred to in Seller's proposal or quotation (collectively, the "Products"), subject to these terms and conditions, including the Warranty Attachments hereto (the "Warranty Attachments", and such Warranty Attachments, together with these Terms and Conditions, being referred to herein as the "Terms"). The front page of Buyer's purchase order (disregarding any reference to terms and conditions and any provisions that conflict with the Terms), if any, together with the description of the Products in Seller's proposal or quotation and the Terms, constitute the complete and exclusive agreement between the parties related to the purchase and sale of the Products (the "Agreement"). All prior communications, documents, negotiations and representations, if any, are merged herein. Whether the Terms are included in an offer or an acceptance by Seller, such offer or acceptance is conditioned on Buyer's assent to the Terms. Any additional, different or conflicting terms contained in Buyer's request for proposal, specifications, purchase order or any other written or oral communication from Buyer shall not be binding in any way on Seller, whether or not they would materially alter this document, and Seller hereby objects thereto. All orders are subject to prior credit approval by Seller.
- 2. Pricing. The prices shall be as stated in Seller's proposal or order acknowledgment.
- 3. Payment. Unless otherwise stated, all payments shall be net 30 days from invoice date payable in United States Dollars. Unless provided otherwise in Seller's proposal, 20% of the purchase price will be invoiced on approved submittals, 75% will be invoiced on shipment, and 5% will be invoiced on startup. If Buyer fails to make any payment to Seller when due, Buyer's entire account(s) with Seller will become immediately due and payable without notice or demand. Buyer will pay 1½% interest per month, compounded monthly, on all amounts not received by the due date. Buyer hereby grants Seller a purchase money security interest in the Products until such time as Seller is fully paid. Buyer will assist Seller in taking action to perfect and protect Seller's security interest. Seller may make partial shipments, in which case, Buyer shall pay for each shipment in accordance with the terms hereof.
- 4. Taxes, Shipping, Packing Except to the extent expressly stated otherwise in Seller's proposal, prices do not include any freight, storage, insurance, taxes, excises, fees, duties or other government charges, and Buyer shall pay such amounts or reimburse Seller for any such amounts Seller pays. 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. Prices include the costs of Seller's standard domestic packing only. Any deviation from standard packing (domestic or export) shall result in extra charges. Any and all increases, changes, adjustments, or surcharges (including fuel surcharges) which may arise in connection with the freight charges, rates or classification included as part of the Agreement, shall be for the Buyer's account.
- **5. Delivery.** Products shall be delivered F.O.B. Seller's point of shipment. All delivery dates are estimated and are dependent in part upon prompt receipt of all necessary information from Buyer, including submittal approvals, if applicable, and all required commercial documentation. Seller will make a good faith effort to complete delivery of the Products on the date and to the location specified in writing by Buyer, but Seller assumes no liability for loss or damage due to delay or inability to deliver, whether or not such loss or damage was made known to Seller. If Buyer causes or requests a shipment delay, or if Seller ships or delivers the Products erroneously as a result of inaccurate, incomplete or misleading information supplied by Buyer or its agents or representatives, storage and all other additional costs and

risks will be borne solely by Buyer. Any claims for Products damaged or lost in transit ("Transit Losses") must be made by Buyer to the carrier and reported to Seller within one business day following delivery to Buyer.

- **6. Inspection and Acceptance.** Buyer will have seven days from the date Buyer receives any Products to inspect such Products for defects and nonconformance which are not due to Transit Losses, and to notify Seller, in writing, of any defects, nonconformance or rejection of such Products. After such seven-day period, Buyer will be deemed to have irrevocably accepted the Products, if not previously accepted. After such acceptance, Buyer will have no right to reject or revoke acceptance of the Products for any reason; provided that Buyer retains all rights in respect of the warranties in, or referred to in, Section 9 below.
- 7. Returns and Cancellation. Buyer may not return custom engineered Products. Buyer may return other Products only with Seller's prior written approval, which may be withheld in Seller's sole discretion. Any authorized return will be subject to payment of a restocking charge and will be allowed only if the subject Product: (i) is in new condition, suitable for resale, and (ii) has not been used, installed, modified, altered or damaged. The restocking charge for authorized returns will be no less than (x) 25% of the purchase price, net of any freight charges included in the purchase price, plus (y) 100% of freight costs incurred by Seller. Buyer is responsible for the payment or reimbursement of return freight charges. Returns will be shipped F.O.B. Seller's location. Seller may, but will not be obligated to, treat any cancellation of an accepted order as an authorized return.
- **8. Force Majeure.** Seller will have no liability for any breach caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, act of government, epidemic or other public health crisis, or any other cause beyond Seller's reasonable control.
- **g. Warranty**. If the RCS System being supplied includes a Microclor® system and/or a PAX Mixer, the principal components of the Microclor® system(s) and the PAX Mixer are warranted as set forth in the applicable Warranty Attachment(s) hereto. Seller warrants that all other Products will be free from defects in material and workmanship for 12 months from initial operation or 18 months from shipment, whichever is earlier (the "Warranty Period"). Seller's warranties are conditioned on (i) the Product being stored, installed, started-up, operated and maintained in accordance with Seller's instructions; (ii) no repairs, modifications or alterations being made to the Product other than by Seller or its authorized representatives; (iii) Buyer providing prompt written notice of any warranty claims within the Warranty Period; (iv) Seller's verification of the claimed breach of warranty; and (v) at Seller's discretion, Buyer either removing and shipping the Product or non-conforming part thereof to Seller, at Buyer's expense, or Buyer granting Seller access to the Product at all reasonable times and locations to assess the warranty claims. Seller's warranties do not apply to software and do not cover ordinary wear and tear.

If the claimed breach of warranty is verified by Seller, then, as the sole and exclusive remedy of Buyer or the initial enduser of the Product, Seller will, at Seller's sole option (a) repair the applicable Product or component free of charge, or (b) replace the applicable Product or component free of charge F.O.B. Buyer's facility. The warranty on repaired or replaced Products or component parts is limited to the remainder of the original Warranty Period and otherwise subject to the terms of this warranty. Buyer shall be responsible for (x) any labor required to gain access to the Product or component or so that Seller can assess the available remedies; and (y) all costs of installation of repaired or replacement Products or components.

THE WARRANTIES SET FORTH IN THIS SECTION 9 AND IN THE WARRANTY ATTACHMENT(S) HERETO ARE INTENDED TO BE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND SELLER'S WARRANTIES ARE SUBJECT TO SECTION 10 BELOW. SELLER MAKES NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE, OR ANY WARRANTIES THAT MIGHT ARISE FROM COURSE OF DEALING OR USAGE OF TRADE. NOTWITHSTANDING THE FOREGOING, IF IT IS ALLEGED OR

DETERMINED THAT SELLER HAS MADE ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BY COURSE OF DEALING OR USAGE OF TRADE, SUCH OTHER WARRANTIES SHALL BE SUBJECT TO ALL THE CONDITIONS, LIMITATIONS AND PROCEDURES SET FORTH IN THIS SECTION 9, THE WARRANTY ATTACHMENT(S) HERETO, AND SECTION 10 BELOW.

- 10. LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER WILL 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 PRODUCTS WILL NOT EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCTS. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY. THE REMEDIES SET FORTH IN THIS AGREEMENT ARE INTENDED TO CONSTITUTE A COMPLETE ALLOCATION OF THE RISKS BETWEEN THE PARTIES, AND BUYER ACKNOWLEDGES THAT IT IS KNOWINGLY LIMITING THE REMEDIES THAT MIGHT OTHERWISE BE AVAILABLE TO BUYER. BECAUSE THIS AGREEMENT AND THE PRICE PAID REFLECT SUCH ALLOCATION, THE REMEDIES PROVIDED TO BUYER HEREUNDER WILL NOT HAVE FAILED OF THEIR ESSENTIAL PURPOSE EVEN IF THEY OPERATE TO BAR RECOVERY FOR CERTAIN DAMAGES THAT BUYER MAY INCUR.
- 11. Remedies of Seller. Any of the following will constitute an event of default which will enable Seller, at its option and without liability to Buyer, to cancel any unexecuted portion of the order that is the subject of this Agreement and to exercise any other right or remedy expressed herein or otherwise available at law or in equity: (i) the failure of Buyer to make any payment required hereunder when due ("Payment Default") or to perform any other term or condition contained herein; (ii) the insolvency of Buyer or its failure to pay its debts as they mature, an assignment by Buyer for the benefit of its creditors, the appointment of a receiver for Buyer or for the materials covered by this Agreement, or the filing of any petition to adjudicate Buyer bankrupt; (iii) a failure by Buyer to provide adequate assurance of performance within ten days after a justified demand by Seller; or (iv) if Seller, in good faith, believes that Buyer's prospect of performance under this Agreement is impaired. Seller's obligations under Section 9 hereof and the Warranty Attachments will be suspended during the pendency of any Payment Default. No such suspension will extend Seller's obligations under Section 9 or the Warranty Attachments beyond the period provided therein. Seller's election of any remedy in the event of a default by Buyer will not preclude Seller from exercising any other remedy available to Seller hereunder or at law or in equity for the same or any other default. In the event it becomes necessary to incur any expense for collection of any overdue account, Seller's collection charges, including attorneys' fees and expenses, will be added to the balance due and Buyer will pay all such charges together with interest thereon from the date incurred in accordance with Section 3.
- 12. Equal Employment Opportunity. Seller is an equal opportunity employer. The parties shall, as applicable, abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a), 41 CFR 60-741.5(a) and Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A) (relating to the notice of employee rights under federal labor laws), and these laws are incorporated herein by reference.
- 13. 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 Products provided under the Agreement, including any export license requirements. Buyer agrees that such Products 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 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 WILL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

14. Miscellaneous. No part of this Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. As used in this Agreement, "including" and its variants mean "including without limitation" and its variants. No course of dealing or performance, usage of trade, or failure to enforce any term will be used to modify the Agreement. Buyer acknowledges that it has not relied upon any letters of intent, agreements, promises, negotiations, statements or representations other than those expressly set forth in this Agreement and that no such extraneous document or other communication shall be of any force or effect. Buyer agrees and warrants that in entering into this Agreement, Buyer is relying solely upon the information contained in this Agreement and not in reliance upon any other information. If any of the Terms is unenforceable, such Term will be limited only to the extent necessary to make it enforceable, and all other Terms will remain in full force and effect. Buyer may not assign this Agreement without Seller's prior written consent. This Agreement will be governed by the laws of the State of California without regard to its conflict of laws provisions. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. Any bond issued by Seller in connection with the sale of the Products shall remain in effect for a maximum of two (2) years after acceptance of the Products, and the only warranty, guaranty or Product performance obligations covered thereby shall be those at Section 9 above and in the Warranty Attachments. All Product performance obligations of Seller are contingent on the design criteria and the condition of the influent and the raw materials being as specified by Seller and will be considered satisfied and discharged upon successful completion of the initial Product performance testing. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY.

#### WARRANTY ATTACHMENT FOR PAX MIXERS

<u>I. Incorporation and Definitions.</u> This Warranty Attachment is incorporated into, and made a part of, the PSI Water Technologies, Inc. Terms and Conditions (the "Terms and Conditions"). All capitalized terms used in this Warranty Attachment have the meanings assigned to them in the Terms and Conditions. This Warranty Attachment sets forth Seller's warranty with respect to each PAX Mixer, including its associated controller (collectively, the "PAX Mixer"), included in a Trihalomethane Removal system supplied by Seller (the "System"). All other components of or accessories to the System are covered by the warranty set forth in Section 9 of the Terms and Conditions.

<u>II. Warranty Statement.</u> Seller warrants to Buyer and the initial end-user of the PAX Mixer (collectively, the "Owner") for the PAX Mixer Warranty Period (as defined below) that each PAX Mixer is free from defects in material and workmanship and conforms to Seller's specifications applicable to the PAX Mixer. Seller's warranty is conditioned on (i) Seller's verification of the alleged breach; (ii) the PAX Mixer being stored, handled, installed, started-up, operated and maintained in accordance with Seller's instructions, (iii) no repairs, modifications or alterations being made to the PAX Mixer other than by Seller or its authorized representatives, (iv) Owner providing prompt written notice of any warranty claims within the PAX Mixer Warranty Period, and (v) at Seller's discretion, Owner either removing and shipping the PAX Mixer or non-conforming part thereof to Seller, such freight cost to be paid by Seller, or Owner granting Seller access to the PAX Mixer at all reasonable times and locations to assess the warranty claims. Seller's warranty does not cover damage due to (x) acts of nature or third parties, or (y) ordinary wear and tear. The "PAX Mixer Warranty Period" applicable to each PAX Mixer begins on the date of installation or three (3) months after shipment, whichever comes first, and continues for the period of 60 months thereafter.

III. Warranty Remedy. The sole remedy for any breach of Seller's warranty above is limited to Seller's choice of repair or replacement of the PAX Mixer, or non-conforming parts thereof, F.O.B. jobsite, or refund of the purchase price for the subject PAX Mixer or part. Seller reserves the right to provide new or reconditioned replacement PAX Mixers or parts (collectively, "Replacement Items"). The warranty on Replacement Items is limited to the remainder of the original PAX Mixer Warranty Period and otherwise subject to the terms of this warranty. This warranty includes labor to install Replacement Items, subject to the following conditions: (a) Seller will reimburse Owner's reasonable, documented labor costs to install the Replacement Items up to an aggregate maximum of \$2,500 over the Warranty Period; and (b) Seller may elect, but is not obligated, to install the Replacement Items itself, in which case (i) Seller will bear all of its costs of installation; and (ii) Seller's obligations to pay for or provide labor under this warranty will be discharged in full. In any event, labor costs of divers and labor costs required to drain the storage tank or reservoir are excluded from this warranty. If Seller determines that any alleged damage is not covered by this warranty, Seller will charge, and Buyer will pay, Seller's normal rates for any inspection or repair performed by Seller, and for any materials provided or used in connection therewith.

Rev Date 03.25.22

### **SECTION 5**

#### **ATTACHMENTS**