

EXHIBIT B

City of Oceanside Enhanced Compliance Action No. 2 SMARTCOVER Sewer Monitoring System Order No. R9-2013-0004

Pursuant to the City of Oceanside's meeting with the San Diego Regional Water Quality Control Board on October 15, 2012, the City is proposing two ECA projects. Enhance Compliance Action No. 2 is a sewer level monitoring system, as outlined below.

ECA No. 2 - SMARTCOVER® Sewer Monitoring System:

Project Description

As part of this dual project ECA the City will incorporate 20 SmartCovers within the areas identified in the lining portion and subsequent areas independent of the lining. The City has identified 20 locations (Attachment A) throughout the sewer system that will be further evaluated by staff in conjunction with representatives from SmartCover to determine the exact manhole locations that will result in the highest benefit. When evaluating these locations; the following items will be taken into consideration:

- Sewer segments and manholes that parallel rivers, streams or creeks
- Sewer segments and manholes that cross rivers, streams or creeks
- Sewer segments that experience high levels of I&I
- Sewer segments and manholes that are subject to flooding during storm events
- Environmentally sensitive areas

The SmartCover/Oceanside team will rank the areas and strategically chose the locations best suited for ultimate benefit. A proposed location report will then be presented to the San Diego Water Board staff for concurrence prior to installation in the field.

Performance Criteria

The award-winning SmartCover monitoring system is a completely self-contained, turn-key solution developed specifically for the water and wastewater industry by two technologists with decades of water policy experience.

Developed in close collaboration with industry leaders, the SmartCover system was built to solve industry problems at high value and low burden. Providing complete reliable two way wireless communications, the patented SmartCover system provides real-time continuous remote sensing, alarming to devices of the customer's choice, an easy-to-use web based interface, and long and short term data collection and analysis. Built to operate at sites that are environmentally difficult, have no power or communications, the SmartCover provides "instant infrastructure" - it can operate virtually anywhere in the world, installs in minutes and is on-line and ready for use immediately.

The SmartCover system has emerged as the industry leader in widely deployable sanitary sewer collection system management. Working closely with its customers, Hadronex and the SmartCover solution continue to evolve to serve more diverse applications and industries.

Construction Budget

SmartCover Cost Breakdown

Item #	Item Quantity	Unit Price	Total Equipment
1	SmartCover-S Units 20	\$3,326 ea	\$66,520.00
2	Installation Kit – Includes Antenna and mounting Hardware. 20	\$350 ea	\$7,000.00
	Sub – Total Equipment		\$73,520.00
	California Sales Tax	7.75%	\$5,697.80
TOTAL HARDWARE			\$79,217.80
	Installation Labor 20	\$200	\$4,000.00
TOTAL INSTALLED INCLUDING CALIFORNIA TAX			\$83,217.80

Schedule

January through March 2013

- Execute Contract with SmartCover
- Issue a Notice to Proceed
- Phase I analysis of manhole locations

April through September 2013

- Installation
- All construction work completed

Project Performance Measures

The overall purpose of the proposed Dual ECA is to reduce bacteria in our local waterways and ultimately eliminate sanitary sewer overflows. These projects will enhance the City's ability to monitor and proactively react to potential overflows before they occur.

Reports

Construction Completion Report

The City of Oceanside will submit a Final Report declaring that the construction-portion of the SmartCover project is completed, which details actual fund expenditures, along with a complete copy of all accounting records and expenditures. Quarterly construction monitoring reports are not required because this project is expected to be completed in less than one year.

Annual SmartCover Monitoring Reports

In addition, on the one, two, and three year anniversary of the completion of the construction portion of the ECA, the City will submit a monitoring report which includes a discussion of the system-wide monitoring activities conducted using the SmartCover system and the results achieved during the respective timeframes. The reports will include any observable water quality benefits that result from the installation of the SmartCovers into its collection system.

Attachment A

