



August 29, 2018

Mr. Nicholas Cook
Water Plant Supervisor
2117 E. X Street
Deer Park, TX 77536

RE: City of Deer Park, TX - PSI Water Technologies Residual Control System

Dear Mr. Cook,

PSI Water Technologies, Inc. (PSI) proposes to provide a PSI Residual Control System to the City of Deer Park. The PSI Residual Control System is designed, manufactured and supplied by PSI of Campbell, California. The PSI Residual Control System utilizes proprietary algorithms to monitor and control the flow and quantities of chemicals used for controlling chlorine residuals in potable water storage tanks. These algorithms are covered by one or more patent applications filed by PSI and its sister company, PAX Water Technologies, Inc. (see www.psipatents.com and www.paxwaterpatents.com). PSI holds the exclusive rights to the algorithms covered by the referenced patent applications and is the sole manufacturer of residual control systems covered by one or more of the referenced patent applications.

There is no residual management system on the market that can perform the complex tasks provided by the PSI Residual Control System:

- Providing a completely mixed and chemically homogeneous body of water;
- Determining tank total chlorine levels, ORP and pH;
- Using the above analysis in a chemical dosing algorithm to add the appropriate amount of ammonia and chlorine to reach the tank's desired residual set-point;
- Dosing the chemicals accurately into the tank; and
- Managing the described dosing strategy in the dynamic environment of a tank as it cycles and changes water volume throughout the normal daily operating cycle.

Environmental Improvements, Inc. (EI²) is PSI's independent representative for PSI Residual Control Systems in Texas. EI² possesses the technical expertise and service capability to provide residual control solutions to address its customers' water quality requirements.

If you have further questions, please contact John Koch at 858/281-6129.

Sincerely,

A handwritten signature in cursive script that reads "Guy R. Chadwell".

Guy Chadwell

Vice President and General Manager

PSI Water Technologies, Inc.

1077 Dell Ave. Suite A

Campbell, CA 95008