

Memorandum

To: FCC Office
From: Pamela A. Malone, Marketing Manager
Date: May 3, 2001
Re: CellinK Pit Usage, Installation and Distribution Strategy

Introduction

This memo serves to inform you of the intended use and required installation expertise for the CellinK Pit product. A brief background on Badger Meter Inc. (BMI) will first be discussed in order to fully understand and appreciate the nature of Cellink's application and operational environment.

Background Information

For almost a century, BMI has manufactured flow measurement products for the water and waste water industry. For the water industry specifically, BMI provides and sells meters and meter reading technology products to utilities and municipalities. These meters are used to measure their customer's water usage or consumption. The meter reading technologies include, but not limited to, short range radio frequency (RF) or proximity, long-rang RF, telephone and fixed network RF. CellinK utilizes the fixed network RF technology owned by CellNet Data Systems, Inc. BMI is under a license agreement with CellNet giving BMI the right to design, manufacture and sell RF product utilizing their patented technology.

Intended Use for CellinK

Depending on the geographical region, water meters may be located outside in a below grade pit or vault (or inside a residence, commercial or industrial building). In California, for example, most metered properties house the water meter(s) in outside pits or deep vaults. This is the application for the CellinK Pit product, as the name implies. As such, CellinK's intended use is to measure water consumption from meters located in this environment.

Installation Expertise

As stated above, BMI's end user or customer is a publicly held or investor owned water utility or municipality. Since these entities provide water to consumers, they must comply with strict federal laws. These laws include, but not limited to, the Safe Drinking and Water Act (SDWA) and Occupational Safety and Hazards Act (OSHA). Under OSHA, an installer of water meters must practice extreme care and safety when installing meters in a vault or deep pit. In many cases, multiple OSHA trained installers are required to ensure that the rules are adhered to. Most utilities employ or subcontract trained OSHA certified installers to install meters. Therefore, the installation expertise required is that of a person trained under OSHA rules and guidelines.

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