

REQUEST FOR COUNCIL ACTION

DATE	TITLE		
September 15, 2015	Insulation Jacket Replacement		
ORIGINATING DEPARTMENT	TYPE OF ACTION	ORDINANCE	RESOLUTION
Electric Department	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/>	<input type="checkbox"/> OTHER

RECOMMENDATION:

I recommend that the city council approve the Insulation Jacket Replacement quote from BRACE in the amount of \$11,815.00.

FISCAL NOTE:

Funding is will be covered by the City's Insurance.

DISCUSSION:

Respectfully submitted,

Glenn Rodden
City Administrator

City Of Beloit Power Plant
215 South Chestnut ST.
Beloit, Kansas 67420



Tel No (785) 738-5121
Fax No (785) 534-1613

Date: 09-08-2015

To: Glenn Rodden & Beloit City Council
From: Manny Milbers, Power Plant Operations Foreman
Subject: Consideration for Approval for the Insulation Jacket Replacement Project

Back in August – 2014 a Hail Storm caused damage to the aluminum rapping on our Jacket water pipes and Heater Tank here at the Power Plant. I have a quote from (BRACE) for the replacement cost of the aluminum insulation rap for the Piping and Heater Tank. The cost for this Project in the amount of \$ 11,815.00 will be covered by our Insurance.

Thank you for your consideration in this matter.



Manny Milbers
Power Plant Operations Foreman



Ronnie Sporleder
Director of Electric Operations



PROPOSAL - #02-150901-2

September 1, 2015

TO: City of Beloit Kansas 215 S. Chestnut Beloit, KS 67420

Attn: Manny Milbers

RE: Insulation Jacket Replacement Project City of Beloit, KS

We propose to furnish material, labor, construction equipment, insurance and benefits as a Fixed Fee price for the above referenced project, as follows:

I. BASE BID SPECIFICATIONS:

Remove existing insulation jacket and supply, deliver and install insulation jacket, fasteners, and accessories to complete the Insulation Jacket Replacement Project for City of Beloit Kansas at Beloit, Kansas as reviewed in the field with Pat Lamkin. The complete package will include:

- Removal of existing jacket on one 4' dia. x 7' tall tank and approx. 341 l.f. of mostly 8" and 10" pipe
- Supply and install .024" Stucco embossed aluminum jacket over the existing tank insulation
- Supply and install .020" Stucco embossed aluminum jacket over the existing pipe insulation
- All fasteners, sealants and accessories are included to make a weather-tight installation
- Remove existing valve and flange pads and reinstall once jacket is replaced
- Step ladders to access work area
- All price breakdown information is for the purposes of accounting only and is not intended to be stand-alone pricing

BRACE Integrated Services, Inc. | 814 N. I St., P. O. Box 775, Oskaloosa, Iowa 52577

Phone: 641.673.9751 | Fax: 641.673.4176 | www.BRACE.com | info@brace.com

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II. BASE BID PRICE:

	<u>Pipe</u>	<u>Tank</u>
Material:	\$ 4,510.00	\$ 1,065.00
Labor:	\$ 5,070.00	\$ 1,170.00
Tax:	<u>Not included</u>	<u>Not Included</u>
TOTAL:	\$ 9,580.00	\$ 2,235.00

III. EXCLUSIONS:

- Insulation to replace existing insulation on all pipes and equipment and insulation jacket on all pipes and equipment not identified above as included within the scope of the project
- Insulation on all pipes, ducts, equipment, etc. not reviewed in the field and therefore not part of the bid package as outlined above
- Supply or installation of heat tracing or heat tracing accessories
- Wiring of any heat trace, controllers or RTD's
- Insulation jacket replacement on valves, instrumentation, etc.
- Removal of rust, scale, dirt, etc. prior to installation of insulation
- Removal, repair or replacement of insulation damaged by anyone other than BRACE, our subcontractors or suppliers previous to, during or after plant start-up □ Fireproofing of penetrations thru fire rated walls or openings □ Scaffolding, mechanical lift equipment, crane, etc.
- Removal, modification and/or repair of existing insulation, jacket, siding or other building materials beyond the scope of this project
- Labor within a Permit Required Confined Space
- Any prevailing wage requirements or existing collective bargaining agreements
- Construction power
- Restroom facilities
- Trash or garbage receptacles and trash removal fees
- Painting
- Liquidated damages
- Retention
- Bonds

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Phone: 641.673.9751 | Fax: 641.673.4176 | www.BRACE.com | info@brace.com

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IV. PROVISIONS:

- Materials to be billed complete upon delivery to site
- Labor to be billed based on progress, (bi-weekly basis)
- 120/240 volt 30 amp service within 50' of work area
- On-site storage facilities to be provided by owner
- This proposal becomes an attachment to any subcontract resulting from this proposal
- Payment terms to be net 30 days
- Taxes are not included in this proposal and will be added if applicable

This work is based on working a 5 day / 50 hours week schedule and includes one mobilization and demobilization for the purpose of performing this work. Material lead time is approx. 1-2 weeks from date of order. All work in excess of that outlined above will be submitted as extra. This proposal will be honored for 30 days. We appreciate the opportunity to submit this proposal. If you have any questions, please contact me at (641) 673-9751.

Sincerely,

Nick Louderback

BRACE Integrated Services, Inc. formerly known as Industrial Commercial Insulation, Inc.

Energy Contract between Kansas Municipal Energy Agency and City of Beloit, Kansas

This Agreement reached on _____, 2015, between the Kansas Municipal Energy Agency ("KMEA") and City of Beloit, Kansas ("City"), with respect to the sale of "Energy", as defined herein, under the terms and conditions as follows:

Buyer: Kansas Municipal Energy Agency

Seller: City of Beloit, Kansas

Governing Agreement:

ENERGY MANAGEMENT PROJECT No. 2 between
KANSAS MUNICIPAL ENERGY AGENCY and CITY OF
BELOIT, KANSAS

Governing Terms: Terms used but not defined herein shall have the meanings ascribed to them in the Governing Agreement. To the extent the provisions of this Confirmation are in conflict with the Governing Agreement, the provisions of the Confirmation shall control.

Delivery Period: January 1, 2016 – December 31, 2016

Delivery Point: KMEA_EMP2_SECI

Product: Energy

Energy Quantity: 1 MW per hour January 1, 2015 through May 31, 2015
2 MW per hour June 1, 2015 through August 31, 2015
1 MW per hour September 1, 2015 through December 31, 2015

Energy Charge: \$35.00/MWh.

Billing & Payment: Billing for Energy shall be comprised of charges as described herein and calculated as follows:

Summation of the hourly day-ahead Locational Marginal Price (LMP) at the Delivery Point times the Energy Quantity minus the summation of the Energy Quantity times the Energy Charge.

Payment for energy shall be in accordance with the terms and provisions of the Governing Agreement and shall be credited by KMEA monthly.

Curtailments: The Product herein may be curtailed at any time at the direction of the SPP, the Transmission Owner,

**Energy Contract between
Kansas Municipal Energy Agency
and City of Beloit, Kansas**

governmental authorities, or other third parties, in an effort to avoid or respond to emergency situations, Force Majeure events, or any other issue that may cause harm to the people or equipment, all as defined in the Governing Agreement. Seller shall not curtail the Energy due to economics under the provisions set forth herein.

Kansas Municipal Energy Agency

City of Beloit, Kansas

By: _____

By: _____

Name: _____

Name: _____

Title: General Manager

Title: Mayor

Date: _____

Date: _____

REQUEST FOR COUNCIL ACTION

DATE:	TITLE:		
September 15, 2015	EPA Emission Testing Bid for Engine #7		
CITY/DEPARTMENT:	TYPE OF ACTION:	<input type="checkbox"/> ORDINANCE	<input type="checkbox"/> RESOLUTION
Electric Department	<input checked="" type="checkbox"/> FORMAL ACTION	<input type="checkbox"/>	<input type="checkbox"/> OTHER

RECOMMENDATION:

I recommend that the city council approve the EPA Emission Testing Bid for Engine #7 from Burns & McDonnell Company in the amount of \$13,200.00.

FISCAL NOTE:

Funding is available under Electric Plant 53-41-3000 (FY2015 Budget is \$55,000 with a current balance of \$33,546.63 as of 9-11-2015).

Burns & McDonnell	\$13,200.00	
Air Source Technologies	\$8,800.00	\
Sega	\$8,950.00	

DISCUSSION:

Respectfully submitted,

Glenn Rodden
City Administrator

City Of Beloit Power Plant
215 South Chestnut ST.
Beloit, Kansas 67420



Tel No (785) 738-5121
Fax No (785) 738-6401

Date: 09-09-2015

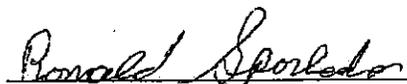
To: Glenn Rodden & Beloit City Council
From: Manny Milbers, Power Plant Operations Foreman
Subject: EPA Emission Testing For the PSD Permit for Engine #7.

Glenn and City Council,

On August-29, 1983 Beloit had a PSD Performance test done on Engine #7 here at the power plant. The purpose of the test was to determine the NOx emission rates for this unit. This testing was done in accordance with the United States Environmental Protection Agency reference Method-20, as published in 40 CFR, Part 60, dated July-1, 1980 and subpart FF-Standards of Performance for Stationary Internal Combustion Engines, as well as any subsequent revisions that apply. So with that being said any Internal Combustion Engine installed in 1980 or after will need to have a PSD Performance test done. This testing was done by Burns & McDonnell Engineering Company on August-29, 1983 and they also did the testing on Engine #7 in December of 2011. This testing is due every 5 years or at the time we renew our Operating Permit. Our Operating Permit is due this year. We are required to conduct a PSD performance test this year on Engine #7. To stay in compliance with KDHE, I have requested and received bids from three different places. The bids are: Burns & McDonnell in the amount of \$13,200.00, Air Source Technologies in the amount of \$8,800.00 and Sega in the amount of \$8,950.00. The one from Air Source Technologies is exactly the same as the one they proposed in 2011. Looking back, the letter to the council from 2011 states that at that time the proposal from Air Source Technologies was not complete and did not have everything that KDHE required. Sega told me that they subcontract to another firm to do the Emission testing on engines so I wonder if there were any issues later with the test results, would it create problems for us. So even with a larger price difference and to make sure we don't lose our Operating Permit and to stay in compliance with KDHE, I would like to recommend that we go with Burns & McDonnell Company for a price of \$13,200.00 to do the testing for us. Since they were the ones that did the testing back in 1983 and in 2011 they know what we need to test for.

Thank you very much for your consideration on this matter.


Manny Milbers
Power Plant: Operations Foreman.


Ronnie Sporleder
Director of Electric Operations



August 28, 2015

Mr. Manny Milbers
City of Beloit, Kansas
Municipal Electric Station
215 S. Chestnut
Beloit, KS 67420

Re: Proposal to Conduct Sampling and Analysis for Nitrogen Oxide and Oxygen Emissions for the 6000 KW Diesel Generator at the Beloit Municipal Electric Station in Beloit, KS

Dear Mr. Milbers:

Burns & McDonnell (BMcD) is pleased to provide The City of Beloit, Kansas Municipal Electric Station (Beloit) with this proposal to conduct nitrogen oxide (NO_x) and oxygen (O₂) emissions for the 6000 KW diesel generator at the Beloit Municipal Electric Station in Beloit, KS. Burns & McDonnell understands that the sampling is being conducted to allow the facility to demonstrate compliance with the requirements of Subpart FF and their Title V Permit. BMcD assumes that Beloit will submit any notifications prepared by BMcD that are required by the state.

Scope of Services

Testing will consist of sampling for NO_x and O₂ with the diesel generator operating at four different load points burning two different fuels. BMcD will perform emission testing for NO_x and O₂ on the outlet of the diesel generator. The testing will be performed in accordance with Methods 3A and 7E as published in 40 CFR, Part 60, Appendix A. Testing will be performed at four unit loads. The loads will be maximum, minimum and 2 intermediate points as determined by the plant. Three 21 minute test runs will be performed at each load point. The NO_x concentrations will be reported at 15 % O₂. The testing will be performed over two days, one day for each fuel.

Clarifications

General:

It will be the responsibility of Beloit to ensure the following is provided:

- Safe and adequate access to the sampling locations via elevator, ladders and walkways and shall include sampling platforms, sampling ports and supports for attaching monorails to the sampling ports;
- Oversee the operation of the diesel engine generator and associated pollution control equipment at the pre-determined loads and operating parameters;
- Oversee the operation of the Plant collecting and providing BMcD with the necessary system operational data
- Provide one 480 Volt 30-50 amp circuit at the base of the stack for BMcD's laboratory trailer and three 3-120V, single phase circuits at the stack locations;
- Communications and coordination with BMcD's site representative during the sampling on issues affecting the emissions sampling.



Mr. Henry Eilert
City of Beloit, Kansas Municipal Electric Station
August 28, 2015
Page 2

Project Schedule

BMcD is prepared to begin working upon receipt of an executed purchase order and the final report will be completed within 3 weeks of the completion of the sampling event.

Project Cost

BMcD proposes to perform this Scope of Services on a lump sum basis in accordance with BMcD's Terms and Conditions for Professional Services which is attached to this proposal. Our lump sum fee to complete the tasks is \$13,200.00.

This cost estimate will not be exceeded without written authorization by Beloit. Any additional hours and/or materials incurred on site as a result of expanded scope (including additional test runs) or delays not the fault of BMcD (i.e., process upsets or downtime, inclement weather conditions, etc.) will be performed and invoiced per BMcD's 2015 "Schedule of Hourly Professional Services Billing Rates Compliance and Stack Testing".

If prior to Burns & McDonnell's commencement of services under this Agreement, Beloit either terminates this Agreement or postpones Burns & McDonnell's performance of services, but does not serve notice of such termination or postponement within one week of the date Burns & McDonnell is scheduled to commence its services, Beloit shall pay Burns & McDonnell in addition to other compensation, if any, due or to become due to Burns & McDonnell, a late notice charge equal to 10 percent of Burns & McDonnell's fee as stated above in the Project Costs section of this proposal. If Beloit does not serve notice of such termination or postponement until 24 hours of the time Burns & McDonnell is scheduled to commence its services, Beloit shall pay Burns & McDonnell in addition to other compensation, if any, due or to become due Burns & McDonnell, a late notice charge equal to 25 percent of Burns & McDonnell's fees as stated herein

We appreciate the opportunity to provide our services, and we look forward to working with you. Should you have any questions, please do not hesitate to contact me at 919-815-1497 or 314-203-0295, or contact me by email at finstevens@burnsmcd.com.

Sincerely,

A handwritten signature in cursive script that reads "Franklin M. Stevens".

Franklin M Stevens
Section Manager – Performance & Diagnostic Measurements
Burns & McDonnell Engineering Company, Inc.

Cc: Grant Grothen
Doug Riedel
Gregory Archeski

BURNS & MCDONNELL

TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

Project: Air Testing
Client: City of Beloit, Kansas Municipal Electric Station

1. SCOPE OF SERVICES

For the above-referenced Project, Burns & McDonnell Engineering Company, Inc. (BMcD) will perform the services set forth in the above-referenced Letter, Proposal, or Agreement, in accordance with these Terms and Conditions. BMcD has relied upon the information provided by Client in the preparation of the Proposal, and shall rely on the information provided by or through Client during the execution of this Project as complete and accurate without independent verification.

2. PAYMENTS TO BMcD

A. Compensation will be as stated in the above-referenced Letter, Proposal, or Agreement. Statements will be in BMcD's standard format and are payable upon receipt. Time is of the essence in payment of statements, and timely payment is a material part of the consideration of this Agreement. A late payment charge will be added to all amounts not paid within 30 days of statement date and shall be calculated at 1.5 percent per month from statement date. Client shall reimburse any costs incurred by BMcD in collecting any delinquent amount, including reasonable attorney's fees. If a portion of BMcD's statement is disputed, Client shall pay the undisputed portion by the due date. Client shall advise BMcD in writing of the basis for any disputed portion of any statement.

B. Taxes as may be imposed on professional consulting services by state or local authorities shall be in addition to the payment stated in the above-referenced Letter, Proposal, or Agreement.

3. INSURANCE

A. During the course of performance of its services, BMcD will maintain Worker's Compensation Insurance with limits as required by statute, Employer's Liability Insurance with limits of \$1,000,000, and Commercial General Liability and Automobile Liability Insurance each with combined single limits of \$1,000,000.

B. If the Project involves on-site construction, construction contractors shall be required to provide (or Client may provide) Owner's Protective Liability Insurance naming Client as a Named Insured and BMcD as an Additional Insured or to endorse Client and BMcD using ISO form CG 20 10 11 85 endorsement or its equivalent as Additional Insureds on all construction contractor's liability insurance policies covering claims for personal injuries and property damage in at least the amounts required of BMcD in 3A above. Construction contractors shall be required to provide certificates evidencing such insurance to Client and BMcD. Contractor's compensation shall include the cost of such insurance including coverage for contractual and indemnification obligations herein.

C. Client and BMcD release each other and waive all rights of subrogation against each other and their officers, directors, agents, or employees for damage covered by property insurance during and after the completion of BMcD's services. A provision similar to this shall be incorporated into all construction contracts entered into by Client, and all construction contractors shall be required to provide waivers of subrogation in favor of Client and BMcD for damage covered by any construction contractor's property insurance.

4. INDEMNIFICATION

A. To the extent allowed by law, Client will require all construction contractors to indemnify, defend, and hold harmless Client and BMcD from any and all loss where loss is caused or alleged to be caused in whole or in part by the construction contractors, their employees, agents, subcontractors or suppliers.

B. If this Project involves construction and BMcD does not provide consulting services during construction including, but not limited to, on-site monitoring, site visits, site observation, shop drawing review, and/or design clarifications, Client agrees to indemnify and hold

harmless BMcD from any liability arising from this Project or Agreement, except to the extent caused by BMcD's negligence.

5. PROFESSIONAL RESPONSIBILITY- LIMITATION OF REMEDIES

A. BMcD will exercise reasonable skill, care, and diligence in the performance of its services and will carry out its responsibilities in accordance with customarily accepted professional practices. If BMcD fails to meet the foregoing standard, BMcD will perform at its own cost, the professional services necessary to correct errors and omissions reported to BMcD in writing within one year from the completion of BMcD's services for the Project. No warranty, express or implied, is included in this Agreement or regarding any drawing, specification, or other work product or instrument of service.

B. In no event will BMcD be liable for any special, indirect, or consequential damages including, without limitation, damages or losses in the nature of increased Project costs, loss of revenue or profit, lost production, claims by customers of Client, and/or governmental fines or penalties.

C. BMcD's aggregate liability for all damages connected with its services for the Project not excluded by the preceding subparagraph, whether or not covered by BMcD's insurance, will not exceed \$100,000.

D. These mutually negotiated obligations and remedies stated in this Paragraph 5, Professional Responsibility - Limitation of Remedies, are the sole and exclusive obligations of BMcD and remedies of Client, whether liability of BMcD is based on contract, warranty, strict liability, tort (including negligence), indemnity, or otherwise.

6. PERIOD OF SERVICE AND SCHEDULE

The provisions of this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the services stated in the Proposal. BMcD's obligation to render services hereunder will extend for a period that may reasonably be required for the completion of said services. BMcD shall make reasonable efforts to comply with deliverable schedules (if any) and consistent with BMcD's professional responsibility.

7. COMPUTER PROGRAMS OR MODELS

Any use, development, modification, or integration by BMcD of computer models or programs does not constitute ownership or a license to Client to use or modify such computer models or programs.

8. ELECTRONIC MEDIA AND DATA TRANSMISSIONS

A. Any electronic media (computer disks, tapes, etc.) or data transmissions furnished (including Project Web Sites or CAD file transmissions) are for Client information and convenience only. Such media or transmissions are not to be considered part of BMcD's instruments of service. BMcD, at its option, may remove all indicia of its ownership and involvement from each electronic display.

B. BMcD shall not be liable for loss or damage directly or indirectly, arising out of Client's use of electronic media or data transmissions.

9. DOCUMENTS

A. All documents prepared by BMcD pursuant to this Agreement are instruments of service in respect of the Project specified herein. They are not intended or represented to be suitable for reuse by Client or others in extensions of the Project beyond that now contemplated or on any other Project. Any reuse, extension, or completion by Client or others without written verification, adaptation, and permission by BMcD for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to BMcD.

B. In the event that BMcD is to reuse, copy or adapt all or portions of reports, plans, or specifications prepared by others, Client represents that Client either possesses or will obtain permission and necessary rights in copyright, patents, or other proprietary rights and will be responsible for any infringement claims by others. Client warrants the completeness, accuracy, and efficacy of the information, data, and design provided by or through Client (including prepared for Client by others), for which BMcD shall rely on to perform and complete its services.

10. ESTIMATES, SCHEDULES, FORECASTS, AND PROJECTIONS

Date of Letter, Proposal, or Agreement: August 28, 2016

Client Signature: _____

(continued on reverse side)

Estimates, schedules, forecasts, and projections prepared by BMcD relating to loads, interest rates and other financial analysis parameters, construction costs and schedules, operation and maintenance costs, equipment characteristics and performance, and operating results are opinions based on BMcD's experience, qualifications, and judgment as a professional. Since BMcD has no control over weather, cost and availability of labor, cost and availability of material and equipment, cost of fuel or other utilities, labor productivity, construction contractor's procedures and methods, unavoidable delays, construction contractor's methods of determining prices, economic conditions, government regulations and laws (including the interpretation thereof), competitive bidding or market conditions, and other factors affecting such estimates or projections, BMcD does not guarantee that actual rates, costs, quantities, performance, schedules, etc., will not vary significantly from estimates and projections prepared by BMcD.

11. POLLUTION

In view of the uncertainty involved in investigating and recommending solutions to environmental problems and the abnormal degree of risk of claims imposed upon BMcD in performing such services, notwithstanding the responsibility of BMcD set forth in Paragraph 5A to the maximum extent allowed by law, Client agrees to release, defend, indemnify and hold harmless BMcD and its officers, directors, employees, agents, consultants and subcontractors from all liability, claims, demands, damages, losses, and expenses including, but not limited to, claims of Client and other persons and organizations, reasonable fees and expenses of attorneys and consultants, and court costs, except where there has been a final adjudication that the damages were caused by BMcD's willful disregard of its obligations under this Agreement. Such indemnification includes claims arising out of, or in any way relating to, the actual, alleged, or threatened dispersal, escape, or release of, or failure to detect or contain, chemicals, wastes, liquids, gases, or any other material, irritant, contaminant, or pollutant.

12. ON-SITE SERVICES

A. Project site visits by BMcD during investigation, observation, construction or equipment installation, or the furnishing of Project representatives shall not make BMcD responsible for construction means, methods, techniques, sequences, or procedures; for construction safety precautions or programs; or for any construction contractor(s)' failure to perform its work in accordance with the contract documents.

B. Client shall disclose to BMcD the location and types of any known or suspected toxic, hazardous, or chemical materials or wastes existing on or near the premises upon which work is to be performed by BMcD's employees or subcontractors. If any hazardous wastes not identified by Client are discovered after a Project is undertaken, Client and BMcD agree that the scope of services, schedule, and compensation may be adjusted accordingly. Client agrees to release BMcD from all damages related to any pre-existing pollutant, contaminant, toxic, or hazardous substance at the site.

13. CHANGES

Client shall have the right to make changes within the general scope of BMcD's services, with an appropriate change in compensation and schedule, upon execution of a mutually acceptable amendment or change order signed by authorized representatives of Client and BMcD.

14. TERMINATION

Services may be terminated by Client or BMcD by seven (7) days' written notice in the event of substantial failure to perform in accordance with the terms hereof by the other party through no fault of the terminating party. If so terminated, Client shall pay BMcD all amounts due BMcD for all services properly rendered and expenses incurred to the date of receipt of notice of termination, plus reasonable costs incurred by BMcD in terminating the services. In addition, Client may terminate the services for Client's convenience upon payment of twenty percent of the yet unearned and unpaid estimated, lump sum, or not-to-exceed fee, as applicable.

15. DISPUTES, NEGOTIATIONS, MEDIATION

A. If a dispute arises relating to the performance of the services to be provided and, should that dispute result in litigation, it is agreed that the substantially prevailing party (as determined in equity by the court)

shall be entitled to recover all reasonable costs of litigation, including staff time, court costs, attorney's fees and other related expenses.

B. The parties shall participate in good faith negotiations to resolve any and all disputes. Should negotiations fail, the parties agree to submit to and participate in a third party-facilitated mediation as a condition precedent to resolution by litigation. Unless otherwise agreed to, mediation shall be conducted under the rules of the American Arbitration Association and shall be held in Kansas City, Missouri.

C. The parties agree that any dispute between them, including any action against an officer, director or employee of a party, arising out of or related to this Agreement, whether in contract or tort, not resolved through direct negotiation and mediation, shall be resolved by litigation in the state or federal courts located in Jackson County, Missouri, and each party expressly consents to jurisdiction therein. Any litigation to compel or enforce, or otherwise affect the mediation shall be in state or federal courts located in Jackson County, Missouri, and each party expressly consents to jurisdiction therein.

D. Causes of action between the parties shall accrue, and applicable statutes of limitation shall commence to run the date BMcD's services are substantially complete.

16. WITNESS FEES

A. BMcD's employees shall not be retained as expert witnesses, except by separate written agreement.

B. Client agrees to pay BMcD pursuant to BMcD's then current schedule of hourly labor billing rates for time spent by any employee of BMcD responding to any subpoena by any party in any dispute as an occurrence witness or to assemble and produce documents resulting from BMcD's services under this Agreement.

17. CONTROLLING LAW

This Agreement shall be subject to, interpreted and enforced according to the laws of the State of Missouri without regard to any conflicts of law provisions.

18. RIGHTS AND BENEFITS - NO ASSIGNMENT

BMcD's services will be performed solely for the benefit of Client and not for the benefit of any other persons or entities. Neither Client nor BMcD shall assign or transfer interest in this Agreement without the written consent of the other.

19. ENTIRE CONTRACT

These Terms and Conditions and the above-referenced Letter, Proposal, or Agreement contain the entire agreement between BMcD and Client relative to BMcD's services for the Project herein. All previous or contemporaneous agreements, representations, promises, and conditions relating to BMcD's services for the Project are superseded. Since terms contained in purchase orders do not generally apply to professional services, in the event Client issues to BMcD a purchase order, no preprinted terms thereon shall become part of this Agreement. Said purchase order documents, whether or not signed by BMcD, shall be considered only as an internal document of Client to facilitate administrative requirements of Client's operations.

20. SEVERABILITY

Any unenforceable provision herein shall be amended to the extent necessary to make it enforceable; if not possible, it shall be deleted and all other provisions shall remain in full force and affect.

- END -



September 9, 2015

City of Beloit, Kansas
Electric Plant
215 South Chestnut
Beloit, KS 67420

Attention: Mr. Manny Milbers

Re: City of Beloit, Kansas (Beloit)
Electric Plant
Compliance Test Unit 7
Proposal No. 306Q-15285

SUBJECT: PROPOSAL FOR ENGINEERING AND TESTING SERVICES

Dear Mr. Milbers:

Sega Inc. (Sega) is pleased to submit this proposal for testing services to support City of Beloit. These services will help Beloit comply with the air permit conditions for emissions testing. This work will include the emissions testing of reciprocating internal combustion engine (RICE) Unit 7 in accordance with Beloit's air permit.

This proposal is in response to your request for proposal during our recent telephone conversations. Sega proposes to subcontract the physical on-site testing work to Air Hygiene International, Inc. out of Tulsa, Oklahoma. Sega will oversee the testing efforts to help ensure a successful project satisfies permit requirements and which meets Beloit's needs and expectations. Our proposed scope, staff, and cost reflect Sega's and Air Hygiene's understanding of your needs and our experience working with Air Hygiene in performing very similar work for other clients, including several municipal power generation sources in Kansas.

PROJECT DESCRIPTION

The Beloit RICE Unit 7 is approximately a 6-MW engine capable of firing fuel oil or natural gas. Based on the selected page from the previous testing report supplied to Sega by Beloit, the applicable air permit condition requires that Unit 7 conduct emissions testing periodically to sample for nitrogen oxides (NO_x) and oxygen (O₂) while the unit is operating on gas and oil, at four (4) load points (a total of eight (8) tests). The condition requires that U.S. Environmental Protection Agency (EPA) Reference Methods 3A and 7E be used.

Sega Inc.
16041 FOSTER

P.O. BOX 1000
OVERLAND PARK, KANSAS 66085-1000
www.segainc.com

PHONE 913-681-2881
FAX 913-681-8475

Given that there are three (3) individual sample runs per test, the project will require a total of twenty-four (24) sample runs. Beloit has requested that the testing be completed prior to the end of 2015 calendar year.

SCOPE OF SEGA SERVICES

Sega proposes to provide engineering and testing services as specified below:

1. Testing Protocol:

- a. Prepare a testing protocol as required by Kansas Department of Health and Environment (KDHE). This protocol will be prepared by Air Hygiene, reviewed by Sega, and transmitted to Beloit for review. Air Hygiene (or Beloit, if applicable) will submit the protocol to KDHE for notification of the anticipated test date and approval of the protocol.

2. Conduct Testing:

- a. Air Hygiene will conduct the required testing of the RICE Unit 7 in accordance with the permit condition, KDHE testing requirements, and testing protocol as submitted to KDHE for review and approval.
- b. Individual tests will be conducted for four (4) RICE loads, separate for gas-firing and oil-firing scenarios (a total of eight (8) tests).
- c. Each test will consist of three (3) individual sample runs. Thus, the testing will consist of at least twenty-four (24) individual sampling test runs with three (3) runs being averaged to make individual tests.
- d. The testing will be over a 1.5 day period (twelve (12) hour days), with 0.5 day allowed for mobilization activities prior to and after testing.

3. Prepare Report:

- a. Prepare a testing results report as required by KDHE. This report will be prepared by Air Hygiene, reviewed by Sega, and transmitted to Beloit for review. Air Hygiene (or Beloit, if applicable) will submit an electronic copy of the report to KDHE for review.

2. Based on comments, generate a final version of the test report, and submit three (3) hardcopies to KDHE and two (2) copies to Beloit.

PROVIDED BY BELOIT

This proposal is based upon Beloit providing the following:

1. Timely review comments on testing protocol and testing report.
2. Safe scaffolding or man-lift for Air Hygiene personnel to access Unit 7 stack test ports.
3. Consistent Unit 7 operation at the eight (8) fuel and load scenarios required for testing.

SCHEDULE

The anticipated schedule is to complete the testing which allows the stack test report to be submitted prior to the end of 2015. The specific schedule will be based on the availability of Air Hygiene testing staff and Unit 7 operation.

COMPENSATION

Sega will provide the services listed above on a lump sum basis for \$8,950.

Our costs assume labor and expenses for one (1) site visit for two (2) days of testing, including mobilization.

PROJECT STAFF / QUALIFICATIONS

The project team will be comprised of the highly experienced stack testing firm Air Hygiene International, Inc., as overseen by Sega's Mr. Brian Petermann, P.E. Mr. Petermann will be the Project Manager for this project and will be responsible for the execution of the work and the final deliverables. Mr. Petermann is very familiar with RICE engines, specifically their testing for compliance with permit conditions and RICE NESHAPS. He has overseen the emissions compliance testing projects for numerous engines and combustion turbine projects, many of which are in Kansas and must meet KDHE requirements. This includes sources operated by Chanute, Coffeyville, Colby, Kansas City (Kansas), and Garden City (for the Kansas Municipal Energy Agency).

Air Hygiene has extensive engine testing experience and is a recognized leader in this field. A brochure which summarizes their capabilities and experience is attached to this proposal.

CLARIFICATIONS

Sega proposes to perform the above services on a lump sum basis under mutually-agreeable terms and conditions between Beloit and Sega.

Our proposed price is valid for a period of sixty (60) days from the date of this proposal.

Thank you for the opportunity to present this proposal. If you have any questions regarding its content, please contact me.

Sincerely,

SEGA INC.

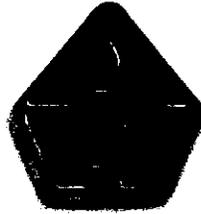
A handwritten signature in cursive script that reads "Brian Petermann".

Brian Petermann, P.E.
Manager, Air Quality Compliance

BAP/slf

Enc.

c: Jeff Arroyo
Kirk Duncan



AIR HYGIENE, INC.



Why Air Hygiene is the Solution for your Engine Testing!

- Five (5) FTIR Labs for formaldehyde, VOC's, & HAPSI
- Thirty (30) test labs providing testing anytime & anywhere!
- On-site draft test reports & final report in 10 Days!
- Catalyst performance analysis (in/out measurement on-site)
- Portable power by on-board generator!
- LDEQ, CARB, & SCAQMD certified!
- Portable analyzer capabilities! provided!
- VOC's by on-site Gas Chromatograph for methane/ethane!
- Part 60 - JJJJ Testing (NOx, CO, VOC)!
- Part 63 - ZZZZ Testing (CO and HCHO)!
- 20 QSTI certified personnel!
- Tests in all 50 states, Mexico, & CO) Canada!
- 17 years of testing in gas industry!
- On-site man lift and fuel flow meter provided!

Corporate Headquarters:

1600 West Tacoma Street
Broken Arrow, OK
74012

(918) 307-8865

(888) 461-8778



Stack Testing



AIR HYGIENE, INC.

WWW.AIRHYGIENE.COM

Air Hygiene International

Remote Office Locations:

Las Vegas, NV

Ft Worth, TX

Austin, TX

Shreveport, LA

Chicago, IL

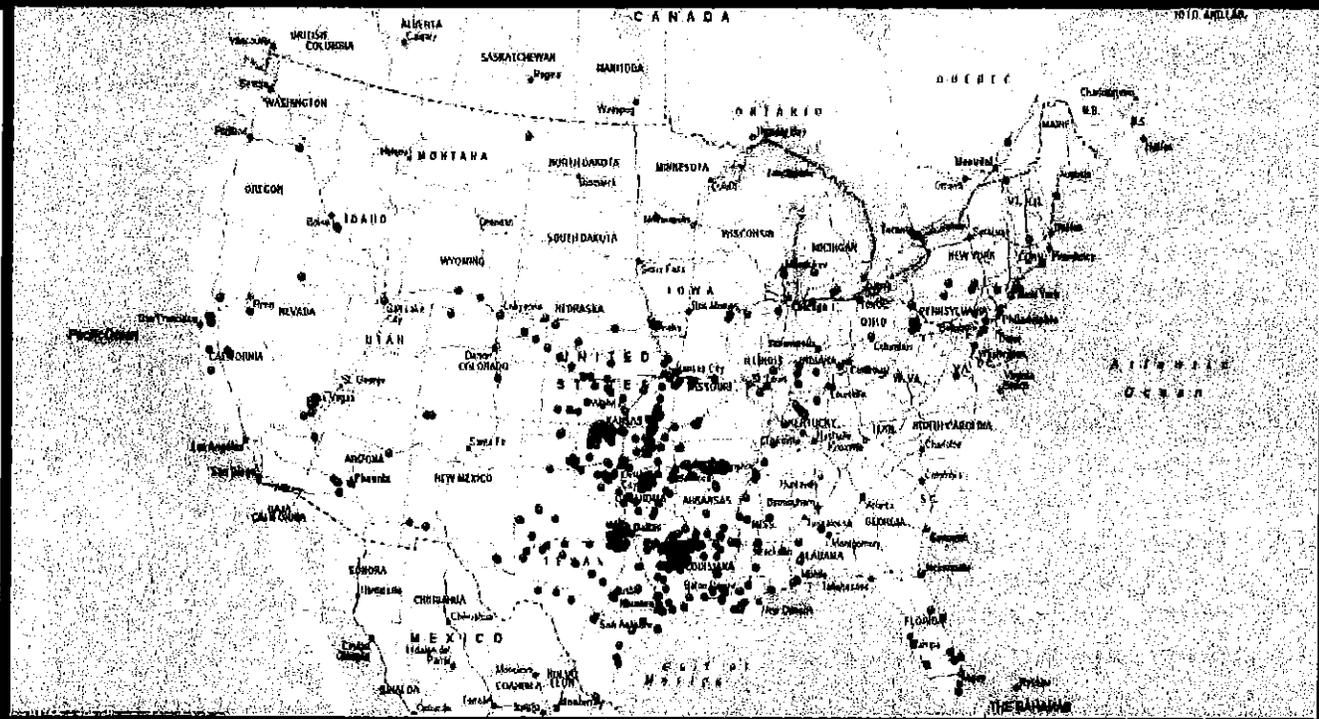
Pittsburgh, PA



@Air Hygiene

ENGINE TESTING EXPERIENCE

Air Hygiene conducts emission testing nationwide and is familiar with all fifty (50) state agencies and EPA requirements. The map below shows our emission testing project locations across the U.S.



TESTING SUCCESS STORIES

AIR HYGIENE personnel have performed thousands of testing projects which have yielded significant benefits for our clients. The following project descriptions briefly discuss some of these emission testing projects.

- **Performed testing on 80 engines for EPA MACT Floor testing in Texas, Oklahoma, & Kansas including on-site data for NO_x, CO, VOCs, SO₂, O₂, HAPS including formaldehyde, ammonia, speciated C1—C6, and Greenhouse gases (N₂O, CO₂, CH₄)!**
- **Currently perform periodic engine testing in 25 states for over 1,500 engines per year following EPA Methods 3a (O₂ & CO₂), 7e (NO_x), 10 (CO), 19 (exhaust flow), 18/25a/320 (VOCs), and 320/ASTM D-6348 (formaldehyde).**

- **Natural Gas Fired Compressor Engines per RICE MACT (40 CFR Part 63 Subpart ZZZZ) for formaldehyde and/or inlet & outlet CO. Selected methods depend on state and client preference. Over 1,000 engine tests in 25+ states.**
- **Testing per 40 CFR Part 60 Subpart JJJJ for NO_x (EPA Method 7e), CO (EPA Method 10), VOCs (EPA Method 18/25a with on-site GC by VIG 210), O₂/CO₂ (EPA Method 3a), and exhaust flow (EPA Method 2/4 or 19).**
- **Combustion Turbine Testing and Add-On Services that Include:**
 1. Turbine emission mapping and emission performance testing
 2. R&D emission data research and turbine control optimization
 3. 40 CFR Part 60 Subpart GG – Turbine Compliance Testing
 4. 40 CFR Part 75 – Acid Rain Classified Equipment Testing
 5. RATA Testing on CEMS systems for NO_x, CO, SO₂, H₂S, O₂, Flow, and/or CO₂

COMPRESSOR ENGINE TESTING SERVICES

Thank you for your consideration of **Air Hygiene's** engine testing services. The following list details some of the testing services and extras **Air Hygiene** includes with each testing job.

Types of Air Testing Services for Compressor Engines:

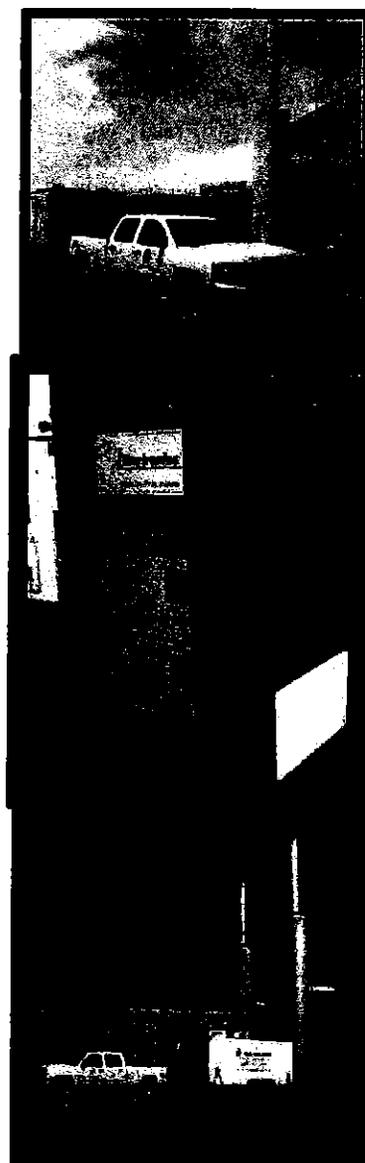
- Periodic monitoring for NO_x, CO, VOCs, formaldehyde, HAPS. □ Engine Compliance Testing to meet state and federal requirements ZZZZ (RICE MACT), JJJJ Testing, Permit by Rule, Compliance.
- Pre and Post Catalyst testing for pollutant destruction efficiency.
- Engine performance testing to verify manufacturer's emission guarantees.
- Research and Development (R&D) emission data research and engine optimization. Initial permit compliance testing for PM, PM-10, PM-2.5, SO₂, NO_x, CO, exhaust flow, moisture, O₂, CO₂, Formaldehyde, other HAPs.

AHI will provide the following on engine equipment tests:

- Our own power supply!
- On-site test data and report!
- Fuel F-Factor calculation data sheet!
- **23 QSTI certified personnell**
- Fuel Flow Meter and On-Site Man Lift!
- Electronic reports provided on CD upon request!
- Extensive experience with all state agencies in the U.S.!
- EPA Protocol 1 Certified Gases for precise calibration!
- Low range (0-10 ppm) equipment calibration and measurement available!
- Test protocol preparation, coordination with state agency and site personnell
- 30 mobile testing labs, which may be used for your projects across the U.S.!
- State-of-the-art data logging technology to allow real-time examination of meaningful emission data.

Air Hygiene specializes in 40 CFR Part 60 Subpart JJJJ (4J) Testing:

For most 4J testing the scope is 3, 1-hour test runs monitoring for NO_x, CO, VOCs, and O₂. The VOC analysis methodology described in Table 2 of the regulation calls for:



"Methods 25A and 18 of 40 CFR part 60, appendix A, Method 25A with the use of a methane cutter as described in 40 CFR 1065.265, Method 18 or 40 CFR part 60, appendix A, Method 320 of 40 CFR part 63, appendix A, or ASTM D6348-03 (incorporated by reference, see §60.17)".

Air Hygiene is capable of meeting this requirement with on-site, real-time data. Our primary option utilizes a VIG 210 VOC analyzer that incorporates the Method 25a and Method 18 technologies into a single analyzer with built in gas chromatograph providing simultaneous data for Methane, Ethane, VOC's, and Total Hydrocarbons. **Air Hygiene** can also provide testing by Method 25a total hydrocarbon analyzer coupled with an MKS FTIR analyzer utilizing the Method 320 test technology to determine methane & ethane and provide real-time VOC data. Utilizing either methodology, **Air Hygiene** is able to provide you with real-time VOC results on-site.

Converting emission concentrations (e.g. ppm) to emission rates (e.g. lb/hr, g/hp*hr, tpy) is another important 4J field testing consideration. 4J requires that stack exhaust flow be either physically measured utilizing Methods 14 or stoichiometrically estimated using Method 19 and a fuel flow meter. Method 19 approach when taken, provides a stoichiometric approach typically resulting in stack exhaust flow rates that are anywhere from five to ten percent lower than the manual measurement approach. This is due to both an over dependence on oxygen content for the Method 19 calculations and the human error aspect coupled with the "puffing" of the engine for the manual measurement calculations.

Testing Solutions for a Better World

Air Hygiene's core philosophy of "Second-to-None (2-2-0)", demands extra mile customer service anchored on dignified character and family-oriented principles to deliver unmatched quality stack testing, worth paying for every time. We utilize revolutionary technology and Air Hygiene University to create the best educated work force to define the future of stack testing.

Providing air emission testing since 1997 and headquartered in Broken Arrow, Oklahoma, Air Hygiene provides testing services throughout the continental United States as well as internationally. Its client base includes various industries from oil and gas companies to utilities, manufacturers, and other similar industries.

Air Hygiene has experienced engine testing teams led by project managers with significant testing experience and a broad understanding of the federal and state regulations. Air Hygiene has thirty (30) combustion emission testing systems.

Air Hygiene prides itself on testing efficiency and has experience with complex testing. Including formaldehyde by FTIR (EPA Method 320 or ASTM D-6348) to meet RICE MACT (40 CFR Part 63 Subpart ZZZZ), non-methane/ethane VOCs on-site with field GC or FTIR for Subpart JJJJ (40 CFR Part 60), PM, PM-10, & PM-2.5 testing (EPA Methods 1-5, 201a, 202).

Air Hygiene can complete numerous engines in a single day and has experience with testing large engine fleets within short duration or on a repeated schedule to meet periodic monitoring requirements.

MARKWEST
Energy Partners, L.P.

NEWFIELD

Chesapeake
ENERGY

devon

MAGELLAN
MIDSTREAM PARTNERS, L.P.

XTO
ENERGY

SWN
Southwestern Energy

dcp
Midstream.

Williams.

EXTERRAN

KINDER MORGAN

JW

ONEOK

CMS ENERGY

ConocoPhillips

CATERPILLAR® Atlas Pipeline

CROSSTEX

QUICKSILVER
RESOURCES

HSI

ACCESS
MIDSTREAM PARTNERS

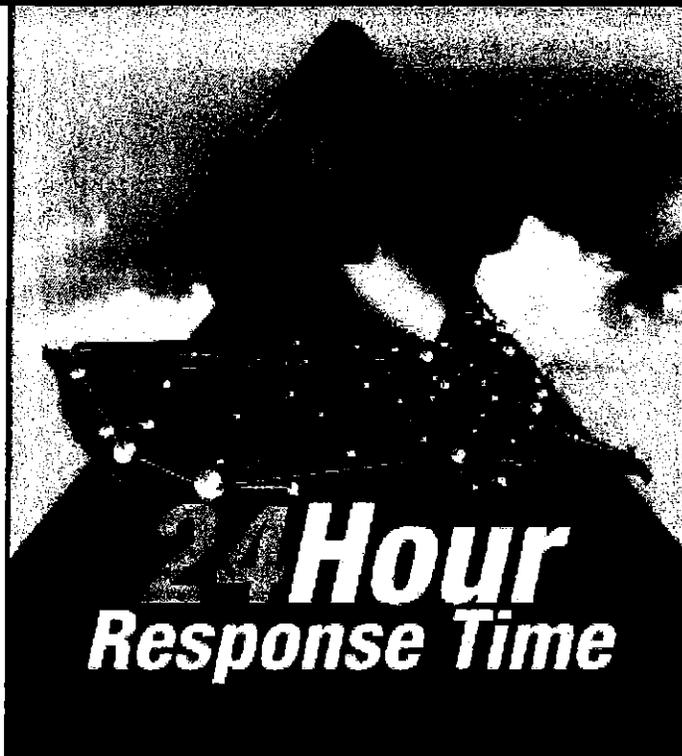
el paso

KOCH
INDUSTRIES INC

ENERCON

ENERCON

DU PONT



AIR HYGIENE, INC.

Corporate Headquarters:
1600 West Tacoma Street
Broken Arrow, OK 74012
(918) 307-8865
(888) 461-8778



Remote Office Locations:
Las Vegas, NV
Ft. Worth, TX
Austin, TX
Shreveport, LA
Chicago, IL
Pittsburgh, PA
WWW.AIRHYGIENE.COM



Proposal Of Services

Proposal No. 5373**Proposal Date: September 19, 2011****Prepared for**Manfred Milbers
Beloit Power Plant
215 South Chestnut
Beloit, KS 67420Office: 785-738-5121
email: beloitpp@nckcn.com**Introduction**

Mr. Milbers of Beloit Power Plant (herein referred to as Client) contacted AirSource Technologies, Inc. (herein referred to as AirSource) to request a proposal to provide source testing services at their facility in Beloit, Kansas.

The testing is for Generator #7 outlet stack at the Beloit Power Plant. The test will confirm compliance with the NSPS emission standards for NO_x and SO₂ at 15% Oxygen. The generator will be operated at four load conditions which include natural gas at a high and low load and fuel oil also at a high and low load.

Scope of Work

The following tables outline the sources and scope of testing to be completed.

LOCATION	PARAMETER/METHODOLOGY	SAMPLE COLLECTION
No.7 Generator Outlet	NO _x and SO ₂ 40CFR60 Method 20	Three one-hour test runs per condition. Four conditions.
	O ₂ 40CFR60 Method 3A	

Schedule

The following schedule is an estimate only, and does not take into account additional time or days that may be required because of unforeseen complications and/or delays.

DAY	TIME	TASK
1	13:00 – 17:00	Arrive at the facility, undergo any required safety training, conduct setup of the test location, and conduct preliminary testing.
2	08:00 – 18:00	Conduct three, one-hour test runs at two load conditions
3	08:00 – 18:00	Conduct three, one-hour test runs at two load conditions; teardown and demobilize

30	-	Final report complete
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Proposal No. 5373

1 of 2

AirSource Technologies, Inc.



20505 W. 67th St.
Shawnee, KS 66218

Phone: (913) 422-9001
Fax: (913) 422-9019

AirSource Responsibilities

AirSource will be responsible for the following:

- Providing all equipment and labor necessary to perform sampling and analysis.
- Provide a man lift for accessing the port locations.
- Preparing a comprehensive final report of the test results.

Client Responsibilities

Client will be responsible for the following prior to AirSource's arrival on sight:

- Providing safe and stable access to the test locations.
- Installation, loosening of port caps, and removal of test port obstructions.
- Provide adequate electrical supply to the test location(s):
480 Volt, 20 amp, single phase circuit less than 200' from the test trailer.

During testing, Client will be responsible for the following:

- Monitoring and recording of all process information required for test calculations and production rate documentation.
- Designating a plant employee as a liaison with the test crew.
- Promptly notifying AirSource of any process malfunctions or shutdowns.

Project Fee

For performance of the services herein described, Client will pay AirSource the lump sum amount of \$8,800

Additional Project Fees

AirSource strives to maintain aggressive pricing; therefore the above quote makes no allowance for unexpected delays and complications. Additional fees applicable as defined in the proposal addendum, and as summarized below, will include:

- additional project materials and crew subsistence charges
- man-hour charges assessed at the following rates:

Project Manager	\$120.00/hr
Instrumentation Operator	\$100.00/hr
Environmental Technician	\$75.00/hr

Delay, Stand-by, and Scope Change Charges

Delay charges occur if unexpected delays or complications result in additional project time.
Stand-by charges occur if AirSource is mobilized, but waiting for subsequent day's testing. A minimum eight hour time charge will be assessed for each field day, if AirSource is on stand-by.
Scope change charges occur if changes in the scope of work are requested or prove necessary.

Term of Validity

This Proposal is valid for a period of ninety (90) days from the Proposal date.

Proposal No. 5373

2 of 2

AirSource Technologies, Inc.



20505 W. 67th St.
Shawnee, KS 66218

Phone: (913) 422-9001
Fax: (913) 422-9019

Professional Services Agreement

This constitutes an agreement between

AirSource Technologies, Inc.
20505 W. 67th St.
Shawnee, KS 66218

Herein referred to as AirSource **and**

Beloit Power Plant
215 South Chestnut Beloit,
KS 67420

Herein referred to as Client, **for the performance of services as specified in the attached Proposal of Services No. Error! Reference source not found. which is hereby incorporated into this agreement.**

The following are also hereby incorporated into this agreement:

Addendum A - Terms and Conditions, pages 1-2

The return of one signed copy of this document, along with a purchase order or work authorization number, will effect this agreement.

AirSource Client

George Cobb, Principal

(Printed Name)

(Signature)

(Title)

(Date)

(Purchase Order Number)

Addendum A – Terms and Conditions

1. CONFIDENTIALITY

AirSource will maintain in the strictest confidence any information or documentation obtained during the course of this project. This will include Client identity, process information, blueprints, results of testing, or any other information that Client represents to AirSource as confidential or proprietary.

2. PROFESSIONAL RESPONSIBILITY

- A) AirSource will, at its own cost, provide additional services as necessary to correct any errors or omissions that were caused by AirSource's failure to perform in accordance with generally accepted professional standards.
- B) In the event of lost samples or data, either through misplacement, lost shipments, laboratory error, theft, fire or act of God, AirSource will repeat the necessary elements of the project without additional cost to Client.
- C) If, in the aforementioned situations, repeated or additional testing is required, AirSource will not be liable for any additional costs incurred by Client as a result thereof.
- D) AirSource will be responsible to Client for damages caused by negligent conduct while on the project site. In no event will AirSource's liability exceed the Limits of Liability listed in the section titled INSURANCE.
- E) Under no circumstances will AirSource be liable for any indirect or consequential damages. This may include, but is not limited to, loss of production, loss of revenue, loss of profits, and fines or penalties imposed by government agencies.
- F) AirSource will not be liable for any claims of property loss or damage sustained by Client if not reported to AirSource within thirty days of completion of testing.
- G) AirSource will not be liable for any errors or omissions in the reported results if not reported to AirSource within a period of one year from the delivery of the final report.

3. INSURANCE

AirSource will maintain the following minimum insurance coverages during the performance of its services:

<u>Coverage</u>	<u>Limits of Liability</u>
Commercial General Liability, Bodily Injury, Property Damage	\$2,000,000
Automobile Liability, Bodily Injury, Property Damage	\$1,000,000
Workers Compensation	Statutory (Kans.)

Certificates of Insurance will be provided upon request.

4. POSTPONEMENT

If Client postpones all or part of the contracted services, AirSource reserves the right to charge for current and pending expenditures incurred as of the postponement date. If Client postpones within 7 business days of the scheduled start date, AirSource reserves the right to charge for current and pending expenditures incurred as of the postponement date, plus a penalty of 25 percent of the contract fee for lost schedule revenues, if such lost-schedule revenues occurred.

If the postponement date is for a period longer than 90 days from the scheduled start date, AirSource reserves the right to adjust project fees, or to cancel all or part of the contracted services and to charge for current and pending expenditures incurred as of the cancellation date.

If a mutually acceptable date for rescheduling cannot be agreed upon, AirSource reserves the right to cancel all or part of the contracted services and to charge for current and pending expenditures incurred as of the cancellation date. Client is subject to terms of Section 2, Cancellation.

5. CANCELATION

If Client cancels all or part of the contracted services, AirSource reserves the right to charge for current and pending expenditures incurred as of the cancellation date. If Client cancels within 7 business days of the scheduled start date,

AirSource reserves the right to charge for current and pending expenditures incurred as of the cancelation date, plus a penalty of 25 percent of

the contract fee for lost schedule revenues, if such lost-schedule revenues occurred.

Addendum A – Terms and Conditions

6. PROJECT DELAYS AND COMPLICATIONS

Unforeseen factors may result in additional charges. These may include, but are not limited to:

- A) Process malfunction or unavailability.
- B) Failure of Client to remove port caps; obstructed ports.
- C) Problems with electrical supply.
- D) Cyclonic or turbulent flow conditions.
- E) Chemical interferences.
- F) Weather delays. Severe weather conditions, such as electrical storms, high winds, or extreme cold, may require a stoppage of testing.
- G) Problems resulting from incorrect information provided by Client affecting the test project .

Delays not attributable to AirSource will be billed at the rates specified in the Proposal.

If delays not attributable to AirSource extend the project to the extent that conflicts arise with other scheduled projects, AirSource may leave the site and schedule a return trip to complete testing. Client will be responsible for the costs involved with associated demobilization and remobilization.

7. INCLEMENT WEATHER

In the event that inclement weather or other acts of God make, in AirSource's opinion, travel to the project site unsafe or impractical, the project will be rescheduled at the earliest possible time mutually acceptable to AirSource and Client. If an acceptable date for rescheduling cannot be agreed upon, Client may cancel this agreement under the conditions stated in the section titled CANCELLATION.

8. METHODOLOGY

AirSource will recommend appropriate testing methodology when requested, based on professional knowledge and experience. However, process and chemical interferences, either in the testing or sample analysis, are possible and unpredictable. AirSource makes no guarantee as to the effectiveness of any testing method employed, whether at the request of Client or at the recommendation of AirSource. Failure of the employed methodology, when properly performed, to give accurate or desired results shall not reduce Client's obligations under this agreement.

9. PAYMENTS

- H) Invoices to cover initial labor costs will be generated immediately upon completion of the project, up to 40 percent of Proposal, and due within 30 days.
- I) The balance will be billed upon completion of the report and due within 30 days.
- J) When Client is serving as a Primary Contractor with AirSource serving as a Subcontractor, Client will provide payment within 7 days of receiving payment from their respective client.
- K) A late payment charge will be added at the rate of 1.5 percent for each month or fraction thereof that an outstanding balance is due.
- L) AirSource reserves the right to withhold reports until payment is made in full.
- M) Any state or local taxes assessed on the services provided will be in addition to the stated pricing.
- N) AirSource shall be entitled to recover any court costs, legal fee, staff time or other costs

incurred in the collection of delinquent accounts.

Change Order signed by authorized representatives of Client and AirSource.

10. MODIFICATION OF AGREEMENT

Modifications to this agreement may be made on mutually acceptable terms by the execution of a

2 of 2

AirSource Technologies, Inc.

REQUEST FOR COUNCIL ACTION

DATE:	TITLE:
September 15, 2015	KMEA SALE OF ENERGY CONTRACT
ORIGINATING DEPARTMENT:	CITY COUNCIL ACTION: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION
Administration/Electric	<input checked="" type="checkbox"/> PORTAL ACTION <input type="checkbox"/> OTHER

RECOMMENDATION:

I recommend that the Council approve the Contract with KMEA to sell Energy.

FISCAL NOTE:

- There is no direct cost related to approval of this item.

DISCUSSION:

This agreement is between the City of Beloit and KMEA for the purposes of allowing us to sell excess energy to Meade, Kansas for 12 months.

Respectfully submitted,

Glenn Rodden
City Administrator

Energy Contract between Kansas Municipal Energy Agency and City of Beloit, Kansas

This Agreement reached on _____, 2015, between the Kansas Municipal Energy Agency ("KMEA") and City of Beloit, Kansas ("City"), with respect to the sale of "Energy", as defined herein, under the terms and conditions as follows:

Buyer: Kansas Municipal Energy Agency

Seller: City of Beloit, Kansas

Governing Agreement:

ENERGY MANAGEMENT PROJECT No. 2 between
KANSAS MUNICIPAL ENERGY AGENCY and CITY OF
BELOIT, KANSAS

Governing Terms: Terms used but not defined herein shall have the meanings ascribed to them in the Governing Agreement. To the extent the provisions of this Confirmation are in conflict with the Governing Agreement, the provisions of the Confirmation shall control.

Delivery Period: January 1, 2016 – December 31, 2016

Delivery Point: KMEA_EMP2_SECI

Product: Energy

Energy Quantity: 1 MW per hour January 1, 2015 through May 31, 2015
2 MW per hour June 1, 2015 through August 31, 2015
1 MW per hour September 1, 2015 through December 31, 2015

Energy Charge: \$35.00/MWh.

Billing & Payment: Billing for Energy shall be comprised of charges as described herein and calculated as follows:

Summation of the hourly day-ahead Locational Marginal Price (LMP) at the Delivery Point times the Energy Quantity minus the summation of the Energy Quantity times the Energy Charge.

Payment for energy shall be in accordance with the terms and provisions of the Governing Agreement and shall be credited by KMEA monthly.

Curtailments: The Product herein may be curtailed at any time at the direction of the SPP, the Transmission Owner,

**Energy Contract between
Kansas Municipal Energy Agency
and City of Beloit, Kansas**

governmental authorities, or other third parties, in an effort to avoid or respond to emergency situations, Force Majeure events, or any other issue that may cause harm to the people or equipment, all as defined in the Governing Agreement. Seller shall not curtail the Energy due to economics under the provisions set forth herein.

Kansas Municipal Energy Agency

City of Beloit, Kansas

By: _____

By: _____

Name: _____

Name: _____

Title: General Manager

Title: Mayor

Date: _____

Date: _____

ITEMS FOR COUNCIL DISCUSSION

DATE:	TITLE:
September 15, 2015	WORK SESSION DISCUSSION

DISCUSSION:

Items for discussion at your September 15, 2015 Work Session will include the following:

1. The attached policy would provide an early retirement incentive for current employees who qualify for retirement under KPERS, but do not yet qualify for health care coverage under Medicare. This policy would allow a current employee to retire and stay on the city's health care plan for a period of time that is linked to their number of years of service to the city. I have a few city employees tell me during the past month that they would submit for early retirement if this plan is adopted.

Respectfully submitted,

Glenn Rodden
City Administrator

**City of Beloit Voluntary Retirement
Incentive Program Effective November 1st,
2015 through December 1st, 2015**

PURPOSE To provide incentives for employees to retire in order to generate salary and benefit savings and effect budget reductions.

INTRODUCTION

The pay and benefits set forth in this document are available only to those eligible employees who sign a General Release Agreement indicating their voluntary participation in this Retirement Incentive Program. The deadline for submitting the signed and notarized General Release Agreement to City Administrator is November 30th, 2015 at 5:00 pm (CDT). Any individual considering the Voluntary Retirement Incentive Program is encouraged to meet with the City Clerk prior to submission of the General Release Agreement to confer on specific individual entitlements under the program. Employees are likewise encouraged to review the General Release Agreement with an attorney and/or financial advisor. The City Administrator reserves the right to limit the total number of participants in the retirement incentive plan in order to preserve the viability of a department's essential functions and the integrity of its financial resources. This Voluntary Retirement Incentive Program may be modified or extended, with or without notice, at the discretion of the City Council.

ELIGIBILITY

Employees who are eligible for full or reduced retirement benefits as defined by KPERS, who indicate a last day worked no later than December 1st, 2015 and who have submitted a signed and notarized General Release Agreement to the City Administrator no later than November 30th, 2015 at 5:00 pm (CDT).

This Voluntary Retirement Incentive Program is not available to employees in the Public Safety Departments (Police & Fire). This Voluntary Retirement Incentive Program is only available to employees who are covered by the KPERS retirement plan.

INCENTIVE

Employees who meet the eligibility requirements as set forth above and whose General Release Agreement is accepted by the City Administrator are eligible to receive incentive pay and benefits as set forth below:

The City will pay 100% of the cost to continue the retiree's enrollment in single coverage retiree base health and dental plan for a maximum of forty eight months and the employee will be paid for fifty percent (50%) of unused accrued sick leave up to a maximum payment of three hundred and sixty (360) hours at the employee's current base hourly rate of pay.

OR

If the employee elects to waive continuation of health coverage under the retiree plan the employee will be paid for one hundred percent (100%) of unused accrued sick leave up to a maximum of seven hundred and twenty (720) hours.

Additional pay out of accrued sick leave is considered an incentive and as such will not be included in the final average salary calculation for KPERS retirement benefits.

DEADLINE FOR SIGNED AGREEMENT

Employees must sign a General Release Agreement indicating their participation in this Voluntary Retirement Incentive Program. The deadline for submitting the signed and notarized General Release Agreement to the City Administrator is November 30th, 2015 at 5:00 pm (CDT).

LAST DAY WORKED - RETIREMENT

Employees electing to participate in this Voluntary Retirement Incentive Program must have a last day worked no later than December 1st, 2015.

OTHER BENEFITS

An information packet explaining all benefits will be provided to the employee at the time of separation from employment. **Vacation:** Employees, if entitled, will be compensated for accrued unused vacation on the date of his/her termination in accordance with the provisions of the Personnel Code.

Compensatory Time: Upon separation, eligible employees will be paid for unused compensatory time in accordance with current City policy.

KPERS

If you have questions regarding the KPERS application process please contact the City Clerk as soon as possible. Information regarding your benefits under KPERS will be provided in the separation packet.

Section 457 Plan (Deferred Compensation)

Deductions for the 457 Plan will continue from the incentive pay unless you request that it be stopped. If you wish to stop or change your 457 contribution, please contact the City Clerk.

Voluntary Supplemental Benefits

Portability or continuation of voluntary supplemental benefits is in accordance with each plan. Information to help employees contact benefit vendors directly will be provided as part of the information packet.

Employees who accept the voluntary Retirement Incentive Program are not eligible for re-employment with the City of Beloit for five (5) years from the date of retirement, unless otherwise authorized by the City Administrator or designee. When such period has ended, retirees with a satisfactory work record and favorable references may be considered for reemployment to temporary or seasonal, non-benefit eligible positions.