

RUSSELL CITY COUNCIL MEETING
City Hall - 133 W. 8th St. - Russell, Kansas
Date: Tuesday, March 3, 2020, Time: 4:30 p.m.

CALL TO ORDER

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENTS

Members of the public are welcome to use this time to make comments about City matters
(A maximum of five minutes)

PRESENTATIONS AND PUBLIC HEARINGS

- 1) Street, Sanitation, Recycling, and Public Transportation Staff Introductions
- 2) Water Conservation Status
- 3) Water Treatment Plant Study

CONSENT AGENDA

- 1) Approval of February 18, 2020 Council Meeting Minutes

UNFINISHED BUSINESS

- 1) Ordinance 1903 – Vacant and Abandoned Building Registration

NEW BUSINESS

- 1) Request for Non-Profit Reduction in Golf Tournament Fee – Delta Mu Sorority
- 2) Compliance One Agreement
- 3) Advanced Metering Infrastructure - Tantalus Systems, Inc.

DEPARTMENT REPORTS

- 1) Water Production - Well Rehabilitation
- 2) Fire – Gary Sinise Foundation Grant

PUBLIC COMMENTS

Members of the public are welcome to use this time to make comments about City matters
(A maximum of five minutes)

EXECUTIVE SESSION

GOVERNING BODY/CITY MANAGER COMMENTS

ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Russell will provide reasonable accommodations for all public meetings. Persons requiring accommodations in attending any of our public meetings should contact Katrina Woelk, City Clerk/ Finance Director, at 785.483.6311 a minimum of 48 hours prior to the meeting.

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February 18, 2020

**Russell City Council Meeting – Minutes
City Hall
Russell, KS**

Mayor Mader called the City Council meeting to order at 4:30 PM with the following members in attendance: Councilmembers: Madden, Cross, Talbott, Stoppel, Mitch Driscoll, Matt Driscoll and Morrill.

The following staff members were in attendance: City Manager Jon Quinday, Electric Director Duane Banks, Public Works Director Rich Krause, Building Official Roger Sells, Fire Chief Dylan Riedel, Police Chief Dale Weimaster, and City Clerk Katrina Woelk.

Approval of Agenda

Councilmember Cross made a motion to approve the agenda with corrections made to minutes of February 4, 2020 with correct spelling of Police Chief's last name and under Governing Body and City Manager Comments the emergency repair of the bearing to unit 10 Councilmember Stoppel seconded. The motion carried unanimously.

Public Comments

None

Presentations and Public Hearings

1. Water Conservation Status

City Manager Quinday updated the council on the status of the City's wells and Big Creek.

2. Introduction of personnel

Staff of the Building, Planning, Zoning, and City Clerk was introduced to the council.

Consent Agenda

Councilmember Cross made a motion to approve the consent agenda. Councilmember Stoppel seconded. The motion carried unanimously.

Unfinished Business

1. Ordinance Authorizing Sale/Issuance of General Obligation Refunding Bonds and Related Actions

Councilmember Stoppel made a motion approving the Ordinance authorizing the sale/issuance of Bonds and related actions. Councilmember Cross seconded. Motion carried unanimously.

2. Resolution Providing Terms and Details of Bonds and for Related Actions

Councilmember Stoppel made a motion to approve the Resolution providing terms and details of Bonds and for related actions. Councilmember Cross seconded. Motion carried unanimously.

3. CDBG Grant Agreement – N. Lincoln Reconstruction Project

Councilmember Cross made a motion to approve CDBG Grant Agreement No. 20-PF-013 and authorize the Mayor to sign the documents. Councilmember Stoppel seconded. Motion carried unanimously.

4. KDOT Agreement – Edward Avenue Realignment/Extension Project

Councilmember Cross made a motion to approve Agreement No 63-20 with KDOT for Project No KA-5610-01, commonly referred to as the Edward Avenue realignment and extension project. Councilmember Stoppel seconded. Motion carried unanimously.

New Business

1. Annual Community Clean-Up Day

Councilmember Cross made a motion to approve the Annual Community Clean-Up Day for April 25, 2020 from 7:30am to 8:30am for PRIDE drop-off and 8:30am to 11:30am for public drop-off. Councilmember Stoppel seconded. Motion carried unanimously.

Department Reports

1. Water Production

Public Comments

None

Executive Session

None

Governing Body/City Manager Comments

City Manager Quinday reported on an emergency purchase he approved for three VFD drives for the water plant.

Adjournment

Councilmember Cross made a motion to adjourn the meeting. Councilmember Stoppel seconded the motion. The motion carried unanimously.

Katrina Woelk, City Clerk

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City Council Agenda Form

Meeting Date: March 3, 2020
Agenda Item Title: Ordinance 1903 - Abandoned and Vacant Building Registration
Department: City Manager

Agenda Item Description: Review of Abandoned and Vacant Building Ordinance

Background: Russell Main Street, Inc. (RMSI) approached the city in late 2016 to discuss strategies to address vacant buildings and blight in the downtown area. A working group of RMSI members, local business owners and city staff developed an ordinance tailored to our community and is the compilation of various ordinances throughout the Midwest. The VBO intends to motivate owners of vacant buildings to actively use and/or market their building(s) and allow city staff to effectively monitor vacant buildings to identify ownership changes. The VBO would also establish a point of contact to address any property maintenance codes before they degrade to a point requiring condemnation. At the July 2017 RMSI presented their recommendation of adopting a vacant building ordinance. After discussion with Council, the working group made some changes and met with representatives from other cities to determine best practices. The revised ordinance was presented to Council in October 2017 for review and discussion. The city attorney made some changes clarifying language and discussed process. The ordinance was adopted in November 2017.

City Attorney Review/ Comment: November 2017

Funding Source: Registration Fees

Options: Provide staff with direction on any changes to the ordinance; intent, definitions and process.

Staff Recommendation: Provide staff with direction on any changes to the ordinance; intent, definitions and process. Any changes will be incorporated into a new ordinance and presented at a future meeting.

Attachment(s): Ordinance 1903

ORDINANCE NO. 1903

AN ORDINANCE PROVIDING FOR THE REGISTRATION OF ABANDONED and VACANT BUILDINGS AND PROVIDING PROCEDURES RELATED TO INCENTIVES, MAINTENANCE AND MARKETING OF THE SAME.

WHEREAS, the Governing Body finds that abandoned and vacant residential and commercial buildings adversely affects quality of life, creates blight, and impacts local property values; and

WHEREAS, abandoned and vacant buildings are known to attract vandalism, become havens for drug use and other crime, and require expenditure of public funds for police protection, fire protection and housing inspection; and

WHEREAS, the Governing Body finds that public health, safety and welfare are adversely affected by abandonment and prolonged vacancies in residential and commercial buildings;

BE IT ORDAINED by the Governing Body of the City of Russell, Kansas:

SECTION 1. The Governing Body of the City of Russell, Kansas, hereby adopts an abandoned and vacant building ordinance as follows:

(a) Purpose:

Recognizing that abandoned and vacant buildings contribute to blight in both residential and non-residential neighborhoods, discourage economic development and retard appreciation of property values, endanger public health and safety, attract criminal activity, and create fire hazards, it is the responsibility of property owners to prevent buildings from becoming a burden to the neighborhood and community and a threat to the public health, safety, and welfare. The Governing Body finds that abandoned and vacant buildings result in increased expenditures for police, fire, and code services inspections and calls. Maintenance of the public health, safety, and welfare thus requires the City to maintain an accurate registration of all abandoned and vacant buildings.

(b) Definitions:

For purposes of this ordinance, certain phrases and words are defined below. Words or phrases not defined in this ordinance but defined in applicable state law or the Code shall be given that meaning. All other words or phrase shall be given their common ordinary meaning. The following words, terms and phrases, when used in this ordinance, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning.

Abandoned Building means a building that is vacant and is open or unsecured so that unauthorized admittance may be gained.

Building means a building, or other structure adapted to permanent occupancy for residential or commercial purposes.

City means the City of Russell, Kansas.

Chronic Vacancy or Chronically Vacant means a VACANT building which continues to remain vacant for six (6) months after initial notification by the City to the owner.

Occupy means to conduct a lawful business or reside in all or any part of the building or structure as the business occupant, or as the legal or equitable owner/occupant(s) or tenant(s) on a permanent, non-transient basis, or any combination of the same. For purposes of this Article, evidence offered to prove that a person occupies a building or structure may include, but shall not be limited to, the regular receipt of regular mail through the U.S. Postal Service or proof of continual electric, water, sewer and trash services.

Owner means the person, persons or entity identified as the owner of the parcel with the Russell County Appraiser's Office; or any agent identified by a nonresident owner; or any mortgagee of a property in foreclosure.

Unsecured means access to the building may be obtained through open, unlocked, broken or missing doors or windows of such building.

Vacant means any building intended for residential or commercial use which is not currently occupied or in use wherein no person or persons actually, currently conduct a lawful business or lawfully reside or live in any part of the building as the legal or equitable owners(s) or tenant-occupants(s) or tenant(s) on a permanent, non-transient basis or that is unoccupied.

SECTION 2. Public Officer.

The city manager shall designate a public officer to be charged with the administration and enforcement of this Article.

SECTION 3. Inquiry and Inspection.

The public officer shall make inquiry and inspection of premises upon receiving information that a building may be abandoned or vacant. Upon making such inquiry and inspection the public officer shall make a written report of his or her findings.

SECTION 4. Service of Notice.

If the public officer determines that a building is abandoned or vacant then such officer shall give notice of the finding to the owner by:

- (1) delivering written notice to the owner personally, or
- (2) by first class mail through the U.S. Postal Service and by posting the notice on the building in a conspicuous place.

SECTION 5. Notice Content – Vacant Building.

The notice issued by the City for a vacant building shall be in writing and shall contain the common street address, description of the building, advise the owner that the building has been determined to be vacant, and will be subject to registration as a Chronically Vacant building after a period of six (6) months, and advise the owner that he or she has twenty (20) days to appeal the determination.

SECTION 6. Notice Content – Abandoned or Chronically Vacant Building.

The notice issued by the City for an Abandoned or Chronically Vacant building shall be in writing and shall contain the common street address, legal description of the property, registration requirements, and shall apprise the owner of the facts available to the City which resulted in the determination that the building is an abandoned or chronically vacant building and advise the owner that he or she has twenty (20) days to appeal the determination. The Notice shall state the steps which an owner may take to claim an exemption from registration fees. The time period for registration of an abandoned or chronically vacant building may be extended by the public officer for good cause.

SECTION 7. Registration and maintenance requirements for Abandoned and Chronically Vacant buldings; fees

- a. The owner of an abandoned or chronic vacant building shall register the building with the City within twenty (20) days of service of a written Notice provided to the owner or agent of the existence of the abandoned or chronic vacant building, or show cause in writing to the public officer as to why the building is not abandoned or chronically vacant. If the owner contends that the building is neither abandoned nor chronically vacant then such owner shall provide the public officer with such information as the owner requests the public officer to consider in making his or her determination. The public officer shall render his or her written decision within ten (10) days of the notice that the owner challenges the initial notice that the building was abandoned or chronically vacant.
- b. The required registration shall be submitted on the form provided by the City, which form shall include the name, current mailing address, phone number and any other contact information of the owner; the names and addresses of all known lienholders and all other parties with a legal or equitable ownership interest in the building; the common address of the building and parcel tax identification number. The form shall also include a timetable for:
 - (1) Returning the abandoned or chronically vacant building to appropriate occupancy or use; or
 - (2) Marketing the chronically vacant building pursuant to the provisions of Section 8 of this Article.

- c. The initial registration period is for six (6) months. After the initial registration period has expired and for every subsequent year a building remains abandoned or chronically vacant beyond the initial registration period, the owner of the abandoned or vacant building must:
 - (1) re-register the building, by paying the appropriate fees, and
 - (2) submitting an updated plan for either returning the building to appropriate occupancy or use, or marketing the property.
- d. Upon registration, the City shall provide the following incentives toward active marketing of the residential or commercial building:
 - (1) Waive zoning fees, if applicable;
 - (2) Provide commercial solid waste removal, electric, water, and sewer service at no cost for sixty (60) days if the building is leased within ninety (90) days of initial registration within the guidelines adopted by the City Council and effective at the date of occupancy; and
 - (3) If the building requires remodeling, waive permit fees if remodeling occurs within ninety (90) days of initial registration.
- e. If the owner of an abandoned or chronically vacant building does not reside in Russell County for at least six (6) months a year, then such owner must designate a resident agent with authority to act with respect to the property, including name, current mailing address, phone number and any other contact information of the owner's agent.
- f. Any subsequent owner of a registered abandoned or chronically vacant building must amend the registration with the public officer to include the new owner within thirty (30) days of any transfer of any ownership interest in the abandoned or chronic vacant building, but is not liable for an additional registration fee for the period for which it has been registered.
- g. The owner of an abandoned or chronically vacant building must keep the building and any adjoining property secure, safe and maintained in compliance with all federal, state and local ordinances and regulations.
- h. The initial registration fee for an abandoned or chronic vacant building is fifty dollars (\$50.00) per residential building, and one-hundred dollars (\$100.00) per commercial building, which shall be collected by the City at the time of initial registration of the building.

- i. If a building remains abandoned or chronic vacant more than 6 months after initial registration it shall be subject to a re-registration fee of \$250 per year for a residential building and \$500 per year for a commercial/industrial building. Funds derived from said fee shall be used to offset the City's cost of inspections and incentives as found in Section 7(d) of this Article.

SECTION 8. Marketing Exception to Registration Fees for Chronically Vacant Buildings.

A chronically vacant building shall be exempt from the registration fee required pursuant to Section 7, for so long as the following marketing requirements are being met:

- a. Buildings marketed as "for rent" by signage, in a newspaper or in an online listing by organizations who provide real estate listings at a fair market value rental rate based upon market rental rates for comparable properties. The owner may show entitlement to this exemption by submitting evidence of marketing to the City. In the event that active marketing ceases, the building in question shall be immediately subject to registration fees.
- b. Buildings which are being actively marketed as "for sale" by a licensed real estate broker or by the owner and advertised as such in a newspaper or listed on a recognized online website. The owner may show entitlement to this exemption by submitting evidence of marketing to the City. In the event that active marketing ceases, the building in question shall be immediately subject to Registration.
- c. A building for which the owner executes a valid affidavit on a form provided by the City attesting that the owner intends to resume occupancy of the building within 180 days. Failure to actually resume occupancy of the building within 180 days will result in imposition of the registration fee that was exempted under this section, as well as any reregistration fees then becoming due.

SECTION 9. Failure to Register; fees, procedures

- a. An owner who fails to register or re-register an abandoned or chronically vacant building under this Article after written Notice shall be in violation of this Article. The registration fee provided for in Section 7 per residential building and per commercial building shall immediately become due and payable to the City.
- b. Any civil fees assessed under this section shall be billed to the owner or other responsible party at their registered address. Failure or refusal to pay fees after Notice and an opportunity to pay shall authorize the City to use any and all available legal remedies for the enforcement and collection of such fees; including but not limited to suits in law or equity in any court of competent jurisdiction, abatement of nuisances maintained in violation of this ordinance, injunction or assessment of said registration or re-registration fees on the property to be collected with the property taxes. This Article in no way limits the actions or abatement procedures which may be taken by the

City for a violation of any other ordinance of the City or statute of the State of Kansas.

- c. Should an owner fail to register an abandoned or chronically vacant building as provided in this Article, the public officer may file a complaint in the municipal court of the city against such owner and upon conviction of a violation of the provision of Section 7, be fined in an amount not less than \$250 and not more than \$500.


SECTION 10. APPEAL

Any person aggrieved by a finding, order or decision made by the Public Officer pursuant to this Article may appeal such to the Governing Body by written notice delivered to the City Clerk within ten (10) days, excluding weekends and holidays, from the final decision of the Public Officer. The Governing Body shall provide a hearing and make a decision affirming, overruling or modifying the finding, order or decision appealed from.


SECTION 11. The provisions of this act are severable. If any part of this act is declared invalid or unconstitutional, that declaration shall not affect the part which remains.

SECTION 12. This ordinance shall take effect on January 1, 2018, upon publication as provided by law in the official City newspaper.

PASSED AND APPROVED by the Governing Body of the City of Russell, Kansas, this 21st day of November, 2017.


Raymond C. Mader, Mayor

ATTEST:



Katrina Woelk, City Clerk

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City Council Agenda Form

Meeting Date: March 3, 2020
Agenda Item Title: Request for Non-Profit Reduction in Golf Tournament Fees - Delta Mu Sorority
Department: City Manager

Agenda Item Description: Request form Delta Mu Sorority to reduce their 2020 tournament fee by \$200

Background: Resolution 24-17 sets fees for tournament use of the Municipal Golf Course and includes a provision that Council may abate up to \$200 of the tournament fees for any non-profit corporation or association having its principal place of business within the corporate limits of the City of Russell.

A representative from Delta Mu Sorority plans to attend the meeting and ask for an abatement of \$200 for their 2020 tournament held at the Municipal Golf Course.

City Attorney Review/ Comment: N/A

Funding Source: N/A

Options:

1. Approve an abatement of up to \$200 of the tournament fee.
2. Take no action - the tournament fee remains unchanged

Staff Recommendation: Approve the abatement of \$200 of the tournament fee for the Delta Mu Sorority golf tournament held in 2020.

Attachment(s): N/A

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City Council Agenda Form

Meeting Date: March 3, 2020
Agenda Item Title: Compliance One Agreement
Department: City Manager

Agenda Item Description: Compliance One Agreement - Addition of Services

Background: Compliance One, Inc. currently serves as the City of Russell's third-party administrator for drug and alcohol testing, employee assistance program, and most recently will provide FMCSA Clearinghouse Services.

The attached agreement outlines the services currently being provided, as well as provides the additional services being offered to allow for the administration of FMCSA Clearinghouse Services in order to meet compliance with new Federal Standards, effective January 6, 2020.

New FMCSA standards require all FMCSA employers to report drug and alcohol pre-employment information, violations, and annually query existing employees through the new online database Clearinghouse.

City Attorney Review/ Comment: 02/20/2020

Funding Source: N/A

Options:

1. Approve Compliance One Agreement as presented.
2. Approve Compliance One Agreement as presented.
3. Take no action - Compliance One Agreement is not approved.

Staff Recommendation: Approve Compliance One Agreement as presented.

Attachment(s): Compliance One Agreement, Clearinghouse Services Pricing



Third-Party Administration Agreement

THIS DRUG/ALCOHOL TESTING AND/OR FMCSA CLEARINGHOUSE SERVICES AND/OR EMPLOYEE ASSISTANCE AGREEMENT (hereinafter, the "Agreement") is made and entered into this 1ST day of **January 2020**, by and between, ComplianceOne, Inc., herein known as (COMPLIANCEONE) a Kansas corporation, and **City of Russell (CI4019)** hereinafter known as "Company."

WHEREAS, Company desires to obtain the services of COMPLIANCEONE as a third-party administrator, for purposes of drug and alcohol testing of its employees, provide FMCSA Clearinghouse services, and/or providing an employee assistance program for its employees;

WHEREAS, Company desires to have COMPLIANCEONE act as intermediary in the transmission of drug and alcohol test results from the laboratory conducting the testing to Company; and

WHEREAS, COMPLIANCEONE desires to perform the aforementioned services for Company and will do so in accordance with applicable state and federal laws and regulations.

NOW THEREFORE, in consideration of the agreements contained herein and *other good and valuable consideration*, the parties hereto agree as follows:

1. **TERM.** This Agreement will run for a two year primary term beginning on the 1st day of **January, 2020 and ending on the 1st day of January, 2022, and will automatically renew for an additional two year term at the end of the primary term or any subsequent renewals thereof, unless terminated pursuant to paragraph 20 herein.**

2. **SERVICES.** The services requested under this Agreement are as follows:
 - X Third Party Administration/D&A Testing DOT Program
 - X Third Party Administration/D&A Testing NDOT Program
 - National Third-Party Admin/D&A Testing Program
 - X Mobile Collections
 - X Employee Assistance Program
 - X Training (Supervisor Reasonable Suspicion/Employee/DER)
 - Walk-In Clinic Services Topeka, Kansas Location
 - We-Notify Training/Licensing Notifications
 - X FMCSA Clearinghouse Query Services



3. PARTIES DUTIES IN INITIAL PROGRAM STARTUP. To facilitate Company's drug and/or alcohol testing program, COMPLIANCEONE will:
 - A. Prepare and give to Company one (1) policy and procedures notebook containing information necessary for Company to start and maintain its drug and alcohol testing program in digital format.
 - B. Enter Company Information Form Data into COMPLIANCEONE' account information systems.
 - C. Enter Company's employee roster information into COMPLIANCEONE' information systems to be utilized for random drug and alcohol testing selection lists and notices.
 - D. Order testing supplies for use by Company. COMPLIANCEONE' fees for the initial set-up, additional program set-up and products are set out in Attachment A, attached hereto and incorporated herein by this reference.
 - E. Company will provide COMPLIANCEONE with its initial employee roster and a signed copy of Attachment B, a copy of which is attached hereto and incorporated herein by this reference, verifying that appropriate tests have been conducted on each employee on the roster and that Company maintains in its files verified negative test results on each employee.
 - F. Using the form provided in Attachment B, Company will provide COMPLIANCEONE with the name of the person or group responsible for the implementation of Company's drug and alcohol testing policy and procedures and the names of the persons responsible for receiving the names selected for random tests and to whom test results may be reported.
4. COMPLIANCEONE WILL DO THE FOLLOWING IN THE ADMINISTRATION OF COMPANY DRUG AND ALCOHOL TESTING PROGRAM:
 - A. Maintain a list of Company's Designated Employer Representative ("DERs") authorized to receive names of employees selected for random testing and to whom test result may be reported.
 - B. Maintain training records of supervisors, employees and DER's who have successfully completed COMPLIANCEONE' training.
 - C. Maintain a roster of employees subject to random testing, which is updated monthly by the DERs.
 - D. Using a scientifically valid method, conduct a quarterly, computer-generated, random selection of Company employees for random drug and alcohol testing.
 - E. Assist in finding a collection site for test specimen collection with trained/certified collectors, within reasonable distance of Company.
 - F. Provide on-site mobile collection staffed by trained and certified collectors if applicable.
 - G. If applicable, utilize a Substance Abuse and Mental Health Services Administration ("SAMHSA") certified laboratory to conduct testing of all DOT specimens.



- H. Retain a certified Medical Review Officer ("MRO") who will review all positive test results.
 - I. At the employee's request, ComplianceOne will expedite a second test of sample B from the original collection to an alternate lab contracted with ComplianceOne." It is up to the company to decide who will pay for this re-test and additional charges to the company will apply as set out on price list"
 - J. Report all test results on to a DER within two (2) business days of receipt of all required paperwork and verification from the MRO.
 - K. Maintain and secure records of positive and negative drug and alcohol test results, refusals to test, random pool records, and random lists and notices.
 - L. If applicable, provide paperwork requested by the Department of Transportation ("DOT"), and/or any state or local officials with regulatory authority over the Company or any of its drivers, within two (2) business days.
 - M. Refer employees to qualified substance abuse professionals ("SAP") when such referrals are required or permitted by Company's policy.
 - N. Manage the Return-to-Duty and Follow-up process, as those terms are defined in the DOT regulations.
 - O. If applicable, submit monthly, blind performance samples (as that term is defined by DOT regulations on drug and alcohol testing) to a SAMHSA certified laboratory.
 - P. Prepare Management Information System ("MIS") reports when requested by Company.
 - Q. If applicable, follow the federal DOT regulations found in 49 CFR Part 40 relating to drug and alcohol testing.
5. COMPANY DUTIES IN MAINTENANCE OF DRUG AND ALCOHOL TESTING PROGRAM. To maintain its drug and alcohol testing program, Company will:
- A. Provide COMPLIANCEONE, by the 15th day of each month, with an updated employee roster certifying that the appropriate tests have been completed on the employees listed on the roster and that the Company maintains the required negative test results in its files for each employee.
 - B. Provide COMPLIANCEONE, as necessary, with updated lists of the primary and secondary DERs (Attachment B).
 - C. Pay the fees for testing and retesting, requested by Company employees, based on the fee schedule set forth in Attachment C or any amendments thereto.
 - D. If Company is regulated by the DOT, comply with all applicable DOT regulations, found in 49 CFR Part 40, relating to drug and alcohol testing and ensure that all of its employees, officials, representatives and agents comply with applicable DOT regulations relating to drug and alcohol testing.



6. **COMPLIANCEONE WILL DO THE FOLLOWING IN THE ADMINISTRATION OF COMPANY FMCSA CLEARINGHOUSE SERVICES:**

- A. Perform full queries on drivers when directed by Company.
- B. Perform limited queries on drivers when directed by Company for annual or semi-annual queries as required.
- C. Manage tracking for annual query requirements.
- D. Retain electronic or wet signature consent from driver's employer for limited queries.
- E. Support customers with their questions or issues with the FMCSA Clearinghouse.
- F. Provide online query request form.
- G. Enter driver drug and alcohol violation information as required.
- H. Report on Return to Duty and Follow-Up testing.
- I. Write and provide policy addendum for FMCSA Clearinghouse.

7. **COMPANIES DUTIES IN MAINTENANCE OF FMCSA CLEARINGHOUSE SERVICES:**

- A. Provide ComplianceOne the required information to process queries in an efficient manner through ComplianceOne's website portal.
- B. Provide ComplianceOne with a fully complete CSV template with driver information to process annual queries through ComplianceOne's website portal.
- C. Select ComplianceOne as employers' TPA during the registration process with the Clearinghouse.
- D. Assure drivers employed by company have registered with the Clearinghouse.
- E. Provide assistance to ComplianceOne staff to ensure all drivers have signed and returned the Limited Query Consent form.

8. **EMPLOYEE ASSISTANCE PROGRAM.** For the fees and number of visits delineated in Attachment C, COMPLIANCEONE will provide Company Employee Assistance Program services ("EAP services") as follows:

- A. The EAP services provided will include a toll free 1-800 number, available 24 hours a day, answered by licensed or certified master's level mental health professionals who will provide crisis intervention, telephone assessment, and assistance with a referral to community resources if appropriate.



- B. Referrals for face-to-face counseling, will be directed to the nearest community mental health center or appropriate agency for assessment and determination of the most appropriate level of care and will include coordination of the time, date, therapist, and location according to the caller's convenience. A face-to-face contact, with a qualified therapist, will be assured within specific time frames, according to the level of urgency.
 - C. The number of referral visits set out in Attachment C to this Agreement for each employee and employee's household at no cost to the employee. For purposes of the foregoing provision, a visit is defined as "**per employee per year**" for the employee and their immediate household members. **Costs for all visits in excess of the specified number, whether voluntary or mandatory, will be the responsibility of the employee or the individuals seeking treatment.**
 - D. A quarterly newsletter Healthy Exchange will be mailed to the Company to be distributed to all covered employees.
9. COMPLIANCEONE DUTIES IN ADMINISTRATION OF COMPANY EMPLOYEE ASSISTANCE PROGRAM. COMPLIANCEONE will serve as Third Party Administrator ("TPA") of Company's Employee Assistance Program. In its role as TPA, COMPLIANCEONE will:
- A. Maintain a list of Company's Designated Employer Representatives ("DERs") authorized to receive information and reports.
 - B. Refer employees to mental health professionals or qualified Substance Abuse professionals ("SAP") when necessary.
10. COMPANY DUTIES IN MAINTENANCE OF EMPLOYEE ASSISTANCE PROGRAM. Company agrees to the following:
- A. Provide COMPLIANCEONE with an updated employee count monthly.
 - B. Provide COMPLIANCEONE, as necessary, with updated lists of the primary and secondary DERs.
11. SUPERVISOR REASONABLE SUSPICION TRAINING. If requested by Company and for the fees outlined in Attachment C, COMPLIANCEONE will provide Company supervisors with the necessary and/or appropriate training in establishing and documenting reasonable suspicion to support drug and alcohol testing. Such training will be provided using one or more different means and methods. Supervisor who successfully complete such training will receive a certificate documenting the training.
12. DOT DRIVER'S TRAINING – DRUGS IN THE WORKPLACE. If requested by Company and for the fees outlined in Attachment C, COMPLIANCEONE will train Company's employees on the effects of alcohol and controlled substance use on an individual's health, work and personal life through one or more different means.
13. DER TRAINING. If requested by Company and for the fees outlined in Attachment C, COMPLIANCEONE will train Company's DERs with the required DOT training.



COMPLIANCEONE' fees for the above services and products provided by Company are outlined in Attachment C, a copy of which is attached hereto and incorporated herein by this reference. Such fees may be amended from time to time by COMPLIANCEONE as outlined in paragraph 17 of this Agreement.

14. PROGRAM INTEGRITY. Company agrees that all of its drug and alcohol tests, including pre-employment, random, reasonable suspicion, post-accident, return-to-duty, and follow-up must be conducted through and administered by COMPLIANCEONE in order to maintain the integrity of the Statistical Laboratory Reports and Management Information System (MIS) reports.
15. INVOICE AND PAYMENT. COMPLIANCEONE will send Company a monthly invoice for all services provided pursuant to this Agreement. Payment by Company to COMPLIANCEONE is due within thirty (30) days after receipt of invoice.
16. DELINQUENT PAYMENT. Any payment more than thirty (30) days past due shall be considered delinquent and constitute a material breach of this Agreement. In the event a payment is delinquent, COMPLIANCEONE may, at its sole option, cancel the remainder of this agreement with fifteen (15) days' notice to Company.
17. FEE SCHEDULE CHANGE. All fees listed on Attachment C are subject to change by COMPLIANCEONE upon COMPLIANCEONE providing sixty (60) days written notice to Company, and upon Company's receipt by the Company of any new fee schedule, the new fee schedule shall be incorporated into and become a part of Company's Agreement with COMPLIANCEONE.
18. INDEMNIFICATION. Company agrees to indemnify and hold COMPLIANCEONE harmless for any cause of action brought against COMPLIANCEONE and/or any and all claims, liabilities (including reasonable attorneys' fees), loss, damages or judgments asserted against, imposed upon or incurred by COMPLIANCEONE arising out of the acts or omissions of Company or Company's employees, agents or representatives and/or Company's negligent performance or nonperformance of its obligations under this Agreement, including, but not limited to, Company's failure to comply with applicable DOT regulations relating to drug and alcohol testing. Nothing in this indemnity provision changes, modifies or extends the Company's liability as defined in the Kansas Tort Claims Act (K.S.A. 75-6101, et seq.).
19. KANSAS LAW CONTROLS. The parties acknowledge and agree that the formation of this Agreement occurred in Kansas when the Agreement was signed by COMPLIANCEONE. Accordingly, the parties agree that this Agreement shall be governed by and construed in accordance with Kansas law.
20. TERMINATION.
 - A. Either Party may terminate this Agreement by providing sixty (60) days written notice to the other party in advance of said termination. During the sixty (60) day period between receipt of such termination notice and the actual termination of the Agreement, COMPLIANCEONE will continue to bill Company and Company will be obligated to pay such bills, with said bills being equal to the greater of: (i) a monthly participant fee that is the average billed for the immediate past twelve (12) month period; or (ii) the payment calculated using the roster for the current month.



- B. This Agreement may be terminated immediately by COMPLIANCEONE if Company is a DOT regulated Company and does not comply with DOT regulations relating to drug and alcohol testing. COMPLIANCEONE will notify the appropriate regulatory agencies of Company's non-compliance with the regulations.
- C. The Agreement also may be terminated by COMPLIANCEONE as provided in Section 16 above.
21. AUTHORIZED REPRESENTATIVE. The party signing on behalf of Company represents and certifies that he or she is duly authorized to execute this Agreement on behalf of and bind Company and that all actions necessary to enter into this Agreement have been properly accomplished by Company.
22. WAIVER/MODIFICATION. No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement. The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of that or any other provision by said party.
23. WRITTEN NOTICE.
- A. All communications regarding this Agreement to Company shall be sent to:
- City of Russell
PO Box 112
Russell, KS 67665
- B. All communications regarding this Agreement to COMPLIANCEONE shall be sent to:
- Drug and Alcohol Testing Services
COMPLIANCEONE, Inc.
2121 SW Chelsea Dr.
Topeka, Kansas 66614
- C. All communications provided for in this Agreement shall be either personally delivered or mailed U.S. postage, First Class prepaid.
24. CONFIDENTIALITY – All testing information provided by COMPLIANCEONE to Company shall remain confidential between the parties, absent a written authorization signed by the person involved in the testing.
25. THIS AGREEMENT shall be binding on the parties hereto, and their assignees and remain confidential between the parties.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day, month, and year above written.

ComplianceOne, Inc.

By: _____

Title: Chief Operating Officer

Date: _____

City of Russell (CI4019)

By: _____

Title: _____

Date: _____



ATTACHMENT A

INFORMATION FORM

PERSON or GROUP responsible for the implementation of this drug and alcohol testing policy:
(Owner, Manager, Director, CEO, etc.)

Name: Jon Quinday
Title: City Manager

PRIMARY DER CONTACT:

Name/DER: Hayla Schneider
Position Title: Assistant City Manager
Phone Number: (785) 483-6311 Fax: (785) 483-4397
E-Mail Address: hr@russellcity.org

SECONDARY DER CONTACT:

Name/DER: Jon Quinday
Position Title: City Manager
Phone Number: (785) 483-6311 Fax: (785) 483-4397
E-Mail Address: quinday@russellcity.org

THIRD DER CONTACT:

Name/DER: _____
Position Title: _____
Phone Number: _____ Fax: _____
E-Mail Address: _____

PERSON DESIGNATING CONTACTS:

Name

Title

Date



ATTACHMENT B

DRUG AND ALCOHOL TESTING

Verification Form

Please attach a computer-generated or typed roster report with the Employee Name and Driver's License Number.

TOTAL NUMBER OF EMPLOYEES LISTED ON ROSTER:

Company Representative

Date



ATTACHMENT C

PRICE LIST (DOT & Non DOT)

<u>Initial Program Set-up Fee:</u>	Waived
<u>Random Selection Pricing:</u>	
\$4.00 per participant per month	Standard random pool DOT & NDOT
<u>Employee Assistance Program:</u>	
\$1.25 per participant per month	1 Face to Face visit included per employee and family member
<u>Drug and Alcohol Test Pricing for Pre-Employment, Post Accident, Reasonable Cause, Follow-Up and Return-to-Duty Testing:</u>	
<u>Test Pricing:</u>	
\$00.00 per test	RANDOM SELECTION TEST
\$70.00 per test	5-panel urine specimen drug test
\$70.00 per test	Evidential Breath Alcohol Test
\$150.00 per test	Retest of confirmed positive sample (charged to employer but may be reimbursed by employee).
<u>Training:</u>	
Initial Supervisor/Designated Employer Representative (DER) training at no charge.	
FOLLOW-UP TRAINING OPTIONS:	
\$ 30.00 per person	DER/Supervisor training completed online
\$ 7.50 per person	Employee training completed online
<u>FMCSA Clearinghouse Services:</u>	
\$10.00	Full/Pre-employment Query – Per driver
\$5.00	Annual Query Spreadsheet upload – Per driver
\$10.00	Entry of any program violation
<u>Miscellaneous Program Materials:</u>	
\$50.00 each	Replacement of program manual when requested by employer



sales@comp-one.com

800-886-1123

www.comp-one.com

FMCSA Clearinghouse Services

ComplianceOne will now offer Clearinghouse query services to keep your company in compliance with FMCSA Clearinghouse rules and regulations, which will become effective January 6, 2020.

How can we help you?

1. *Limited or Full query reporting*
2. *Query reporting as authorized by company representatives (pre-employment, periodic)*
3. *Driver Consent forms for Limited Queries*
4. *Electronic filing of Clearinghouse data*
5. *Policy addendum*
6. *Full administrative support for questions or issues with the clearinghouse*

How do our Clearinghouse services work?

1. *Per query pricing for Full and Limited queries*
2. *Employers must purchase their own query packages through the clearinghouse and grant ComplianceOne access to their account during Clearinghouse registration*
3. *When requested ComplianceOne will process your driver's query*
4. *ComplianceOne will enter driver drug and alcohol program violations for employer*
5. *Electronic driver consent for Limited Query processing*
6. *All documents electronically filed*
7. *All administrative duties are completed for your company*

<p>Pre-Employment Query</p> <p>Driver registration and consent required</p> <p>\$10.00/per driver query</p>	<p>Annual Query</p> <p>This is a limited query which will be uploaded by spreadsheet</p> <p>\$5.00/per driver query</p>	<p>Full Query on Existing Driver</p> <p>In the case of a limited query finding driver drug and alcohol program violations</p> <p>\$10.00/per driver query</p>	<p>Reporting Violations</p> <p>Entry of positive alcohol tests, refusals, negative Return to Duty test</p> <p>\$10.00/per entry</p>
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City Council Agenda Form

Meeting Date: March 3, 2020
Agenda Item Title: Advanced Metering Infrastructure
Department: Electric

Agenda Item Description: Tantalus Meter Reading System

Background: The Utility Departments currently utilize Automatic Meter Reading (AMR) for collecting both electric and water usage. The AMR system requires either walk by or drive by to obtain the readings and is performed once each month. The FC300 Mobile collector system currently being used will be reaching End of Life support in 2021. There have been several different systems looked at for migrating the current AMR system to an AMI (Advanced Metering Infrastructure) system. With the exception of one system, it would require replacing all electric and water meters currently deployed in our system. One company was identified (Tantalus) that would allow us to continue purchasing the exact same meter that we currently use, with their communications device installed inside of the electric meter. These electric meters are able to read neighboring meters, including water meters, collecting the meter usage data and forwarding those meter reads through the collection system to the billing department.

City Attorney Review/ Comment: Under review

Funding Source: Electric Depreciation Fund/ Water Fund

Options:

1. Authorize the Utility Departments to proceed with purchasing Tantalus Meter System in an amount not to exceed \$216,506.00.
2. Provide alternative options to the Utility Departments
3. Take no action

Staff Recommendation: Council is not being asked to take action at this time. Council will be asked to consider approving the purchase at the March 17, 2020 meeting.

Attachment(s): Bids



Tomorrow's Smart Grid. Today.

February 27, 2020

Duane Banks
(785) 483-7112
duane@russellcity.org

City of Russell
133 W. 8th Street
P.O. Box 112
Russell, Kansas 67665
United States

Willie Nickson
wnickson@tantalus.com

Tantalus Systems
1130 Situs Ct
Suite 230
Raleigh, North Carolina 27606
United States

Adv. Metering Collectors & Transceivers

PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
TR-1901	900 Mhz LAN Repeater-Router (XR-100 Mounting Brackets Included)	\$289.00	8	\$2,312.00
TR-1905	900 MHz Streetlight Top Mounted LAN Repeater/Collector (100-1000)	\$155.00	10	\$1,550.00
VC-820-VZ	Sixnet LTE(4G)/3G/2G Cellular Router 1-Port (DC) - Verizon	\$975.00	3	\$2,925.00
VC-910-1	TUNet Add-On Collector Module for 210 Endpoint Versa Collector Support	\$650.00	1	\$650.00
VC-934	TUNet Versa Collector, 1000 Endpoint w/battery backup and mounting bracket	\$3,400.00	3	\$10,200.00
Subtotal:				\$17,637.00



Services				
PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
SV-1000	Deployment Services, daily rate (Project Management, Project Engineering, Field Services, Deployment, Training, Travel Expenses, does NOT include meter / RT / collector installation)	\$40,990.00	1	\$40,990.00
Tantalus Hosting Service	Tantalus Hosting Services Set-Up Fee	\$5,000.00	1	\$5,000.00
			Subtotal:	\$45,990.00

Passthrough Meters				
PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
C1SX	Itron Centron-I	\$29.30	600	\$17,580.00
C2SXD	Itron CentronII with Disconnect	\$84.00	200	\$16,800.00
			Subtotal:	\$34,380.00



Deployment Tools

PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
DT-420-BUN	Semi-Rugged Deployment Laptop, Scanner, Optical Probe bundle	\$2,700.00	1	\$2,700.00
			Subtotal:	\$2,700.00

Residential AMI Modules

PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
TC-1216	TPM Controller - Itron CENTRON (240 V)	\$70.00	600	\$42,000.00
TC-1220-RD	TPM Controller - Itron CENTRON C2SXD - 240V	\$70.00	200	\$14,000.00
			Subtotal:	\$56,000.00


Network Server Software API

PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
TAL-400-1	TUNet Application Existing Electric ERT Read (max 4999 devices)	\$12,000.00	1	\$12,000.00
TAL-410-1	TUNet Application Existing Water/Gas ERT Read (max 4999 devices)	\$14,999.00	1	\$14,999.00
			Subtotal:	\$26,999.00

Network Server Software

PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
TCC-2001	TUNet Control Center License - 10K ERML	\$30,000.00	1	\$30,000.00
NSE-201	TUNet Software Endpoint	\$3.50	800	\$2,800.00
			Subtotal:	\$32,800.00

SYSTEM TOTAL:	\$216,506.00
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Maintenance				
PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
SM-4000	Annual Maintenance TUNet ERT Read (Based on List Price)	\$5,939.78	1	\$5,939.78
SL-3001	Service Level, Premium - Maintenance and Support	\$15,000.00	1	\$15,000.00
SL-1001	Service Level, Standard - Maintenance and Support (<16,000 meters) TCC-2001	\$7,250.00	1	\$7,250.00
			Subtotal:	\$28,189.78

Hosted Services				
PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
SV-4001	TCC Hosting Services (TCC-2001 Platform) - monthly rate	\$500.00	12	\$6,000.00
			Subtotal:	\$6,000.00

		Annual Total:		\$34,189.78
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NOTES:

- Prices are in US Dollars and are exclusive of taxes, duties, freight, or insurance.
- Price does not include shipping. All products are shipped FOB Origin.
- Service time does not include installation of meters, collectors, repeaters, or other infrastructure equipment.

- Tantalus service time will be billed at actual. If additional days are necessary, Customer will be billed at the rate of \$1,500.00 per day.
- This quotation may contain allowances, discounts and/or promotional pricing. The prices quoted are valid for 30 days from the date of this quote.
- Additional equipment purchases and services shall be invoiced at Tantalus' then current List Price.
- Annual license and support and maintenance fees apply. Please work with your account representative to determine specific costs for your equipment.

The attached document Tantalus Systems Inc. Terms and Conditions of Sale is incorporated into and forms an integral part of this quotation.

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TANTALUS SYSTEMS INC.
TERMS AND CONDITIONS OF SALE

Purpose/Goal. These Terms and Conditions of Sale ("Terms") record the terms and conditions under which Customer agrees to purchase from Tantalus, and Tantalus agrees to sell to Customer, TUNet. Notwithstanding any other provision to the contrary, these Terms become a binding agreement between Tantalus Systems, Inc. (Tantalus) and the Customer when (a) Customer delivers a signed copy of this quotation to Tantalus, which shall be deemed a duly authorized Purchase Order (PO) for the Network Equipment and Services quoted therein; (b) Customer delivers a signed Purchase Order for all or any portion of the Network Equipment and Services or (c) Tantalus ships or provides all or any portion of the Network Equipment or Services covered by this quotation. Except as provided above, any provision in any acceptance or acknowledgment hereof, inconsistent with or in addition to these Terms and Conditions of Sale, are expressly rejected and shall have no force or effect, unless otherwise agreed in writing between the parties. Notwithstanding the foregoing, acceptance of these Terms indicates Customer's agreement to execute such additional documents, as required, including, without limitation, the terms, conditions and responsibilities of each party relating to the license and use of the Licensed Software prior to shipment of any Network Equipment to Customer, the provision of Technical Support and the deployment of TUNet.

Purchase Orders. Customer may purchase Network Equipment and Services by issuing properly authorized Purchase Orders to Tantalus. Each type of Network Equipment may have an economic order quantity or minimum order quantity, meaning that no Purchase Order may be placed for a quantity of those units of Network Equipment which is less than the minimum number of units specified on the then current Tantalus price list and designated as the "economic order quantity" or "minimum order quantity". Each Purchase Order issued by Customer shall have a lead-time of at least 90 days. Lead-time means the time extending from the date the Purchase Order is received by Tantalus to the specified delivery date. Each Purchase Order shall reference these Terms and shall state product description, quantity of Network Equipment and Services ordered, part number, desired delivery date and Destination, method of shipment, unit price for each unit ordered and total purchase price. In the event of any inconsistency or conflict between any terms of a Purchase Order, order confirmation, invoice or any other commercial form used by the parties and these Terms, these Terms shall govern. No oral, electronic, or written additional or different provisions proposed by either party in any acceptance, confirmation, or acknowledgment shall apply. Purchase Orders, once accepted, may not be cancelled, except as outlined below.

Acceptance, Rejection or Changes to Purchase Orders. Tantalus will notify Customer of its acceptance or rejection of each Purchase Order as soon as practicable and notice of acceptance shall include confirmation of requested quantities and prices consistent with these Terms. Once a Purchase Order is accepted by Tantalus, the quantities and prices within that acceptance, unless otherwise noted on such acceptance, are committed to and cannot be changed without the consent of both Tantalus and Customer. If the parties agree to changes to a Purchase Order, those changes will be incorporated in a replacement Purchase Order, which will follow the same process outlined above referencing the Purchase Order to be replaced.

Pricing. The prices provided to Customer under this Quotation may contain promotional or one-time pricing. Future prices shall be as set forth on Tantalus' then current price list and do not include taxes. In addition, Tantalus shall bear the costs and charges to ensure that all Network Equipment purchased by Customer is cleared for importation into the United States, if applicable, and delivered to the Shipping Point. Customer will be responsible for and pay all applicable federal, state, municipal or other governmental sales use, excise, value-added taxes, occupational or other taxes, tariffs, duties and surcharges now in force or enacted in the future which are associated with the provision of Network Equipment and Services by Tantalus, excluding taxes on Tantalus' income generally.

Price Changes. Tantalus reserves the right, in its sole discretion, to revise the prices on thirty (30) days prior written notice to Customer by whichever of the following is greater: (i) the immediately preceding year's percentage increase in the Consumer Price Index For All Urban Customers, All Cities Average, All Items (CPI-UTM), as published by the Bureau of Labor Statistics, U.S. Department of Labor in the "Summary Data from the Consumer Price Index New Release" for the 12-month period ending at December 31st of the calendar year immediately preceding the adjustment date; or (ii) the average percentage change during the most recent 12-month period to Tantalus' published price list, or (iii) 3.5% per year.

Notwithstanding the foregoing, the original price of any Network Equipment and Services covered by Purchase Orders issued by the Customer, and which Purchase Orders are confirmed and accepted by Tantalus prior to the Effective Date of such price revision, will not be changed for such Purchase Orders issued and accepted as of the Effective Date.

Payment. Customer agrees to pay an advance payment (the "Deposit") equal to twenty-five percent (25%) of the total purchase price of the Network Equipment and Services specified on each Purchase Order. The Deposit will be due and payable, notwithstanding the absence of the applicable Tantalus' invoice, within ten (10) days of the date of the Tantalus order acknowledgement issued in connection with an accepted Purchase Order. Failure to pay the Deposit by such due date shall result in the cancellation of the Purchase Order by Tantalus, without requirement for any further action, or notice to Customer, by Tantalus. Notwithstanding the foregoing, if Customer places a single blanket Purchase Order that is at least 12 months in duration and represents greater than thirty percent (30%) of their total customer base, the Deposit amount will be reduced to ten percent (10%) on that Purchase Order and subsequent Purchase Orders that are also at least 12 months in duration and represent greater than thirty percent (30%) of their total customer base.

Payment Terms. Tantalus shall invoice Customer for Network Equipment and Services purchased upon delivery of Services and such Network Equipment to Customer at the Shipping Point. Deposit amounts paid will be reflected as a credit to the total purchase price due and owing upon delivery completion of the total Purchase Order. Payment terms are net thirty (30) days from date of Tantalus's invoice. All payments shall be in U.S. dollars, unless otherwise agreed to between Tantalus and Customer. In addition to any other remedies Tantalus may have for late payments, Customer will be charged interest at 1½% per month (equivalent to an annual rate of interest of 18%), payable monthly on all overdue amounts. Customer shall also be responsible for collection costs associated with the late payment, if any, including reasonable attorney's fees. Payments will be applied first to interest payable and then principal owing. Tantalus may modify the preceding payment terms if, in its reasonable opinion, the payment record or financial condition of Customer so justifies.

Delivery and Risk of Loss. Tantalus shall deliver the Network Equipment to Customer at the Shipping Point (cleared for export, if applicable) and title (other than title to Licensed Software which shall remain with Tantalus) and risk of loss of Network Equipment shall pass from Tantalus to Customer at the Shipping Point. If any loss of or damage to the Network Equipment occurs prior to delivery to Customer, regardless of passage of title prior to such delivery, Tantalus shall without cost to the Customer, promptly make all repairs or replacements necessary to place the Network Equipment in the condition required by these Terms. Customer will notify Tantalus within five (5) days of delivery of any damage to Network Equipment and/or within 10 days of shipping should an order not be received. If the Shipping Point and Destination are not the same, Customer shall be responsible for and shall pay all transportation and insurance costs for Network Equipment from the Shipping Point to the Destination, provided however that upon request by Customer, Tantalus shall make the arrangements for such transportation and insurance and will invoice Customer for reimbursement at cost. The payment terms described herein shall apply to such invoices, *mutatis mutandis*. Delivery dates are approximate only. Tantalus shall notify Customer in writing, if Tantalus has knowledge of any event that is reasonably likely to materially delay any specified delivery date or change any specified delivery date.

Third Party Products, Services and Software. Customer may elect to use the Third Party Products, Third Party Services and/or Third Party Software. Unless otherwise specifically set forth in writing (and subject to applicable pass through terms and conditions) upon mutual agreement of all involved Parties, Tantalus does not warrant Third-party Products, Third-party Services and/or Third-party Software and disclaims all responsibility and liability for these items, their access to the Network Equipment and TUNet, including their modification, deletion, disclosure or collection of Customer information.

Insurance. During all times in which Customer has possession of Network Equipment for which Tantalus has not received payment in full, Customer shall ensure that comprehensive general liability insurance with limits at least equal to the total value of all such Network Equipment is obtained and, upon request, provide Tantalus with a certificate evidencing such coverage.

No Resell. Customer acknowledges and agrees that it has no rights to market and resell the Network Equipment. The purchase and sale of Network Equipment hereunder is solely for Customer and its Affiliates' requirements.

Confidentiality. Each party shall treat as confidential all Confidential Information of the other party, shall not use such Confidential Information except as expressly set forth herein or otherwise authorized in writing, shall implement reasonable procedures to prohibit the disclosure, unauthorized duplication, misuse or removal of the other party's Confidential Information and shall not disclose such Confidential Information to any third party except as may be necessary and required in connection with the rights and obligations of such party under these Terms, and subject to confidentiality obligations at least as protective as those set forth herein. Without limiting the foregoing, each of the parties shall use at least the same procedures and degree of care which it uses to prevent the disclosure of its own confidential information of like importance to prevent the disclosure of Confidential Information disclosed to it by the other party under these Terms and Conditions, but in no event less than reasonable care. The receiving party will not commingle or mix the other party's Confidential Information with other information.

Authorized Disclosure. In addition, each party shall be entitled to disclose the other party's Confidential Information to the extent such disclosure is necessary to comply with reporting requirements for public companies and as requested by the order or requirement of a court, administrative agency, or other governmental body; provided, that the party required to make the disclosure shall: (i) provide prompt, advance notice thereof to enable the other party to seek a protective order or otherwise prevent such disclosure; and (ii) seek treatment of the Confidential Information to the highest level of protection afforded under relevant laws and policies.

Remedies. If either party breaches any of its obligations with respect to confidentiality, or if such a breach is likely to occur, the other party shall be entitled to all relief, remedies and recourses available at law or in equity. In addition to all other remedies available at law and at equity, the other party shall be entitled to seek specific performance or a restraining order, decree or injunction.

Warranty. With respect to new equipment, for a period of one (1) year from the date of shipment of each unit of Network Equipment to Customer from Shipping Point, Tantalus warrants that: (i) each unit of Network Equipment will be free from defects in material, workmanship and manufacture under normal use and service, (ii) title to each unit of Network Equipment shall be free and clear of all liens, financial encumbrances and security interests, (iii) all materials, parts, components and other items initially incorporated in the Network Equipment will be new; and (iv) each unit of Network Equipment shall be compliant with, and perform in accordance with its Specifications. The warranty for replaced or repaired Network Equipment originally warranted under this paragraph shall be thirty (30) days from date of return to Customer or the balance of the original warranty period, whichever is greater. With respect to refurbished equipment, for a period of 30 days from the date of shipment of refurbished Network Equipment to Customer from Shipping Point, Tantalus warrants that: (i) each unit of refurbished Network Equipment will be free from defects in material, workmanship and manufacture under normal use and service, (ii) title to each unit of refurbished Network Equipment shall be free and clear of all liens, financial encumbrances and security interests; and (iii) each unit of refurbished Network Equipment shall be compliant with, and perform in accordance with its Specifications. The aforementioned warranties apply only when all three of the following conditions prevail: (i) the unit of Network Equipment is owned by the original Customer and not by an assignee; (ii) the Customer is not the subject of bankruptcy or comparable proceedings; and (iii) while Tantalus has not invoked a subsisting remedy in respect of Force Majeure. The aforementioned warranties will not apply to Licensed Software which is sold "as is" with no warranty, in accordance with the applicable End User License, will not cover any third party products provided by Tantalus or third party products or services provided to Customer by Third Party Suppliers. Any warranty for such products will be between Customer and the third party manufacturer or supplier. To the fullest extent allowed, Tantalus will assign all third party warranties to Customer.

Warranty Returns. For any breach of warranty, Tantalus' sole obligation shall be to, at its sole option and expense, repair or replace defective Network Equipment or refund the purchase price thereof, within 60 days of receipt of such defective Network Equipment at its designated depot, provided that the Customer has returned the defective Network Equipment to Tantalus no later than four weeks after the expiry of the applicable warranty period set forth herein. Customer will be responsible for removing defective Network Equipment from the installation

point and returning the defective Network Equipment, transportation charges prepaid by Customer, to Tantalus at its designated depot, together with Tantalus' return material authorization number ("RMA") and completed problem sheet. Tantalus will be responsible for paying all shipping and other costs incidental to the return of repaired or replacement Network Equipment to Customer. Customer will be responsible for re-installing such repaired or replacement Network Equipment. To the extent Tantalus determines that the Network Equipment returned under warranty is not defective (that is, no fault found), Customer will pay for the return of the Network Equipment and will pay Tantalus the fee of US\$150 per no fault found Network Equipment. Tantalus will make available out-of-warranty repairs in accordance with its programs in effect at the relevant time. Services for out-of-warranty repairs will be provided at Tantalus' then current time and materials fees and rates.

No Warranty. The warranties described herein will not cover Network Equipment: (i) units whose original bar code, copyright notices and proprietary legends, if any, have been spoiled or altered, (ii) units that were not installed or de-installed as per Tantalus' specifications or serviced by Tantalus or a person authorized by Tantalus to do so, (iii) units that were the subject of repair, modification or alteration without Tantalus's approval, (iv) units damaged or defective because of reasonable wear and tear, (v) units that were not operated in accordance with the Specifications; (vi) units damaged or defective because of problems with electrical power, (vii) units damaged or defective because of acts of God, (viii) units that in Tantalus's reasonable opinion have been misused, altered, abused or subject to abnormal conditions of operation or handling, and (ix) units damaged or defective due to an Excusing Event.

DISCLAIMER. TANTALUS DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF OTHER'S INTELLECTUAL PROPERTY RIGHTS AND DURABILITY.

Relief for patent and copyright matters. Tantalus, at its expense, shall defend any court suit brought against Customer by a third party alleging that units of Network Equipment purchased by Customer infringe US or Canadian patent or copyright. Tantalus's obligation to defend is effective only if Customer is not in breach of any of these Terms and of any other agreement between the parties, and if Tantalus is notified promptly and given complete information, assistance and authority by Customer to conduct the defense. If any unit of Network Equipment: (a) is adjudicated by a court of competent jurisdiction after appeals therefrom are exhausted, as infringing any US or Canadian patent or copyright or (b) has its use enjoined by such court, Tantalus will, at its election: (i) procure for the Customer the right to continue using said unit; (ii) replace it with non-infringing and functional equivalent; (iii) modify it to become non-infringing; or (iv) if none of the aforementioned options are reasonably available, refund to Customer all amounts paid for the infringing Network Equipment, depreciated on a straight line basis over a ten (10) year period. Tantalus's obligation to defend includes the sole right to settle. Tantalus's obligation to defend does not apply to the following: (A) Network Equipment based on a design, specifications or instructions supplied or requested by Customer; (B) use of Network Equipment in combination with any other hardware or software not provided by Tantalus, if infringement would not have occurred but for such combination; (C) use of any release of Licensed Software or any firmware other than the most current release made available to Customer; (D) use of Network Equipment other than as permitted under these Terms, or as intended by Tantalus, if the infringement would not have occurred but for such use; or (E) modifications made to Network Equipment not made by Tantalus or approved by Tantalus. The foregoing states Tantalus's entire liability with respect to intellectual property infringement by any unit of Network Equipment.

General Indemnity. Tantalus shall defend, indemnify and hold Customer harmless from all loss, expense or damages (including without limitation, reasonable attorney's fees) which may be incurred by Customer as a result of any claims or actions resulting from: (a) damage to tangible personal property owned by Customer and caused by the gross negligence of Tantalus; and (b) death of or bodily injury to a Customer employee or third party to the extent caused by Tantalus' gross negligence. Customer will provide Tantalus with prompt, written notice of any claim covered by this indemnification. Unless Tantalus fails to defend Customer, Customer shall not undertake the defense of any such claim. Tantalus, at its sole expense, shall defend all such claims and actions against Customer, whether brought informally or through court or administrative procedures.

Customer Indemnity. The relationship of Tantalus and Customer established by these Terms are that of independent contractors and neither party is an employee, agent or joint venture of the other. All financial obligations associated with Customer's business are the sole responsibility of Customer. Except for warranty claims under these Terms, Customer shall indemnify, defend and hold harmless Tantalus from and against any and all claims, liabilities, damages, debts, settlements, costs, attorneys' fees, expenses and liabilities of any type whatsoever that may arise on account of Customer's activities, or those of its employees or agents, including, without limitation, (i) all sales and use taxes and similar charges arising in connection with the purchase of Network Equipment and Services hereunder and all other federal, state and municipal taxes, interest, fines and penalties arising in connection with Customer's business activities and (ii) those relating to Customer's use of the Network Equipment or Customer's breach of any term, representation or warranty of these Terms.

Limitations. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, OTHER THAN FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY (I) SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES OR LOSSES INCLUDING, WITHOUT LIMITATION, LOSS OR CORRUPTION OF DATA, LOSS OF REVENUE, SAVINGS OR PROFITS, CLAIMS BY USERS AND THIRD PARTIES, LOSS OF GOODWILL, BUSINESS INTERRUPTION OR OTHER PECUNIARY LOSS WHETHER ARISING FROM BREACH OF WARRANTY OR CONDITION, BASED ON CONTRACT, TORT, RELIANCE, FUNDAMENTAL BREACH, STATUTE, OR ANY OTHER THEORY, AND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; OR (II) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES. NOTWITHSTANDING ANYTHING ELSE IN THESE TERMS AND WITHOUT LIMITING THE FOREGOING, TANTALUS WILL NOT BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THESE TERMS UNDER ANY CONTRACT, NEGLIGENCE, CIVIL LIABILITY, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR: (A) ANY AMOUNTS IN EXCESS OF THE AGGREGATE AMOUNTS PAID TO TANTALUS FOR NETWORK EQUIPMENT AND SERVICES GIVING RISE TO SUCH LIABILITY IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM; (B) ANY FAILURE OR DELAY DUE TO FORCE MAJEURE; OR (C) ANY ALLOCATION OF NETWORK EQUIPMENT AND SERVICES AMONG ITS CUSTOMERS IN THE EVENT OF A SHORTAGE. LIMITATIONS OF LIABILITY WILL NOT BE ASSERTED TO THE EXTENT PROHIBITED BY RELEVANT LAWS AND POLICIES. TANTALUS' PRICING REFLECTS THIS ALLOCATION OF RISKS AND THE LIMITATION OF LIABILITY.

Ownership of Intellectual Property. Except for licenses otherwise expressly granted under these Terms, the sale of Network Equipment hereunder does not convey to Customer any Proprietary Rights in the Network Equipment and Customer acknowledges Tantalus's exclusive rights thereto. Neither the sale of Network Equipment nor any provision of these Terms will be construed to grant to Customer, either expressly, by implication or by way of estoppel, any license under any other Proprietary Rights of Tantalus covering or relating to any other product or invention of Tantalus, or any combination of the Network Equipment with any other product of Tantalus.

Term. Unless terminated earlier as provided herein, these Terms shall have an initial term of one (1) year commencing on the execution date of these Terms (Initial Term) and shall automatically renew for successive one (1) year periods thereafter, until terminated in accordance with these Terms.

Termination. Either party may terminate these Terms effective upon the delivery of written notice of such termination to the other party, if the other party: becomes insolvent, is generally not paying its debts as such debts become due, makes an assignment for the benefit of creditors, is the subject of any voluntary or involuntary case commenced under the federal bankruptcy laws, as now constituted or hereafter amended (which, in the case of involuntary bankruptcy, is not dismissed within 30 days), or of any other proceeding under other applicable laws of any jurisdiction regarding bankruptcy, insolvency, reorganization, adjustment of debt or other forms of relief for debtors, has a receiver, trustee, liquidator, assignee, custodian or similar official appointed for it or for any substantial part of its property, or is the subject of any dissolution or liquidation proceeding; breaches its obligations related to confidentiality; or is in default in any material respect in the performance of any its obligations under of these Terms, provided that the party not at fault has given the other party forty five (45) days prior written notice of such default and such other party has not remedied the default; provided however if the defaulting party is Customer and such default

is attributable to or includes Customer's failure to pay any amount when due, then the aforementioned 45 day cure period will be reduced to five (5) days. Either party may terminate these Terms, at any time and for any reason, on ninety (90) days' prior written notice to the other party, provided however that if terminated by Customer, Tantalus shall take commercially reasonable efforts to cancel any deliveries to Customer which are scheduled to be made after the termination date. Customer shall be responsible for actual costs reasonably incurred in performing before termination, including the cost of Network Equipment released or received by Customer, or that has been shipped within 45 days, prior to the date of the notice. Prior to the effective termination of these Terms, all of the terms and conditions of, and the respective rights and obligations of the parties to, these Terms will remain completely valid and enforceable; provided however that, in the event Tantalus terminates these Terms for cause, then any deliveries of Network Equipment and Services to Customer which are scheduled to be made subsequent to the effective date of termination shall be cancelled. Termination is not the sole remedy available under these Terms and, whether or not termination is effected; all other legal remedies will remain available. Notwithstanding anything to the contrary in these Terms, no expiration or termination of these Terms by either party shall affect any rights or obligations of either party: (i) which are vested pursuant to these as of the effective date of such expiration or termination, (ii) any other provisions intended by the parties to survive such expiration or termination including, but not limited to, Purchase Orders accepted pursuant to these Terms.

Dispute Resolution. Except for disputes related to nonpayment or as otherwise provided herein, neither party shall resort to formal litigation proceedings until the parties have attempted to resolve the Dispute through non-binding mediation. The party raising a Dispute shall submit to the other party a written notice and supporting material describing all issues and circumstances related to the Dispute (a "Dispute Notice"). A designated senior management representative of each party shall attempt to resolve the Dispute. If the parties' representatives fail to resolve the Dispute within thirty (30) days from receipt of a Dispute Notice, the Dispute shall be referred to a mediator in the jurisdiction set forth under the Governing Law section of these Terms, as mutually agreed between the parties. If the use of non-binding mediation is not successful, either party may commence formal litigation proceedings to resolve the Dispute. This Section shall not be construed to prevent a party from instituting litigation proceedings earlier than as indicated in this section to: (a) avoid the expiration of any applicable limitations period, (b) preserve a superior creditor position or (c) seek injunctive relief to prevent irreparable harm, including without limitation, harm caused by a breach of confidentiality obligations.

Notices. Any notification, notice, approval, confirmation or consent required or permitted to be given under these Terms must be in writing and signed by an authorized Representative of a party (whether a party hereto or a third party, as the case may be), and be either: (i) personally delivered, (ii) sent by prepaid, certified first class mail, return receipt requested, or (iii) sent by facsimile to (919) 900-8978 (provided confirmation of delivery is obtained at the time of transmission). Communications to Tantalus must be addressed to: Peter A. Londa, President & CEO, Tantalus Systems, Inc. 1130 Situs Court, Suite 230, Raleigh, NC 27606. Unless expressly set out to the contrary herein, consent or approval that is explicitly required herein of a party hereto will not be unreasonably delayed, withheld or withdrawn by it. Either party may change the address for service by giving 15 days advance written notice to the other party. All notices will be effective upon receipt and will be deemed received: (i) upon delivery, if personally delivered, (ii) upon signature by the receiving party, if sent by certified mail, or (iii) upon the date stated in the facsimile delivery confirmation, if sent by facsimile.

Severability. If any provision or term of these Terms is determined to be invalid or unenforceable, the invalidity or unenforceability of that provision or term will not affect the validity or enforceability of the remaining provisions and terms or the validity or enforceability of that provision or term in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify these Terms so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Amendment and Waiver. No amendment or waiver of any provision of these Terms shall be effective unless it is in writing and signed by the party against which it is sought to be enforced. No waiver by any party or any breach or series of breaches in performance by the other party, and no failure, refusal or neglect to

exercise any right, power or option given to either party to insist upon strict compliance with or performance of the obligations hereunder, will constitute a waiver of the provisions hereof with respect to any subsequent breach thereof or a waiver by such party of its right at any time thereafter to require strict compliance with the provisions hereof.

Governing Law. These Terms shall be governed by, and construed under, the laws of the State of Delaware without regard to conflicts of law provisions thereof and without regard to the United Nations Convention on Contracts for the International Sale of Goods. Tantalus and Customer waive a trial by jury in any such suit, action or proceeding.

Force Majeure. No default, delay or failure to perform on the part of either Party shall be considered a breach of these Terms where such default, delay or failure is due to a force majeure or to circumstances beyond its control. Such circumstances will include, without limitation, strikes, riots, civil disturbances, actions or inactions concerning government authorities, epidemics, war, terrorist acts, embargoes, severe weather, fire, earthquakes, acts of God or the public enemy or default of a common carrier or other disasters or events. Lack of funds or credit will not constitute a Force Majeure.

Successors and Assigns. These Terms bind, and inures to the benefit of, the parties and their respective successors. These Terms shall not be assigned by either party without the prior written consent of the other party, except that Customer agrees that Tantalus may assign, without notice to Customer, any account receivable arising under these Terms in connection with a factoring arrangement.

Definitions and Interpretation. "Affiliate" means, with respect to any Party, any legal entity that such Party owns, is owned by, or is under common control with such Party. For purposes of the foregoing definition of "Affiliate," the terms "control" and "own" mean possessing a 50% or greater interest in an entity or the right to direct the management of the entity. "Business Day" means any day that is not a Saturday, Sunday or a state or federal holiday. "Confidential Information" of a party is information (in tangible or intangible form) that it owns or has license for, and discloses to the other party, that: (i) derives economic value, actual or potential, from not being generally known to, and is not readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its confidentiality; and includes technical information (such as formulas, data, programs, methods, techniques and processes), business information (such as information about finances, customers and potential customers, marketing plans and business strategies), and the terms of these Terms; but Confidential Information does not include information that the receiving party establishes: (i) it developed independently; or (ii) was generally available to the public through no fault of its own; or (iii) was possessed by it before its receipt thereof from disclosing party; or (iv) was acquired from a third party without the breach of any confidentiality obligation; or (v) five (5) years after its disclosure, does not constitute a trade secret under relevant laws and policies. Confidential Information shall also include all notes, copies and summaries, in any media, and recollections of a receiving party of Confidential Information. "Destination" means Customer's designated destination point for the delivery of Network Equipment. "Dispute" means any dispute, controversy, difference or claim, arising under or in connection with these Terms, including its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims. "Excusing Event" means any (i) Force Majeure or other event outside of Tantalus' reasonable control; (ii) failure, act or omission of Customer or its agents, employees, suppliers, subcontractors or consultants, including without limitation improper performance of Customer's responsibilities under the Agreement, or unreasonable delay or failure of Customer to approve changes that are relevant to an applicable failure; (iv) failure, act or omission of any third party (including any Third Party Supplier) or its agents, employees, suppliers, subcontractors or consultants; or (v) failure of any components (hardware, software, network, maintenance) provided and/or maintained by Customer. "Licensed Software" means all Tantalus software and firmware residing on, or provided in connection with, each unit of Network Equipment purchased under these Terms, together with all software documentation related thereto and any and all updates thereto. The terms and conditions of EULA will apply to the Licensed Software provided to Customer. "Network Equipment" means the equipment manufactured by or for Tantalus for use as part of TUNet and its associated Licensed Software that are or will be under these Terms physically deployed in the Customer's service territory. For clarity, Network Equipment does not include the system backhaul, network operations center, meters or any Third-Party Products, Third-Party Services, or Third-Party Software.

"Purchase Orders" means purchase orders issued, from time to time, by Customer to Tantalus pursuant to which Customer will purchase Network Equipment and Services in accordance with these Terms and Conditions of Sale. Each Purchase Order will be deemed to include these Terms, even if not specifically stated on the Purchase Order. "Services" means deployment engineering support services as described on the price list that Tantalus provides from time to time. For clarity, Services do not include Technical Support; "Shipping Point" means the designated depot or depots in North America selected by Tantalus as its shipping point for Network Equipment. "Specifications" means the design, performance and regulatory requirements for each Network Equipment, as such may be amended from time to time by Tantalus. "Third-Party Product" means a product or application that is produced by a company other than Tantalus. Third-Party Products may have the benefit of a manufacturer's warranty provided by the product manufacturer. "Third-Party Services" means those services that are offered or provided by a company other than Tantalus. "Third-Party Software" means software that is licensed by a company other than Tantalus. Use of Third-Party Software is subject to end-user's acceptance of the third-party End User's License Agreement (EULA). Third-party software may have the benefit of warranties provided by the third-party software licensor. "TUNet®" means the TUNet smart grid network provided by Tantalus pursuant to these Terms and does not include Third-Party Products, Third-Party Services or Third-Party Software. **Interpretation Not Affected by Headings, etc.** The division of these Terms into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. **Date For Any Action.** In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day. **Authorship.** Authorship of these Terms will have no bearing on the construction of any terms hereof or ambiguities thereof.

Quotation as Purchase Order. Signature below shall constitute submission by the Customer and acceptance by Tantalus of the foregoing quotation as an authorized Purchase Order for the equipment and services listed thereon, subject to the foregoing Terms and Purchase of Sale. The Purchase Order may not be modified, added to or rescinded except through mutual agreement and acceptance in writing by both Parties.

AGREED AND ACCEPTED:

City of Russell

BY: _____

Name: _____

Title: _____

Date: _____

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727 York Ave.
Salina, KS 67401

Toll Free: 888-496-3902
Phone: 785-404-4459

*Providing Complete Municipal, Industrial and Agricultural
Pump and Well Service*

February 25, 2020

City of Russell
PO Box 112
Russell, KS 67665

Attn: Rich Krause

RE: Rehabilitation on Wells #2 and #3

Perform initial well and pump test	N/C
Labor to pull 2 pumps and inspect equipment	\$1,600.00
2- Video inspections	\$1,370.00
Acid treat 2 wells	\$2,200.00
Chlorine treat 2 wells	\$1,300.00
Labor to surge, bail and test pump wells	\$1,000.00
Labor to install 2 pumps	\$1,600.00
Perform final well and pump tests	N/C
Total (does not include applicable sales tax)	\$9,070.00

Parts pricing:

1- 6" x 20' fiberglass threaded and coupled pipe with stainless steel fittings	\$2,000.00
1- 6" check valve	\$787.50

Please call with any questions.

Thank you,

Doug Miller,
Manager

DM/ah

Quote good for 30 days

REFERENCES

CITY OF ABILENE
CITY OF WASHINGTON
CITY OF MARYSVILLE
WAUBANSEE RWD 2
POTT CO RWD 1
REPUBLIC CO RWD 2
JEWELL CO RWD 1
CLAY CO RWD 2
CITY OF LEANARDVILLE
CITY OF MANHATTON
CITY OF WICHITA
HARVEY CO RWD 1
CITY OF HIAWATHA
CITY OF SCANDIA
CITY OF CAWKER CITY
CITY OF HUTCHINSON
CITY OF CLYDE
CITY OF VICTORIA
CITY OF CLIFTON
CITY OF BELVILLE
CITY OF CLAY CENTER
CITY OF SILVER LAKE
SUBURBAN WATER
CITY OF BUHLER

Clarke Well and Equipment, Inc.

WATER RELATED PROJECTS: Environmental - Industrial - Municipal - Agricultural
 AIRPORT INDUSTRIAL COMPLEX - 8822 3rd Street - Great Bend, KS 67530-9766
 PHONE 620-793-8493 Fax 620-793-8340

QUOTATION

FOR: <u>City of Russell</u> <u>Russell Water Department</u> <u>ATTN: Rich Krause</u>	DATE: <u>Wednesday, February 05, 2020</u> PHONE: _____ FAX: <u>785-483-4397</u> TERMS OF SALE <u>NET 30</u> <small>A MONTHLY SERVICE OF 1 1/2% WILL BE RENDERED ON PAST DUE ACCOUNTS. THIS IS AN ANNUAL RATE OF 18% ON UNPAID BALANCE.</small>
JOB # <u>15513</u> <u>Pfeifer Well Field</u>	

LEGAL DESCRIPTION Wells #2 & #3 Ellis County Kansas

Quantity	Description	Unit Price	Extension	Total
	WELL TREATMENT PER WELL			
	ACID TREATMENT LABOR - INCLUDING Mobilization of pump truck and DOT approved acid truck Use of CWE test pump for testing and treatment. Pre-Test. Pump removal. Injection of acid into well. Brush well and surge acid in well. Let acid set minimum 12 hours. Set pump. Surge to tank and back to aid well cleaning. Surge and pump to waste. Neutralizing waste as needed. Perform Post Acid Test.	LS	3,325.00	
	ACID TREATMENT CHEMICALS - INCLUDING 500 Gallons 15% Acid Solution with Corrosion Inhibitor, Chelating Agent, and Surfactant	LS	1,295.00	
	CHLORINE TREATMENT - INCLUDING To be performed after acid treatment to reduce mobilization. 2000 Gallon 500 PPM Chlorine Solution placed in well. Surge to tank and back and let set minimum 12 hours. Surge and pump to waste. Neutralizing waste as needed. Perform Post Chlorination Test. Reset customer's pump. Any repairs required will be extra.	LS	1,610.00	
	TOTAL ACID & CHLORINE TREATMENT PER WELL		LS	\$ 6,230.00
	PUMP CLEANING AND INSPECTION PER WELL Disassemble pump. Clean and inspect pump, motor, wire, and riser. Reassemble pump and prepare for setting. Report made to city contact person for approval of parts and labor required to effect repairs, if needed. Repairs will be extra.	LS	210.00	12,460.00

FREIGHT: Included Additional

SALES TAX IS NOT included in this quotation.

*NOTE: Quantities are approximate. Final billing will be adjusted in accordance with units actually installed at quoted unit prices

Estimated Freight

Sub-Total

Sales Tax

Job Total

Paid with this Order

Balance

Above Quotation accepted as order by: _____

Submitted by: Rob L. Soeken

Valid until/for: Friday, March 06, 2020

Water Well Drilling
Water System Repair



OFFICE: 785-628-1415
CELL: 785-623-1415

HAYS, KS

OVER 83
YEARS OF SERVICE!

Email: karstwaterwell@gmail.com

February 26, 2020

To: Rich Krause
City of Russell

Re: Water well rehabilitation of number 2 and 3 wells located in the Pfeifer, Kansas wellfield.

Sir:

We propose performing well rehab on the above two wells using a combination of both chemical and mechanical methods to achieve the best results. Mechanical scouring will be introduced followed by chemical injection and agitation. Once chemical is introduced into the well the mechanical processes shall be repeated to achieve maximum performance of the well. After this process is completed, chlorine treatment will be introduced.

The product we shall use is Cotey Chemical products by the name of Liquid Descaler in appropriate doses. Information on this product is also enclosed. The mechanical method is achieved by utilizing the Cotey well cleaning brush. After all rehab operations are completed, chemical is pumped to waste and the original equipment is re-installed.

The existing pumps shall be cleaned using an acid solution to remove scaling in and out of the pump.

Furnish labor and materials to rehabilitate well #2.....	14,748.00
Furnish labor and materials to rehabilitate well #3.....	14,748.00

Total: 29,496.00

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Mel Karst". The signature is written in a cursive, flowing style.

Mel Karst
Karst Water Well Drilling and Service Inc.