

VILLAGE PRESIDENT
Ray Danford

VILLAGE CLERK
Jerry Menard

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Rita Baker
Charlie Mattern
Kevin Groth
Corby Valentine
Steve Smith
Tony Miller

VILLAGE OF FREEBURG

FREEBURG MUNICIPAL CENTER
14 SOUTHGATE CENTER, FREEBURG, IL 62243
PHONE: (618) 539-5545 • FAX: (618) 539-5590
Web Site: www.freeburg.com

VILLAGE ADMINISTRATOR
Dennis Herzing

VILLAGE TREASURER
Bryan A. Vogel

PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

August 11, 2008

NOTICE

MEETING OF THE ELECTRIC COMMITTEE (Valentine/Smith/Miller)

An Electric Committee Meeting of the Village of Freeburg will be held at the Municipal Center, Executive Board Room, **Wednesday, August 13, 2008, at 5:30 p.m.**

ELECTRIC COMMITTEE MEETING AGENDA

I. Items To Be Discussed

A. Old Business

1. Approval of July 9, 2008 minutes
2. South Circuit Contract update/Lugge easement
3. Power Plant update
4. Switchover of Ameren to Freeburg power
5. Village of Freeburg utility needs analysis
6. Electric meter replacement and financing
7. Underground line to St. Joseph and St. Paul's.
8. Warning sirens
- 9.

B. New Business

1. Fire Prevention Inspection Reports

C. General Concerns

D. Public Participation

E. Adjourn

At said Electric Committee Meeting, the Village Trustees may vote on whether or not to hold an Executive Session to discuss the selection of a person to fill a public office [5 ILCS, 120/2 - (c) (3)], litigation [5 ILCS, 120/2 - (c)(11)] personnel [5 ILCS, 120/2 - (c) (1) a.]; or real estate transactions [5 ILCS, 120/2 - (c)(5)].

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ELECTRIC COMMITTEE MEETING Wednesday, August 13, 2008 at 5:30 p.m.

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, August 13, 2008 by Chairman Corby Valentine. Committee members present were Chairman Corby Valentine, Trustee Steve Smith, Trustee Tony Miller, Administrator Dennis Herzing, Public Works Director Ron Dintelmann, Assistant Public Works Director John Tolan and Office Manager Julie Polson.

A. OLD BUSINESS:

1. Approval of July 9, 2008 minutes: Trustee Tony Miller motioned to approve the minutes of July 9, 2008 and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.
2. South Circuit Contract/Lugge easement: Ron said on hot days he may have to put some regulators or capacitors on the line, but it is not a major thing. He will provide a cost analysis at the next committee meeting.
3. Power Plant: The Altorfer bill in the amount of \$37,854.00 has been received (again). Dave Stephens of BHM&G had previously presented it to the committee in January. Ron called Dave about the bill and asked who should pay it and he said we should. The bottom line is we told Altorfer to do the work, but we should go after BHM&G to pay this bill. Ron thinks Dave has a breakdown of the costs and Steve said he wants to see that. This bill had previously been approved for payment at the January committee meeting. The committee agreed to go ahead and pay Altorfer but ask for 100% reimbursement from BHM&G.
4. Switchover of Ameren to Freeburg power: Ron reported there is nothing new. Corby commented that IMEA is saying to do it and we will test the waters.
5. Village Utility Needs Analysis: Nothing new to report. Dennis advised the committee he will have Attorney Wigginton respond to Tom Carpenter's requests.
6. Electric meter replacement and financing: Ron is working on the bid process.
7. Underground line to St. Joseph and St. Paul's: Ron said they will start on this project in about two weeks.
8. Warning sirens: The siren on Old Fayetteville Road has been fixed. The siren at Deerfield was sent to Federal Siren to be repaired. It is still not fixed and Ron switched it with the one at Saturn Terrace since we have a high number of mobile homes at Deerfield. Someone is coming out at the end of this week to work on the siren at Saturn Terrace.

B. NEW BUSINESS:

1. Fire Protection Inspection Reports: The Freeburg Fire Department inspected the Village properties and noted the doors at the old power plant swing in. He believes the doors are original to the building and would like to replace them. They should be installed with panic hardware and would also like to look at swipe card access. He asked the committee if this should be bid or get some quotes first. He also noted the shed does not meet code. There is money in the budget for building repairs. The committee decided to have Ron get some preliminary costs.

Ron wanted to address the issue of the gate at the new power plant. He said they've been going back and forth with 1st Choice Fence on what needs to be done. They were back about a week ago and put in the detector loops. Shane has tried to do the work but the manufacturer won't talk to him. They keep saying they are waiting on us, but we have bent over backwards on helping them get this project done. Ron asked the committee to allow Dennis to write them a letter giving them a deadline to get the work done (9/4/08) and if it is not completed, we will keep the remaining \$5,000.

C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: None.

ADJOURN: *Trustee Tony Miller motioned to adjourn at 6:15 p.m. and Trustee Steve Smith seconded the motion. All voting aye, motion carried.*



Julie Polson
Office Manager

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ELECTRIC COMMITTEE MEETING Wednesday, July 9, 2008 at 5:30 p.m.

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, July 9, 2008 by Chairman Corby Valentine. Committee members present were Chairman Corby Valentine, Trustee Steve Smith, Trustee Tony Miller, Mayor Ray Danford, Administrator Dennis Herzing, Public Works Director Ron Dintelmann and Office Manager Julie Polson.

A. OLD BUSINESS:

1. Approval of June 12, 2008 minutes: Trustee Tony Miller motioned to approve the minutes of June 12, 2008 and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

2. South Circuit Contract/Lugge easement: Ron reported the transformers were set this morning and the wires are being put up. If the weather cooperates, he is hoping to have it completed in a week. Corby asked for the total cost of the south circuit project and Ron will provide it at the next meeting.

3. Power Plant: Ron said it has finally been completed. He received an email from Altorfer requesting an email from us stating we are happy with the outcome. Dennis thought BHM&G should provide that letter. Ron said everything seems to be working fine. He has received invoices from BHM&G that he has held onto as they pertain to this issue, he wants to see what comes in the next round of invoices.

4. Switchover of Ameren to Freeburg power: Ron reported there is nothing new. Ameren has not responded to Dr. Vick's request. Dennis advised once we are ready to hook up Dr. Vick, we will have him send one more letter to Ameren stating he doesn't want their services as of a certain date. Dennis will check with Attorney Wigginton and see if he has talked to Troy Fodor.

5. Village Utility Needs Analysis: Ron advised Mascoutah is very interested in what Freeburg is going to do. Mayor Danford asked Ron to talk to IMUA to see the best way to handle this situation.

6. Electric meter replacement and financing: Ron said we have 2,000 residents with electric meters, of which 500 are already radio reads. Of the 1,500 needed, 100 are 3-phase commercial meters. The cost of 1,400 radio read meters would be \$105,000 (\$75 x 1,400) The electric portion of the commercial meters would cost \$425 each or \$42,500. If we replace the current Blue Tower radio read meters, that would cost \$22,500 (\$45 x 500). Those costs total \$170,000 (\$105,000 + \$42,500 + \$22,500). Ron said currently he does not have a problem with the Blue Tower electric radio read meters, only the water meters are failing. He did check

with Jane and Locis can handle multiple meter companies for reading purposes. The committee agreed there is no point in taking out the 500 meters if they are reliable, we can save \$22,500. That would take the price of the meters back to \$147,500 (\$170,000 - \$22,500). Ron confirmed to the committee that we will get a better price on the meters as we will have to go out for bid on it.

Ron provided numbers for the water side: 2,000 residents with 500 already on radio reads. The cost for 1,500 meters at \$160 each = \$240,000. If we replace the current 500 on radio reads, that would cost \$40,000 (500 x \$80). Ron has talked to Highland and they have about 10,000 meters and are very happy with the Itron system. Citizens provided interest rates as follows: a 1-year loan - 3.51%, a 10-year loan - 4.50%. Regions provided a rate of 4.22% for a 60 month lease on \$270,000. The committee discussed the financing options. No decision was made other than the fact that it will have to go out for bid.

7. Underground line to St. Joseph and St. Paul's: Gene Kramer asked for ESDA money to fund this project. If we do that, the shelters would have to be open to all of St. Clair County. The committee agreed we want to be able to decide when to do that. Dennis reported both churches are on board and okay with paying 50%. The committee agreed to proceed with the project.

8. Warning sirens: The sirens on Old Fayetteville Road and also Deerfield are still not operating correctly.

B. NEW BUSINESS:

1. Freeburg Water SCADA Upgrade: BHM&G's proposal was attached to the packet which will incorporate water telemetry system controls in the SCADA system. They would place equipment at the SAVE booster pump station, the old power plant, north substation and a lift station. The cost for this project is \$48,250.00. Ron said this will give out alarms and call Ron and John's cell phone. Ron also said the water fund can't afford it. Mayor Danford said he would like to see if this can be put off until next year. Dennis said we could hold off six months, see how we are doing in the water fund with the rate increase, and revisit the issue.

Ron said he can obtain a new skid steer from Bobcat with all the attachments he needs at a cost of \$40,465. He obtained prices for a 24-month lease at 4.15% or approximately \$1,953.00 per month. Dennis said we budgeted \$20,000 throughout the departments (electric and streets - \$3,000 each; water and sewer - \$7,000 each). A decision still needs to be made on the length of the lease.

Mayor Danford asked the committee to consider offering a rebate on utilities for businesses in Freeburg that expand their operations. We could consider it a retention reward. Siemens is expanding their operations and will need a larger transformer as they have outgrown their current voltage. Our ordinance states if a special transformer is needed, the customer would pay a percentage of the cost.

We could let our ordinance stand, but give them a rebate on their utility bill. Ron advised the cost to Siemens for a new transformer would be about \$3,500.00.

Trustee Tony Miller motioned to recommend to the full Board Siemens receive a credit on their utility bill equal to the price of the transformer base and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

C. GENERAL CONCERNS: None.

D. PUBLIC PARTICIPATION: None.

ADJOURN: *Trustee Steve Smith motioned to adjourn at 6:50 p.m. and Trustee Tony Miller seconded the motion. All voting aye, motion carried.*



Julie Polson
Office Manager



ALTORFER INC.

Construction : Power Systems : Ag Machinery : Lift Truck : Compact Construction : Packaging : Rental Services

TERMS:
RENTALS: PAYABLE IN ADVANCE
EQUIPMENT SALES: NET 10 DAYS

EQUIPMENT/RENTAL
INVOICE

SOLD TO VILLAGE OF FREEBURG
14 SOUTHGATE CTR
FREEBURG IL 62243-1541

SHIP TO VILLAGE OF FREEBURG
14 SOUTHGATE CENTER
FREEBURG, IL 62243

INVOICE NUMBER	INVOICE DATE	CUSTOMER NUMBER	CUSTOMER ORDER NUMBER	STORE	DIV	SALESMAN	TERMS	PAGE
E0815001	07-29-08	255690	011608	30	E	173	2	1
PSO/WO NUMBER	DOC DATE	PC	LC	MC	SHIP VIA		INV. SEQ. NUMBER	
E08150	07-29-08			10	ENERCON		213281	
MAKE	MODEL	SERIAL NUMBER		EQUIPMENT NUMBER	METER READING		MACH. I.D. NUMBER	
EN	ENERCON	0811012			.0		08-11012	
QUANTITY	ITEM	N/R	DESCRIPTION		UNIT PRICE	EXTENSION		

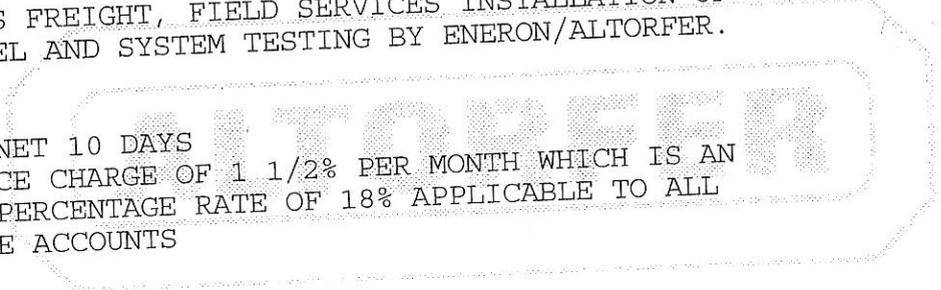
CUSTOMER CONTACT: RON DINTELMANN
TAX EXEMPTION LICENSE E9993 6100 04

1.0 EQUIPMENT SALE
 ENTEK BUCKETS MODEL ENERCON
 ENGINE ATTACHMENTS
 ID NO: 08-11012 SERIAL NO: 0811012 37854.00
 FOB: JOBSITE

INVOICE OF MODIFICATION OF THE SOUTH PLANT SWITCHGEAR TO ALLOW SYSTEM LOAD SHARING. PRICE INCLUDES FREIGHT, FIELD SERVICES INSTALLATION OF NEW PANEL AND SYSTEM TESTING BY ENERON/ALTORFER.

RECEIVED

TERMS: NET 10 DAYS
A SERVICE CHARGE OF 1 1/2% PER MONTH WHICH IS AN ANNUAL PERCENTAGE RATE OF 18% APPLICABLE TO ALL PAST DUE ACCOUNTS



Inquiries should be directed to: Altorfer Inc.
P.O. Box 1347
Cedar Rapids, IA 52406-1347
Ph 319-365-0551 Fax 319-365-5639

USD

PAY THIS AMOUNT	▶	37854.00
AMOUNT CREDITED	▶	

A SERVICE CHARGE OF 1 1/2% PER MONTH WHICH IS AN ANNUAL PERCENTAGE RATE OF 18% APPLICABLE TO ALL PAST DUE ACCOUNTS.



PLEASE REMIT TO: ALTORFER INC.
P.O. BOX 1347
CEDAR RAPIDS, IA 52406-1347

It is understood and agreed that title to and right of possession of above item(s) shall remain vested in the seller until any indebtedness and all sums due or to become due from the purchaser whether evidenced by note, book account, judgement or otherwise, shall have been fully paid at which time ownership shall pass to purchaser.

ORIGINAL INVOICE

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ELECTRIC COMMITTEE MEETING
Wednesday, January 9, 2008 at 5:30 p.m.

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, December 12, 2007 by Chairman Corby Valentine. Committee members present were Chairman Corby Valentine, Trustee Steve Smith, Trustee Tony Miller, Trustee Charlie Mattern, Mayor Ray Danford, Village Clerk Jerry Menard, Administrator Dennis Herzing, Public Works Director Ron Dintelmann, Assistant Public Works Director John Tolan and Office Manager Julie Polson. Guest present: Dave Stephens of BHM&G.

A. OLD BUSINESS:

1. Approval of December 12, 2007 minutes: *Trustee Tony Miller motioned to approve the minutes of December 12, 2007 and Trustee Corby Valentine seconded the motion. All voting aye, the motion carried.*

2. South Circuit Contract/Lugge easement: Ron spoke to Jim Lugge who said all is settled with the estate and everyone agrees with the easement. However, he requested the easement be placed on the east side of the strip of land. Ron contacted Gale Hake today to get the legal description revised.

3. Power Plant: Ron invited Dave Stephens to the meeting to explain why Altorfer is billing the Village of Freeburg \$39,854.00 to fix the load sharing problem between the north and south power plants. Dave stated BHM&G anticipated the load share lines would work with ISO and that didn't happen. ISO came up with a proposal to fix the problem and BHM&G decided to go with Altorfer. Dennis questioned if everyone understood that this is how we wanted the system to work from the very beginning. Dave Stephens said their specs did not include the current operation system at the plant and that their intent was to address that when a vendor was chosen. Dave further stated they assumed Altorfer would know the plants would share the load. It was agreed that Altorfer should have known about this as they had worked at the old plant. The trustees agreed that of the \$39,854 billed by Altorfer, we would be responsible to pay the material costs anyway. Ron advised the committee it is going to take approximately eight weeks to get the new panel system from Altorfer. The committee decided to fix the problem and Ron will talk to Altorfer to see if they will do the work and address the payment issue later.

Trustee Tony Miller motioned to recommend to the full Board to accept Altorfer's bid to install the new panel and system testing to fix the switchgear problem at the power plants in the amount of \$39,854.00 to include a one-year satisfactory performance clause and Trustee Steve Smith seconded the motion. All voting aye, the motion carried.

4. Switchover of Ameren to Freeburg power: Ron talked to Ameren who has requested a list of the costs for customers who are ready to switch over to our power. They want us to share

Electric Committee Meeting Minutes

Wednesday, January 9, 2008

Page 1 of 2



CEDAR RAPIDS ✕ DAVENPORT ✕ E. PEORIA ✕ HANNIBAL ✕ MOBERLY ✕ ROCK FALLS ✕ SPRINGFIELD ✕ URBANA

January 4, 2008

Mr. Ron Dintelmann
14 Southgate Center
Freeburg, IL 62243

RE: South Power Plant Switchgear modifications

Ron,

Altorfer Power Systems is pleased to provide this proposal for modification of the South Plant switchgear to allow system load sharing as described in the following attachments.

The following price includes freight, field services to install the new panel and system testing by Enercon and Altorfer upon installation.

Total quotation price..... \$39,854.00

Thank you for the opportunity to assist. Please let me know if you have any questions or need additional information.

Altorfer stands at the ready to serve your needs.

Sincerely,

Jay Bradford
Altorfer Power Systems
217-622-1389



No. 1 Altorfer Lane • East Peoria, IL 61611
Phone: 309-694-1418 • Fax: 309-694-3703
Email: DFisher@Enercon-Eng.com

December 20, 2007

City of Freeburg - PLC Loadsharing Interface

The City of Freeburg would like to be able to operate generator 8 and 9 at the South Plant in a load share with generators 10, 11, and 12 at the North plant when the city is islanded from the utility grid. Refer to figure 1 for the City of Freeburg system layout.

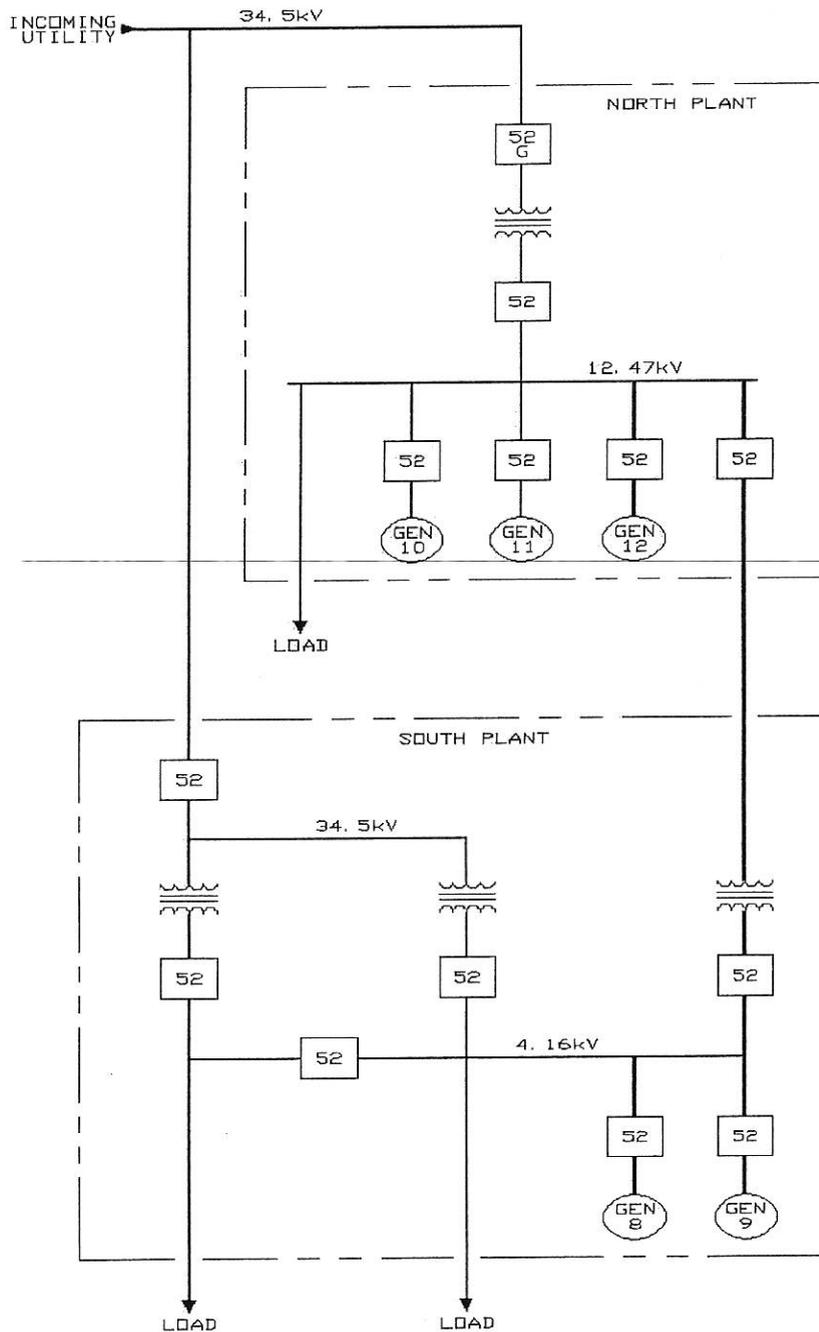




Figure 1

The existing generators at the north plant and the south plant presently do not have the load sharing lines connected together and due to the distance this doesn't seem to be a practical solution.

Enercon is proposing a PLC interface to be installed at the South plant. The PLC would communicate via Modbus to the city's existing SCADA PLC to provide breaker positions and kW level for all the generators. The PLC would determine when the South plant and North plant generators are paralleled and islanded from the utility by position of the circuit breakers in their system. The generators at the South plant would remain in base load mode and pf controller functions of the voltage regulators enabled. The PLC would generate a loading signal to generator load share modules at the South plant. This load level signal would be varied according to the kW out put of the generators at the North plant in order to keep the generator outputs the same which will cause the generators to load share.



Terms and Condition of Sale

1. **CONTRACT OF SALE:** Enercon Engineering, Inc. (hereinafter called "Seller") agrees to sell, and buyer agrees to purchase, the equipment described in this Proposal/ [Confirmation] [Invoice] pursuant to these terms and conditions, which shall constitute the entire contract of sale between buyer and seller. These terms and conditions supersede and take precedence over any and all terms, including, but not limited to, any contrary terms, in any documents (such as purchase orders) submitted by buyer to seller.
2. **ORDERS:** Orders are subject to acceptance at home office of Seller.
3. **PRICES:** Unless otherwise specified in writing, all prices are F.O.B. Seller's plant, and all quotations automatically expire sixty (60) calendar days from date of issue unless communicated differently by the Seller. The price of any equipment scheduled for shipment on a date beyond a period of six (6) months from date of Seller's order confirmation is subject to increase by Seller, unless otherwise agreed to in writing. All equipment will be suitably packed for domestic shipment, not suitable for long term storage, unless otherwise agreed to in writing.
4. **TERMS:** Payment in U.S. Dollars with normal payment terms are net cash thirty days from date of invoice. **Payment schedule:** 10% payment due with purchase order, 20% payment due after completion of approved drawings, 35% payment due on production release, 35% payment due upon completion of factory testing.
5. **SHIPPING DATE:** Seller shall not be responsible for any default or delay in shipping due to contingencies beyond its control, or the control of its suppliers, which prevents or interferes with Seller making delivery on the date specified, including but not limited to wars, or restraints affecting shipping, delivery of materials or credit as a result of strikes, lockouts, fires, floods, or any other contingency affecting the seller or its suppliers. The Seller shall have the right to cancel a contract of sale or to extend the shipping date in the event that any such contingencies prevent or delay shipments. Seller shall not be liable for any losses incurred by late delivery of equipment. Equipment held by Seller beyond scheduled delivery date for convenience of buyer will be invoiced on date of completion. Such equipment will be subject to charges for warehousing and other expenses incident to such delay.
6. **DELAYS:** In the event Buyer causes Seller to delay engineering, manufacturing, shipping, installation, or startup of equipment under this proposal, any additional costs incurred by the Seller shall be reimbursed by the Buyer. Seller shall not be responsible for delays in delivery caused by acts of God, government rulings, strikes, accidents, delays or default of Seller's suppliers, delays caused by acts of the Buyer, or other causes outside of Seller's reasonable control. Should the Buyer require the Seller to delay engineering, manufacturing, shipping, installation or startup by more than thirty (30) days, then Seller shall invoice the Buyer for a total of one hundred percent (100%) of the value of all work completed, and such invoice shall be due and payable net (15) fifteen days.
7. **ENERCON DESIGN:** The design information contained herein is propriety and the sole property of Enercon Engineering, Inc. The pricing and equipment selections in this proposal are based on the interpretation of the information supplied to Enercon Engineering, Inc. The proposal is complete as presented herein. Any changes deviations or additions to the bill of materials as listed will require an adjustment to the price, and may require additional engineering and may adversely effect the delivery date. All software programs for PLC or touch screen are the Seller's intellectual property. Should the project drawings or programs be amended by others without Enercon's consent during the warranty period, Enercon will not be responsible for any mis-operations or damage caused by unauthorized changes.
8. **CHANGES:** Should Seller make any changes at the request of the Buyer, or should changes in site conditions or installation requirements occur subsequent to this proposal, the parties shall re-negotiate the price and the time schedules quoted herein to reflect cost or schedule adjustments caused by said changes. Seller shall not be obligated to perform work on any changes without written agreement from the Buyer.
9. **CONFIDENTIALITY:** Buyer shall keep confidential all prices, drawings, and technical information disclosed by the Seller as part of, or in conjunction with, this proposal or any resulting contract, including, but not limited to, information relating to the design, installation, materials of construction, operation repair, maintenance, or otherwise of the equipment or component parts thereof or other related items. Buyer may disclose said drawings and documents only to its authorized employees or contractors who agree to the terms of this paragraph and who agree not to use said information except for the installation, operation, and maintenance of the equipment for the Buyer only. Buyer shall return to Enercon Engineering all drawings and information, including that given to others by Buyer when contract is completed. Buyer shall return to Enercon Engineering all drawings and information, including that given to others by Buyer, if the job is not awarded to Enercon Engineering. This paragraph does not limit Buyer's right to use this information if it is obtained from another source without restriction.
10. **INSTALLATION:** Enercon Engineering, Inc shall not be responsible for any field installation. If after commissioning field service is required, please use our quoted per week rate. Pricing is based on complete electrical and mechanical integration performed by Enercon Engineering, Inc.
11. **CANCELLATION:** Orders are not subject to cancellations or change in specifications, shipping schedules or other conditions originally agreed upon without Seller's written consent, and then only upon agreement to compensate Seller for expenses incurred by such cancellation or changes. Cancellation schedule shall be as follows: 10% - Order received and entered on factory, work not started, material not ordered. 30% - Drawings for approval submitted. 60% - Approved drawings returned. Job released for manufacture. 80% - Material accumulated and production started. 100%- Manufacturing completed.
12. **TAXES:** Any excise tax, sales tax, other taxes, or duty of any nature arising out of or assessed against equipment or orders shall be the sole and exclusive responsibility of buyer and shall be added to the prices quoted or invoiced and shall in all circumstances be paid by the buyer.
13. **INSURANCE AND RISK OF LOSS:** The equipment manufactured by Enercon shall at all times after delivery to buyer, buyer's agent or transportation company, whichever occurs first, be the sole responsibility of the buyer, and all loss or damage to said equipment or any part thereof shall be borne by the buyer (even if Seller has arranged for transportation), unless otherwise agreed in writing. Any equipment not manufactured by Enercon which is delivered by buyer or buyer's agent to Enercon shall be the sole and exclusive responsibility of buyer. Buyer must maintain insurance on any such equipment delivered to Seller.
14. **LIMITED WARRANTY:** Equipment manufactured by Enercon is warranted to be free from defects in material and workmanship under normal use, service, and indoor storage, for twelve (12) months after date of startup or eighteen (18) months after date of shipment from Seller's plant, whichever occurs first, subject to the following provisions. This warranty is limited to repair, replacement or issuing of credit, as Seller may elect, and at Seller's manufacturing plant, of such parts as shall appear to Seller, upon inspection, to have been defective in material or workmanship, but does not include any installation, labor or transportation costs. All warranty parts requests will require a Purchase Order. After evaluation, if deemed to be covered under warranty, the PO will not be charged. This warranty does not apply to normal maintenance or normal replacement of serviceable items. No warranty is made with respect to items manufactured by others. **Seller shall in no event be liable for any**



special or consequential damages. Misapplication or revisions of equipment, without written approval by Enercon, will void the limited warranty. Replacement parts shall be warranted for six (6) months from date of shipment, subject to the terms and conditions as stated above for manufactured equipment. When the equipment reaches its final destination, the buyer must promptly notify the carrier of any damage, should the case arise. Otherwise, the buyer shall have no recourse against Enercon. Enercon inspects parts returned for warranty claim for misapplication. Misuse of equipment will void this warranty. Enercon shall in no event be liable for any special or consequential charges for replacing or installation of warranty parts.

15. **LIMITATION OF REMEDIES AND DAMAGES:** The Limited Warranty set forth in Section 13 above is in lieu of any and all other express and/or implied warranties. All other warranties, both express and/or implied, including but not limited to implied warranties of performance, merchantability or fitness for a particular purpose are expressly disclaimed and denied. Except for the remedy set forth in section 13 above, Seller shall not be liable to buyer or any third party under this contract, or for anything in any manner relating to or arising out of the subject matter of this contract, for any loss of business or profits or for any general, direct, indirect, special, consequential, exemplary, punitive, incidental or other damages, loss or expenses, even if Seller has been advised of the possibility of such damages, loss or expense. Seller is not responsible for any consequence of the use or application of the products by the buyer. Buyer shall indemnify and hold Seller, and its officers, directors, employees and agents harmless against any and all losses, claims, damages, judgments, liabilities, costs and expenses (including attorneys' fees and expenses) arising out of or in any way related to the use of Seller's products by buyer and/or any third party.
16. **VENUE:** Any and all disputes, claims, or causes of action arising out of or in any way relating to any equipment manufactured by Enercon must be brought in the Circuit Court for the Tenth Judicial Circuit, Tazewell County, Illinois.
17. **FUEL SURCHARGE:** Due to unexpected fluctuations of fuel prices tied to ever changing world events and subsequent market speculation, a fuel surcharge may be applied to any Engine Load Testing. The surcharge will be adjusted weekly based on the U.S. National Average Fuel Index of the current Monday publication minus on-road taxes. The fuel index, published by the Energy Information Administration of the U.S. Department of Energy, is available by telephone at 202-586-6966 or on the department's internet site: <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>
18. **EXCEPTIONS:** Anything not specifically quoted above in lieu of any specification.

VILLAGE PRESIDENT
Ray Danford

VILLAGE CLERK
Jerry Menard

VILLAGE TRUSTEES
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Corby Valentine
Steve Smith
Tony Miller

VILLAGE OF FREEBURG

FREEBURG MUNICIPAL CENTER
14 SOUTHGATE CENTER, FREEBURG, IL 62243
PHONE: (618) 539-5545 • FAX: (618) 539-5590
Web Site: www.freeburg.com

VILLAGE ADMINISTRATOR
Dennis Herzing

VILLAGE TREASURER
Bryan A. Vogel

PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

15 May 2008

Jay Bradford
Altorfer Power Systems
4200 Rodger Street
Springfield, Illinois 62703

RE: Freeburg North Substation Plant
Generating Equipment
BHMG Spec. B1122

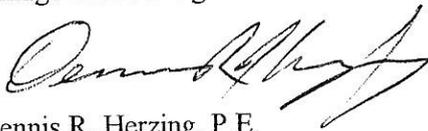
Dear Mr. Bradford:

As you should be aware, the Village of Freeburg has experienced considerable problems with the performance of the Generating equipment and controls supplied by Altorfer at our new plant. There have been problems with load sharing between the North and South plant when operating in island mode. Many attempts have been made to correct the problem with no success. In fact, the most recent attempt appeared to have made a step backward in that it created a new problem with units 8 and 9 operating on base load.

After patiently waiting for about a year for this situation to be resolved, the Electric Committee of the Village Board has instructed me to inform you and, by copy of this letter, BHM&G that a final solution to this situation must be in place within the next 30 days. If you are unwilling or unable to resolve the problem by that time, the Village intends to make every effort to find other vendors who can find a solution and to seek reimbursement for the associated costs from Altorfer.

We regret that this matter has been allowed to reach this point but we must take steps to get the problems resolved. If you have any questions, or if additional information is needed from this office, please feel free to contact me any time at 539-5705.

Sincerely,
Village of Freeburg



Dennis R. Herzing, P.E.
Village Administrator

cc: David Stephens, P.E., BHM&G
Mayor Danford
Public Works Director Dintelmann
Electric Committee
Village Attorney Wigginton

ALTORFER**ALTORFER INC.**

Construction : Power Systems : Ag Machinery : Lift Truck : Compact Construction : Packaging : Rental Services

TERMS:
RENTALS: PAYABLE IN ADVANCE
EQUIPMENT SALES: NET 10 DAYS**EQUIPMENT/RENTAL
INVOICE**SOLD TO VILLAGE OF FREEBURG
14 SOUTHGATE CTR
FREEBURG IL 62243-1541SHIP TO VILLAGE OF FREEBURG
14 SOUTHGATE CENTER
FREEBURG, IL 62243

INVOICE NUMBER	INVOICE DATE	CUSTOMER NUMBER	CUSTOMER ORDER NUMBER	STORE	DIV.	SALESMAN	TERMS	PAGE
E0815001	07-29-08	255690	011608	30	E	173	2	1
PSO/WO NUMBER	DOC. DATE	PC	LG	MC	SHIP VIA	INV. SEQ. NUMBER		
E08150	07-29-08		10	ENERCON		213281		
MAKE	MODEL	SERIAL NUMBER	EQUIPMENT NUMBER	METER READING	MACH. ID. NUMBER			
EN	ENERCON	0811012		.0	08-11012			
QUANTITY	ITEM	N/R	DESCRIPTION	UNIT PRICE	EXTENSION			

CUSTOMER CONTACT: RON DINTELMANN
TAX EXEMPTION LICENSE E9993 6100 04

EQUIPMENT SALE
 ENTEK BUCKETS MODEL ENERCON
 ENGINE ATTACHMENTS
 1.0 ID NO: 08-11012 SERIAL NO: 0811012 37854.00
 FOB: JOBSITE

INVOICE OF MODIFICATION OF THE SOUTH PLANT
SWITCHGEAR TO ALLOW SYSTEM LOAD SHARING. PRICE
INCLUDES FREIGHT, FIELD SERVICES INSTALLATION OF
NEW PANEL AND SYSTEM TESTING BY ENERON/ALTORFER.**RECEIVED**TERMS: NET 10 DAYS
A SERVICE CHARGE OF 1 1/2% PER MONTH WHICH IS AN
ANNUAL PERCENTAGE RATE OF 18% APPLICABLE TO ALL
PAST DUE ACCOUNTSInquiries should be directed to: Altorfer Inc.
P.O. Box 1347
Cedar Rapids, IA 52406-1347
Ph 319-365-0551 Fax 319-365-5639

USD

PAY THIS AMOUNT	37854.00
AMOUNT CREDITED	

A SERVICE CHARGE OF 1 1/2% PER MONTH WHICH IS AN ANNUAL
PERCENTAGE RATE OF 18% APPLICABLE TO ALL PAST DUE ACCOUNTS.PLEASE REMIT TO: **ALTORFER INC.**P.O. BOX 1347
CEDAR RAPIDS, IA 52406-1347

ORIGINAL INVOICE

It is understood and agreed that title to and right of possession of above
item(s) shall remain vested in the seller until any indebtedness and all
sums due or to become due from the purchaser whether evidenced by
note, book account, judgement or otherwise, shall have been fully paid
at which time ownership shall pass to purchaser.

VILLAGE PRESIDENT
Ray Danford

VILLAGE CLERK
Jerry Menard

VILLAGE TRUSTEES
Rita Baker
Charlie Mattern
Kevin Groth
Corby Valentine
Steve Smith
Tony Miller

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Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Stephen R. Wigginton

13 August 2008

Dave Stephens, P.E.
BHM&G Engineers, Inc.
630 Jeffco Blvd.
Arnold, MO 63010

RE: Power Plant Installation
Altorfer Invoice

Dear Mr. Stephens:

Please see the enclosed invoice from Altorfer for switchgear modifications to correct the load-sharing problem. As you will recall, the Electric Committee of the Village Board reluctantly authorized this expenditure at their January 9, 2008 meeting which you attended. In making that authorization, it was made very clear to you that they were doing so at BHM&G's recommendation as the best way to resolve a design problem that was preventing the two plants from correctly functioning together in the island mode. It was also made very clear that the village considered this situation to be a result of incorrect design assumptions on BHM&G's part and that the village should not be responsible for the entire cost.

We recognize that, had the original design included the necessary equipment to properly accomplish load-sharing, there may have been some additional costs included in the original bid amount. However, the cost associated with correcting the problem after the fact, as reflected on the enclosed invoice, is considerably more. Accordingly, we feel that the lion's share of the \$37,854 is for BHM&G's account. In fairness to Altorfer, the village is paying the enclosed invoice. We hereby request reimbursement from BHM&G in the amount of \$22,000.00.

If you disagree with this request, I suggest that you plan on attending the next meeting of the electric committee to get these issues resolved. If you have any questions, or if additional information is needed from this office, please feel free to contact me any time at 539-5705.

Sincerely,
Village of Freeburg

Dennis R. Herzing, P.E.
Village Administrator

cc: Mayor Danford
R. Dintelmann
Electric Committee

DRAFT

FREEBURG FIRE PROTECTION DISTRICT

P.O. BOX 34 / 410 WEST HIGH STREET
FREEBURG, ILLINOIS 62243
PHONE: 539-3288

1247

Fire Prevention Inspection Report

TYPE OF INSPECTION:

FIRE PREVENTION CONSTRUCTION PLAN _____ CONSTRUCTION PARTIAL _____
WATER LINE PLAN _____ WATER LINE CONSTRUCTION _____

NAME VILLAGE OF FREEBURG POWER PLANT PHONE 539-3112

ADDRESS 412 W. HIGH CITY FREEBURG STATE IL ZIP 62243

NOTIFY RON DINTLEMANN PHONE 530-0677

ADDRESS _____ CITY _____ STATE _____ ZIP _____

Findings: ① THE ILLUMINATED EXIT SIGNS NEED TO BE FULLY OPERATIONAL.

② THE EMERGENCY LIGHTING FIXTURES NEED TO BE FULLY OPERATIONAL.

③ ALL MEANS OF EGRESS MUST BE UNLOCKED AND OPENABLE AT ALL TIMES THAT THE BUILDING IS OCCUPIED.



This inspection was made for the purpose of determining whether or not any ordinances, statutes or laws were violated. This inspection should not be considered as a guarantee or warranty to any persons that the construction installed is according to ordinances and statutes and should not be relied upon as such by any owner or contractor.

[Signature]
SIGNATURE OF PERSON GRANTING PERMISSION TO INSPECT

DATE

[Signature] KENNY KRIEG
NAME OF INSPECTOR

07/01/08 (06/30/08)
DATE

FREEBURG FIRE PROTECTION DISTRICT

P.O. BOX 34 / 410 WEST HIGH STREET
FREEBURG, ILLINOIS 62243
PHONE: 539-3288

1254

Fire Prevention Inspection Report

TYPE OF INSPECTION:

FIRE PREVENTION CONSTRUCTION PLAN _____ CONSTRUCTION PARTIAL _____
WATER LINE PLAN _____ WATER LINE CONSTRUCTION _____

NAME VILLAGE OF FREEBURG POWER PLANT PHONE 539-3112

ADDRESS 7470 POWER PLANT LN. CITY FREEBURG STATE IL ZIP 62243

NOTIFY RON DINTLEMANN PHONE 530-0677

ADDRESS _____ CITY _____ STATE _____ ZIP _____

Findings: ① THE EXIT LIGHT ABOVE THE EXIT DOOR LEADING FROM THE SUPERVISOR'S OFFICE TO THE EXTERIOR NEEDS TO BE FULLY OPERATIONAL.

FPP 13

This inspection was made for the purpose of determining whether or not any ordinances, statutes or laws were violated. This inspection should not be considered as a guarantee or warranty to any persons that the construction installed is according to ordinances and statutes and should not be relied upon as such by any owner or contractor.

[Signature]
SIGNATURE OF PERSON GRANTING PERMISSION TO INSPECT

DATE

[Signature] KENNY KRIE
NAME OF INSPECTOR

07/01/08 (06/30/08)
DATE

FREEBURG FIRE PROTECTION DISTRICT

PO BOX 34 / 410 WEST HIGH STREET

FREEBURG, ILLINOIS 62243

OFFICE: (618) 539-3288 FAX: (618) 539-5758

0036

Fire Prevention Inspection Report

TYPE OF INSPECTION

Fire Prevention Sprinkler System _____ Construction Partial _____

NAME VILLAGE OF FREEBURG MUNICIPAL CENTER PHONE 539-5345

ADDRESS 14 SOUTHGATE CENTER CITY FREEBURG STATE IL ZIP 62243

VIOLATIONS / FINDINGS NOTED:

- Obstructions need to be removed from the egress ways.
- The exit doors must be openable without special knowledge or effort.
- The emergency lighting needs to be fully operational.
- All means of egress shall be equipped with illuminated "EXIT" signs.
- The "EXIT" signs shall remain illuminated and visible at all times.
- Stored items need to be kept at least 30 inches from the electric panel.
- The non-fused multi-plug adapter(s) need to be removed.
- The extension cord(s) need to be replaced with permanent wiring.
- The extension cord(s) need to be shielded from physical damage.
- Alterations to the circuit breaker panel need to be eliminated.
- Cover(s) need to be placed on open electrical junction boxes.
- Open wiring splices need to be contained in electrical junction boxes.
- Opening(s) in the fire wall(s) need to be closed.
- The fire door(s) need to be repaired.
- Obstructions to the fire door(s) need to be removed.
- The automatic closing fire door(s) need to be tested. Records of the test shall be kept readily available on the premises.
- The automatic fire alarm system needs to remain operative at all times.

- The automatic fire suppression system needs to remain operative at all times.
- The fire protection system needs to remain fully operational at all times.
- The fire protection system(s) need to be tested. Written records of the test need to be maintained on the premises.
- The dry chemical extinguishing system needs to be tested.
- A fire extinguisher of a bare minimum 2A:20BC rating 5 pounds is recommended for the building. A larger unit is favorable. The unit shall be wall-mounted in a central location.
- The fire extinguisher(s) need to be kept readily available & free of obstructions. Maintain a maximum travel distance of 75 ft from any point in the building to an extinguisher.
- The fire extinguisher(s) need to be maintained and tagged annually. A company licensed by the State of IL shall perform the service.
- Combustible decorative materials need to be removed.
- Combustible materials stored within 24 inches of the furnace &/or hot water heater need to be removed.
- Housekeeping needs to be improved.
- The building address shall be displayed on the front of the building utilizing a minimum of 4 inch letters.
- Installation of a Knox Box rapid entry system is required.
- Correct keys for the building need to be placed in the Knox Box.
- The flammable liquids need to be stored in a UL approved flammable liquid storage cabinet.
- The flammable liquids dispensed inside the building shall be stored in safety cans.
- The exhaust hood needs cleaning.
- SEE ADDITIONAL FINDINGS LISTED ON THE ATTACHED FORM.

Mui Polson Signature of Person Granting Permission to Inspect

6/30/08 Date

K. Kie Name of Inspector

6/30/08 Date

This inspection was made for the purpose of determining whether or not any ordinances, statutes, or laws were violated. This inspection should not be considered as a guarantee or warranty to any persons that the construction installed is according to any ordinances and statutes and should not be relied upon as such by any owner or contractor.