AGREEMENT FOR PROFESSIONAL SERVICES BY AND BETWEEN

NORTHERN ENERGETICS LLC. AND CITY OF DULUTH

THIS AGREEMENT, effective as of the date of attestation by the City Clerk (the "Effective Date"), by and between the City of Duluth, hereinafter referred to as City, and Northern Energetics LLC located at 520 Rose St, Duluth, MN 55803-2144, hereinafter referred to as Consultant for the purpose of rendering services to the City.

WHEREAS, the City has requested consulting services for residential energy audits and energy conservation consulting services, (the "Project"); and

WHEREAS, Consultant has represented itself as qualified and willing to perform the services required by the City; and

WHEREAS, Consultant submitted a proposal to provide services for the Project (the "Proposal"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the City desires to utilize Consultant's professional services for the Project;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

I. <u>Services</u>

Consultant will provide services related to the Project as described in Consultant's Proposal (the "Services"). Consultant agrees that it will provide its services at the direction of the Director of Public Works & Utilities ("Director"). In the event of a conflict between the Proposal and this Agreement, the terms and conditions of this Agreement shall be deemed controlling.

II. <u>Fees</u>

It is agreed between the parties that Consultant's maximum fee for the Project and Services shall not exceed the sum of Three Hundred Forty-Nine Thousand Twenty and no/100th dollars (\$349,020.00) inclusive of all travel and other expenses associated with the Project, payable as follows: \$65,520.00 from fund 520-500-1940-2440-5487 and \$283,500.00 from fund 555-500-5441; Resolution No. 20-0045R passed on January 27, 2020. All invoices for services rendered shall be submitted monthly to the attention of the Director. Payment of expenses is subject to the City's receipt of reasonable substantiation/back-up supporting such expenses.

III. General Terms and Conditions

1. <u>Amendments</u>

Any alterations, variations, modifications or waivers of terms of this Agreement shall be binding upon the City and Consultant only upon being reduced to writing and signed by a duly authorized representative of each party.

2. Assignment

Consultant represents that it will utilize only its own personnel in the performance of the services set forth herein; and further agrees that it will neither assign, transfer or subcontract any rights or obligations under this Agreement without prior written consent of the City. The Primary Consultant(s) assigned to this project will be David E. Lake (the "Primary Consultant"). The Primary Consultant shall be responsible for the delivery of professional services required by this Agreement and, except as expressly agreed in writing by the City in its sole discretion, the City is not obligated to accept the services of any other employee or agent of Consultant in substitution of the Primary Consultant. The foregoing sentence shall not preclude other employees of Consultant from providing support to the Primary Consultant in connection with Consultant's obligations hereunder.

- 3. Data and Confidentiality, Records and Inspection
 - a. The City agrees that it will make available all pertinent information, data and records under its control for Consultant to use in the performance of this Agreement, or assist Consultant wherever possible to obtain such records, data and information.
 - b. All reports, data, information, documentation and material given to or prepared by Consultant pursuant to this Agreement will be confidential and will not be released by Consultant without prior authorization from the City.
 - c. Consultant agrees that all work created by Consultant for the City is a "work made for hire" and that the City shall own all right, title, and interest in and to the work, including the entire copyright in the work ("City Property"). Consultant further agrees that to the extent the work is not a "work made for hire" Consultant will assign to City ownership of all right, title and interest in and to the work, including ownership of the entire copyright in the work. Consultant agrees to execute, at no cost to City, all documents necessary for City to perfect its ownership of the entire copyright in the work. Consultant will be original and will not infringe upon the rights of any third party, and Consultant further represents that the work will not have been previously assigned, licensed

or otherwise encumbered.

- d. Records shall be maintained by Consultant in accordance with requirements prescribed by the City and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
- e. Consultant will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
- f. Consultant shall be responsible for furnishing to the City records, data and information as the City may require pertaining to matters covered by this Agreement.
- g. Consultant shall ensure that at any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination, all of its records with respect to all matters covered by this Agreement Consultant will also permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

4. <u>Consultant Representation and Warranties</u>

Consultant represents and warrants that:

- a. Consultant and all personnel to be provided by it hereunder has sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.
- b. Consultant and all personnel provided by it hereunder shall perform their respective duties in a professional and diligent manner in the best interests of the City and in accordance with the then current generally accepted standards of the profession for the provisions of services of this type.
- c. Consultant has complied or will comply with all legal requirements applicable to it with respect to this Agreement. Consultant will observe all applicable laws, regulations, ordinances and orders of the United States, State of Minnesota and agencies and political subdivisions thereof.
- d. The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not and will not conflict with, or constitute

a breach of or a default under, any agreement to which the Consultant is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Consultant contrary to the terms of any instrument or agreement.

- e. There is no litigation pending or to the best of the Consultant's knowledge threatened against the Consultant affecting its ability to carry out the terms of this Agreement or to carry out the terms and conditions of any other matter materially affecting the ability of the Consultant to perform its obligations hereunder.
- f. The Consultant will not, without the prior written consent of the City, enter into any agreement or other commitment the performance of which would constitute a breach of any of the terms, conditions, provisions, representations, warranties and/or covenants contained in this Agreement.
- 5. <u>Agreement Period</u>

The term of this Agreement shall commence on the Effective Date and performance shall be completed by December 31, 2022, unless terminated earlier as provided for herein.

Either party may, by giving written notice, specifying the effective date thereof, terminate this Agreement in whole or in part without cause. In the event of termination, all property and finished or unfinished documents and other writings prepared by Consultant under this Agreement shall become the property of the City and Consultant shall promptly deliver the same to the City. Consultant shall be entitled to compensation for services properly performed by it to the date of termination of this Agreement. In the event of termination due to breach by Consultant, the City shall retain all other remedies available to it, and the City shall be relieved from payment of any fees in respect of the services of Consultant which gave rise to such breach.

- 6. <u>Independent Contractor</u>
 - a. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting Consultant as an agent, representative or employee of the City for any purpose or in any manner whatsoever. The parties do not intend to create any third party beneficiary of this Agreement. Consultant and its employees shall not be considered employees of the City, and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of Consultant's

employees while so engaged, and any and all claims whatsoever on behalf of Consultant's employees arising out of employment shall in no way be the responsibility of City. Except for compensation provided in Section II of this Agreement, Consultant's employees shall not be entitled to any compensation or rights or benefits of any kind whatsoever from City, including without limitation, tenure rights, medical and hospital care, sick and vacation leave, Worker's Compensation, Unemployment Insurance, disability or severance pay and P.E.R.A. Further, City shall in no way be responsible to defend, indemnify or save harmless Consultant from liability or judgments arising out of intentional or negligent acts or omissions of Consultant or its employees while performing the work specified by this Agreement.

- b. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.
- c. Consultant expressly waives any right to claim any immunity provided for in Minnesota Statutes Chapter 466 or pursuant to the official immunity doctrine.
- 7. <u>Indemnity</u>

To the extent allowed by law, Consultant shall defend, indemnify and hold City and its employees, officers, and agents harmless from and against any and all cost or expenses, claims or liabilities, including but not limited to, reasonable attorneys' fees and expenses in connection with any claims resulting from the Consultant's a) breach of this agreement or b) its negligence or misconduct or that of its agents or contractors in performing the Services hereunder or c) any claims arising in connection with Consultant's employees or contractors, or d) the use of any materials supplied by the Consultant to the City unless such material was modified by City and such modification is the cause of such claim. This Section shall survive the termination of this Agreement for any reason.

8. <u>Insurance</u>

Consultant shall obtain and maintain for the Term of this Agreement the following minimum amounts of insurance from insurance companies authorized to do business in the State of Minnesota.

a. Public Liability and Automobile Liability Insurance with limits not less than \$1,500,000 Single Limit, shall be in a company approved by the city of Duluth; and shall provide for the following: Liability for Premises, Operations, Completed Operations, and Contractual Liability. City of Duluth shall be named as Additional Insured by endorsement under the Public Liability and

Automobile Liability, or as an alternate, Consultant may provide Owners-Contractors Protective policy, naming himself and City of Duluth. **Upon execution of this Agreement**, Consultant shall provide Certificate of Insurance evidencing such coverage with 30-days' notice of cancellation, non-renewal or material change provisions included.

- b. Professional Liability Insurance in an amount not less than \$1,500,000 Single Limit; provided further that in the event the professional malpractice insurance is in the form of "claims made," insurance, 60 days' notice prior to any cancellation or modification shall be required; and in such event, Consultant agrees to provide the City with either evidence of new insurance coverage conforming to the provisions of this paragraph which will provide unbroken protection to the City, or, in the alternative, to purchase at its cost, extended coverage under the old policy for the period the state of repose runs; the protection to be provided by said "claims made" insurance shall remain in place until the running of the statute of repose for claims related to this Agreement.
- c. Consultant shall also provide evidence of Statutory Minnesota Workers' Compensation Insurance.
- d. A certificate showing continued maintenance of such insurance shall be on file with the City during the term of this Agreement.
- e. The City of Duluth does not represent or guarantee that these types or limits of coverage are adequate to protect the Consultant's interests and liabilities.
- 9. <u>Notices</u>

Unless otherwise expressly provided herein, any notice or other communication required or given shall be in writing and shall be effective for any purpose if served, with delivery or postage costs prepaid, by nationally recognized commercial overnight delivery service or by registered or certified mail, return receipt requested, to the following addresses:

City:

City of Duluth 411 W First Street City Hall Room 211B Duluth MN 55802 Attn: Jim Benning, Director Consultant: Northern Energetics, LLC. 520 Rose Street Duluth, MN 55803 Attn: David E. Lake

10. <u>Civil Rights Assurances</u>

Consultant, as part of the consideration under this Agreement, does hereby covenant and agree that:

- a. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to public assistance, sexual orientation, and/or disability shall be excluded from any participation in, denied any benefits of, or otherwise subjected to discrimination with regard to the work to be done pursuant to this Agreement.
- b. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code, and any regulations and executive orders which may be affected with regard thereto.

11. Laws, Rules and Regulations

Consultant agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and the City with respect to their respective agencies which are applicable to its activities under this Agreement.

12. <u>Applicable Law</u>

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

13. Force Majeure

Neither party shall be liable for any failure of or delay in performance of its obligations under his Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a party is obtaining or must obtain approvals, franchises or permits, or inability to obtain labor, materials, equipment, or transportation. Any such delays shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which

the party's obligations hereunder are due to be fulfilled shall be extended for a period equal to the time lost as a result of such delays.

14. <u>Severability</u>

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.

15. Entire Agreement

It is understood and agreed that the entire agreement of the parties including all exhibits is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

16. <u>Counterparts</u>

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature. IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation shown below.

CITY OF DULUTH	Northern Energetics, LLC.	
By:	By:	
Mayor	Company Representative	
Attest:	Its:	
City Clerk	Title of Representative	
Date Attested:	Date:	
Countersigned:		
City Auditor		
Approved as to form:		
City Attorney		

EXHIBIT A

APPENDIX A - PROPOSAL COVER SHEET CITY OF DULUTH RFP# 20-02AA

Proposer Information:		
Proposer Name	David E. Lake (of Northern Energetics, LLC)	
Mailing Address	520 Rose St., Duluth, MN 55803-2144	
Website	Comfort Systems & MN Power list program access	
Contact Person	David E. Lake	
Contact Person's Phone Number	218-349-0044 (mobile) & 218-525-3078 [office]	
Contact Person's Fax Number	218-525-3078	
Contact Person's E-Mail Address	northern energetics @outlook.com	
Federal ID Number	27-3300954	
Authorized Signature	David E. Laka	
Title	CEO	

Northern Energetics, LLC 520 Rose Street Duluth, MN 55803

EXECUTIVE SUMMARY: RFP # 20-02AA Energy Assessments & Conservation Services in 2020

DATE: December 23, 2019

TO: City of Duluth, Purchasing Division Staff

FROM: David E. Lake, CEM. Certified Energy Manager- *Assoc of Energy Engineers*; MN Commercial Energy Auditor; Residential Energy Auditor- *Minnesota (x2) & Michigan*; Building Analyst Professional- *BPI*; BS: Environmental Technology (Renewable Energy)-*Jordan College Energy Institute*

Thank you for the opportunity to present this proposal to conduct energy consulting services for the City of Duluth Comfort Systems for 2020. As an energy service company, Northern Energetics, LLC brings an unequaled level of experience and expertise to the City.

We have extensive prior commercial, multifamily and residential energy consulting, blower door/ infrared thermography testing & hands-on building air sealing experience with twelve utilities/ municipalities in five Midwestern states. We are proud of the excellent reputation that we have earned over the last 26 years, since we returned to native Minnesota and resumed working with the residents of Duluth...

Services Rendered: Northern Energetics, LLC will provide the following services:

<u>Thermal Integrity Audit</u>: Will be performed for Duluth Comfort Systems customers, in concert with the electrical portion of the basic energy analysis supplied by MN Power. The thermal integrity audit includes:

- 1] A) <u>Schedule appointments</u> for all customers. Includes re-scheduling when they change plans- or fail to be present at scheduled appointment times, etc.
- 2] B) <u>Take calls</u> from customers as needed. My mobile phone & Office phone are synched to fully facilitate this. Includes answering customers' questions, etc.
- 3] C) Obtain customer gas & water, electric, fuel oil, propane, & wood use histories from energy suppliers & customers in advance to visit with customer. These are studied, highlighted & left with customers on site.
- 4] D) <u>Conduct a walk- through energy inspection</u>, noting opportunities for customers to reduce energy (heat & domestic hot water) and water use and costs.

E) Analyze energy use patterns of customer, estimate energy that major appliances consume. Break down energy consumption by major uses (gas heat; electric heat; hot water; summer A/C & dehumidifiers, etc.)F) Review opportunities to reduce utility bills and carbon footprint (energy use) with customers.

G) Perform payback analysis on recommended conservation or efficiency measures that cost over \$100.H) Advise customers about the benefits of improving energy efficiency of appliances (and switching appliances to natural gas when appropriate).

- I) Identify hazardous situations and unsafe appliance operations. We find some every year (incl 2019).
- 5] J) Email (or mail) typed summary of assessment and analysis findings to customers w/in 10 days. K) CC copies of customers assessments to Duluth Comfort Systems.
 - L) Distribute literature about Comfort Systems' programs, and answer customer questions about them.
 - M) Our consultants will comply with all safety and work rules & regs.
- 6] N) Meet with Comfort Systems representatives in person, as needed throughout the year. This will include discussions of electronic upgrades for making the process better, smarter, faster.
 - O) Perform occasional audit revisions, if pre-approved by Comfort Systems.

7] <u>Efficiency Materials Installation</u>:

(All water items will be EPA "WaterSense" rated) A variety of items will be installed, as applicable- after flow rates of existing equipment are reviewed. (Please see Appendix D for details).

8] <u>Homeowner Safety</u>:

We identify and alert customers about unsafe conditions if we discover them in their homes. Generally we find up to a dozen potentially dangerous problems per year. These are the best of all to find early!

- Proof of commercial liability insurance coverage to the amount specified by the Duluth Comfort Systems will continue to be provided by Northern Energetics, LLC prior to performing any site work, as we have been.
- Funding by the City of Duluth Comfort Systems for the Thermal Integrity Audit will be furnished only for existing or potential gas customers.

APPENDIX B

Organization, Ownership and Key Employees: 2020

- 1) Northern Energetics, LLC was founded in the Fall of 1993, (local business based in Duluth MN).
- 2) We have done work for Minnesota Power from Hinckley to International Falls, including Duluth, the Iron Range, Ely, Silver Bay, etc. Comfort Systems (CS) in Duluth is a primary customer. We also do some work in NW Wisconsin.
- 3) Our LLC is owned by myself (David Lake) & my wife, Pamela Lake.
- 4) David Lake is the primary manager.
- 5) <u>CEO & Energy Consultant</u>: <u>David Lake</u>. 26 years' experience leading our own highly regarded, Duluth-based energy service company. Prior to that, I worked for two energy service companies: one residential- (Volt Energy Services) & one commercial- (Quantum Energy Resources) in Michigan for 6 years. I also completed three separate energy **internships**: A] Residential energy auditing- in Duluth: Energy Resource Center (where I first met local energy expert Dean Talbott); B] Commercial energy auditing- Michigan: Quantum Energy; C] Residential wind energy- Door County, Wisconsin: Lake Michigan Wind & Sun company.

<u>CFO</u>: <u>Pamela Lake, RN</u>. (BSN: College of St. Scholastica). She primarily oversees our financial affairs, and has done so well since our inception. This also includes meetings with both our CPA & Attorney as necessary.

<u>Energy Consultant & Program Development Consultant:</u> <u>Dean Talbott</u>, a well-known energy efficiency pro with over 30 years' experience. He took early retirement, and will be available to work as needed, such as Fall & Spring peak times. (see resume in Appendix C).

<u>Office Assistant</u>: <u>Daniel Lake</u>. A current college student, he is a 4-year veteran of the world class Duluth East high school Daredevils robotics team. Dan performs a wide variety of our office admin tasks, including IT, scheduling appts, procuring customers' utility data in advance, etc.

6) I (David) am a solar pioneer who has driven a 100% solar powered race car that I helped design and build ("SunSeeker") around the Indy 500 racetrack, (General Motors national 11- day solar car rally "Sunrayce" from Orlando, Florida to Detroit, Michigan) years before renewable energy became mainstream. In another project, I added flexible solar electric PV panels and controls to a different, stock 2 seat electric car- to allow partial non-grid recharging & range extension. I am also a former UMD anthropology major, and a curious person who loves to occasionally hear customers' stories, especially senior citizens.

Company Organization and Service: 2020

- 1) Please see #5 in paragraph above.
- 2) We currently have 4 people on staff.
- 3) Clients often hear about the programs from various Utility company (Minnesota Power and/ or Comfort Systems) advertising: website ads, bill stuffer ads, etc. Also, from referrals by program participants. We often get the lead from MN Power by email. We then schedule their appointment and request gas/ water consumption data from Comfort Systems. If any senior citizens or others don't have computer access, we use other avenues to still make it work.
- 4) We have primarily specialized in performing residential & multifamily energy assessments since we returned to Minnesota in 1993. I also exclusively conducted commercial and light industrial assessments with Quantum Energy Resources for several years in Michigan & the greater Chicago area. Our other auditor, Deal Talbott- also has auditing experience & certifications in multifamily &commercial buildings.

Northern Energetics provides residential consulting services, blower door/ infrared diagnostic testing, and occasional design consulting. Dave has personally air sealed (weatherized) a few dozen buildings, which has been surprisingly helpful in better understanding what actually takes place by implementing certain measures. Dean used to do air sealing & insulating work hands-on for a weatherization agency. We also address high electric bill complaints for MN Power, and have a long (and continually growing) list of things learned and efficiency strategies to implement. We have addressed <u>thousands</u> of high bill complaints for both MN Power & Comfort Systems and are thoroughly familiar with both of their systems details and billing structures. For decades, customers have and do frequently thank me for helping them save money, energy and to better understand their utility billing breakdowns, etc.

- Since our first year, we always have used the services of both a CPA (Sue Cutshall, CPA) & an attorney (Robert Kanuit, Atty).
- 5) We schedule customers' appointments in a first come- first served basis. We generally prioritize CS loan applicants to foster their quickest turnaround time. Both current versions of the service (Basic or Home Performance audit) are discussed and offered, after we inquire and learn more about their issues and concerns. The Advanced audit is generally suggested for older homes with ice dams, significant frost in attics, exceedingly high heat bills, etc. We confirm the appointments the night before by text or phone, which people appreciate. I honor the neutral format of the utility-based assessment by avoiding recommending particular brand names and particular contractors, for example. I have compiled over a half dozen neutral, but very relevant links to usable resources for customers, which I then send back with their reports by email. Examples: links to the CS Home Energy Loan, & to MN Power's furnace ECM motor rebate, etc. I also have developed numerous neutral, relevant info pages that address specific customer concerns, and attach them back to customers.

- 6) <u>David Lake</u>, senior auditor with (32 years' experience) in energy auditing. (See appendix C). I have 9 qualifications from the list, incl 3 of top four, if all are renewed this year. <u>Dean Talbott</u> is with us as an extremely well qualified consultant. Dean has 7 qualifications from list) with (30 years' experience) to perform residential assessments as needed. Dean was the prior MN Power conservation program coordinator. We also can subcontract some of the rural MN Power assessment requests to flatten a high demand phase such as in the Fall with another very well credentialed, vetted energy service contractor, <u>Larry Johnson</u>, of LZ Weatherization (over 25 years' experience). He has already been program approved by MN Power.
- 7) I have used a variety of proprietary, laptop-based energy audit formats in the past- both residential & commercial. We look forward to actively working with both CS & MP to move into pad based, digital data collection & report creation, etc. We offer to meet more with Utility reps to further develop this effort.
- 8) We have already installed thousands of both gas and electric saving materials for over 25 years. Both Dean & I have conducted hundreds of blower door tests. In addition, we have both performed hands-on, blower door guided air sealing/ weatherization work dozens to hundreds of times. I have experimented with different showerhead, faucet aerator models, etc and definitely have opinions based on actual field trials. We also keep an eye on the evolution of new conservation materials products.
- 9) Upcoming in 2020 will be my 26th consecutive <u>Duluth Energy Design Conference</u>! We have attended national Affordable Comfort & EEBA (Energy & Environmental Building Alliance) national <u>conferences</u>. We also use <u>BPI info & Training</u>, MN Home Performance Assoc, Energy Conservatory <u>webinars</u>, and AEE (Assoc of Energy Engineers). I subscribe to Home Energy <u>magazine</u> (soon to be Building Performance Assoc journal), and <u>purchase materials</u> from Saturn Resource Mgmt & EEBA. Three national non-profits (ex: Rocky Mtn Institute) and some government <u>websites</u> put out valuable info on appliance efficiency, so I use them. I also <u>have created educational folders</u> of additional ideas that I email as pdf files to customers with their reports, as applicable. I also have a <u>master collection</u> with years' worth of other info and concepts that are an extension of what the Utilities provide- I show customers a variety of "situation specific" (custom) items, as applicable.

I also have been to & keep visiting many green, sustainability demonstration sites: **Colorado**: Rocky Mtn Institute & Windstar Foundation. **California**: HSU's College Center for Appropriate Technology. Sunfrost Corp (world's most efficient refrig mfgr). Ecology Center. Urban Creeks Council. Real Goods Trading Co learning center. Long Now Foundation. Bioneers national conference, 2019. **Kansas**: Land Institute (perennial polyculture farming). **Wisconsin**: Growing Power (urban agriculture/ renewable energy). **Michigan**: Urban Options demo house. **Minnesota**: Millennium Star, Duluth demo house (I worked as tour guide). Food Farm. Tiny Diner/ pollinator habitat demonstration site.

I, David Lake am an efficiency/ renewable/ sustainable/ permaculture/ biomimicry/ regenerative geek & teacher because our planet's health and future generations require and deserve it. I am from a family of innovators and engineers, but also am very interested in ecology and sustainability. That's my blend. I enjoy customer service- (showing people how to make their own lives work better).

10) We have all developed excellent people skills, including respectfully interacting with *initially* hostile customers about high bill complaints, etc.All field staff meet with customers and with Utility reps over the year, such as MN Power's auditors' meetings. Dean brings a huge amount of relevant experience, and we are both life-long

learners. 11) The field auditors review the preliminary findings with customers when on site, at the end of visit. We email the completed reports as pdf files back to customers. (or mailed via postal service if

- We email the completed reports as pdf files back to customers, (or mailed via postal service if needed) within a week of site visit.
- 12) I use percentage parameters that, if exceeded, flag a possible calculation error. If not caught, these could convey unrealistic savings from different efficiency measures. We are all detail oriented by personality (engineer types), so our work is carefully done by default. Using MN Power's new online audit tracking system includes a review with every HEA performed. We also all review the big picture of options every time- before sending a report to a customer.
- 13) Over the years, we have hired from outside our organization. I have deep respect for veterans, and would certainly consider hiring new help who are women, minorities or vets. For example, we hired a woman as Office Assistant for years who was from a LGBTQ background.
- 14) David Lake, Pamela Lake & Daniel Lake.
- 15) No. We may use our sub for MN Power assessments only- in areas beyond the city of Duluth, (as formerly described).
- 16) Please ask Courtney Kile at Comfort Systems (218-730-4025, <u>ckile@DuluthMN.gov</u>) about customer feedback of our very consistent, proven and reliable services. She takes the Home Energy Loan program for customers after we do our part.

We also will continue to perform assessments as needed on weekends and eveningswhich customers appreciate.

Finally, in a Duluth-sized city, the program varies significantly monthly, with Fall & Spring peaks (may be > full time), and low times in summer (< full time). I match these differences with my own schedule. My wife is a Registered Nurse, so we have that consistent income as a foundation. As a result, we are an ideal match for the program's significant ebbs and flows, as we have learned how to absorb these variances...

Account Gain and Loss History: 2020

- 1) Two Utility programs & some independent work.
- 2) We have stayed the same.
- 3) We have stayed the same.
- 4) Not applicable
- 5) Yes, for Minnesota Power. It is through the shared, cooperative residential program already discussed, so there is no problem. There are no restrictions, and assessment reports are already sent back to both Comfort Systems & MN Power.
- 6) Not applicable.

Organization Financial Standing and Policies: 2020

- 1) Our accountant (Sue Schober Cutshall, CPA) addresses our Balance Sheet for us. Our balance sheet is characterized as being very strong, both currently and historically.
- 2) We primarily charge utility company clients in a piece rate fashion, with terms mutually agreed upon. MN Power generally initiates the rates, while we negotiate with Duluth Comfort Systems (such as in this proposal). No hourly rate has been part of our financial arrangement with Comfort Systems. No fees/commissions have been part of this agreement historically. We pay employees well, as they are highly credentialled and deserve it.
- 3) Please see <u>Appendix D: Cost Sheet</u> regarding all rates & fees. There are no commissions built into this agreement.
- 4) We took over the Duluth residential program after a local nonprofit organization closed down in Fall, 1993. The Energy Resource Center had monthly rent and 40 hour per week Office staff expenses which became too burdensome. Our model is instead the time honored, more fiscally efficient approach used by tradespeople worldwide. Since we *visit the customers*, no storefront is needed, thus we use a home office and more strategic, evidence-based office hours. We are not dependent upon grant funding renewals to keep things going, so are immune to the risk of closing if grants do not come through in the future.

Organization Views about Effective Residential Conservation and Efficiency Programs: 2020

- Effective programs meet the Utilities' state mandated criteria, including customer rebate participation- in a professional, timely, continually improving manner. For customers, good programs exceed customers' expectations, empower and educate them to save money, secure rebates, secure financing options, improve comfort. Good programs help customers They help customers get solar ready (both Dean I have done formal solar site surveys), and reduce their carbon footprints.
- 2) We pay attention, and continually keep learning from many sources, including from customers (especially retired engineers) and landlords. We also believe in the important value of these resource management efforts. Daily climate news validates this view.
- 3) I have mentioned prior the numerical quality assurance procedure that I utilize. When we use employees, I always double check their work, prior to turning it back to customers and to the respective utilities. Helpful, logical order of some operations is built in to our efforts.
- 4) We already deliver verifiable, proven results. I always consider and change my own approaches to different customer personality types, etc. I also always ask up front: "Do you have any time constraints?". We also tell people <u>before</u> the visits- how much time to keep open. Confirmation text messages or phone calls the day before a visit are always used to optimize efficacy and prevent "no-shows". Things are also always changing, especially technologies. We keep recommendations in synch with changing new developments.

Organization Experience: 2020

- We are extremely well versed and experienced. I know of no one else north of Minneapolis with more experience (nearly 30 years full time energy auditing) and background than myself. Dean Talbott is similar. We have already professionally and dependably delivered this residential program for years.
- 2) We have done this robustly for two utilities in a combined program for 26 years, through delivery of this very program. Many of my suggestions and input are already built into the current format. Examples: Shower head & bath aerator flow rates used (based on installation & observation: city water versus well water pressures, etc). Also, I wrote many of the hints listed on the sample "Mechanical Maintenance" page contained in this RFP.
- 3) Over twenty-six years' worth of experience, refining these processes.
- I went through a 2 year non energy leadership training program which included many good management concepts. Example: Using SWOT analyses (Strengths, Weaknesses, Opportunities, Threats) to organizational circumstances.
- 5) We are quite time tested and proven. If better for customers, we can also call customers back in the evening, etc. We do our own research regarding best times to get a hold of customers, and use this knowledge to increase efficiency. We are happy to conduct some evening Office work, such as <u>making evening calls when customers are actually back at home.</u> Similarly, for decades we have done and <u>will keep doing evening and weekend assessment site visits</u>- since that is what some customers need.
- 6) I am a Duluth native, (4th gen in Minnesota) but have also traveled in 13 foreign countries, including Central America, N. Africa & Asia. I have learned how to relate respectfully to people from a wide range of personality, socio-economic, political and education levels (both formal & informal), since I value people highly, and they interest me. I am very into energy design tech details. We have roots that go back to European homesteaders who settled in Sturgeon Lake, MN. This is home, we live here by choice, and plan to stay in this exceptional area.

I do this type of work intentionally, as a values-based choice. Customers often remark to me that "It looks like you like this job, and are very good at it". They are right.

• Thank you to the City reviewers of this proposal. We appreciate your time.



The Association of Energy Engineers certifies that

David E. Lake

has completed the prescribed standards for certification,

has demonstrated a high level of competence and ethical fitness for energy management, and is hereby granted the title of CERTIFIED ENERGY MANAGER®

Valid

January 1, 2018 to December 31, 2020 CEM

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6 CM Board Chairman



MEETS U.S. DEPARTMENT OF ENERGY GUIDELINES



Personnel Certification Program An ANSI-Accredited #1088



David Lake

has successfully passed a competency examination that meets the minimum

RESIDENTIAL ENERGY AUDITOR

qualifications established by the Minnesota Department of Commerce through Docket No. E,G999/M-07-875

Rich Wagner, Ph/D. Vice President of Academic Affairs

March 20, 2009

Fond du Lac Tribal and Community College

Continuing Education Certificate of

This is to certify that

David E. Lake

Has successfully completed the course entitled:

Building Analyst Refresher Training

Continuing Education Hours: 12.0 hours April 20 - 21, 2013

and Broch Candi Broeffle

RP

Dean of Workforce and College Advancement



January 7, 1994

David Lake P. O. Box 3454 Duluth, MN 55803

Dear Mr. Lake:

Congratulations on your accomplishment! I am pleased to inform you that you have passed the Minnesota Residential Auditor Examination. A score of 80 percent is required to pass. Your score is 87 percent.

For your information: As of June 30, 1989 the Minnesota Energy Conservation Service and the Federal Residential Conservation Service program ended. Since the program ended the certification for employment is no longer required by federal legislation. Certification by state legislation is required. Passing the examination may be an employment requirement for most energy conservation programs sponsored by Minnesota utilities and community energy councils.

Your certification number is 2195. Please retain a copy of this letter as proof of your passing the Residential Auditor Examination.

We wish you success as an auditor. Conducting quality energy audits with good information for the homeowners will save money, improve comfort, and reduce our environmental impact on nature.

Sincerely,

Hulakop

Richard Huelskamp Audit Program Coordinator





February 15, 1995

David Lake 608 8th Avenue Two Harbors, MN 55616-1310

Dear Mr. Lake:

Congratulations on your achievement. I am pleased to inform you that you have passed the Commercial Audit Examination. A score of 75 percent is required to pass. Your score is 93 percent. Please retain a copy of this letter as proof of your passing the Commercial Auditor Examination.

Enclosed you will find your Commercial Audit Examination as completed by you. The test was written and completed to identify the subject matter strengths and weakness that you may have. At this time it would be beneficial for you to review your test. Please call me if you have any questions or concerns at (612) 297-1771.

The Commercial Auditing Course materials you reviewed in preparing for the examination should be viewed as only a portion of the knowledge you need to correctly identify and evaluate opportunities for energy efficiency improvements. Continuing to build on your expertise through further training is beneficial because of the variety of energy using systems that are in the commercial sector.

On your first few audits I would recommend that you team up with an experienced auditor if possible. For the commercial market developing an audit report and oral presentation to sell the energy management concepts is quite important. To get a small business owner convinced to complete the recommended energy conservation opportunities over time requires them to feel confident with and knowledgeable of your suggestions. The presentation of information needs to be organized and concise.

The Minnesota Department of Public Service wishes you success as an auditor in the small commercial sector.

Sincerely,

Suchard Hulskorp

Richard Huelskamp Audit Program Coordinator

/rh Enc.

resident Registrar in recognition of the satisfactory fulfillment of the prescribed requirements, this The Anard of Trustees of Iardan College has conferred upon and Cullen Datity R. Make CUM LAUDE with all the rights, privileges and honors thereof. Mereby, it is certified that upon the authority this fifteenth day of May, nineteen hundred and ninety. upon the recommendation of the faculty. nested by the State of Michigan and Given at Cedar Springs. Mlichigan, Cedar Springs. Michigan Machelor of Science Serretary. Board of Erusters vaident- Baurd of Erusters erene the E Holtalumer " DeBaer

Jordan Energy Institute Dave Lake - Electronics / Batteries / PROJECT ADVISOR Certificate of Appreciation Driver for your contribution to the A UNIVERSITY JOHUPH COLLECE GM Sunrayce USA 1990 Roschur Solar-Powered Car SUNSEEKER JEEF S. BORDNER STUDENT DIRECTOR SUNSEEHER GM SUNRAYCE USA Kichard C. Schul RICHARD C. SCHUBERT PROJECT ADVISOR MICHIGAN UNIVERSITY NESTERN



The Secretary of Energy Washington, DC 20585

October 31, 1990

Mr. David Lake 424 Lagrave, SE Grand Rapids, MI 49503

Dear Mr. Lake:

For 11 days and 1,650 miles, you and your Sunrayce compatriots inspired thousands of people along the race route and a national audience of millions. You showed them first-hand the practical potential of solar power and the creative application of science and engineering.

As a cosponsor of Sunrayce, the Department of Energy was encouraged by the success of our next generation of scientists and engineers as they applied their skills and creativity to the problems posed by Sunrayce. I particularly enjoyed seeing the fruits of your labors here in Washington, D.C.

Today, we stand within sight of a new century. And already we know one of its primary challenges--to develop sources of energy that will not harm the environment, yet will keep our economy healthy and robust. The knowledge you have acquired will serve us well in the coming years as our society responds to this challenge.

As one who believes our future depends, in large part, upon our ability to manage technology, I ardently hope you will continue to pursue your interest in science and engineering. Your demonstration of excellence in this program confers on you a special responsibility to encourage your classmates, as well as younger students, to achieve their best, particularly in science and mathematics.

Congratulations for being part of an inspiring 11 days, and best wishes for the future.

Sincerely,

D. Watt.

James D. Watkins Admiral, U.S. Navy (Retired)

David E. Lake, CEM (2016)

520 Rose Street Amity Creek watershed Duluth, MN 55803-2144

Phone: 218-525-3078 Email: northernenergetics@earthlink.net

<u>Qualifications:</u> Local Business Owner/ Energy Mgmt Consultant for 27+ years.

Professional Experience:

NORTHERN ENERGETICS, LLC, Duluth MN

Owner/ Senior Consultant (1993 to present - 22 years)

Oversee energy/ resource management consulting business. Have performed commercial, multifamily and residential energy audits for numerous utilities/ municipalities including MN Power & city of Duluth. Includes infrared thermography, blower door diagnostic testing, air sealing installation work, combustion safety testing, etc.

QUANTUM ENERGY RESOURCES, Grand Rapids, Michigan

Commercial & Residential Energy Analyst (1990 - 1993)

Performed energy analyses on commercial & light industrial facilities in Upper & Lower Michigan, Chicago, Illinois and Ohio for 7 different gas and electric utility companies. Utilized computer modeling on full facility, walk-through, restaurant & religious building specific surveys. Created, delivered and reviewed prioritized technical reports with customers. Trained field staff; used infrared thermography, performed blower door diagnostic testing & air sealing weatherization.

VOLT ENERGY SYSTEMS, Grand Rapids, Michigan

<u>Commercial & Residential Energy Auditor (1988-1990)</u> Performed energy audits for Michigan Consolidated Gas Co, Consumers Power Company in Grand Rapids, Michigan & Detroit, Michigan

Education:

JORDAN COLLEGE ENERGY INSTITUTE, Comstock Park, Michigan

Bachelor of Science- Cum Laude, in Applied Environmental Technology (1990)

Courses included Energy Management, Photovoltaics, Solar Building Design, Solar Water Heating, Control Systems, Wind Energy Generation, Biomass, Electric Vehicles, etc. Internships in <u>Wind Energy Generation</u> with Lake Michigan Wind & Sun, Door County, WI & Commercial Energy Auditing with Quantum Energy Resources, Grand Rapids, Michigan.

UNIVERSITY OF MINNESOTA, Duluth MN

Associate of Arts (1987)

Liberal educ. classes, incl. Environmental Conservation, Energy & Environment, Human Ecology Internship in Residential Energy Efficiency with Neighborhood Energy Service, Duluth MN

Certifications & Licenses:

Certified Energy Manager (CEM), Association of Energy Engineers Commercial Energy Auditor, State of Minnesota Building Analyst Professional, Building Performance Institute (BPI) MN Residential Energy Auditor, Dunwoody College of Technology Residential Energy Auditor, x2, States of Minnesota & Michigan Master Naturalist, MN Dept. of Natural Resources/ University of Minnesota

<u>Awards Received</u>: Who's Who In American Colleges & Universities

Additional Experience:

Founding Member, Duluth Voyager Chapter, Association of Energy Engineers (AEE)
On Site Guide, MN Power 'Millennium Star" Model Energy Home, Duluth, MN
Designer & Driver, General Motors "Sunrayce" (national solar car race: Orlando to Detroit)
Adjunct Teacher, Jordan College Energy Institute, Comstock Park, Michigan
Carpenter, Savage Construction Co., Grand Rapids, Michigan
Solar Hot Water System Installer, Controlled Energy, Grand Rapids, Michigan
Energy Conferences Attendee, Duluth EDC-21 years. Also Affordable Comfort & EEBA, etc

Hobbies & Interests:

Green tech, biomimicry, hiking, biology, trout fishing, oceanography, astronomy, writing, music

Volunteer Experience:

Licensed Soccer Coach, MN Youth Soccer Association President & Board Member, Two Harbors Soccer Club Naturalist, Boulder Lake Environmental Learning Center near Duluth, MN Parent Volunteer: Duluth East Daredevils robotics team, (ranked 2nd place in world in 2015!)

<u>Time tested strengths</u>: The nexus of building technology and environmental sustainability is a life-long interest. Future fiscal & environmental challenges of cities worldwide will require new thinking & innovative solutions.

"None of us is as smart as all of us." (former MN Governor Rudy Perpich)

Dean Talbott 4037 Nelson Rd Duluth, MN Energy Conservation Related Resume

Ecolibrium3 - Duluth Energy Efficiency Program

2304 West Superior St Duluth, MN 55806 United States

05/2010 - 12/2011 Hours per week: 45

Program Manager - Technical

Duties, Accomplishments and Related Skills:

1. Responsible for the development and implementation of a new residential energy efficiency program serving households and renters of Duluth through community educational, rebate incentives, financial management, energy auditor and contractor recruitment and training, quality assurance and marketing http://duluthenergy.org/

2. Established and maintained partnerships with regional utilities, State of Minnesota Energy Office, regional Weatherization Agencies, Neighborhood Organizations, Churches, Nonprofit Housing Developers, Homeowners, Renters and other related agencies

3. Assisted with the development of a comprehensive energy education and marketing plan

4. Assisted in the development, implementation and evaluation of program budget

5. Conducted community workshops in cooperation with neighborhood organizations and churches. In addition to Duluth, conducted educational workshops and events throughout NE Minnesota

6. Developed comprehensive and detailed home energy audit reports and all related forms. Created and implemented home energy rating score system and forms. Created standardized energy loss calculator tools and spreadsheets used by all energy auditors

7. Conducted technical contractor and auditor training and provided technical assistance as needed Supervisor: Jodi Slick (218-428-7542)

Minnesota Power

30 West Superior St. Duluth, MN 55802 United States

06/1990 - 05/2011 Hours per week: 45

CIP Program Specialist

Duties, Accomplishments and Related Skills: 1. Responsible for development, delivery and evaluation of the residential component of Minnesota Power's Conservation Improvement Program (CIP) http://www.mnpower.com/powerofone/

2. Coordinated and managed various residential programs including: low income, multi-family, Triple E new construction, renewable energy, space and water heating, ground and air source heat pumps

3. Served as the utilities primary technical contact for all residential customer inquiries related to energy efficiency, conservation and renewable energy.

4. Developed, promoted, and delivered presentations and technical expertise throughout utility service area on all CIP programs and activities including load management, conservation and renewable programs and technologies

5. Founder, Coordinator and Team Leader (20 years) of the Energy Design Conference and Expo, a nationally recognized annual event attracting over 1000 participants and 100 exhibitors http://www.duluthenergydesign.com/

6. Project Leader for the Millennium Star Model Energy Home, a demonstration home of innovative energy efficiency and renewable energy technologies. Coordinated design and construction of home, conducted over 260 tours, 0ver 18,000 visitors, produced educational material and demonstrations http://homes-across-america.org/search/details.cfm? who=167&Feature=all&action=showDetails&Query=MultiQuery

7. Served as the primary media contact for CIP related activities. Participated in a variety of fairs, events and promotions as needed

8. Served as a Minnesota Power liaison and community member and board member for a variety of regional, state and national organizations and agencies

9. Organized regional renewable energy (solar and wind) contractor training and developed network of trained professionals to expand the use of grid connected renewable systems

10. Coordinated and delivered numerous research and development projects including: high performance housing, sustainable design and construction, indoor air quality, drain water heat recovery, cold climate heat pumps, concentrated solar photovoltaics, solar thermal space and water heating, smart metering

technology, etc Supervisor: Tina Koecher (218-720-2505)

Duluth Public Schools - Energy Resource Center

215 N. 1st Avenue East Duluth, MN 55802 United States

10/1984 - 11/1990 Hours per week: 40

Energy Program Coordinator

Duties, Accomplishments and Related Skills:

- 1. Co-developed, organized and delivered the Energy Resource Center, a city wide energy conservation program serving the city of Duluth
 - 2. Managed budgets and staff

3. Conducted neighborhood outreach and community workshops in cooperation with neighborhood organizations, schools, and churches

4. Conducted residential, multi-family and commercial energy audits. Energy audits included: advanced building diagnostics (infrared and blower door testing), furnace testing and combustion safety tests

- 5. Created five educational video programs in cooperation with local public television station
- 6. Created a variety of technical consumer educational resource materials

Community Action Program Duluth

1305 London Rd. Duluth, MN 55805 United States

01/1981 - 04/1984

Hours per week: 40

Weatherization Technician/Auditor

Duties, Accomplishments and Related Skills:

1. Performed weatherization improvements on income eligible households. Advanced air sealing using building diagnostic equipment. Attic, wall and foundation insulation. Window and door replacements

2. Conducted homeowner and community school workshops

- 3. Conducted advanced home energy audits
- 3. Train weatherization apprentices, research new products, maintain vehicles and equipment

Northern Energetics, LLC 520 Rose Street Duluth, MN 55803

REFERENCES: RFP # 20-02 AA

Energy Assessments & Conservation Services 2020

DATE: December 23, 2019TO: City of Duluth, Purchasing Division StaffFROM: David E. Lake, CEM.

Duluth Comfort Systems:

Eric Schlacks, CEM Former CIP Project Coordinator 218-269-6678 mobile desertswan1@gmail.com

Courtney Kile Utility Operations Paralegal & Home Energy Loan contact 218-730-4025 w <u>ckile@duluthMN.gov</u>

Minnesota Power:

Alyssa Harries Power of One Conservation Program Coordinator 218-355-2228 w aharries@mnpower.com

Chad Trebilcock Programs & Services Senior Rep 218-355-2206 w 218-391-5079 m ctrebilcock@mnpower.com

Appendix C Cost Sheet Northern Energetics

Assessment Costs		
Perform an Energy Assessment and report - single family residence – residence	\$ 93	
Perform an Energy Assessment and report - 2 to 4 unit structure – cost per building		
Perform an Energy Assessment and report - 5 to 12 unit structure – co building	270	
Perform an Energy Assessment and report for a building - 13 or more per building	315	
Product Direct Install Costs	Material Cost Per Unit	Installation Cost Per Unit
* Earth Shower heads, 1.25 gpm, white (Niagara model #N2912 or equal)	\$10	\$6
Bathroom faucet aerators, 1.0 gpm, Dual thread (Niagara model #N3210-SAW or equal)	3	3
Kitchen Dual Spray Swivel faucet aerator, 1.5 gpm (Niagara model #N3115VP-FC or equal)	5	3
Shower timers (AM Conservation model #SS010-S-LB or equal)	3	2.50
Pipe Wrap (Cost per Linear Foot)	0.45	0.35
Additional Services	Cost Per Unit	
Perform hot water temperature check and set back to 120°F if water temperature is 130°F or above. Re-measure hot water temperature at faucet and reset temperature if needed. Cost per temperature check.		\$4
Perform an audit revision. Cost per report.		15