



## ***HAMBURG CITY COUNCIL AGENDA SEPTEMBER 27, 2016***

1. **Call City Council Meeting to Order at 7:00**
  - **Pledge of Allegiance**
  
2. **Public Comment** *(Individuals may address the City Council about any non-agenda item(s) of concern. Speakers must state their name, address, and limit their remarks to three minutes. The City Council may not take official action on these items and may refer the matter to staff for a future report or direct that the matter be scheduled for a future meeting agenda.)*
  
3. **Agenda Review (Added Items) and Adoption**
  
4. **Consent Agenda** *(NOTICE TO PUBLIC: All those items listed as part of the Consent Agenda will be approved by a single motion, unless a request to discuss one of those items is made prior to that time. Anyone present at the meeting may request an item to be removed from the consent agenda. Please inform the Council when they approve the agenda for this meeting.)*
  - **Delinquent Utility Bills Report**
  - **Approve 2017 Prosecution Contract w/Carver County**
  - **August 2016 Water/Wastewater Report**
  - **Approve Time-off Request (Jeremy Gruenhagen)**
  - **MNSPECT Minute**
  
5. **David Watts – US Solar Corporation**
  - **Community Solar Garden**
    - **Cost Savings**
  
6. **Justin Black (S.E.H.)**
  - **Timberline WoodProducts**
    - **Future Land Use (Industrial Area)**
    - **Water/Sewer Expansion Estimates**
  - **2015 Street Improvement Project**
    - **Change Order 4 (Drainage on Jacob Street)**
    - **Additional Engineering Fees**
  - **2017 Street Maintenance Projects**
  
7. **Old City Business (Memo)**
  - **County Road Maintenance Agreement (Carver County)**
  - **Wm. Mueller & Sons Property (Parcel 45.0283000)**
  - **City Shop Foundation Repairs (Start Date)**



***HAMBURG CITY COUNCIL AGENDA  
SEPTEMBER 27, 2016***

**8. City Clerk/Treasurer Report**

- **2017 Proposed Tax Levy and 2017 Budget**
  - **Set Proposed Property Tax Levy/Preliminary Budget for 2017**
  - **Set Public Comment Meeting for Final 2017 Budget**
    - **December 13, 2016 @ 7:00 PM**
  - **Approve Resolution Number 2016-05**
- **GovPayNet**

**9. Approve Payment of September Added 2016 Claims**

**10. City Council Reports**

- **Councilmember Richard Odoms (Water/Sewer)**
- **Councilmember Bob Gregonis (Streets)**
- **Councilmember Chris Lund (Parks)**
- **Councilmember Steve Trebesch (Buildings)**
- **Mayor Richard Malz**

**11. Adjourn City Council Meeting**



***HAMBURG CITY COUNCIL AGENDA  
SEPTEMBER 27, 2016***

**COMMUNITY HALL & PARK ACTIVITIES**

- SEPTEMBER**
- 10 – Wedding Reception**
  - 17 – Wedding Reception**
  - 24 – Wedding Reception**
- OCTOBER**
- 1 – Wedding Reception**
  - 8 – Wedding Reception**
  - 15 – Wedding Reception**
  - 22 – Wedding Reception**
  - 29 – Wedding Reception**

**COMMUNITY CENTER (FIRE HALL) ACTIVITIES**

- SEPTEMBER**
- 5 – Hamburg Lions Club (YA Twp. Room)**
  - 6 – HFD Training**
  - 13 – Hamburg City Council Meeting – 7:00 PM**
  - 13 – Young America Township Meeting**
  - 19 – Hamburg Lions Club**
  - 26 – Hamburg Fire Dept. (Relief Association) Meeting**
- OCTOBER**
- 1 – HFDRA Steak Fry**
  - 3 – HFD Training**
  - 3 – Hamburg Lions Club (YA Twp. Room)**
  - 11 – Young America Township Meeting**
  - 11 – Hamburg City Council Meeting – 7:00 PM**
  - 17 – Hamburg Lions Club**
  - 22 – Community Center Rental**
  - 31 – Hamburg Fire Dept. (Relief Association) Meeting**

## 2017 PROSECUTION CONTRACT

**THIS JOINT POWERS AGREEMENT** is made and entered into between the Carver County Attorney, the Carver County Board of Commissioners, a political subdivision of the State of Minnesota, and the City of Hamburg, a municipal corporation organized under the laws of the State of Minnesota, to provide for prosecution of statutory gross misdemeanor, misdemeanor and petty misdemeanor violations, other than liquor law violations directly involving establishments, organizations or individuals with liquor licenses or permits issued by the City of Hamburg and also to provide for prosecution of municipal traffic and parking ordinance violations.

**WHEREAS**, Minnesota Statutes Section 471.59 authorizes governmental units in the State of Minnesota to enter into agreements by resolution with any other governmental unit to perform on behalf of that unit any service or function which that unit would be authorized to provide for itself; and

**WHEREAS**, Minnesota Statutes Section 484.87, Subdivision 3, provides that statutory gross misdemeanor, misdemeanor, petty misdemeanor violations and municipal ordinance violations in the counties of Anoka, Carver, Dakota, Scott and Washington shall be prosecuted by the attorney of the municipality where the violation is alleged to have occurred and further provides that municipalities may enter into three party agreements with the County Board and the County Attorney to provide for prosecution services for criminal offenses; and

**WHEREAS**, each of the parties hereto desires to enter into this Joint Powers Agreement and has, through the actions of its respective governing bodies, been duly authorized to enter into this Joint Powers Agreement for the purposes hereinafter stated;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, it is hereby agreed by and between the County of Carver, through the Board of Commissioners, the Carver County Attorney, and the City of Hamburg, through its Council, that:

### **1. Enabling Authority.**

Minnesota Statutes Section 471.59 authorizes two or more governmental units to jointly exercise any power common to the contracting parties. Minnesota Statutes Section 484.87, Subdivision 3 authorizes the City of Hamburg to enter into an agreement with the County of Carver and the Office of the Carver County Attorney to provide for prosecution services for criminal offenses.

### **2. Purpose**

Provide for prosecution of statutory gross misdemeanor, misdemeanor and petty misdemeanor violations, other than liquor law violations directly involving establishments, organizations or individuals with liquor licenses or permits issued by the City of Hamburg and also to provide for prosecution of municipal traffic and parking ordinance violations.

### **3. Services.**

The Carver County Attorney's Office shall prosecute statutory gross misdemeanor, misdemeanor, petty misdemeanor violations and, any other criminal municipal ordinance violation. The Carver County Attorney shall also prosecute all municipal traffic and parking ordinance violations allegedly occurring within the jurisdiction of the municipality and within Carver County.

### **4. Term.**

Prosecution services shall be rendered by the Carver County Attorney's Office commencing January 1, 2017, and extending through December 31, 2017.

### **5. Payment for Services.**

In consideration for prosecution services being rendered, the County shall collect one-half (1/2) of all funds allocated pursuant to Minnesota Statute Section 484.90, Subdivision 6(a)(1) (fines that the court administers allocates 100% to the fines to the city or town in which the offense was committed) and one-third (1/3) allocated pursuant to Minnesota Statute Section 484.90, Subdivision 6(a)(2) (fines that the court administers allocates two-thirds to the fines to the city or town in which the offense was committed). An additional surcharge calculated on the percentage of cases and fine revenue in the amount of \$421.44 is to be paid by the City of Hamburg to the Carver County Attorney's Office in four equal installments by April 15, 2017, July 15, 2017, October 15, 2017 and January 15, 2018.

### **6. Ordinances.**

The City shall forward current traffic ordinances to the Carver County Attorney's Office and immediately inform the County Attorney of any changes made during the contract period.

### **7. Data.**

All data collected, created, received, maintained or disseminated in any form for any purposes by the activities of this Agreement is governed by the Minnesota Data Practices Act, Minnesota Statute Section 13, or the appropriate Rules of Court and shall only be shared pursuant to laws governing that particular data.

### **8. Audit.**

Pursuant to Minnesota Statute Section 16C.05, Subdivision 5, the parties agree that the State Auditor or any duly authorized representative at that time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit,

excerpt, and transcribe any books, documents, papers, records, etc. which are pertinent to the accounting practices and procedures related to this Agreement. All such records shall be maintained for a period of six (6) years from the date of termination of this Agreement.

**9. Indemnification.**

Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees which the other, its officers and employee may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution or performance or failure to adequately perform its obligations pursuant to this Agreement.

It is understood and agreed that liability shall be limited by the provisions of Minnesota Statutes Chapter 466. This Agreement *to* indemnify and hold harmless does not constitute a waiver by any participant *of* limitations on liability provided under Minnesota Statutes Section 466.04.

It is further understood that Minnesota 471.59, Subd. 1a applies to this Agreement. To the full extent permitted by law, actions by the parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minnesota Statutes Section 471.59, Subd. 1a(a); provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.

Each party agrees to promptly notify the other party if it knows or becomes aware of any facts or allegations reasonably giving rise to actual or potential liability, claims, causes of action, judgments, damages, losses, costs or expenses, including attorney's fees, involving or reasonably likely to involve the other party, and arising out of acts or omissions related to this Agreement.

**10. Nonwaiver, Severability and Applicable Laws.**

Nothing in this Agreement shall constitute a waiver by the parties of any statute of limitation or exceptions on liability.

If any part of this Agreement is deemed invalid such shall not affect the remainder unless it shall substantially impair the value of the Agreement with respect to either party. The parties agree to substitute for the invalid provision a valid one that most closely approximates the intent of the Agreement.

The laws of the State of Minnesota apply to this Agreement.

**11. Termination.**

This Agreement shall terminate of its own accord without further action taken or notice given by either party at midnight, December 31, 2017.

**12. Merger and Modification.**

It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement.

Any alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement and signed by the parties hereto.

**Space Intentionally Left Blank**

**IN WITNESS WHEREOF**, each of the parties has caused this Agreement to be executed by its appropriate officers and with the consent and approval of its appropriate governing bodies.

**CITY OF HAMBURG**

**IN PRESENCE OF:**

BY: \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTY ATTORNEY**

\_\_\_\_\_  
Mark Metz  
Carver County Attorney

Date: \_\_\_\_\_

**IN PRESENCE OF:**

**COUNTY OF CARVER**

BY: \_\_\_\_\_  
County Administrator

Date: \_\_\_\_\_



**City of Hamburg  
 Water/Wastewater Report  
August, 2016**

**DRINKING WATER**

**I. Facilities Data:**

|   |            |                             |                      |                           |
|---|------------|-----------------------------|----------------------|---------------------------|
| <b>Total Finished Water Metered From Filter:</b>    |            |                             |                      |                           |
| Avg. daily -  | 31,792 gal | Max. day -                  | 57,665 gal           | Month Total - 985,553 gal |
| <b>Water Pumped through Filters (from Well #2):</b> |            |                             |                      |                           |
| Avg. daily -  | 31,937 gal | Max. day -                  | 32,086 gal           | Month - 569,561 gal       |
| <b>Water Pumped through Filters (from Well #3):</b> |            |                             |                      |                           |
| Avg. daily -  | 18,386 gal | Max. day -                  | 32,086 gal           | Month - 420,096 gal       |
| <b>Fluoride Test Info:</b>                          |            |                             |                      |                           |
| Avg. daily concentration -                          | 1.0 mg/l   | Required concentration -    | 0.5 -0.9 mg/l        |                           |
| <b>Total Chlorine Test Info:</b>                    |            |                             |                      |                           |
| Avg. daily concentration -                          | 1.3 mg/l   | Recommended concentration - | 1.0 -2.0 mg/l        |                           |
| <b>Treatment Chemicals Used for the Month:</b>      |            |                             |                      |                           |
| Chlorine -  | 24.75 gal  | Fluoride -                  | 16.0 gal (8.5:1 mix) | Permanganate - 14 gal     |

**II. Water Operations Information:**

- The MN Dept. of Health (MDH) Monthly Fluoridation report was completed/submitted.
- The State schedule for sample collection and submittal required no extra samples to be collected/submitted to the state in August-2016.
- Weekly fluoride and chlorine residual analysis was complete during the month from samples collected from different areas of town. Greg does these onsite water analysis for fluoride and chlorine.
- The water plant detention tank was flushed.
- I assisted during power outages with the generators.
- Assisted with a water quality concern at the cabinet shop. We checked the water service and water main layout. The main water main that feeds the east end of the town (east of the RR tracks) runs on the south side of the cabinet shop, so water should be stagnant. When Greg flushes the next week, he will have the cabinet shop also flush there water line.



## WASTEWATER TREATMENT

### I. Facilities Data:

|   |                  |                             |   |
|---|------------------|-----------------------------|---|
| <b>Wastewater Pumped to Ponds:</b>                              |                  |                             |   |
| Avg. Daily Flow   | -                | 54,128 gal                  | <i>Avg. Wet Weather Design</i> - 63,000 gal/day     |
| Max. Day Flow   | -                | 135,119 gal                 | Monthly Total - 1,667,981 gal                       |
| <b>Pond Discharge Volume: NO POND DISCHARGES DURING AUGUST</b>  |                  |                             |   |
| Avg. Daily Flow   | -                | 0 Gal/day for <u>0 days</u> | Monthly Total - 0 gal                               |
| <b>CBOD Concentration (Wastewater Strength)</b>                 |                  |                             |   |
| Quarterly Influent  | -                | N/A mg/l                    | <i>Design</i> - 204 mg/l                            |
| Effluent (Cal. Month Avg.)                                      | -                | N/A mg/l                    | <i>Permit Limit</i> - 25 mg/l                       |
|   | -                | N/A kg/day                  | <i>Permit Limit</i> - 53.6 kg/day                   |
| Effluent (Max. Cal. Week Avg.)                                  | -                | N/A mg/l                    | <i>Permit Limit</i> - 40 mg/l                       |
|   | -                | N/A kg/day                  | <i>Permit Limit</i> - 94.6 kg/day                   |
| <b>Solids, Total Suspended (TSS) Concentration</b>              |                  |                             |   |
| Quarterly Influent  | -                | N/A mg/l                    |   |
| Effluent (Cal. Month Avg.)                                      | -                | N/A mg/l                    | <i>Permit Limit</i> - 45 mg/l                       |
|   | -                | N/A kg/day                  | <i>Permit Limit</i> - 96.5 kg/day                   |
| Effluent (Max. Cal. Week Avg.)                                  | -                | N/A mg/l                    | <i>Permit Limit</i> - 65 mg/l                       |
|   | -                | N/A kg/day                  | <i>Permit Limit</i> - 139 kg/day                    |
| <b>Phosphorus Concentration</b>                                 |                  |                             |   |
| Quarterly Influent  | -                | N/A mg/l                    |   |
| Effluent (Cal. Month Avg.)                                      | -                | N/A mg/l                    | <i>Permit Limit - Monitor Only</i>                  |
| <b>Fecal Coliform Geometric Mean (Applicable May - October)</b> |                  |                             |   |
| Effluent (Cal. Month Geo. Mean)                                 | -                | N/A CFU/100ml               | <i>Permit Limit - 200 CFU/100ml</i>                 |
| <b>pH</b>   |                  |                             |   |
| Influent  | Quarterly Result | - N/A                       |   |
| Effluent  | Cal. Month Min.  | - N/A                       | Cal. Month Max. - N/A <i>Permit Limit 6.0 - 9.0</i> |
| <b>Dissolved Oxygen (DO)</b>                                    |                  |                             |   |
| Effluent (Cal. Month Minimum)                                   | -                | N/A mg/l                    | <i>Permit Limit - Monitor Only</i>                  |

### II. Wastewater Operations Information:

- The MPCA Monthly Discharge Monitoring Report was completed and submitted.
- Greg and I worked through the MPCA reports and eDMR together, with Greg making the entries and the actual online submittal through his account. We will continue with this process each month until Greg totally understands it. This process will take a while because of the eDMR system and training with excel.
- Greg has continued to spray weeds in the rock rip-rap at the ponds, off and on to stay ahead of any re-growth of weeds. This is a continual task do to the regrowth of weeds in the rock dikes. This is also tough due to the wind and drift of the weed spray, so times and days are limited when spraying can be done.
  - There are NO trees or brush in the rock rip-rap dikes at the ponds this year.

- Greg has continued to spread rip-rap rock on the final pond dikes in the locations where there are wash-outs.
  - There are more spots to dump and spread the large rock on the dikes and we will continue to work on this in the future.
- With the wet weather in August, the wastewater ponds water levels came up allot, but we are still in good shape. We will prepare for a discharge in September by getting pre-discharge sampling complete along with any water transfers.
- We checked the pressure relief manhole on Martha Street to see if water was getting into the manhole. We are trying to keep the water pumped down as not to allow damage to the valve, any more than it does naturally.

Please let me know of any questions that you may have.

Sincerely,

*Curt Reetz*



Consulting Water/Wastewater Operator  
W.W.O.T.A. Inc

# CITY OF HAMBURG TIME-OFF REQUEST FORM

Today's Date: September 23, 2010

Employee Name: Jeremy Gruenhagen

Dates Requesting Time-Off: October 20th  
October 21st

How many **Vacation** hours will be used? 16

How many **Compensation** hours will be used? —

Is there a **Holiday** during your time off? —

Will there be any time off **without pay**? —

Will there be any scheduled **Sick Leave** used? —

Are you requesting more than three consecutive days off? No

- If yes, you must receive City Council approval.

### City Council Approval

Date of Council Meeting: 9-27-2010

Was vacation request approved? \_\_\_\_\_

- If no, reason request was denied: \_\_\_\_\_

Jeremy Gruenhagen  
Employee Signature

9-23-2010  
Date

\_\_\_\_\_  
City Clerk/Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date







# MNSPECT

HELPING YOU COMPLY WITH THE CODE

235 First Street West • Waconia, MN 55387-1302

## YOUR CODE PROFESSIONALS:

### Inspection Personnel:

- Scott Qualle, Designated Building Official
- Ty Turnquist, Operations Director, Senior Commercial Plans Examiner
- Kandis Hanson, Relationship Manager
- Nick Qualle, Senior Residential Plans Examiner/Field Inspector
- Derek Qualle, Rental/Field Inspector
- Dale Engelmann, Senior Plumbing Plans Examiner/Plumbing Inspector
- Steve Horsman, Field Inspector
- Steve Maki, Field Inspector
- Dean Mau, Senior Fire Plans Examiner
- Ermias Mekonnen, Plans Examiner
- Tracy Montgomery, Office Manager
- Brandy Blauert, Operations Assistant
- Wendy Morrissey, Administrative Assistant
- Tamara Stuart, Administrative Assistant

### HAPPY ANNIVERSARY

Stewart – 8 years; Lakeland – 1 year  
Sept. 1 – Building and Code Staff  
Appreciation Day

### Stay connected with the MNSPECT MINUTE

September 2016

### “Neither Rain Nor Snow Day” – September 7

September 7, 1914 is the anniversary of the opening of the New York Post Office. Inscribed on the building is the following quote: “Neither snow nor rain nor heat nor gloom of night, stays these couriers from the swift completion of their appointed rounds.” While we are not the post office or even a government office, we do strive to perform scheduled inspections even when the weather tries to stop us. If we postpone an inspection for any reason, it slows down your construction process or may inconvenience you in another way. While we do give a specific time for an inspection, please keep in mind that factors such as traffic, problems at an earlier inspection, weather, etc., could make our inspector a little late. Inspections are required to verify key parts of the construction process.

Required inspections are indicated on your permit card. By performing these required inspections, our goal is to verify that work completed up to that point has been done in compliance with the building code which could save you time and money correcting any violations before the project goes any further. For most of the construction project types, MNSPECT has informative handouts that include information regarding the required inspections and what we will be verifying at these inspections.

MN Rules, Section 1300.0210 states: “Construction or work for which a permit is required is subject to inspection by the building official and the construction or work shall remain accessible and exposed for inspection purposes until approved...It shall be the duty of the permit applicant to cause the work to remain accessible and exposed for inspection purposes.”

Our inspectors often times have the unwanted task of requiring a contractor or homeowner to make corrections. Some people do not like being told that they have to fix something or that they did something wrong. Keep in mind, our inspectors did not write the building code – they are just there to make sure it is being enforced. Similarly, your postal delivery person does not charge you for your electricity – he/she just brings you the bill. Don’t shoot the messenger!

## WELCOME, CITY OF BAYPORT!

If you have a story idea, or would like to know if your project requires a permit, call us at 952-442-7520.

### Q&A OF THE DAY

Q. May building permit fees be a revenue source for a local government?

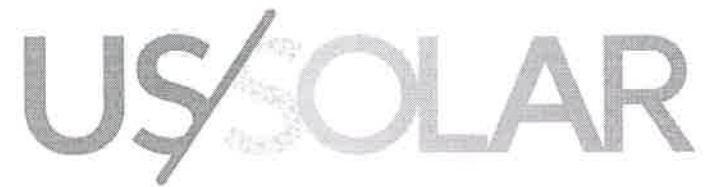
A. If a city adopts the building code, a building fee schedule must also be developed and adopted. Building permit fees are considered user fees, meaning only those who obtain permits pay a fee for that service, so there should be no tax burden on the other citizens in your community. According to the League of Minnesota Cities, building permit fees need to reflect the city’s actual costs associated to administration and enforcement of the building code, which can include staffing, contracted inspection services, transportation, training, tools, equipment, etc. The League also specifies that fees listed in the Building Permit Fee Schedule are to be equal to the cost of services received. Per MN Rule 1300.0160 Fees, Subp.2: “Fees ... must be fair, reasonable and proportionate to the ACTUAL cost of the service for which the fee is imposed.” Contrary to prevalent practice, building permit fees may not be a profit center for local governments.



MNSPECT is pleased to announce that Kandis Hanson has joined our team. As Relationship Manager, Kandis is charged with placing MNSPECT in the most positive position for client acquisition and retention. She is responsible for initiation, development, and cultivation of business relationships with Minnesota local governments.

Ms. Hanson comes with an AAS in marketing and a MA in local government management. She has 22 years of experience leading cities as city administrator/manager and brings expertise in human relations, promotions and communications. She comes by way of the City of Mound, where she was charged with relationship building that resulted in the redevelopment of the community over 15 years. Officials representing cities, townships and counties are invited to get to know Kandis by contacting her during business hours (8:00-4:30) at 952-442-7520 x 102 or [kandis@mnspect.com](mailto:kandis@mnspect.com).

PROPRIETARY AND CONFIDENTIAL



BEYOND THE ROOFTOP



SUNSCRIPTION<sup>SM</sup> PROPOSAL:  
CITY OF HAMBURG

September 13, 2016

## COVER LETTER

September 13, 2016  
Jeremy Gruenhagen, City Clerk/Treasurer  
City of Hamburg  
181 Broadway Ave  
Hamburg, MN 55339

Dear Jeremy,

Thank you for the opportunity to present this offsite solar and Sunscription<sup>SM</sup> introduction to you and your team. We at United States Solar Corporation ("US Solar") are thrilled to help the City of Hamburg lock in the significant, long-term savings opportunity currently available under Minnesota's community solar program.

US Solar is a turnkey solar developer and owner/operator. We coordinate all project details – development, permits, finance, construction, management, insurance, maintenance, and monitoring. The enclosed proposal includes details about our company, our strategic alliance partners, and our Sunscription proposal.

The US Solar team provides an unparalleled combination of broad experience and strong local roots. Our team has a proven track record of building and financing distributed solar projects. US Solar's principals have developed and financed commercial solar projects and residential solar programs with a notional value of over \$1 billion. We ensure that each one of our solar projects is built to the highest capital markets standards in order to maximize the savings available to our subscribers.

Please contact us with any questions, comments, or points of clarification. We look forward to working with you.

Sincerely,



**Reed Richerson - COO**  
United States Solar Corporation

100 N 6th St., Suite 222C  
Minneapolis, MN 55403  
W: (612) 260-2230 C: (916) 704.2720  
E: reed.richerson@us-solar.com

*This letter is intended solely as a basis for providing indicative pricing and terms and for engaging in further discussion. It does not evidence any agreement to make an investment or any other binding commitment on the part of US Solar or any other party. Such investment or other binding commitment will arise only upon the execution of definitive, binding agreements. Any subscriber transaction would be contingent on prior credit review. US Solar requests that the recipient keep the terms of this letter confidential.*

## SUNSCRIPTION<sup>SM</sup>

**Sunscription<sup>SM</sup>** [suhn-skrip-shuhn] *noun*

1. a contract with US Solar designed to provide you with significant, long term savings
2. an opportunity to enjoy solar benefits without the planning and logistical hassles of an onsite solar project
3. a way to exercise your new right to choose an alternative energy partner

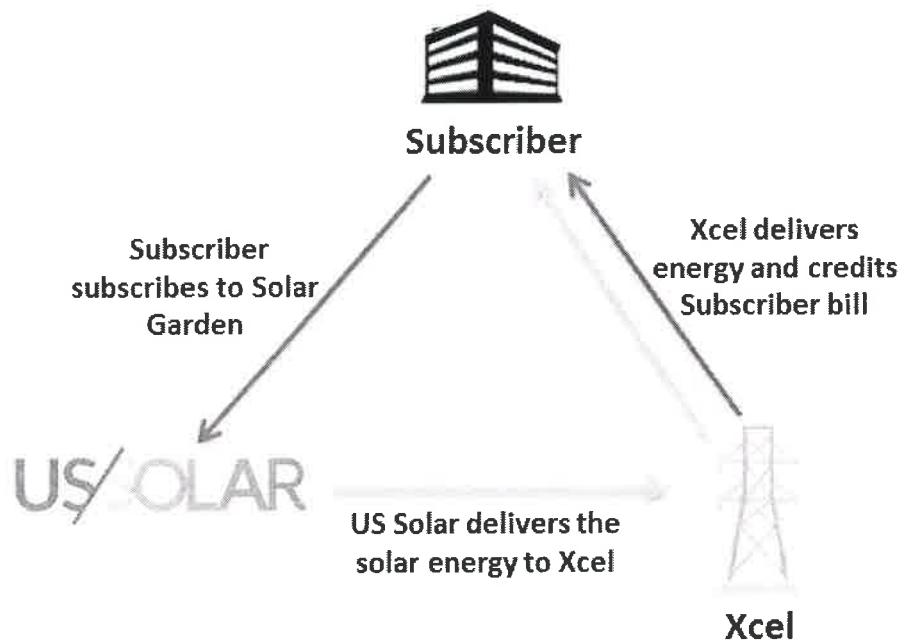
From California to Massachusetts, thousands of businesses, schools, municipalities, and nonprofits have embraced the opportunity to fix their energy costs for the long term by going solar. The Solar\*Rewards Community program recently launched in Minnesota is the first scalable community solar program in the US and immediately established the country's smartest solar regime. Eligible Xcel customers can now subscribe to a portion of large, efficient, offsite Solar Gardens, benefitting from cost efficiencies of scale and avoiding the siting, construction, and maintenance complexities of an onsite system.

US Solar's ability to connect subscribers with solar projects located offsite allows us to develop projects of the ideal scale at ideal sites, where we can optimize the orientation, spacing, and tilt of our solar modules to deliver the most solar energy at the lowest cost.

Now, US Solar is offering the City of Hamburg ("The City") the opportunity to lock in savings for years to come with a Sunscription Agreement.

### HOW COMMUNITY SOLAR AND A SUNSCRIPTION WORK

- US Solar builds a local Solar Garden at an ideal offsite location.
- The Solar Garden produces energy that is delivered to Xcel.
- Xcel continues to deliver Subscriber all electricity required onsite.
- Xcel credits Subscriber's bill for value of Solar Garden energy.





## HOW DO YOU SAVE MONEY?

By contracting for a Sunsubscription with US Solar, you can expect to save money over time as the Bill Credit rate that Xcel pays you increases higher and higher above your Sunsubscription rate with US Solar. The table below shows the expected savings from an 'anchor' Sunsubscription to 40% of a 1 MWac Solar Garden, assuming that the relevant Applicable Retail Rate ("ARR", described below) increases at 2.5% per year. Note that the "Enhanced Bill Credit" rate in each year is equal to the ARR plus a \$0.02/kWh financial premium for the value of the solar renewable energy certificates ("RECs").

|                                | 2016      | 2017            | 2021            | 2026             | 2031             | 2036             | 2041             | TOTAL                |
|--------------------------------|-----------|-----------------|-----------------|------------------|------------------|------------------|------------------|----------------------|
| Subscribed Energy (kWh)        |           | 696,800         | 682,968         | 666,064          | 649,578          | 633,500          | 617,820          | 16,413,787           |
| Enhanced Bill Credit from Xcel | \$ 0.1174 | \$ 0.1198       | \$ 0.1302       | \$ 0.1447        | \$ 0.1611        | \$ 0.1796        | \$ 0.2006        |                      |
| Subscription Rate to US Solar  | \$ 0.1170 | \$ (0.1180)     | \$ (0.1190)     | \$ (0.1190)      | \$ (0.1190)      | \$ (0.1190)      | \$ (0.1190)      |                      |
| Net Value per kWh              |           | \$ 0.0018       | \$ 0.0112       | \$ 0.0257        | \$ 0.0421        | \$ 0.0606        | \$ 0.0816        |                      |
| <b>Net Value</b>               |           | <b>\$ 1,279</b> | <b>\$ 7,649</b> | <b>\$ 17,105</b> | <b>\$ 27,324</b> | <b>\$ 38,391</b> | <b>\$ 50,398</b> | <b>\$ 600,367.28</b> |

Assumes 2.5% escalation in Applicable Retail Rate, 0.5% degradation in subscribed energy

With your Sunsubscription in place, Xcel will continue to deliver you all of your grid electricity, with no interruption of service. For an example of how a Bill Credit will appear on your utility bill, please see *Appendix A*.

Our subscribers receive Bill Credits that are valued using two components: the ARR, equal to the average revenue per kWh that Xcel received in the prior year, plus a financial premium representing the value of the RECs, which are sold to Xcel. For a community solar project of over 250 kW (like most US Solar Gardens under development), the REC enhancement is fixed at \$0.02/kWh. As shown in the table below, the current ARR plus the REC premium add up to a total of \$0.11740/kWh Bill Credit Rate for a large commercial subscriber to a typical US Solar Solar Garden. Selling the RECs to Xcel increases the value of Bill Credits you will receive from Xcel.

Your Sunsubscription with US Solar supports the development of nearby Solar Gardens, and secures your right to receive payments from Xcel for supporting local renewable energy. You can expect a Sunsubscription to save you money simply because the Bill Credit rate you receive from Xcel is expected to be higher than your Sunsubscription rate. For large energy users, the expected savings can easily be in the millions. For an overview of pricing and Sunsubscription product types, see *Our Proposal to The City* below.

### SOLAR\*REWARDS COMMUNITY PROGRAM

Section No. 9  
2<sup>nd</sup> Revised Sheet No. 64

#### AVAILABILITY

Available to any Residential, Commercial, and Industrial customer who elects to offset electric charges through a subscription in a company-approved community solar garden.

#### RATE

The Bill Credit Rate below applicable to the subscriber is dependent on the customer class under which the subscriber receives service and the Bill Credit Type selected by the garden operator in the tariffed Standard Contract for Solar\*Rewards Community.

| Customer Class        | Bill Credit Type                       | Bill Credit Rate per kWh (AC) for Energy Delivered to Company |
|-----------------------|--|---|
| Residential Service   | Standard                               | \$0.12596   |
|                       | Enhanced – Solar Gardens > 250 KW (AC) | \$0.14596   |
|                       | Enhanced – Solar Gardens ≤ 250 KW (AC) | \$0.15596   |
| Small General Service | Standard                               | \$0.12229   |
|                       | Enhanced – Solar Gardens > 250 KW (AC) | \$0.14229   |
|                       | Enhanced – Solar Gardens ≤ 250 KW (AC) | \$0.15229   |
| General Service       | Standard                               | \$0.09740   |
|                       | Enhanced – Solar Gardens > 250 KW (AC) | \$0.11740   |
|                       | Enhanced – Solar Gardens ≤ 250 KW (AC) | \$0.12740   |



## OUR PROPOSAL FOR THE CITY

At US Solar, we strive to offer subscribers not just savings, but also flexibility. While the great majority of our subscribers find our Flat Rate Subscription to offer the best value, we are happy to work with you in customizing a product that works best for you.



### Flat Rate Subscription

- After an initial discount period, the rate you pay US Solar will be the same in years 3 through 25.
- The rate is set at about today's Bill Credit Rate. The rate stays flat and the Bill Credit Rate is expected to increase.
- **We are offering The City a Subscription Rate of \$0.119 per kWh, with discounted pricing in 2016 and 2017 of \$0.117 and \$0.118, respectively.**

### Fixed Rate Subscription

- Expect about 15% year one savings, depending on rate class and usage.
- Over time, the rate steps up with a modest escalator that is fixed on day one.
- This structure is used by the majority of solar projects in the US today.
- **We can offer The City Fixed Rate Pricing upon request.**

### With either structure:

- You reduce the impact of future utility rate spike surprises.
- The more utility rates increase, the more you save.
- You lock in a large portion of your operating costs for 25 years.