

**CITY OF FALCON HEIGHTS**  
Regular Meeting of the City Council  
City Hall  
2077 West Larpentour Avenue

**AGENDA**  
June 13, 2018 at 7:00 P.M.

- A. CALL TO ORDER:
  
- B. ROLL CALL: LINDSTROM \_\_\_ LEEHY\_\_\_ BROWN THUNDER \_\_\_  
              MIAZGA \_\_\_ GUSTAFSON\_\_\_  
  
      STAFF PRESENT: THONGVANH\_\_\_
  
- C. PRESENTATIONS:
  - 1. Annual MS 4 Presentation
  - 2. 2040 Comprehensive Plan (Handouts at Meeting)
  
- D. APPROVAL OF MINUTES:
  - 1. May 23, 2018 City Council Meeting Minutes
  
- E. PUBLIC HEARINGS:
  - 1. Northern State Power Company (Xcel Energy) Franchise Ordinance and Fees for Gas and Electric
  
- F. CONSENT AGENDA:
  - 1. General Disbursements through: 6/07/18 \$213,553.70  
      Payroll through: 5/31/18 \$20,301.52
  - 2. City Hall Copier Machine
  
- G: POLICY ITEMS:
  - 1. Solar Garden – Assignment, Assumption, and Novation Agreement
  - 2. City Hall – Rooftop Solar Panels
  
- H. INFORMATION/ANNOUNCEMENTS
  
- I. COMMUNITY FORUM:
  
- J. ADJOURNMENT:

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# MS4 Permit

**Annual Report Required  
for the 2017 Permit**

# Overview

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## ∅ Federal Clean Water Act:

- ∅ Amended in 1987

- ∅ A two-phase program

  - ∅ Phase I: Regulated large construction sites and major metropolitan areas

  - ∅ Phase II: Program broadened to include smaller construction sites and many more municipalities

# Overview

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- Ø Overseen by the EPA and MPCA
- Ø Regulated parties must develop storm water pollution prevention programs
- Ø The permit holder is required to submit a Storm Water Pollution Prevention Program (SWPPP) that incorporates best management practices (BMPs)

# What is MS4?

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- Ø A conveyance of system of conveyances (catch basins, curbs, gutters, ditches, man made channels)
- Ø Designed or used for collecting or conveying storm water

# Mandatory MS4's

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- Ø MS4's in urbanized areas are required to obtain a storm water permit
- Ø Falcon Heights is considered an urbanized MS4 area
- Ø The U of M and State Fair are permitted separately

# MS4 Permit Requirement

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Ø This program consists of six minimum Control Measures.



# Falcon Heights BMPs for each Control Measure Include:

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- Ø Public Education and Outreach
- Ø Public Involvement and Participation
- Ø Illicit Discharge, Detection and Elimination
- Ø Construction Site Runoff Control
- Ø Post-construction Runoff Control
- Ø Pollution Prevention and Good Housekeeping

# Progress to Date

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- Ø Newsletters and flyers to residents
- Ø Developed a storm sewer map
- Ø Implemented the construction site runoff control measures
- Ø Enforced the construction site runoff on the SE Corner
- Ø Inspected 100% of outfalls
- Ø Implemented de-icing material controls

# Progress to Date

- Ø Implemented storm drain system cleaning and rehabilitation of catch basin
- Ø Reconstructed the Curtiss Field Pond
- Ø Implemented vehicle maintenance program
- Ø Purchased a street sweeper with the City of Little Canada, bought out Little Canada in December of 2016. more often street sweeping.
- Ø Straight salt for road melt
- Ø Storm sewer system cleaning program
- Ø Added additional underground storage

# 2018 Goals

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- Ø Continue a utility billing
- Ø Continue educational flyers and newsletter
- Ø Continue to sweep streets more often
- Ø Rehab/Repair all catch basins related to each street project
- Ø Continue to monitor Underground containment structure put into place at Curtiss Field Park.



Questions?

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City Council Meeting  
**2040 Comprehensive Plan**  
June 13, 2018

# Falcon Heights 2040 Comprehensive Plan



# Meeting Agenda

1. Review 2040 Comprehensive Plan
2. Public Hearing Concerns
3. Provide Recommendation





# Draft Comprehensive Plan

## Seven Sections

1. Background
2. Housing
3. Land Use
4. Community Systems and Services
5. Protecting Special Resources
6. Economic Development
7. Implementation



# 1. Background

- Purpose & Scope
- Vision & Objectives
- The City of Falcon Heights
- Demographics, Assumptions & Projections
- Community Input & Plan Process



# 2. Housing

- Introduction (*Housing Diversity*)
- Existing Affordable Housing Need
  - Future Housing Needs



# 3. Land Use

- **General Land Use in Falcon Heights**
- **The Larpenteur & Snelling Corridors**
  - **Neighborhoods**
    - **Commercial/Business Areas**
- **Agricultural & Institutional Lands**

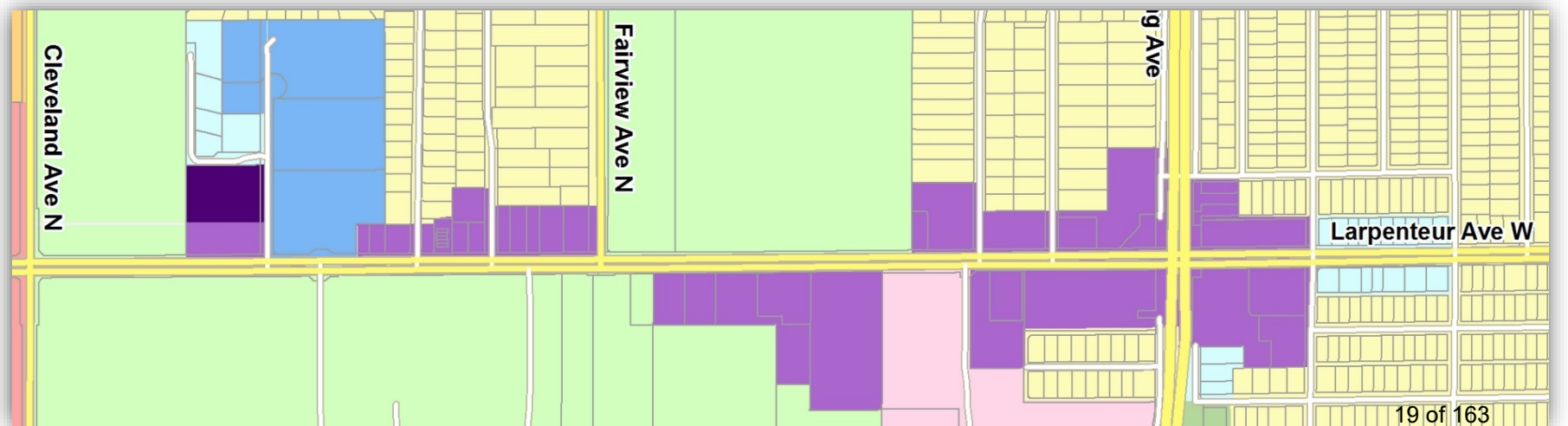


# Changes to Future Land Use

2030



2040



# Changes to Future Land Use

2030



2040



# 4. Community Systems & Services

- Parks & Open Space
  - Other Community Facilities & Services  
*(City responsibility not Met Council requirement)*



# 5. Protecting Special Resources

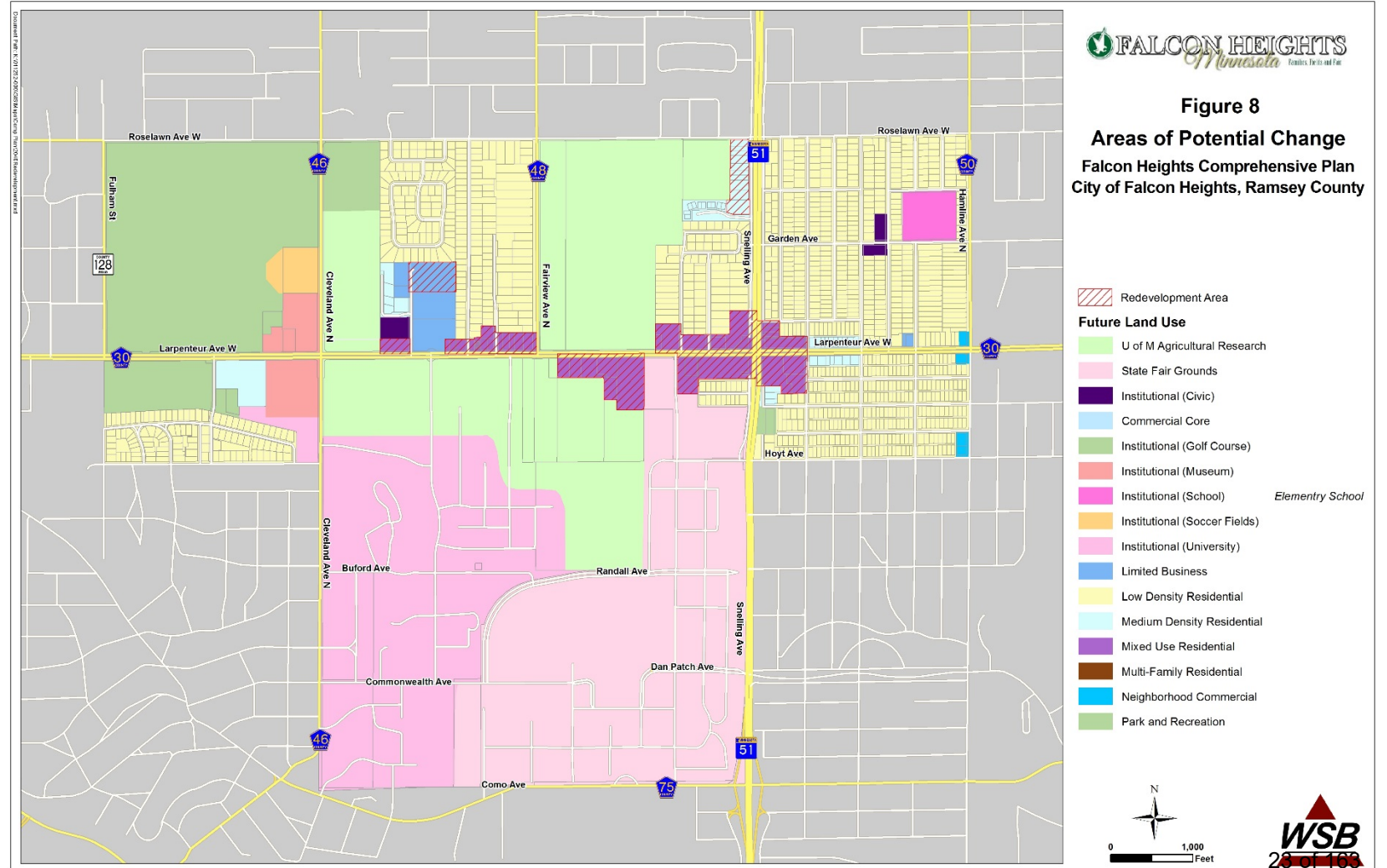
- **Natural Historic & Cultural Resources**
  - **Solar Access**





# 6. Economic Development

- Larpenteur and Snelling corridors



# 7. Implementation

- Land Use
- Zoning & Subdivision Ordinances
  - Housing
- Storm Waster Management Plan
- Capital Improvements Program



# Appendices Item: Transportation

- **Highways & Roadways**
  - *MnDOT, Hennepin County, Local*
- **Transit**
  - *Along Snelling Ave*
- **Bicycle**
  - *New Regional Bicycle Transportation Network*
- **Aviation**
- **Freight**



# Public Hearing Concerns

Tuesday May 29<sup>th</sup>, 2018

- Residents from north of Larpenteur and University of Minnesota staff present
- Voiced concerns and opposition:
  - Proposed mixed-use residential designation of the Larpenteur corridor
    - UofM agricultural research land should not be redeveloped
    - Preservation of city character and open space instead of mixed use development
  - Process needs more public engagement
  - Terms throughout plan are not well-defined



# Next Steps

- **Tonight:**
  - Authorize adjacent community review and submission to Met Council
- **Public Engagement/Comment**
  - Need to Identify Process
- **Neighboring Communities – Next 6 Months:**
  - Review and Provide Comments
- **Mid-2019**
  - City Council adopts final 2040 Comprehensive Plan



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Regular Meeting of the City Council  
City Hall  
2077 West Larpenteur Avenue

**MINUTES**  
May 23, 2018 at 7:00 P.M.

- A. CALL TO ORDER: 7:00 pm
- B. ROLL CALL: LINDSTROM   X   LEEHY   X   BROWN THUNDER   X    
                  MIAZGA   X   GUSTAFSON   X    
  
      STAFF PRESENT: THONGVANH   X
- C. PRESENTATION:
- D. APPROVAL OF MINUTES:
  - 1. May 9<sup>th</sup>, 2018 City Council Meeting Minutes

City Administrator Thongvanh

An Amendment update from the League of Women Voters Roseville Area President Rita Mills. Changing African American to Black, referencing that Amendment is representing African Americans and Africans.

- E. PUBLIC HEARINGS: Approved
- F. CONSENT AGENDA: Approved
  - 1. General Disbursements through: 5/15/18 \$161,754.43  
Payroll through: 5/15/18 \$19, 286.78
  - 2. Lift Station Pumps
  - 3. Proclamation Recognizing June as Immigrant Heritage Month
  - 4. Appointment of Patrick Mathwig to the Environment Commission
  - 5. Increase Petty Cash for Park & Recreation Programs

Patrick Mathwig

Mathwig moved to Falcon Heights for almost a year now. He works in the environmental and energy field. "I heard there was an opening in the Environment Commission and was interested and see what I can do to be more part of the community. Also, put my background in residential energy efficiency and environmental background to use for the city."

Council Member Gustafson Moved, Approved 5-0

- G: POLICY ITEMS:
  - 1. Proclamation for Restoration Day (July 6th) and Unity Day (July 7th)

### Council Member Leehy

The policy was initiated on April 17, 2018, by former Council Member Tony Fischer. Mr. Fischer reached out to Council Member Leehy to assist in the creation of the Proclamation for July 6. The Proclamation is a component of healing, grant respect to the Castile's family and at the same time serve to improve the quality of community engagement within Falcon Heights by residents, businesses, and guests.

The Proclamation for Restoration Day and Unity Day is set to shift about a day of tragedy and provide a redemptive focus for the two days by which everyone can benefit. Restoration Day is about taking personal steps of action and build and restore relationships and mend strained relations within the community. This will help develop healthy relationships. Unity Day means the healing has begun after Restoration Day and connectedness is taking place among the population. This work was continued this year by previous Council Member Tony Fischer.

More information about the Proclamation for Restoration Day and Unity Day can be found at Falcon Heights' homepage in the Agenda.

### Valerie Castile

Introduced herself as Philando Castile's mother and thank the Councils for making the Proclamation for Philando and his honor. "We as a civilization of people have to do better and build relationships with one another. Love each other more and be more compassionate. Look out for one another and mainly not so judgmental just because of someone's skin color. God gave everyone a different skin color for adaptability purposes. Underneath our skins, we are all the same."

"Philando was a martyr, "he gathered different people together that communities never seen together before. "Philando's funeral was held at a Catholic Church by a Baptist preacher and brought all sort of people together." In 2017, Philando brought together people from different backgrounds at the Unity picnic and everyone had a great time dancing, conversations with one another. The Unity picnic has helped people change their hearts and minds.

In honor of Philando Castile, the Minnesota Institute Art (MIA) is doing an art exhibit. Each piece was made by each community members who expressed their feelings during the tragedy. The exhibition is called Art and Healing: In the Moment June 17 through July 29.

### Sue Gehrz (2285 Folwell Ave)

Thank the Councils for making the Proclamation. Before the Philando Castile's case, no one knew where Falcon Heights was located, and now people do when his name is mentioned. The Proclamation will help put Falcon Heights back on track because people are still paying attention to what is going on in Falcon Heights. The Proclamation will also show the world that Falcon Heights has always been a beautiful place to live in and a city who still cares for everyone by finding ways to improve the town than ignoring the problem.

Art helps people heal in many different ways; therefore, MIA created the Art and Healing: In the Moment to help people heal during the tragedy. There are also opportunities for interactives healing, discussions and facilitated. The purpose is to look at how art can help us heal.



### John Thompson

A year ago in July, Falcon Heights had an opportunity to have a spotlight on the city to shine positively. Today, Falcon Heights has a big spotlight on this city, and it is because of the work of the Councils who continue to help improve the city. Thompson thanks the Councils personally for shinning the light, "People are not so nervous to travel down Larpenteur Avenue because of the work you continue to do in Falcon Heights. I know my friend is very proud of you as a body, his mother is proud of you. I know my uncle is proud of you and I know his sister is proud of you. I am proud. I will continue to shine that light on the work the City of Falcon Heights has put in."

### Mayor Lindstrom

Mayor thank the Castile family and Councils who put a lot of work into the Proclamation for Restoration Day and Unity Day. "Valerie mentioned that we're all the same inside. We all have a beating heart. I know that is true and I think sometimes some hearts are a little bit bigger than others. I know everybody in this audience has a huge heart and wants to do the right thing."

Mayor is thrilled about restoration day, "The key message is to talk to people who we do not normally talk to or go out of our way to connect with people in our neighborhood. A great example is when Clarence (Philando's uncle) was making friends by flipping hamburgers during the Unity Picnic. It was a special moment."

Council Member Leehy Moved, Approved 5-0

## H. INFORMATION/ANNOUNCEMENTS:

1. City Council Workshop for May 23rd following Regular City Council Meeting

### Council Member Miazga:

- Planning commission meeting is on May 29th at 7pm and the big focus will be on the Comprehensive 2040 plan. Excited to hear everyone's input on the plan.

### Council Member Leehy:

- Park and Rec are getting ready for 'Rec on the Go' and will have three summer events at Curtis Field. There are still a lot of opening for the summer programs and registration is due by June 1.

### Council Member Brown Thunder

- NYFS next fundraising is the Mayors' Challenge Golf Tournament held at Keller Golf Course on Monday, June 11 from 11:00 am to 7:00 pm. The shotgun is at 12:00 pm and dinner is at 5:00 pm. Individual Player: \$160 each and Foursome: \$600.

### Council Member Gustafson

- Spring Together was on May 12th, and it was a great turn out with 80 attendees and beautiful weather. Hope next year also have nice weather and bring in more people to meet their neighbors.
- Currently, researching ideas to have residents get involved with the City. Residents can get involved with the City is by volunteering to join commission groups and can contact city staffs for more information.

- Tim Sandvik and the new Administrative Coordinator Amanda Lor will be joining the Community Engagement Commission (CEC) meeting on June 8th at 7:00 pm. Amanda will also be the new staff liaison for the CEC.

City Administrator Thongvanh

- “Rec on the Go” is a free event for Falcon Heights residents and surrounding communities.
- Falcon Heights has been awarded ‘Step 5’ in the GreenStep Cities Program. This is the highest step you can achieve as a City. This shows the dedication of the City to move forward with our sustainability and quality-of-life goals.
- Attended the Part 2 of the three series of “Shared Learning” with the Kettering Foundation in Dayton, Ohio with Council Member Leehy, Council Member Gustafson, John Thomson, and previous Council Member Tony Fischer. In Part 2, people were broken into small groups and exchange ideas, experiences and success stories with each other. The third and final “Shared Learning” will be this fall.

Mayor Lindstrom

- Thank John Thompson for attending the “Shared Learning” and sharing his experience and stories to help Falcon Heights and others across the nation.

I. COMMUNITY FORUM:

J. ADJOURNMENT: 7:28 pm

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Peter Lindstrom, Mayor

Dated this 23th day of May, 2018

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Sack Thongvanh, City Administrator



*The City That Soars!*

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	June 13, 2018
<b>Agenda Item</b>	Public Hearing E1
<b>Attachment</b>	Ordinances and Supporting Documents
<b>Submitted By</b>	Sack Thongvanh, City Administrator

<b>Item</b>	Northern States Power Company (Xcel Energy) Franchise Ordinance and Fee for Electric and Gas Services
<b>Description</b>	<p>The City of Falcon Heights has many limitations on revenue sources due to the unique and make-up of the community. Over 60% of properties within the City are tax exempt and/or outside City jurisdiction. The franchise fee for electric and gas will apply to all properties that have electric and gas service from Northern States Power Company (Xcel Energy).</p> <p><b><u>What is a Franchise Fee:</u></b> Pursuit to Minnesota Statue (<a href="#">216B.36</a>), cities can impose a fee on utility companies that use the public right-a-way to deliver service. The City can determine the amount, structure, and use of collected franchise fees.</p> <p><b><u>Why Franchise Fees:</u></b> Franchise fees help cities cover increasing costs of providing important services</p> <p><b><u>Benefits of Franchise Fees:</u></b> When comparing franchise fees as a revenue source to property taxes, some advantages include:</p> <ul style="list-style-type: none"> <li>· Cover a wider base than property taxes</li> <li>· Will diversify the City's revenue sources</li> <li>· Reliable sources of revenue to budget for.</li> </ul> <p>Many cities in the State of Minnesota have franchise fees. Xcel Energy has over 70 cities with some type of franchise fees.</p>
<b>Budget Impact</b>	The expected revenue is \$147,243.
<b>Attachment(s)</b>	<ul style="list-style-type: none"> <li>· Xcel Transmittal Letter</li> <li>· Revenue Estimates</li> <li>· Ordinance 18-04 Authorize Electric Franchise Agreement</li> <li>· Ordinance 18-05 Implementing Electric Franchise Fee</li> <li>· Ordinance 18-06 Authorize Gas Franchise Agreement</li> <li>· Ordinance 18-07 Implementing Gas Franchise Fee</li> </ul>

	· Official Summary
<b>Action(s) Requested</b>	Staff recommends approval of attached ordinances and authorize publication by summary.

April 11, 2018

Sack Thongvanh  
City of Falcon Heights  
2077 Larpenteur Ave West  
Falcon Heights, MN 55113

Dear Sack:

Enclosed you will find a number of documents pertaining to Franchise Agreements and Franchise Fees for electric and gas customers in Falcon Heights.

Franchise agreements provide greater detail in the relationship between public utilities and local right of way managers than is provided in MN Statute. The attached agreements provide a common set of ground rules for over 300 communities we serve across Minnesota. Some of the key points include dispute resolution, right of way restoration and permitting.

Franchise Fees require filing with the Minnesota Public Utilities Commission. We like to have 30 days upon receipt of the signed ordinances to prepare this filing; the commission requires 60 days for review. By way of example, if the city approves franchise agreement and fee ordinances April 25, 2018, fees could go into effect August 1, 2018.

I do plan to attend the April 25 city council meeting and will be available to field whatever questions council or the public may have about fee implementation. I can also be reached at [jake.sedlacek@xcelenergy.com](mailto:jake.sedlacek@xcelenergy.com) or 651.458.1228.

Kind Regards

Jake Sedlacek  
Manager, Community Relations and Economic Development

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## City of Falcon Heights, MN Franchise Fee Estimate – Gas and Electric April 2018

The following information is being provided to assist your community in discussions regarding franchise fees. **Given customer sensitivity to electric and gas rates, we strongly encourage the city to reach out to residents and businesses regarding franchise fees.**

- Information based on a one-year average, ending December 2017.
- Fee amounts are rounded to the nearest \$0.25 and applied as a flat fee.
- The table below shows the fee that would be reflected on a customer's monthly bill.
- Franchise fees must be applied equally to all energy providers.
- Franchise Fees are collected in lieu of any other permit fees.
- Xcel Energy retains no portion of a franchise fee.

### Franchise Fee: Gas

Customer class	Monthly Fee
Residential	\$1.75
Commercial Non Demand	\$8.50
*Commercial Demand	\$75.00
*Small Interruptible	\$50.00
*Medium and Large Interruptible	\$100.00
*Firm Transportation	\$15.00
*Interruptible Transportation	\$15.00

Estimated Annual Revenue: \$51,774

*\* Currently there are no customers in these classifications*

### Franchise Fee: Electric

Customer class	Monthly Fee
Residential	\$2.25
Small C&I – Non Demand	\$3.50
Small C&I – Demand	\$22.00
Large C&I	\$200.00
Public Street Lighting	\$2.00

Estimated Annual Revenue: \$95,469

Please let me know what further questions I can answer about franchise fees and the implementation process. I can be reached at [jake.sedlacek@xcelenergy.com](mailto:jake.sedlacek@xcelenergy.com) or 651.458.1228.

**Jake Sedlacek**

Manager, Community Relations and Economic Development

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ELECTRIC FRANCHISE ORDINANCE

CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA

ORDINANCE NO. 18-04

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF FALCON HEIGHTS, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF THE CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA, ORDAINS:

SECTION 1. DEFINITIONS.

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

- 1.1 **City.** The City of Falcon Heights, County of Ramsey, State of Minnesota.
- 1.2 **City Utility System.** Facilities used for providing non-energy related public utility service owned or operated by City or agency thereof, including sewer and water service, but excluding facilities for providing heating, lighting or other forms of energy.
- 1.3 **Commission.** The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all, or part of the authority to regulate electric retail rates now vested in the Minnesota Public Utilities Commission.
- 1.4 **Company.** Northern States Power Company, a Minnesota corporation, its successors and assigns.
- 1.5 **Electric Facilities.** Electric transmission and distribution towers, poles, lines, guys, anchors, conduits, fixtures, and necessary appurtenances owned or operated by Company for the purpose of providing electric energy for public use.
- 1.6 **Notice.** A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 401 Nicollet Mall, 8<sup>th</sup> Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, City Hall, 2077 Larpenteur Avenue West, Falcon Heights, MN 55113. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.7 **Public Ground.** Land owned by the City for park, open space or similar purpose, which is held for use in common by the public.

1.8 **Public Way.** Any street, alley, walkway or other public right-of-way within the City.

## **SECTION 2. ADOPTION OF FRANCHISE.**

2.1 **Grant of Franchise.** City hereby grants Company, for a period of 20 years from the date passed and approved by the City, the right to transmit and furnish electric energy for light, heat, power and other purposes for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Grounds and Public Ways of City, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to ordinance and to the further provisions of this franchise agreement.

2.2 **Effective Date; Written Acceptance.** This franchise agreement shall be in force and effect from and after passage of this Ordinance, its acceptance by Company, and its publication as required by law. The City, by Council resolution, may revoke this franchise agreement if Company does not file a written acceptance with the City within 90 days after publication.

2.3 **Service and Rates.** The service to be provided and the rates to be charged by Company for electric service in City are subject to the jurisdiction of the Commission. The area within the City in which Company may provide electric service is subject to the provisions of Minnesota Statutes, Section 216B.40.

2.4 **Publication Expense.** The expense of publication of this Ordinance will be paid by City and reimbursed to City by Company.

2.5 **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used, or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity for breach of contract, or either party may take any other action permitted by law.

## **SECTION 3. LOCATION, OTHER REGULATIONS.**

3.1 **Location of Facilities.** Electric Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System previously installed therein. Electric Facilities shall be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance and location of Electric Facilities shall be

subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this franchise agreement. Company may abandon underground Electric Facilities in place, provided at the City's request, Company will remove abandoned metal or concrete encased conduit interfering with a City improvement project, but only to the extent such conduit is uncovered by excavation as part of the City improvement project.

3.2 Field Locations. Company shall provide field locations for its underground Electric Facilities within City consistent with the requirements of Minnesota Statutes, Chapter 216D.

3.3 Street Openings. Company shall not open or disturb any Public Ground or Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb any Public Ground or Public Way without permission from the City where an emergency exists requiring the immediate repair of Electric Facilities. In such event Company shall notify the City by telephone to the office designated by the City as soon as practicable. Not later than the second working day thereafter, Company shall obtain any required permits and pay any required fees.

3.4 Restoration. After undertaking any work requiring the opening of any Public Ground or Public Way, Company shall restore the same, including paving and its foundation, to as good a condition as formerly existed, and shall maintain any paved surface in good condition for one year thereafter. The work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground or Public Way in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.4, but the City hereby waives any requirement for Company to post a construction performance bond, certificate of insurance, letter of credit or any other form of security or assurance that may be required, under a separate existing or future ordinance of the City, of a person or entity obtaining the City's permission to install, replace or maintain facilities in a Public Way.

3.5 Avoid Damage to Electric Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Electric Facilities while performing any activity.

3.6 Notice of Improvements. The City must give Company reasonable notice of plans for improvements to Public Grounds or Public Ways where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Grounds and Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Ground or Public Way is involved, the order in which the work is to proceed. The notice must be given to Company a sufficient length of time in advance of the actual commencement of the work to permit Company to make any necessary additions, alterations or repairs to its Electric Facilities.

3.7 Shared Use of Poles. Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities upon terms and conditions acceptable to Company whenever such use will not interfere with the use of such poles or towers by Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by Company because of such use by City.

#### **SECTION 4. RELOCATIONS.**

4.1 Relocation of Electric Facilities in Public Ways. If the City determines to vacate a Public Way for a City improvement project, or at City's cost to grade, regrade, or change the line of any Public Way, or construct or reconstruct any City Utility System in any Public Way, it may order Company to relocate its Electric Facilities located therein if relocation is reasonably necessary to accomplish the City's proposed public improvement. Except as provided in Section 4.3, Company shall relocate its Electric Facilities at its own expense. The City shall give Company reasonable notice of plans to vacate for a City improvement project, or to grade, regrade, or change the line of any Public Way or to construct or reconstruct any City Utility System. If a relocation is ordered within five years of a prior relocation of the same Electric Facilities, which was made at Company expense, the City shall reimburse Company for non-betterment costs on a time and material basis, provided that if a subsequent relocation is required because of the extension of a City Utility System to a previously unserved area, Company may be required to make the subsequent relocation at its expense. Nothing in this Ordinance requires Company to relocate, remove, replace or reconstruct at its own expense its Electric Facilities where such relocation, removal, replacement or reconstruction is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

4.2 Relocation of Electric Facilities in Public Ground. City may require Company, at Company's expense, to relocate or remove its Electric Facilities from Public Ground upon a finding by City that the Electric Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground.

4.3 Projects with Federal Funding. City shall not order Company to remove or relocate its Electric Facilities when a Public Way is vacated, improved or realigned for a right-of-way project or any other project which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation are first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company, which allocated funding the City shall specifically request. Relocation, removal or rearrangement of any Company Electric Facilities made necessary because of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended. It is understood that the rights herein granted to Company are valuable rights.

4.4 No Waiver. The provisions of this franchise apply only to facilities constructed in reliance on a franchise from the City and shall not be construed to waive or modify any rights obtained by Company for installations within a Company right-of-way acquired by easement or prescriptive right before the applicable Public Ground or Public Way was established, or Company's rights under state or county permit.

## **SECTION 5. TREE TRIMMING.**

Company may trim all trees and shrubs in the Public Grounds and Public Ways of City to the extent Company finds necessary to avoid interference with the proper construction, operation, repair and maintenance of any Electric Facilities installed hereunder, provided that Company shall save the City harmless from any liability arising therefrom, and subject to permit or other reasonable regulation by the City.

## **SECTION 6. INDEMNIFICATION.**

6.1 Indemnity of City. Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Electric Facilities located in the Public Grounds and Public Ways. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work. The City shall not be indemnified if the injury or damage results from the performance in a proper manner, of acts reasonably deemed hazardous by Company, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

6.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City and Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf.

## **SECTION 7. VACATION OF PUBLIC WAYS.**

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. Except where required for a City improvement project, the vacation of any Public Way, after the installation of Electric Facilities, shall not operate to deprive Company of its rights to operate and maintain such Electric Facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29.

## **SECTION 8. CHANGE IN FORM OF GOVERNMENT.**

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

**SECTION 9. FRANCHISE FEE.**

9.1 **Fee Schedule.** During the term of the franchise hereby granted, and in lieu of any permit or other fees being imposed on Company, the City may impose on Company a franchise fee by collecting the amounts indicated in a Fee Schedule set forth in a separate ordinance from each customer in the designated Company Customer Class. The parties have agreed that the franchise fee collected by the Company and paid to the City in accordance with this Section 9 shall not exceed the following amounts.

<u>Class</u>	<u>Fee Per Premise Per Month</u>
Residential	\$ 2.25
Sm C & I – Non-Dem	\$ 3.50
Sm C & I – Demand	\$ 22.00
Large C & I	\$ 200.00
Public Street Ltg	\$ 2.00
Muni Pumping –N/D	\$ -
Muni Pumping – Dem	\$ -

9.2 **Separate Ordinance.** The franchise fee shall be imposed by a separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least 90 days after written notice enclosing such proposed ordinance has been served upon Company by certified mail. The fee shall not become effective until the beginning of a Company billing month at least 90 days after written notice enclosing such adopted ordinance has been served upon Company by certified mail. Section 2.5 shall constitute the sole remedy for solving disputes between Company and the City in regard to the interpretation of, or enforcement of, the separate ordinance. No action by the City to implement a separate ordinance will commence until this Ordinance is effective. A separate ordinance which imposes a lesser franchise fee on the residential class of customers than the maximum amount set forth in Section 9.1 above shall not be effective against Company unless the fee imposed on each other customer classification is reduced proportionately in the same or greater amount per class as the reduction represented by the lesser fee on the residential class.

9.3 **Terms Defined.** For the purpose of this Section 9, the following definitions apply:

9.3.1 “Customer Class” shall refer to the classes listed on the Fee Schedule and as defined or determined in Company’s electric tariffs on file with the Commission.

9.3.2 “Fee Schedule” refers to the schedule in Section 9.1 setting forth the various customer classes from which a franchise fee would be collected if a separate ordinance were implemented immediately after the effective date of this franchise agreement. The Fee Schedule in the separate ordinance may include new Customer Class added by Company to its electric tariffs after the effective date of this franchise agreement.

9.4 **Collection of the Fee.** The franchise fee shall be payable quarterly and shall be based on the amount collected by Company during complete billing months during the period for which payment is to be made by imposing a surcharge equal to the designated franchise fee for the applicable customer classification in all customer billings for electric service in each class. The payment shall be

due the last business day of the month following the period for which the payment is made. The franchise fee may be changed by ordinance from time to time; however, each change shall meet the same notice requirements and not occur more often than annually and no change shall require a collection from any customer for electric service in excess of the amounts specifically permitted by this Section 9. The time and manner of collecting the franchise fee is subject to the approval of the Commission. No franchise fee shall be payable by Company if Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for electric service. Company may pay the City the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectibles, refunds and correction of erroneous billings. Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers.

9.5 **Equivalent Fee Requirement.** The separate ordinance imposing the fee shall not be effective against Company unless it lawfully imposes and the City monthly or more often collects a fee or tax of the same or greater equivalent amount on the receipts from sales of energy within the City by any other energy supplier, provided that, as to such a supplier, the City has the authority to require a franchise fee or to impose a tax. The "same or greater equivalent amount" shall be measured, if practicable, by comparing amounts collected as a franchise fee from each similar customer, or by comparing, as to similar customers the percentage of the annual bill represented by the amount collected for franchise fee purposes. The franchise fee or tax shall be applicable to energy sales for any energy use related to heating, cooling or lighting, or to run machinery and appliances, but shall not apply to energy sales for the purpose of providing fuel for vehicles. If the Company specifically consents in writing to a franchise or separate ordinance collecting or failing to collect a fee from another energy supplier in contravention of this Section 9.5, the foregoing conditions will be waived to the extent of such written consent.

## **SECTION 10. PROVISIONS OF ORDINANCE.**

10.1 **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2 **Limitation on Applicability.** This Ordinance constitutes a franchise agreement between the City and Company as the only parties, and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

## **SECTION 11. AMENDMENT PROCEDURE.**

Either party to this franchise agreement may at any time propose that the agreement be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the

amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance.

**SECTION 12. PREVIOUS FRANCHISES SUPERSEDED.**

This franchise supersedes any previous electric franchise granted to Company or its predecessor.

**PASSED AND APPROVED** this 13th day of June 2018 by the City Council of Falcon Heights, Minnesota.

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Moved by:

Approved by: \_\_\_\_\_  
Peter Lindstrom  
Mayor

LINDSTROM           \_\_\_ In Favor  
GUSTAFSON  
BROWN THUNDER   \_\_\_ Against  
LEEHY  
MIAZGA

Attested by: \_\_\_\_\_  
Sack Thongvanh  
City Administrator

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



**CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA**

**ORDINANCE NO. 18-05**

AN ORDINANCE IMPLEMENTING AN ELECTRIC SERVICE FRANCHISE FEE ON NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING ELECTRIC SERVICE WITHIN THE CITY OF FALCON HEIGHTS

THE CITY COUNCIL OF THE CITY OF FALCON HEIGHTS DOES ORDAIN:

**SECTION 1.** The City of Falcon Heights Municipal Code is hereby amended to include reference to the following Special Ordinance.

**Subd. 1. Purpose.** The Falcon Heights City Council has determined that it is in the best interest of the City to impose a franchise fee on those public utility companies that provide electric services within the City of Falcon Heights.

- (a) Pursuant to City Ordinance 18-04, a Franchise Agreement between the City of Falcon Heights and Northern States Power Company, a Minnesota corporation, its successors and assigns, the City has the right to impose a franchise fee on Northern States Power Company, a Minnesota corporation, its successors and assigns, in an amount and fee design as set forth in Section 9 of the Northern States Power Company Franchise and in the fee schedule attached hereto as Schedule A.

**Subd. 2. Franchise Fee Statement.** A franchise fee is hereby imposed on Northern States Power Company, a Minnesota Corporation, its successors and assigns, under its electric franchise in accordance with the schedule attached here to and made a part of this Ordinance, commencing with the NSPM September/October, 2018 billing month.

This fee is an account-based fee on each premise and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for electric service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company's manner of billing for energy used at all similar premises in the city will control.

**Subd. 3. Payment.** The said franchise fee shall be payable to the City in accordance with the terms set forth in Section 9 of the Franchise.

**Subd. 4. Surcharge.** The City recognizes that the Minnesota Public Utilities Commission may allow Company to add a surcharge to customer rates of city residents to reimburse Company for the cost of the fee.

**Subd. 5. Enforcement.** Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

**Subd. 6. Effective Date of Franchise Fee.** The effective date of this Ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to NSPM by certified mail. Collection of the fee shall commence as provided above.

**PASSED AND APPROVED** this 13th day of June 2018 by the City Council of Falcon Heights, Minnesota.

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Moved by:

Approved by: \_\_\_\_\_  
Peter Lindstrom  
Mayor

LINDSTROM           \_\_\_ In Favor  
GUSTAFSON  
BROWN THUNDER   \_\_\_ Against  
LEEHY  
MIAZGA

Attested by: \_\_\_\_\_  
Sack Thongvanh  
City Administrator

SEAL

SCHEDULE A

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**Franchise Fee Rates:**

Electric Utility

The franchise fee shall be in an amount determined by applying the following schedule per customer premise/per month based on metered service to retail customers within the City:

<u>Class</u>	<u>Amount per month</u>
Residential	\$2.25
Sm C & I – Non-Dem	\$3.50
Sm C & I – Demand	\$22.00
Large C & I	\$200.00
Public Street Ltg	\$2.00

Franchise fees are submitted to the City on a quarterly basis as follows:

- January – March collections due by April 30.
- April – June collections due by July 31.
- July – September collections due by October 31.
- October – December collections due by January 31.

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**GAS FRANCHISE ORDINANCE**

**CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA**

**ORDINANCE NO. 18-06**

**AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, PERMISSION TO ERECT A GAS DISTRIBUTION SYSTEM FOR THE PURPOSES OF CONSTRUCTING, OPERATING, REPAIRING AND MAINTAINING IN THE CITY OF FALCON HEIGHTS, MINNESOTA, THE NECESSARY GAS PIPES, MAINS AND APPURTENANCES FOR THE TRANSMISSION OR DISTRIBUTION OF GAS TO THE CITY AND ITS INHABITANTS AND OTHERS AND TRANSMITTING GAS INTO AND THROUGH THE CITY AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.**

**THE CITY COUNCIL OF THE CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA, ORDAINS:**

**SECTION 1. DEFINITIONS.**

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

- 1.1 **City.** The City of Falcon Heights, County of Ramsey, State of Minnesota.
- 1.2 **City Utility System.** Facilities used for providing non-energy related public utility service owned or operated by City or agency thereof, including sewer and water service, but excluding facilities for providing heating, lighting or other forms of energy.
- 1.3 **Commission.** The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all, or part of the authority to regulate Gas retail rates now vested in the Minnesota Public Utilities Commission.
- 1.4 **Company.** Northern States Power Company, a Minnesota corporation, its successors and assigns.
- 1.5 **Gas.** "Gas" as used herein shall be held to include natural gas, manufactured gas, or other form of gaseous energy.
- 1.6 **Gas Facilities.** Pipes, mains, regulators, and other facilities owned or operated by Company for the purpose of providing gas service for public use.
- 1.7 **Notice.** A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 401 Nicollet Mall, 8<sup>th</sup> Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, City Hall, 2077 Larpenteur Avenue West, Falcon Heights, MN 55113. Either party

may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.8 **Public Ground.** Land owned by the City for park, open space or similar purpose, which is held for use in common by the public.

1.9 **Public Way.** Any street, alley, walkway or other public right-of-way within the City.

## **SECTION 2. ADOPTION OF FRANCHISE.**

2.1 **Grant of Franchise.** City hereby grants Company, for a period of 20 years from the date passed and approved by the City, the right to transmit and furnish Gas energy for light, heat, power and other purposes for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Grounds and Public Ways of City, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to ordinance and to the further provisions of this franchise agreement.

2.2 **Effective Date; Written Acceptance.** This franchise agreement shall be in force and effect from and after passage of this Ordinance, its acceptance by Company, and its publication as required by law. The City by Council resolution may revoke this franchise agreement if Company does not file a written acceptance with the City within 90 days after publication.

2.3 **Service and Rates.** The service to be provided and the rates to be charged by Company for Gas service in City are subject to the jurisdiction of the Commission.

2.4 **Publication Expense.** The expense of publication of this Ordinance will be paid by City and reimbursed to City by Company.

2.5 **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity for breach of contract, or either party may take any other action permitted by law.

## **SECTION 3. LOCATION, OTHER REGULATIONS.**

3.1 **Location of Facilities.** Gas Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System previously installed therein. Gas Facilities shall be located on Public Grounds as determined by the City. Company's construction,

reconstruction, operation, repair, maintenance and location of Gas Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not inconsistent with the terms of this franchise agreement. Company may abandon underground gas facilities in place, provided, at City's request, Company will remove abandoned metal pipe interfering with a City improvement project, but only to the extent such metal pipe is uncovered by excavation as part of the City's improvement project.

3.2 Field Locations. Company shall provide field locations for its underground Gas Facilities within City consistent with the requirements of Minnesota Statutes, Chapter 216D.

3.3 Street Openings. Company shall not open or disturb any Public Ground or Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb any Public Ground or Public Way without permission from the City where an emergency exists requiring the immediate repair of Gas Facilities. In such event Company shall notify the City by telephone to the office designated by the City as soon as practicable. Not later than the second working day thereafter, Company shall obtain any required permits and pay any required fees.

3.4 Restoration. After undertaking any work requiring the opening of any Public Ground or Public Way, Company shall restore the same, including paving and its foundation, to as good a condition as formerly existed, and shall maintain any paved surface in good condition for one year thereafter. The work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground or Public Way in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.4, but the City hereby waives any requirement for Company to post a construction performance bond, certificate of insurance, letter of credit or any other form of security or assurance that may be required, under a separate existing or future ordinance of the City, of a person or entity obtaining the City's permission to install, replace or maintain facilities in a Public Way.

3.5 Avoid Damage to Gas Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Gas Facilities while performing any activity.

3.6 Notice of Improvements. The City must give Company reasonable notice of plans for improvements to Public Grounds or Public Ways where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Grounds and Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Ground or Public Way is involved, the order in which the work is to proceed. The notice must be given to Company a sufficient length of time in advance of the actual commencement of the work to permit Company to make any necessary additions, alterations or repairs to its Gas Facilities.

## **SECTION 4. RELOCATIONS.**

4.1 Relocation of Gas Facilities in Public Ways. If the City determines to vacate a Public Way for a City improvement project, or at City's cost to grade, regrade, or change the line of any Public Way, or construct or reconstruct any City Utility System in any Public Way, it may order Company to relocate its Gas Facilities located therein if relocation is reasonably necessary to accomplish the City's proposed public improvement. Except as provided in Section 4.3, Company shall relocate its Gas Facilities at its own expense. The City shall give Company reasonable notice of plans to vacate for a City improvement project, or to grade, regrade, or change the line of any Public Way or to construct or reconstruct any City Utility System. If a relocation is ordered within five years of a prior relocation of the same Gas Facilities, which was made at Company expense, the City shall reimburse Company for Non-Betterment Costs on a time and material basis, provided that if a subsequent relocation is required because of the extension of a City Utility System to a previously unserved area, Company may be required to make the subsequent relocation at its expense. Nothing in this Ordinance requires Company to relocate, remove, replace or reconstruct at its own expense its Gas Facilities where such relocation, removal, replacement or reconstruction is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

4.2 Relocation of Gas Facilities in Public Ground. City may require Company at Company's expense to relocate or remove its Gas Facilities from Public Ground upon a finding by City that the Gas Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground.

4.3 Projects with Federal Funding. City shall not order Company to remove or relocate its Gas Facilities when a Public Way is vacated, improved or realigned for a right-of-way project or any other project which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation are first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company, which allocated funding the City shall specifically request. Relocation, removal or rearrangement of any Company Gas Facilities made necessary because of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended. It is understood that the rights herein granted to Company are valuable rights.

4.4 No Waiver. The provisions of this franchise apply only to facilities constructed in reliance on a franchise from the City and shall not be construed to waive or modify any rights obtained by Company for installations within a Company right-of-way acquired by easement or prescriptive right before the applicable Public Ground or Public Way was established, or Company's rights under state or county permit.

## **SECTION 5. TREE TRIMMING.**

Company is also granted the permission and authority to trim all shrubs and trees, including roots, in the Public Ways of City to the extent Company finds necessary to avoid interference with the



proper construction, operation, repair and maintenance of Gas Facilities, provided that Company shall save City harmless from any liability in the premises.

## **SECTION 6. INDEMNIFICATION.**

6.1 Indemnity of City. Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Gas Facilities located in the Public Grounds and Public Ways. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work. The City shall not be indemnified if the injury or damage results from the performance in a proper manner of acts reasonably deemed hazardous by Company, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

6.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City and Company, in defending any action on behalf of the City shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf.

## **SECTION 7. VACATION OF PUBLIC WAYS.**

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. Except where required for a City improvement project, the vacation of any Public Way, after the installation of Gas Facilities, shall not operate to deprive Company of its rights to operate and maintain such Gas Facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29.

## **SECTION 8. CHANGE IN FORM OF GOVERNMENT.**

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

## **SECTION 9. FRANCHISE FEE.**

9.1 Fee Schedule. During the term of the franchise hereby granted, and in lieu of any permit or other fees being imposed on the Company, the City may impose on the Company a franchise fee by collecting the amounts indicated in a Fee Schedule set forth in a separate ordinance from each customer in the designated Company Customer Class. The parties have agreed that the franchise fee collected by the Company and paid to the City in accordance with this Section 9 shall not exceed the following amounts:

<u>Class</u>	<u>Fee Per Premise Per Month</u>
Residential	\$ 1.75
Commercial Firm Non-Demand	\$ 8.50
Commercial Firm Demand	\$ 75.00
Small Interruptible	\$ 50.00
Medium and Large Interruptible	\$ 100.00
Firm Transportation	\$ 15.00
Interruptible Transportation	\$ 15.00

9.2 Separate Ordinance. The franchise fee shall be imposed by a separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least 90 days after written notice enclosing such proposed ordinance has been served upon Company by certified mail. The fee shall not become effective until the beginning of a Company billing month at least 90 days after written notice enclosing such adopted ordinance has been served upon Company by certified mail. Section 2.5 shall constitute the sole remedy for solving disputes between Company and the City in regard to the interpretation of, or enforcement of, the separate ordinance. No action by the City to implement a separate ordinance will commence until this Ordinance is effective. A separate ordinance which imposes a lesser franchise fee on the residential class of customers than the maximum amount set forth in Section 9.1 above shall not be effective against Company unless the fee imposed on each other customer classification is reduced proportionately in the same or greater amount per class as the reduction represented by the lesser fee on the residential class.

9.3 Collection of the Fee. The franchise fee shall be payable quarterly and shall be based on the amount collected by Company during complete billing months during the period for which payment is to be made by imposing a surcharge equal to the designated franchise fee for the applicable customer classification in all customer billings for gas service in each class. The payment shall be due the last business day of the month following the period for which the payment is made. The franchise fee may be changed by ordinance from time to time; however, each change shall meet the same notice requirements and not occur more often than annually and no change shall require a collection from any customer for gas service in excess of the amounts specifically permitted by this Section 9. The time and manner of collecting the franchise fee is subject to the approval of the Commission. No franchise fee shall be payable by Company if Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for gas service. Company may pay the City the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectibles, refunds and correction of erroneous billings. Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers.

9.4 Terms Defined.

- 9.4.1 “Customer Class” shall refer to classes listed in the Fee Schedule and as defined or determined in Company’s gas rate book on file with the Commission.
- 9.4.2 “Fee Schedule” refers to the Schedule in Section 9.1 setting forth the various customer classes from which a franchise fee would be collected if a separate ordinance were implemented immediately after the effective date of this franchise agreement. The Fee Schedule in the separate ordinance may include new Customer Classes added by the Company to its gas tariffs after the effective date of this franchise agreement.
- 9.4.3 Therm shall be a unit of gas providing 100,000 Btu of heat content adjusted for billing purposes under the rate schedules of Company on file with the Commission.

9.5 Equivalent Fee Requirement. The separate ordinance imposing the fee shall not be effective against Company unless it lawfully imposes and the City monthly or more often collects a fee or tax of the same or greater equivalent amount on the receipts from sales of energy within the City by any other energy supplier, provided that, as to such a supplier, the City has the authority to require a franchise fee or to impose a tax. The “same or greater equivalent amount” shall be measured, if practicable, by comparing amounts collected as a franchise fee from each similar customer, or by comparing, as to similar customers the percentage of the annual bill represented by the amount collected for franchise fee purposes. The franchise fee or tax shall be applicable to energy sales for any energy use related to heating, cooling or lighting, or to run machinery and appliances, but shall not apply to energy sales for the purpose of providing fuel for vehicles. If the Company specifically consents in writing to a franchise or separate ordinance collecting or failing to collect a fee from another energy supplier in contravention of this Section 9.5, the foregoing conditions will be waived to the extent of such written consent.

## **SECTION 10. PROVISIONS OF ORDINANCE.**

10.1 Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2 Limitation on Applicability. This Ordinance constitutes a franchise agreement between the City and Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

## **SECTION 11. AMENDMENT PROCEDURE.**

Either party to this franchise agreement may at any time propose that the agreement be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be

amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company's written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance.

**SECTION 12. PREVIOUS FRANCHISES SUPERSEDED.**

This franchise supersedes any previous Gas franchise granted to Company or its predecessor.

**PASSED AND APPROVED** this 13th day of June 2018 by the City Council of Falcon Heights, Minnesota.

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Moved by:

Approved by: \_\_\_\_\_

Peter Lindstrom  
Mayor

LINDSTROM           \_\_\_ In Favor  
GUSTAFSON  
BROWN THUNDER   \_\_\_ Against  
LEEHY  
MIAZGA

Attested by: \_\_\_\_\_

Sack Thongvanh  
City Administrator

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

**CITY OF FALCON HEIGHTS, RAMSEY COUNTY, MINNESOTA**

**ORDINANCE NO. 18-07**

AN ORDINANCE IMPLEMENTING A GAS SERVICE FRANCHISE FEE ON NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING GAS SERVICE WITHIN THE CITY OF FALCON HEIGHTS

THE CITY COUNCIL OF THE CITY OF FALCON HEIGHTS DOES ORDAIN:

**SECTION 1.** The City of Falcon Heights Municipal Code is hereby amended to include reference to the following Special Ordinance.

**Subd. 1. Purpose.** The Falcon Heights City Council has determined that it is in the best interest of the City to impose a franchise fee on those public utility companies that provide natural gas services within the City of Falcon Heights.

- (a) Pursuant to City Ordinance 18-06, a Franchise Agreement between the City of Falcon Heights and Northern States Power Company, a Minnesota corporation, its successors and assigns, the City has the right to impose a franchise fee on Northern States Power Company, a Minnesota corporation, its successors and assigns, in an amount and fee design as set forth in Section 9 of the Northern States Power Company Franchise and in the fee schedule attached hereto as Schedule A.

**Subd. 2. Franchise Fee Statement.** A franchise fee is hereby imposed on Northern States Power Company, a Minnesota Corporation, its successors and assigns, under its gas franchise in accordance with the schedule attached here to and made a part of this Ordinance, commencing with the NSPM September/October, 2018 billing month.

This fee is an account-based fee on each premise and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for gas service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company's manner of billing for energy used at all similar premises in the city will control.

**Subd. 3. Payment.** The said franchise fee shall be payable to the City in accordance with the terms set forth in Section 9 of the Franchise.

**Subd. 4. Surcharge.** The City recognizes that the Minnesota Public Utilities Commission may allow Company to add a surcharge to customer rates of city residents to reimburse Company for the cost of the fee.

**Subd. 5. Enforcement.** Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

**Subd. 6. Effective Date of Franchise Fee.** The effective date of this Ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to NSPM by certified mail. Collection of the fee shall commence as provided in above.

**PASSED AND APPROVED** this 13th day of June 2018 by the City Council of Falcon Heights, Minnesota.

Moved by:

Approved by: \_\_\_\_\_

Peter Lindstrom  
Mayor

LINDSTROM           \_\_\_ In Favor  
GUSTAFSON  
BROWN THUNDER   \_\_\_ Against  
LEEHY  
MIAZGA

Attested by: \_\_\_\_\_

Sack Thongvanh  
City Administrator

SEAL

SCHEDULE A

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**Franchise Fee Rates:**

Gas Utility

The franchise fee shall be in an amount determined by applying the following schedule per customer premise/per month based on metered service to retail customers within the City:

<u>Class</u>	<u>Amount per month</u>
Residential	\$1.75
Commercial Non-Demand	\$8.50
Commercial Firm Demand	\$75.00
Small Interruptible	\$50.00
Medium and Large Interruptible	\$100.00
Firm Transportation	\$15.00
Interruptible Transportation	\$15.00

Franchise fees are submitted to the City on a quarterly basis as follows:

- January – March collections due by April 30.
- April – June collections due by July 31.
- July – September collections due by October 31.
- October – December collections due by January 31.

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**SUMMARY OF ORDINANCES NO. 18-04**

**CITY OF FALCON HEIGHTS  
RAMSEY COUNTY, MINNESOTA**

**ORDINANCES GRANTING GAS AND ELECTRIC FRANCHISES WITH NORTHERN STATES POWER COMPANY AND ESTABLISHING FRANCHISE FEE SCHEDULES FOR THE PROVISION OF GAS AND ELECTRIC SERVICES BY NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION**

**NOTICE IS HEREBY GIVEN** that, on June 13th, 2018, Ordinance Nos. 18-04, 18-05, 18-06, and 18-07 were adopted by the City Council of the City of Falcon Heights, Minnesota.

**NOTICE IS FURTHER GIVEN** that, because of the lengthy nature of Ordinance Nos. 18-04, 18-05, 18-06, and 18-07, the following summary of the ordinances has been prepared for publication, and that copies of the ordinances are available for inspection by the public at the Deputy Clerk’s office.

**NOTICE IS FURTHER GIVEN** that the City has granted franchises with Northern States Power d/b/a Xcel Energy (“Xcel”). The terms of the two franchises are essentially the same and grant each company a 20-year franchise to transmit and furnish gas or electric energy for public and private use within or through the City. The franchises provide for the orderly location and relocation of facilities within public rights of way and public grounds, relocation and restoration of facilities and rights of way, and abandonment and subsequent removal of abandoned facilities in accordance with Minnesota Rule 7819.3300. The franchises require the provision of field location and mapping information by the companies. Other provisions provide for street openings for repair or other purposes with prior permit of the City or without prior permit in exigent circumstances, tree trimming, company indemnification of the City, and notice procedures for the City’s vacation of public ways. Each of the franchises is accompanied by a franchise fee ordinance.

The franchise fee ordinances impose fees related to gas and electric services as follows:

**Xcel Gas Fees Schedule:**

<u>Class</u>	<u>Fee Per Premise Per Month</u>
Residential	\$ 1.75
Commercial Non-Demand	8.50
Commercial Firm Demand	75.00
Small Interruptible	50.00
Medium and Large Interruptible	100.00
Firm Transportation	15.00
Interruptible Transportation	15.00

**Xcel Electric Fees Schedule:**

<u>Class</u>	<u>Fee Per Premise Per Month</u>
Residential	\$ 2.25
Sm C & I - Non-Demand	3.50
Sm C & I - Demand	22.00
Large C & I	200.00
Public Street Lighting	2.00

**APPROVED** for publication by the City Council of the City of Falcon Heights, Minnesota, this 13th day of June 2018.

**CITY OF FALCON HEIGHTS**

By \_\_\_\_\_  
Peter Lindstrom, Mayor

Attest:

\_\_\_\_\_  
Sack Thongvanh, City Administrator

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



*The City That Soars!*

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	June 13, 2018
<b>Agenda Item</b>	Consent F1
<b>Attachment</b>	General Disbursements and Payroll
<b>Submitted By</b>	Roland Olson, Finance Director

<b>Item</b>	General Disbursements and Payroll
<b>Description</b>	General Disbursements through: 6/07/18 \$213,553.70 Payroll through: 5/31/18 \$20,301.52
<b>Budget Impact</b>	The general disbursements and payroll are consistent with the budget.
<b>Attachment(s)</b>	· General Disbursements and Payroll
<b>Action(s) Requested</b>	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

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-----ID-----				GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----			DISTRIBUTION
01-05123		CINTAS CORPORATION #470						
I-4005930048		CINTAS CORPORATION #470	111.84					
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N				
		BLACK MATS, GLASS CLNR, PAPER		101 4131-70110-000	SUPPLIES			111.84
		=== VENDOR TOTALS ===	111.84					
01-05175		CONTINENTAL RESEARCH CORPORATI						
I-464647CRC1		CONTINENTAL RESEARCH CORPORAT	516.00					
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N				
		SUPPLIES - DOUBLE 6 (6 GAL)		101 4141-70100-000	SUPPLIES			516.00
		=== VENDOR TOTALS ===	516.00					
01-05137		HEALTHPARTNERS MEDICAL GP						
I-90036220		HEALTHPARTNERS MEDICAL GP	660.00					
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N				
		MEDICAL EXAMS - FIRE FIGHTING		101 4124-86020-000	TRAINING			660.00
		=== VENDOR TOTALS ===	660.00					
01-05415		MAJOR MECHANICAL						
I-201805226676		MAJOR MECHANICAL	31.00					
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N				
		OVERCHARGE REFUND		101 32220-000	MECHANICAL PERMITS			31.00
		=== VENDOR TOTALS ===	31.00					
01-05582		MENARDS						
I-01805226678		MENARDS	253.71					
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N				
		CITY HALL SUPPLIES		101 4131-70110-000	SUPPLIES			24.37
		SHOP SUPPLIES		101 4131-70110-000	SUPPLIES			33.67
		CITY HALL SUPPLIES		101 4131-70110-000	SUPPLIES			25.93
		CITY HALL SUPPLIES		101 4131-70110-000	SUPPLIES			169.74
		=== VENDOR TOTALS ===	253.71					

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01-043		MINNESOTA MULCH & SOIL				
I-W5022018		MINNESOTA MULCH & SOIL	384.75			
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N		
		STREET SWEEPINGS DISPOSAL		602 4602-84000-000	STREET SWEEPINGS	384.75
=== VENDOR TOTALS ===			384.75			
=====						
01-05973		NORTH SUBURBAN ACCESS CORPORAT				
I-201805226675		NORTH SUBURBAN ACCESS CORPORA	6,961.76			
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N		
		REFUND - PEG FEE		101 33700-000	CABLE TV FRANCHISE FEES	6,961.76
=== VENDOR TOTALS ===			6,961.76			
=====						
01-05534		RAMSEY COUNTY FIRE CHIEFS ASSO				
I-201805226677		RAMSEY COUNTY FIRE CHIEFS ASS	60.00			
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N		
		2018 MEMBERSHIP DUES		101 4124-86110-000	MEMBERSHIPS	60.00
=== VENDOR TOTALS ===			60.00			
=====						
01-06152		RAMY TURF PRODUCTS				
I-OP5580906		RAMY TURF PRODUCTS	110.00			
5/22/2018	APBNK	DUE: 5/22/2018 DISC: 5/22/2018		1099: N		
		PRO SEEDER- SUN & SHADE		101 4141-70100-000	SUPPLIES	110.00
=== VENDOR TOTALS ===			110.00			
=== PACKET TOTALS ===			9,089.06			

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01-000	BEISSWENGER'S					
I-25951		BEISSWENGER'S	79.98			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		32 OZ - WEED FREE ZONE		101 4141-70100-000	SUPPLIES	79.98
		=== VENDOR TOTALS ===	79.98			
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01-05422	BP					
I-201805296685		BP	1,118.52			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		SPRING STREET SWEEPING FUEL		602 4602-74000-000	FUEL & LUBRICANTS	633.70
		TRUCKS FUEL		101 4132-74000-000	MOTOR FUEL & LUBRICANTS	239.23
		FIRE DEPT FUEL		101 4124-74000-000	MOTOR FUEL & LUBRICANTS	245.59
		=== VENDOR TOTALS ===	1,118.52			
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01-03123	CINTAS CORPORATION #470					
I-40062877098		CINTAS CORPORATION #470	72.01			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		BLACK MATS		101 4131-70110-000	SUPPLIES	72.01
		=== VENDOR TOTALS ===	72.01			
=====						
01-03122	CITY OF ST PAUL					
I-IN00028336		CITY OF ST PAUL	3,201.66			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		SPRING NEWSLETTER		101 4116-70420-000	NEWSLETTERS/INFORMATION	1,564.09
		PROGRAM GUIDE		201 4201-70440-000	PRINT & PUBLISHING	736.27
		POSTAGE		101 4116-70500-000	POSTAGE	901.30
		=== VENDOR TOTALS ===	3,201.66			
=====						
01-05653	FIRST DUE FIRE TRAINING					
I-14		FIRST DUE FIRE TRAINING	300.00			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		BLITZ MNTR/APMT PACKS/FRC NTRY		101 4124-86020-000	TRAINING	300.00
		=== VENDOR TOTALS ===	300.00			

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01-0043		HINRICHS,RICH					
I-201805296681		HINRICHS,RICH	26.45				
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N			
		STATION SUPPLIES - FOOD		101 4124-70100-000	SUPPLIES		26.45
=== VENDOR TOTALS ===			26.45				
01-05153		HOME DEPOT CRC/GECF					
I-201805296686		HOME DEPOT CRC/GECF	382.28				
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N			
		HOSE, CHALK BOARD, SHOWER WAND		203 4203-70100-000	SUPPLIES		39.92
		SUPPLIES		101 4141-70100-000	SUPPLIES		342.36
=== VENDOR TOTALS ===			382.28				
01-05555		MEDICS TRAINING					
I-10239		MEDICS TRAINING	550.00				
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N			
		EMT/EMR TRAINING		101 4124-86020-000	TRAINING		550.00
=== VENDOR TOTALS ===			550.00				
01-05832		MORETTO, PAUL					
I-201805296683		MORETTO, PAUL	15.80				
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N			
		MILEAGE 4/27-5/22		101 4117-86010-000	MILEAGE		15.80
=== VENDOR TOTALS ===			15.80				
01-089		OLDENBERG, JASON					
I-201805296684		OLDENBERG, JASON	30.00				
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N			
		BUILDING PERMIT- REBATE		101 32210-000	BUILDING PERMITS		30.00
=== VENDOR TOTALS ===			30.00				
01-06024		ON SITE SANITATION					
I-58337		ON SITE SANITATION	75.00				
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N			
		COMMUNITY PARK TOILET		601 4601-85080-000	PORTABLE TOILET PARKS		75.00
=== VENDOR TOTALS ===			75.00				



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01-06628	49	TEE SQUARED SCREENPRINTING				
I-2127		TEE SQUARED SCREENPRINTING	248.00			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		STAFF T SHIRTS - SUMMER PROGRA		201 4201-70100-000	SUPPLIES	248.00
		=== VENDOR TOTALS ===	248.00			
=====						
01-06628		SACK THONGVANH				
I-201805296682		SACK THONGVANH	70.50			
5/29/2018	APBNK	DUE: 5/29/2018 DISC: 5/29/2018		1099: N		
		KETTERLING FOUNDATION - FOOD		101 4112-86100-000	CONFERENCES/EDUCATION/AS	70.50
		=== VENDOR TOTALS ===	70.50			
		=== PACKET TOTALS ===	6,170.20			

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POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
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01-00065		AMERICAN ENVIRONMENTAL LLC				
=====						
I-974		AMERICAN ENVIRONMENTAL LLC	750.00			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		LOCATING MANHOLE & PIPE CHANGE		601 4601-87100-000	TELEVISIONING AND JETTING	750.00
		=== VENDOR TOTALS ===	750.00			
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01-00250		AMERIPRIDE SERVICES				
=====						
I-1004149213		AMERIPRIDE SERVICES	49.13			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		LAUNDRY SRVCS		101 4124-82011-000	LINEN CLEANING	49.13
		=== VENDOR TOTALS ===	49.13			
=====						
01-00900		BEISSWENGER'S				
=====						
I-201805316688		BEISSWENGER'S	163.71			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		BALDE ATOMIC LCE 52"		101 4141-70100-000	SUPPLIES	163.71
		=== VENDOR TOTALS ===	163.71			
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01-05380		BERGANKDV				
=====						
I-999635		BERGANKDV	9,500.00			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		2017 AUDIT LESS INTERIM BILLNG		101 4113-80310-000	AUDIT	9,500.00
		=== VENDOR TOTALS ===	9,500.00			
=====						
01-06290		CITY OF ROSEVILLE				
=====						
24532		CITY OF ROSEVILLE	2,746.81			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		IT SERVICES MAY		101 4116-85070-000	TECHNICAL SUPPORT	2,431.00
		MAY PHONE SRVCS		101 4116-85010-000	TELEPHONE	315.81
		=== VENDOR TOTALS ===	2,746.81			
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01-03300		DISCOUNT STEEL, INC				
=====						
I-4335093		DISCOUNT STEEL, INC	42.23			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		COUNCIL CHAMBERS VIDEO ROOM		101 4131-70110-000	SUPPLIES	42.23
		=== VENDOR TOTALS ===	42.23			

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POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
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01-052		JOHNSON-POWERS,DAN				
I-201805316690		JOHNSON-POWERS,DAN	75.00			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		FIRE DEPT TRAINING 5/8		101 4124-86020-000	TRAINING	75.00
		=== VENDOR TOTALS ===	75.00			
=====						
01-05672		MN EQUIPMENT SOLUTIONS				
I-P63864		MN EQUIPMENT SOLUTIONS	764.99			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		JD MOWER SUPPLIES		101 4132-70120-000	SUPPLIES	764.99
		=== VENDOR TOTALS ===	764.99			
=====						
01-07263		NEXTEL COMMUNICATIONS,INC				
I-610189225179		NEXTEL COMMUNICATIONS,INC	129.70			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		TIM PITTMAN - CELL PHONE		101 4141-85015-000	CELL PHONE	97.43
		CELL PHONE		101 4131-85015-000	CELL PHONE	32.27
		=== VENDOR TOTALS ===	129.70			
=====						
01-05827		PATRICK MILLER CONSTRUCTION IN				
I-201805316687		PATRICK MILLER CONSTRUCTION I	272.99			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		REFUND - ST PAUL ADDRESS		101 32212-000	ROOFING PERMIT	272.99
		=== VENDOR TOTALS ===	272.99			
=====						
01-035		ST PAUL REGIONAL WATER SERVICE				
I-201805316691		ST PAUL REGIONAL WATER SERVIC	689.48			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		COMMUNITY PARK WATER		101 4141-85040-000	WATER	346.82
		COMMUNITY PARK SS		101 4141-85070-000	SEWER	236.98
		CITY HALL WATER		101 4131-85040-000	WATER	74.11
		CITY HALL SS		101 4131-85070-000	SEWER	31.57
		=== VENDOR TOTALS ===	689.48			

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POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-0581		TRI-STATE BOBCAT INC				
=====						
I-A4983		TRI-STATE BOBCAT INC	135.32			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		REPAIR EQUIPMENT		101 4132-87000-000	REPAIR EQUIPMENT	135.32
		=== VENDOR TOTALS ===	135.32			
=====						
01-05870		XCEL ENERGY				
=====						
I-201805316689		XCEL ENERGY	47.13			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		SNELLING & HOYT SIGN AREA		209 4209-85020-000	STREET LIGHTING POWER	11.31
		GAZEBO		101 4141-85020-000	ELECTRIC/GAS	35.82
=====						
I-72874733		XCEL ENERGY	70.59			
5/31/2018	APBNK	DUE: 5/31/2018 DISC: 5/31/2018		1099: N		
		LARPENITEUR/ARONA SIGNALS		209 4209-85020-000	STREET LIGHTING POWER	34.15
		AUTO PROTECTIVE LIGHT		101 4141-85020-000	ELECTRIC/GAS	28.15
		FIRE DEFENSE SIREN		101 4121-85020-000	ELECTRIC	8.29
		=== VENDOR TOTALS ===	117.72			
		=== PACKET TOTALS ===	15,437.08			

-----ID-----			GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
01-06290	CASH						
I-201806056696	CASH		98.70				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		CERTIFIED MAIL & POSTAGE		101 4112-70500-000	POSTAGE		68.70
		TIRE DISPOSAL		101 4132-87000-000	REPAIR EQUIPMENT		30.00
		=== VENDOR TOTALS ===	98.70				
01-06290	CITY OF ROSEVILLE						
I-201806056692	CITY OF ROSEVILLE		2,892.13				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		APRIL ENGINEERING		101 4133-80100-000	ENGINEERING SERVICES		2,595.04
		APRIL ENGINEERING		427 4427-92098-000	2017 STREET PROJECT - GR		88.85
		CLEVELAND AVE. RECONSTRUCTION		419 4419-80100-000	ENGINEERING		208.24
		=== VENDOR TOTALS ===	2,892.13				
01-03350	D LEWIS ENTERPRISES INC						
I-5600	D LEWIS ENTERPRISES INC		512.50				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		LAMINATE COUNTERTOP & INSTALL		101 4131-70110-000	SUPPLIES		512.50
		=== VENDOR TOTALS ===	512.50				
01-03300	DISCOUNT STEEL, INC						
I-4341980	DISCOUNT STEEL, INC		42.23				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		HOT ROLLED STEEL ANGLE		101 4131-70110-000	SUPPLIES		42.23
		=== VENDOR TOTALS ===	42.23				
01-00008	FEDERAL SIGNAL CORPORATION						
I-6901376	FEDERAL SIGNAL CORPORATION		7,743.75				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		EMERGENCY SIREN		402 4402-91000-000	MACHINERY & EQUIPMENT		7,743.75
		=== VENDOR TOTALS ===	7,743.75				

PACKET: 01767 JUNE 5TH PAYABLES  
 VENDOR SET: 01 City of Falcon Heights  
 SEQUENCE : ALPHABETIC  
 DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
01-0735		JAN-PRO CLEANING SYSTEMS					
I-76184		JAN-PRO CLEANING SYSTEMS	205.00				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		REG JANITORIAL SRVC - JUNE		101 4131-87010-000	CITY HALL MAINTENANCE		205.00
		=== VENDOR TOTALS ===	205.00				
01-07272		LILLIE SUBURBAN NEWSPAPER					
I-201806056693		LILLIE SUBURBAN NEWSPAPER	552.01				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		NOTICE-2040 COMP. PLN		101 4111-70410-000	LEGAL NOTICES		25.88
		NOTICE-ELECTICAL ORDINANCE		101 4111-70410-000	LEGAL NOTICES		17.25
		SUMMARY #18-03		101 4111-70410-000	LEGAL NOTICES		34.50
		2017 SUMMARY-FINANCIAL REPORT		101 4111-70410-000	LEGAL NOTICES		474.38
		=== VENDOR TOTALS ===	552.01				
01-05198		MACQUEEN EQUIPMENT INC					
I-P12740		MACQUEEN EQUIPMENT INC	144.73				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		STREET TEE, REDUCING BSHG, ETC		602 4602-83025-000	SWEEPER PARTS/SUPPLIES		144.73
		=== VENDOR TOTALS ===	144.73				
01-05843		MN NCPERS LIFE INSURANCE					
I-201806056694		MN NCPERS LIFE INSURANCE	128.00				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		MAY & JUNE LIFE INSURANCE		101 21709-000	OTHER PAYABLE		73.28
		MAY & JUNE LIFE INSURANCE		201 21709-000	OTHER PAYABLE		8.00
		MAY & JUNE LIFE INSURANCE		204 21709-000	OTHER PAYABLE		3.20
		MAY & JUNE LIFE INSURANCE		601 21709-000	OTHER PAYABLE		31.04
		MAY & JUNE LIFE INSURANCE		602 21709-000	OTHER PAYABLE		12.48
		=== VENDOR TOTALS ===	128.00				
01-07263		NEXTEL COMMUNICATIONS, INC					
I-17286921-159		NEXTEL COMMUNICATIONS, INC	17.69				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		FIRE FIGHTING-CELL PHONE		101 4124-85015-000	CELL PHONE		17.69
		=== VENDOR TOTALS ===	17.69				

-----ID-----			GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
=====							
01-06185	RAMSEY COUNTY						
I-RISK001926		RAMSEY COUNTY	1,005.27				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		INSURANCE/HR ADMIN FEE		101 4112-89000-000	MISCELLANEOUS		1,005.27
		=== VENDOR TOTALS ===	1,005.27				
=====							
01-06184	RAMSEY COUNTY - POLICE AND 911						
I-SHRFL001703		RAMSEY COUNTY - POLICE AND 91	82,692.72				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		JJUNE POLICE SERVICES		101 4122-81000-000	POLICE SERVICES		82,692.72
		=== VENDOR TOTALS ===	82,692.72				
=====							
01-06525	SUBURBAN ACE HARDWARE						
I-201806056695		SNOW PSHR BLADE, MOTO MIX, ET	74.32				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		SNOW PSHR BLADE, MOTO MIX, ETC		101 4132-70120-000	SUPPLIES		74.32
		=== VENDOR TOTALS ===	74.32				
=====							
01-05374	TENNIS SANITATION LLC						
I-2103849		TENNIS SANITATION LLC	5,835.50				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		MAY WASTE REMOVAL		101 4131-82010-000	WASTE REMOVAL		66.50
		MAY RECYCLING		206 4206-82030-000	RECYCLING CONTRACTS		5,769.00
		=== VENDOR TOTALS ===	5,835.50				
=====							
01-0537	VERIZON WIRELESS						
I-9807878394		CELL PHONE-SACK THONGVANH	59.68				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		CELL PHONE-SACK THONGVANH		101 4116-85010-000	TELEPHONE		59.68
		=== VENDOR TOTALS ===	59.68				
=====							
01-05870	XCEL ENERGY						
I-722768019		XCEL ENERGY	1,425.57				
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N			
		MISC. STREET LIGHTNG		209 4209-85020-000	STREET LIGHTING POWER		510.47
		FIRE & CIVIL DEF. SIREN		101 4131-85030-000	NATURAL GAS		443.83
		ELEC.		101 4141-85020-000	ELECTRIC/GAS		459.96
		STREET LIGHTING ELEC.		209 4209-85020-000	STREET LIGHTING POWER		11.31

PACKET: 01767 JUNE 5TH PAYABLES  
VENDOR SET: 01 City of Falcon Heights  
SEQUENCE : ALPHABETIC  
DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01/01/17	XCEL ENERGY	( ** CONTINUED ** )				
I-726789978		XCEL ENERGY	56.13			
6/05/2018	APBNK	DUE: 6/05/2018 DISC: 6/05/2018		1099: N		
		LARPENUR LIGHTING		209 4209-85020-000	STREET LIGHTING POWER	44.82
		MISC. STREET LIGHTING		209 4209-85020-000	STREET LIGHTING POWER	11.31
		=== VENDOR TOTALS ===	1,481.70			
		=== PACKET TOTALS ===	103,485.93			



-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-00065		AMERICAN ENVIRONMENTAL LLC				
=====						
I-975		SEWER CLEANING 1/2 CITY	16,904.16			
6/06/2018	APBNK	DUE: 6/06/2018 DISC: 6/06/2018		1099: N		
		SANITARY SEWER CLEANING		601 4601-87100-000	TELEVISIONS AND JETTING	16,904.16
=== VENDOR TOTALS ===			16,904.16			
=====						
01-05224		HEARTLAND VIDEO SYSTEMS INC				
=====						
I-64756		PARTIAL AUDIO VISUAL EQUIP	18,826.45			
6/06/2018	APBNK	DUE: 6/06/2018 DISC: 6/06/2018		1099: N		
		PARTIAL AUDIO VISUAL EQUIP		401 4401-90100-000	FURNITURE & EQUIPMENT	18,826.45
=== VENDOR TOTALS ===			18,826.45			
=====						
01-04570		JOSEPH, KATRINA E.				
=====						
I-201806076700		MAY PROSECUTIONS	2,500.00			
6/07/2018	APBNK	DUE: 6/07/2018 DISC: 6/07/2018		1099: Y		
		MAY PROSECUTIONS		101 4123-80200-000	LEGAL FEES	2,500.00
=== VENDOR TOTALS ===			2,500.00			
=====						
01-05665		METROPOLITAN COUNCIL				
=====						
I-1084133		JULY SANITARY SEWER CHRGS	39,846.43			
6/06/2018	APBNK	DUE: 6/06/2018 DISC: 6/06/2018		1099: N		
		SEWER CLEANING 1/2 CITY		601 4601-85060-000	METRO SEWER CHARGES	39,846.43
=== VENDOR TOTALS ===			39,846.43			
=====						
01-00030		OLSON, ROLAND				
=====						
I-201806076699		MILEAGE REIMB	56.57			
6/07/2018	APBNK	DUE: 6/07/2018 DISC: 6/07/2018		1099: N		
		mileage reimb		101 4113-86010-000	MILEAGE	56.57
=== VENDOR TOTALS ===			56.57			
=====						
01-06115		TIMOTHY PITTMAN				
=====						
I-201806066697		2 BOXES COOKIES SPECIAL EVENT	80.00			
6/06/2018	APBNK	DUE: 6/06/2018 DISC: 6/06/2018		1099: N		
		2 BOXES COOKIES SPECIAL EVENTS		101 4116-89010-000	SPECIAL EVENTS	80.00
=== VENDOR TOTALS ===			80.00			

-----ID-----			GROSS	P.O. #		
-----	-----	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-0028	SACK THONGVANH					
I-201806066698	MAY AND JUNE CELL PHONE REIMB		120.00			
6/06/2018	APBNK	DUE: 6/06/2018 DISC: 6/06/2018		1099: N		
		MAY AND JUNE CELL PHONE REIMB		101 4131-85015-000	CELL PHONE	60.00
		MAY AND JUNE CELL PHONE REIMB		601 4601-85015-000	CELL PHONE	60.00
	=== VENDOR TOTALS ===		120.00			
01-05737	VERIZON WIRELESS					
I-9808001842	FIRE DEPT CAD		70.04			
6/06/2018	APBNK	DUE: 6/06/2018 DISC: 6/06/2018		1099: N		
		FIRE DEPT CAD		101 4124-85015-000	CELL PHONE	70.04
	=== VENDOR TOTALS ===		70.04			
01-05870	XCEL ENERGY					
I-201806076702	ELECT AND GAS		967.78			
6/07/2018	APBNK	DUE: 6/07/2018 DISC: 6/07/2018		1099: N		
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	69.04
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	52.08
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	11.31
		ELECT		209 4209-85020-000	STREET LIGHTING POWER	47.17
		ELECT		101 4141-85020-000	ELECTRIC/GAS	17.95
		GAS		101 4141-85070-000	SEWER	36.03
		ELECT		101 4141-85020-000	ELECTRIC/GAS	734.20
	=== VENDOR TOTALS ===		967.78			
	=== PACKET TOTALS ===		79,371.43			

EMP #	NAME	AMOUNT
01-0013	PETER C LINDSTROM	304.93
01-0022	RANDALL C GUSTAFSON	262.05
01-0023	MELANIE M LEEHY	262.05
01-0024	MARK J MIAZGA	262.05
01-1005	SACK THONGVANH	3,198.63
01-1017	TIMOTHY J SANDVIK	1,736.07
01-1020	AMANDA P LOR	588.26
01-1136	ROLAND O OLSON	2,202.85
01-1160	BENJAMIN R DETTMER	282.08
01-2154	MAUREEN A ANDERSON	101.51
01-1018	PAUL A MORETTO	2,023.87
01-0086	RICHARD H HINRICHS	884.82
01-0095	MICHAEL J POESCHL	320.03
01-0097	PATRICK GAFFNEY	128.61
01-0105	ANTON M FEHRENBACH	347.91
01-0123	BRYAN R SULLIVAN	92.24
01-0124	MICHAEL D KRUSE	126.40
01-2240	TIMOTHY P TWOHY	682.67
01-1030	TIMOTHY J PITTMAN	2,062.95
01-1033	DAVE TRETSEVEN	1,626.64
01-1143	COLIN B CALLAHAN	1,614.32

TOTAL PRINTED: 21 19,110.94

5-24-2018 11:00 AM PAYROLL CHECK REGISTER  
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 1  
 PAYROLL DATE: 5/24/2018

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
007	BROWN THUNDER, JOSEPH C	R	5/24/2018	262.05	087544
22	TACHENY, JUSTIN T	R	5/24/2018	928.53	087545

5-24-2018 11:00 AM PAYROLL CHECK REGISTER  
 PAYROLL NO: 01 City of Falcon Heights

PAGE: 2  
 PAYROLL DATE: 5/24/2018

\*\*\* REGISTER TOTALS \*\*\*

REGULAR CHECKS:	2	1,190.58
DIRECT DEPOSIT REGULAR CHECKS:	21	19,110.94
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		
TOTAL CHECKS:	23	20,301.52

\*\*\* NO ERRORS FOUND \*\*\*

\*\* END OF REPORT \*\*

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*The City That Soars!*

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	June 13, 2018
<b>Agenda Item</b>	Consent F2
<b>Attachment</b>	Lease Agreement
<b>Submitted By</b>	Sack Thongvanh, City Administrator

<b>Item</b>	Copier Machine – City Hall												
<b>Description</b>	<p>The city hall copy/printer/scanner machine Konia Minolta Bizhub C454 is inoperable because it is 4-6 years old and old replacements parts are expensive or disconnected. Staff researched copy machines and would like to lease the Canon IR ADVANCE C5550i.</p> <p>Canon IR ADVANCE C5550i is designed to be reliable, durable products that can easily integrate. It also has outstanding image quality, fast color in a compact size, and a focus on authentication.</p> <p>The lease will be \$122.39/month for five years totaling \$7,343.40 which saves the City \$5,981.40 over the current lease of \$222.08/month for five years totaling \$13,324.80. Services include all toner, parts, staples and labor rate locked for the term of the contract. The chart below shows the cost of each printer in the lease, color, and B&amp;W and can see that the city will save more if it were to lease the Canon IR ADVANCE C5550i.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th>Printers</th> <th>Konia</th> <th>Canon</th> </tr> </thead> <tbody> <tr> <td>Lease</td> <td style="text-align: center;">\$222.08/mo</td> <td style="text-align: center;">122.39/mo</td> </tr> <tr> <td>Black &amp; White</td> <td style="text-align: center;">\$0.009</td> <td style="text-align: center;">\$0.0074</td> </tr> <tr> <td>Color</td> <td style="text-align: center;">\$0.055</td> <td style="text-align: center;">\$0.0504</td> </tr> </tbody> </table> <p>Staff believes the Canon IR ADVANCE C5550i is the best cost saving option for the city.</p>	Printers	Konia	Canon	Lease	\$222.08/mo	122.39/mo	Black & White	\$0.009	\$0.0074	Color	\$0.055	\$0.0504
Printers	Konia	Canon											
Lease	\$222.08/mo	122.39/mo											
Black & White	\$0.009	\$0.0074											
Color	\$0.055	\$0.0504											
<b>Budget Impact</b>	The City should see a savings of \$107.28 per month for a total of \$1,287.36 per year.												
<b>Attachment(s)</b>	<ul style="list-style-type: none"> <li>· Loffler Copier Proposal</li> <li>· Loffler Maintenance &amp; Support Agreement</li> <li>· State Contract – 60 Month Rental</li> <li>· State Contract Acknowledge Form</li> </ul>												

<b>Action(s) Requested</b>	Staff recommends approval Falcon Heights City Council authorize the City Administrator to purchase and execute all necessary documents for the Canon IR ADVANCE C5550i based on the attached proposal from Loffler.
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December 1, 2017



A Proposal for

# City of Falcon Heights

Prepared By:

Corey Schlosser  
Integrated Solutions Account Manager – K12 Education & Municipality Vertical  
Phone #: 952-646-6427 – Email: cshlosser@loffler.com

Clint Miller  
Sales Manager  
Phone #: 952-230-5658 – Email: clint.miller@loffler.com

The contents of this proposal are considered private and confidential for the exclusive use of City of Falcon Heights and their relationship with Loffler.

# Our Mission Statement

We are an independent Professional Services Organization dedicated to providing superior integrated IT solutions, office technologies and services.

The foundation of our success is based on exceeding the expectations of our clients, employees, partners, and community.



# Why Loffler?



## Our Products

Our breadth of services and solutions allows Loffler to meet virtually all of our clients' wide range of business communication needs: Office Technologies, Software Solutions & Professional Services, On-site Management Services (Facilities management), IT Manage Services & IT Solutions, and Telephony & Voice Recording Solutions. We offer many of the industry's leading solutions from Canon, Konica Minolta, Xerox, EFI, Creo, NEC, Shoretel, HP, Lexmark, and others.

## Our People

We have invested significantly in the best talent available to support our imaging products and services. These resources include: Pre-sale & post-sale color analysts, Variable data experts, Document management consultants, Onsite management services sales consultants, High volume/production specialists, eCopy specialists, Print assessment specialists, and a highly tenured management team.

Loffler is committed to service excellence. We have one of the largest and best-trained service teams in the Twin Cities. Our Service Engineers have an average tenure of eight years, and respond to our clients' calls on site in three hours or less. In addition, Loffler operates its very own authorized training center. Here our technicians are trained on every make and model Loffler sells.

## Our Company

Our mission is simple. We want to exceed your expectations. Since 1986, we've worked hard to become Minnesota's most capable office technology provider. Today, we have emerged into a Business Communication Company that offers a broad portfolio of technology, services and solutions.

As an independent company, we have the freedom to offer the world's best technology solutions. But great products are just the start. Our sales and IT professionals are here to offer high-quality support for all our products and services. In fact, Loffler was just recognized as one of the nation's Elite Dealers.

Whether you're looking for a specific product or a comprehensive solution, Loffler has the right tools to help your business succeed. From copiers to telephones and on-site management services, we do it all. And we do it well.



Jim Loffler – President

### Loffler Companies Mission Statement

We are an independent Professional Services Organization dedicated to providing superior digital office technologies, services and IT solutions.

The foundation of our success is based on exceeding the expectations of our clients, employees, partners and community.





## Loffler Support Team



### COREY SCHLOSSER

Integrated Solutions Account Manager – K12 Education & Municipality Vertical

Direct Dial: 952-646-6427

Email: [cschlosser@loffler.com](mailto:cschlosser@loffler.com)

### CLINT MILLER

Sales Manager. Eight+ years industry experience.

Direct Dial: 952-230-5658

Email: [clint.miller@loffler.com](mailto:clint.miller@loffler.com)

### HEATHER HALLOFF

Color Solutions Specialist. Seventeen years industry experience. Digital color solutions. Local and national corporate accounts.

Direct Dial: 952-915-6895

Email: [hhalloff@loffler.com](mailto:hhalloff@loffler.com)

### JOHN TURNER

Director, Managed Print Services. 30+ years industry experience supporting client initiatives with output management.

Direct Dial: 952-925-6848

Email: [jturner@loffler.com](mailto:jturner@loffler.com)

### JEFF KING

Business Process Manager. Twenty-three years industry experience. Workflow and content management software, scanning solutions, project management, and custom project development on a local and national account level.

Direct Dial: 952-646-6482

Email: [jking@loffler.com](mailto:jking@loffler.com)

Loffler's technical and systems support team also includes one Microsoft Certified Software Engineer (MCSE); four additional Microsoft Certified Professionals (MCP); and two additional Certified Netware Engineers (CNE).

City of Falcon Heights



1101 E 78<sup>th</sup> Street, Bloomington, MN 55420  
 952-925-6800 • Fax 952-925-6801

## ORDER AGREEMENT - Rental Minnesota State Contract #84336

<b>B I L L T O</b>	Company Same as Ship To		Vendor Swift	<b>S H I P T O</b>	Company City of Falcon Heights		Customer #		
	Address				Address				
	Address 2				Address 2				
	Suite/Floor/Dept				Suite/Floor/Dept				
	State		Zip		City Falcon Heights		State MN	Zip 55113	
	Loffler Contact		Phone		Contact				
	E-Mail Address								

Meter Contact	Phone <input type="checkbox"/> Preferred Meter Method	Fax <input type="checkbox"/> Preferred Meter Method	E-Mail Address <input type="checkbox"/> Preferred Meter Method
Training YES	Training Contact	Phone	E-Mail Address
Networking YES	Networking Contact	Phone	E-Mail Address
Delivery/Pickup Date & Date	Carrier	If "Other", Please Describe	Stairs SELECT ONE
Trade In ID#s	Model/Serial Number		Trade-In Ownership

Comments: Pick up and remove Loffler ID# 45505

ORDER QTY	PRODUCT NUMBER	DESCRIPTION	UNIT PRICE	TOTAL
1		Canon IR ADV C5550i		\$78.40
1		High Capacity Cassette Feed Unit		\$21.60
1		Internal Staple Finisher		\$14.32
1		Hole Punch Kit		\$8.07
				\$0.00
1		Delivery, Install, & Training		\$0.00
				\$0.00
		State Contract #84336		\$0.00
		60 Month Rental		\$0.00
		Vendor Swift Code 0000195734-011		\$0.00
		Bill to: Canon USA c/o Canon Financial Services		\$0.00
		14904 Collections Center Drive		\$0.00
		Chicago, IL 60693-0149		\$0.00
				\$0.00
				\$0.00
				\$0.00
Client Signature: x			Date	<b>TOTAL</b> \$122.39



1101 E 78<sup>th</sup> Street, Bloomington, MN 55420  
952-925-6800 • Fax 952-925-6801

### MAINTENANCE AGREEMENT

<b>B I L L T O</b>	Company City of Falcon Heights	Customer #	<b>S H I P T O</b>	Company Same as Bill To	Customer #		
	Address 2077 Larpenter Ave W			Address			
	Address 2			Address 2			
	Suite/Floor/Dept			Suite/Floor/Dept			
	City	State		Zip	City	State	Zip
	Falcon Heights						
Contact	Phone		Contact	Phone			
		651-792-7600					

CONTRACT TERM:  1 Year  2 Year  3 Year  4 Year  5 Year  Other: \_\_\_\_\_

EFFECTIVE DATE:  Install Date \_\_\_\_\_  New  Renewal

MAKE/MODEL	DESCRIPTION	SERIAL NUMBER	ID	BEGIN METER
Canon IR ADV C5550i				

<input type="checkbox"/>	Annual Rate \$ _____	B&W Copies Allowed _____	B&W Overage Charge \$ _____
		Color Copies Allowed _____	Color Overage Charge \$ _____
<input type="checkbox"/>	Quarterly Rate \$ _____	B&W Copies Allowed _____	B&W Overage Charge \$ _____
		Color Copies Allowed _____	Color Overage Charge \$ _____
<input checked="" type="checkbox"/>	Monthly Rate \$ 0.00	B&W Copies Allowed 0	B&W Overage Charge \$ 0.007400
		Color Copies Allowed 0	Color Overage Charge \$ 0.050400
<input checked="" type="checkbox"/>	Addtl. Charge \$ 0	For NA	

Supplies Included:  Yes  No      Black Toner  Color Toner

Staples Included:  Yes  No

Meter Contact imageWHERE Remote	Phone	Preferred Meter Method	Fax	Preferred Meter Method	E-mail Address	Preferred Meter Method
------------------------------------	-------	------------------------	-----	------------------------	----------------	------------------------

Special Instructions: **State Contract #84336. Staples INCLUDED. Rate Locked for Five Year Term**

Please carefully review the Terms and Conditions on the second page and provide a customer signature.

# **TERMS & CONDITIONS**

## **Maintenance Services**

During the term of this contract Loffler Companies, Inc will repair or replace according to the terms of this agreement any part of the equipment which becomes unserviceable due to normal usage (other than consumable supplies, i.e. toner, image units). All parts replaced will be furnished on an exchange basis and will be new, reconditioned, or used. All parts removed due to replacement will become the property of Loffler Companies, Inc. Maintenance services provided by Loffler Companies, Inc. under this agreement do not include the following:

- A. Repair of damage not caused by vendor, including without limitation, damage resulting from accident, transportation neglect or misuse, failure or fluctuation of electrical power, telephone equipment or communication lines failure, environmental conditions, or acts of God.
- B. Repairs made necessary because of service that was provided by persons other than vendor.
- C. Exit trays, copy cabinet, removable cassettes, or other breakable items that are not related to the mechanical or electrical operation of the equipment.
- D. Repairs and/or service calls resulting from attachments not purchased and/or approved by Loffler Business Systems.
- E. Network or IT triage related to IT infrastructure issues affecting the operation of the hardware device.

## **Performance of Maintenance Services**

Maintenance services will be provided at the customer's place of business where the equipment is located during regular business hours (8:00 a.m. – 5:00 p.m.) Monday through Friday, except holidays.

## **Charges**

The maintenance charges for all maintenance agreements, i.e. annually, quarterly, monthly, will be payable by the customer in advance with the overages billed in arrears. The relocation of equipment indicated on the face hereof may result in an increase of maintenance charges or the termination of this agreement. The client will provide timely meter readings at the end of each billing period in response to Loffler Companies fax/email requests or contacted by telephone. If meter reads are not received in a timely manner, Loffler Companies reserves the right to estimate the meter readings. The charges established in this agreement include payment for the maintenance of the equipment and consumable supplies including black and color toner and developer, if indicated on the reverse side. Paper and staples must be purchased separately by you. For the purpose of this agreement, an impression is defined as a one sided, 8.5 x 11 or smaller image on a single sheet of media. This agreement is based upon manufacturer stated yields: 6% coverage for black toner and 20% coverage for color toners. Toner usage/coverage beyond manufacturer stated yields can result in additional charges for toner at current market pricing. Toner provided under this agreement is the property of Loffler Co. Inc until consumed in covered equipment.

## **Customer Obligations**

Customer agrees to provide a suitable place for use (including suitable electric service) as specified by the manufacturer. Customer to provide 360 degree service access to equipment. Customer will provide a key operator for the equipment and make available operators for instruction in use and care of the equipment.

## **Limitations**

Loffler Companies, Inc. shall not be liable for failure to perform its obligations hereunder, and such failure to perform shall not constitute a breach of this agreement when repair of the equipment is required as a result of accident, misuse, use of supplies or accessories that do not meet manufacturer's standards, fire, flood, or other adverse conditions damaging the equipment at customer's premises. Loffler Companies, Inc. shall not be liable for delay or failure to perform under this agreement for causes beyond its reasonable control for the period of time that such causes are enduring. Additionally, Loffler Companies, Inc. shall not be responsible or liable for any circumstances occurring due to the failure of any equipment or accessories covered under this agreement.

## **Term**

This agreement will become effective as of the effective date indicated on the reverse side and is a non-cancelable contract. This agreement will be automatically renewed at the prevailing rates at the time of expiration unless canceled in writing thirty (30) days prior to the expiration of the agreement. Maintenance agreement rates may be subject to an annual rate adjustment. Loffler Companies, Inc. may terminate this agreement upon written notice prior to any renewals.

## **Entire Agreement/Applicable Law**

This agreement constitutes the entire agreement between Loffler Companies, Inc. and the customer and supersedes any previous agreements between Loffler Companies, Inc. and the customer with respect to services to the equipment. This agreement shall be interpreted and continued in accordance with the law of the State of Minnesota and the parties hereby consent to the personal jurisdiction of any state or federal court having appropriate subject matter jurisdiction located within the State of Minnesota.

## **Non-Solicitation**

Client acknowledges and agrees that the employees of Loffler Companies, Inc. who perform the services are a valuable asset to Loffler Companies, Inc. and are difficult to replace. Accordingly, Client agrees that, for a period of one (1) year after the completion of said services, it will not, directly or indirectly, solicit, recruit, hire or otherwise employ any employee or agent of Loffler Companies, Inc. who performed such services. If Client violates this paragraph, Client will pay to Loffler Companies, Inc. damages equal to one hundred percent (100%) of that individual's annual salary. For purposes of this Agreement only, an "individual's" annual salary shall mean the individual's annual salary with either Loffler Companies, Inc. or with Client, as of the date of Client's violation of this paragraph, whichever is greater.

## **License Fees**

In the event that license fees are paid by Loffler, we will incorporate that charge into the billing rates to amortize the cost over a year's time. If Client cancels the contract prior to the end of the term, the Client will be charged with the remainder of the amount due for the license.

## **Net Connect**

Maintenance services include Net Connect services, which provide support for printing, scanning, and connectivity of the multifunctional equipment.

Customer Signature **X** \_\_\_\_\_

Print Customer Name \_\_\_\_\_

Loffler Companies Representative \_\_\_\_\_

Loffler Company Acceptance Date \_\_\_\_\_

Loffler Companies Officer Approval \_\_\_\_\_

Signature

Time

Date



**Contract Acknowledgement in lieu of Purchase Order**

I, \_\_\_\_\_, as an authorized agent of \_\_\_\_\_ am making  
*(Purchasing Agent Name)* *(Agency Name)*  
the attached ***purchase / lease / rental*** as specified in agreement \_\_\_\_\_ under the  
*(circle procurement type)* *(Purchase Agreement Number)*  
terms and conditions of State/Association Contract Number \_\_\_\_\_  
*(State/Association Contract Number)*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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*The City That Soars!*

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	June 13, 2018
<b>Agenda Item</b>	Policy G1
<b>Attachment</b>	Agreements
<b>Submitted By</b>	Sack Thongvanh, City Administrator

<b>Item</b>	City Hall – Solar Gardens
<b>Description</b>	On May 11, 2016, the City entered into a solar subscription agreement with Geronimo Energy LLC and BHE Renewables, LLC. Based on the demand load, the City can expect a potential savings of \$23,730.27 over 25 years with an allocation of over 100,000 kwh. The City of Falcon Heights would retain \$.01 per kilo watt hour that is produced by Geronimo Energy.
<b>Budget Impact</b>	We are expected to receive the credit in the next couple of months.
<b>Attachment(s)</b>	· Assignment, Assumption, and Novation Agreements
<b>Action(s) Requested</b>	Staff recommends authorizing the City Administrator and Mayor to execute all necessary documents.

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## ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT (this “Agreement”) is made as of \_\_\_\_\_, 2018, by and among Geronimo Energy, LLC, a Delaware limited liability company (“Geronimo”), BHE Renewables, LLC, a Delaware limited liability company (“BHE”), Argo Navis CSG1, LLC, a Minnesota limited liability company (“Operator”), and the City of Falcon Heights, a Minnesota Municipal Corporation (the “Subscriber”). All capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Subscription Agreement (defined below).

WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303472923, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

*[Signatures on Following Page]*

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered on behalf of the parties as of the date first above written.

*Geronimo:*

Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

---

Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG1, LLC,  
a Minnesota limited liability company

---

Name: Peter Lindstrom  
Title: Mayor

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

---

Name: Sack Thongvanh  
Title: City administrator

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THIS ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT (this “Agreement”) is made as of \_\_\_\_\_, 2018, by and among Geronimo Energy, LLC, a Delaware limited liability company (“Geronimo”), BHE Renewables, LLC, a Delaware limited liability company (“BHE”), Argo Navis CSG2, LLC, a Minnesota limited liability company (“Operator”), and the City of Falcon Heights, a Minnesota Municipal Corporation (the “Subscriber”). All capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Subscription Agreement (defined below).

WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303472923, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

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Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

---

Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG2, LLC,  
a Minnesota limited liability company

---

Name: Peter Lindstrom  
Title: Mayor

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

---

Name: Sack Thongvanh  
Title: City administrator



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WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303564236, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

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2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

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Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

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*BHE:*

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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*Operator:*

Argo Navis CSG2, LLC,  
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WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #304521136, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

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a Delaware limited liability company

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

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Name: Peter Lindstrom  
Title: Mayor

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator

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WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303309312, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

*[Signatures on Following Page]*



IN WITNESS WHEREOF, this Agreement has been duly executed and delivered on behalf of the parties as of the date first above written.

*Geronimo:*

Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

---

Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

---

Name: Peter Lindstrom  
Title: Mayor

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

---

Name: Sack Thongvanh  
Title: City administrator

## ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT (this “Agreement”) is made as of \_\_\_\_\_, 2018, by and among Geronimo Energy, LLC, a Delaware limited liability company (“Geronimo”), BHE Renewables, LLC, a Delaware limited liability company (“BHE”), Argo Navis CSG3, LLC, a Minnesota limited liability company (“Operator”), and the City of Falcon Heights, a Minnesota Municipal Corporation (the “Subscriber”). All capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Subscription Agreement (defined below).

WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #302899373, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

*[Signatures on Following Page]*

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*BHE:*

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a Delaware limited liability company

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

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Name: Peter Lindstrom  
Title: Mayor

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator

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WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303818051, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

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*Geronimo:*

Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

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Name: Peter Lindstrom  
Title: Mayor

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator

## ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT (this “Agreement”) is made as of \_\_\_\_\_, 2018, by and among Geronimo Energy, LLC, a Delaware limited liability company (“Geronimo”), BHE Renewables, LLC, a Delaware limited liability company (“BHE”), Argo Navis CSG3, LLC, a Minnesota limited liability company (“Operator”), and the City of Falcon Heights, a Minnesota Municipal Corporation (the “Subscriber”). All capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Subscription Agreement (defined below).

WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #302178652, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the



Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

*[Signatures on Following Page]*

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*Geronimo:*

Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

---

Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

---

Name: Peter Lindstrom  
Title: Mayor

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator

## ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT (this “Agreement”) is made as of \_\_\_\_\_, 2018, by and among Geronimo Energy, LLC, a Delaware limited liability company (“Geronimo”), BHE Renewables, LLC, a Delaware limited liability company (“BHE”), Argo Navis CSG3, LLC, a Minnesota limited liability company (“Operator”), and the City of Falcon Heights, a Minnesota Municipal Corporation (the “Subscriber”). All capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Subscription Agreement (defined below).

WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303212625, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

*[Signatures on Following Page]*

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*Geronimo:*

Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

---

Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

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Name: Peter Lindstrom  
Title: Mayor

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator

## ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND NOVATION AGREEMENT (this “Agreement”) is made as of \_\_\_\_\_, 2018, by and among Geronimo Energy, LLC, a Delaware limited liability company (“Geronimo”), BHE Renewables, LLC, a Delaware limited liability company (“BHE”), Argo Navis CSG3, LLC, a Minnesota limited liability company (“Operator”), and the City of Falcon Heights, a Minnesota Municipal Corporation (the “Subscriber”). All capitalized terms used herein and not defined herein shall have the respective meanings ascribed to such terms in the Subscription Agreement (defined below).

WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #302812961, dated May 25, 2016, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

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*Geronimo:*

Geronimo Energy, LLC,  
a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

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Name: Peter Lindstrom  
Title: Mayor

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator



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WHEREAS, Geronimo, BHE, and Subscriber are parties to that certain Subscription Agreement, premise #303472923, dated July 2017, (the “Subscription Agreement”), pursuant to which Subscriber has subscribed and has agreed to be allocated a certain amount of Xcel Energy bill credits related to the production of energy by one or more solar energy projects owned and operated by Operator; and

WHEREAS, Geronimo and BHE desire to assign and delegate to Operator, and Operator desires to receive an assignment of and assume, all of the rights and interests in and to, and all of the liabilities and obligations under, the Subscription Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Effective as of the date hereof, the Closing, Geronimo and BHE hereby transfer, convey and assign to Operator the Subscription Agreement and all of their respective rights, title and interest in, under and to the Subscription Agreement, except that BHE reserves the right to receive payment under the Subscription Agreement. Operator hereby accepts such assignment.

2. Assumption. Effective as of the date hereof, Operator hereby assumes and agrees to pay, perform and discharge in due course all of Geronimo’s and BHE’s respective liabilities and obligations under or pursuant to the Subscription Agreement.

3. Release and Novation. Upon such assignment and assumption as described in Sections 1 and 2 of this Agreement, Geronimo and BHE shall be released from all rights, duties and obligations with respect to the Subscription Agreement. The parties hereto hereby agree that this Agreement shall constitute a novation of the obligations of Geronimo and BHE under the Subscription Agreement. Accordingly, all of the rights, duties and obligations of Geronimo and BHE under the Subscription Agreement are hereby extinguished effective as of the date hereof. Subscriber acknowledges and accepts Operator as Geronimo’s and BHE’s successor in interest in and to all of Geronimo’s and BHE’s rights, duties and obligations in, to and under the Subscription Agreement. Accordingly, Subscriber hereby (i) approves and consents to the assignment of the Subscription Agreement to Operator as described herein, (ii) releases and discharges Geronimo and BHE from the performance of the Subscription Agreement and from all obligations, liabilities, claims and demands howsoever arising under or in relation to the

Subscription Agreement and accepts the obligations and liabilities of Operator under the Subscription Agreement in place of the liabilities and obligations of Geronimo and BHE, and (iii) approves and consents to BHE's receipt and processing all payments on behalf of Operator under the Subscription Agreement. The Subscriber does not release BHE from its obligations under the parent guaranty between BHE and Subscriber which guarantees Operator's performance under the Subscription Agreement.

4. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Miscellaneous. Each party hereby acknowledges and agrees that in the event of any inconsistencies or ambiguities between this Agreement and the Subscription Agreement, the terms of this Agreement shall govern. This Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to any conflict of laws, rules or principles that might refer the governance or construction to any other jurisdiction. This Agreement may be executed in separate counterparts and delivered by facsimile or in electronically scanned (pdf) form and all of such counterparts when taken together shall constitute one and the same instrument. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

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a Delaware limited liability company

*BHE:*

BHE Renewables, LLC,  
a Delaware limited liability company

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Name: Jeffrey R. Ringblom  
Title: VP of Finance and Accounting

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

*Subscriber:*

City of Falcon Heights,  
a Minnesota Municipal Corporation

*Operator:*

Argo Navis CSG3, LLC,  
a Minnesota limited liability company

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Name: Peter Lindstrom  
Title: Mayor

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Name: Rick Weech  
Title: SVP & CFO, BHE Solar

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Name: Sack Thongvanh  
Title: City administrator

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*The City That Soars!*

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	June 13, 2018
<b>Agenda Item</b>	Policy G2
<b>Attachment</b>	Agreements
<b>Submitted By</b>	Sack Thongvanh, City Administrator

<b>Item</b>	City Hall – Rooftop Solar Panels												
<b>Description</b>	<p>In 2011, the City of Falcon Heights entered into a Sale, Leaseback, and Put and Call Agreement with Energy Alternatives Solar, LLC.</p> <p>Dakota Electric purchased the right from Energy Alternatives Solar and the City has paid the lease agreement of \$530/month.</p> <p><b>From 2011:</b> Energy Alternatives’ proposal includes:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Total Project Cost:</td> <td style="text-align: right;">\$321,600.00</td> </tr> <tr> <td>Monthly Lease Payment (City pays to Energy Alternatives):</td> <td style="text-align: right;">\$530.00</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td>Total Lease payments by city over 72 month period:</td> <td style="text-align: right;">\$38,160.00</td> </tr> <tr> <td>Proposed city buyout after year six:</td> <td style="text-align: right;"><u>\$12,720.00</u></td> </tr> <tr> <td><b>Total out-of-pocket cost to city:</b></td> <td style="text-align: right;"><b>\$50,880.00</b></td> </tr> </table> <p>Greg Miller, President and CEO of Dakota Electric Association submitted a termination agreement prior to the Put Call date of November 1, 2018. The put/call aspect of the sales contract calls for a final payment of \$12,720 which equal two years of payment of \$530/month.</p> <p>Mr. Miller has offered a reduction to \$6,000, a saving of \$6,720. In addition, the City would no longer be required to make the \$530/month lease payment.</p> <p>Staff reviewed the Energy Performance Guarantee that states a minimum savings of \$4,114 worth of electricity will be produced by the panels. It was determined that the guarantee was not fulfilled because a number of panels were not generating power to the grind.</p> <p>Staff was able to negotiate the termination with a purchase cost of \$4,000, an additional \$2,000 in savings.</p>	Total Project Cost:	\$321,600.00	Monthly Lease Payment (City pays to Energy Alternatives):	\$530.00			Total Lease payments by city over 72 month period:	\$38,160.00	Proposed city buyout after year six:	<u>\$12,720.00</u>	<b>Total out-of-pocket cost to city:</b>	<b>\$50,880.00</b>
Total Project Cost:	\$321,600.00												
Monthly Lease Payment (City pays to Energy Alternatives):	\$530.00												
Total Lease payments by city over 72 month period:	\$38,160.00												
Proposed city buyout after year six:	<u>\$12,720.00</u>												
<b>Total out-of-pocket cost to city:</b>	<b>\$50,880.00</b>												

<b>Budget Impact</b>	The impact has been reduced from \$6,000 to \$4,000 of the budget, and elimination of the lease payment of \$530/month. This is a potential saving of \$2,650 if we can execute the termination agreement in June.
<b>Attachment(s)</b>	<ul style="list-style-type: none"> <li>· Sale Agreement</li> <li>· Leaseback Agreement</li> <li>· Power Plus Agreement</li> <li>· Put and Call Agreement</li> <li>· Bill of Sale, Termination and Release Agreement</li> <li>· Resolution 18-20 Approving the Bill of Sale, Termination, and Release Agreement for the Purchase of the City Hall Rooftop Solar Panels</li> </ul>
<b>Action(s) Requested</b>	Staff recommends approving the termination of agreement, purchase of the City Hall Solar Panels from Dakota Electric for \$4,000 and authorize the City Administrator and Mayor to execute all necessary documents.

**Energy Alternatives Solar, LLC**

**Sales Agreement**

**City of Falcon Heights**

## **Steps to Solar PV Sale, Lease, Operation, Savings, & Transfer**

### **Step #1 – Construction**

- a) EA Solar builds and installs the solar PV System for the City.

### **Step #2 – Sale and Leaseback (day 1)**

- a) EA Solar sells the solar PV System to the City for \$329,500 and the City is the "physical owner" as required by Xcel Energy.
- b) EA leases the solar PV System back from the City under a capital lease for 20 years, and EA Solar becomes the "tax owner" in compliance with IRS requirements and receives the tax benefits.
- c) EA Solar pays the City all the lease payments in advance which equal the sales price less any grant funds received by the City.
- d) The City has zero initial cash out-of-pocket, other than the pass through of grant funds received, if any.

### **Step #3 – Operating (Power Plus) Agreement (6 years)**

- a) The City signs a 6-year operating agreement with EA Solar in which EA Solar operates, maintains, insures and repairs the System. The City receives the full electrical output of the system to reduce its monthly power bill from Xcel Energy.
- b) After 6 years, the Agreement renews annually up to a 20-year term.

### **Step #4 – Put and Call Agreement (following year 6)**

- a) At the end of year 6, EA Solar has 6 months to execute the "Put", and require the City to buy out the remainder of the Operating Agreement for the System for a predetermined price. The City then has full ownership and full benefit of the System for the remainder of its 25-year life.
- b) If EA Solar does not execute the "Put", the City has 12 months to execute the "Call", and require EA Solar to sell the System to the City at fair market value.
- c) In any event, it is the intention of both parties that the City will ultimately own the system following year 6.

### **Step #5 – Energy Performance Guarantee**

- a) Per MN Statute, EA Solar must guarantee that the power cost savings generated by the System, will exceed all payments the City expends towards the System.

Power cost savings for the City are estimated at \$125,171



The City's operating and buyout payments to EA Solar total \$50,880

**Energy Alternatives Solar, LLC**

**Sales Agreement**

THE PARTIES named below have executed this Agreement effective December 1, 2011 and hereby agree to the terms contained below and in any attachments made a part of this Agreement.

**BUYER:**

City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

**SELLER:**

Energy Alternatives Solar, LLC  
17685 Juniper Path, Suite 301  
Lakeville, MN 55044

By:



Signature

Justin Miller

Print Name

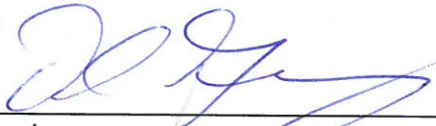
City Administrator

Title

11/22/11

Date

By:



Signature

Dale Gundberg

Print Name

President

Title

11-29-11

Date

**Equipment Sales Price:** Per Schedule(s) A.

**Equipment:** Per Schedule(s) A.

**Equipment Location:** Per Schedule(s) A.

**Sales Terms.** This Sales Agreement for the equipment listed herein is executed concurrently with a Leaseback Agreement between the Parties wherein the Seller will lease the Equipment from the Buyer under the terms and conditions specified in the Leaseback Agreement which is made a part hereof.

The Equipment Sales Price is to be paid by Buyer to Seller upon the execution of this Agreement and the Leaseback Agreement.

1. Representations. The Parties acknowledge that:

- a. Seller warrants that all Equipment installed by Seller is of good quality and services performed by Seller in the construction and installation of the Equipment are of good workmanship, consistent with generally accepted industry standards; and
- b. This Agreement and all schedules and attachments shall have been duly entered into, delivered and the Parties intend that these shall constitute legal, valid, and binding obligations of Buyer and Seller, enforceable in accordance with their terms when executed by Buyer and Seller; and
- c. No director, officer or employee of Buyer or Seller shall be liable for the obligations of Buyer or Seller hereunder except for acts which constitute fraud or willful misconduct of such director, officer or employee; and
- d. Seller represents that all Xcel Energy rebates contemplated by this Agreement and the Power Plus Agreement are valid upon performance of these Agreements by the Parties, and providing the Buyer is not in default, that Buyer will be held harmless by Seller and Buyer shall incur no additional cost under these Agreements if the Xcel Energy rebates are not obtained in the amounts contemplated; and
- e. Pursuant to Minnesota Statutes §574.26, subd. 2, Seller shall provide construction performance and payment bonds for the work performed at each of the project sites set forth in this Agreement and such bonds shall be from a surety and on such terms as are acceptable to Buyer.

**Energy Alternatives Solar, LLC**

**Schedule A**

This Schedule A is a part of that Sales Agreement executed by Buyer & Seller effective December 1, 2011.

**Buyer**

City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

**Seller**

**Energy Alternatives Solar, LLC**  
**17685 Juniper Path, Suite 301**  
**Lakeville, MN 55044**

**Equipment Location**

Falcon Heights City Hall  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

**Equipment Sales Price**      \$ 329,500.00

(sales tax exempt in MN)

**Equipment - Solar Panels**

Manufacturer	<u>TenKsolar</u>
Model Number	<u>RAIS 130</u>
Panel Rating	<u>130 watts</u>
Reflector Rating	<u>60 watts</u>
Panel Output	<u>48 Volts DC</u>
Number of Panels	<u>224</u>
Number of Reflectors	<u>224</u>
Manufacturer's Warranty	<u>25 Years</u>
Total DC Output	<u>39.92 kW</u>

**Equipment - Inverters**

Manufacturer / Model	<u>Sunergy</u>	<u>ELV208</u>
kW Rating / Units	<u>5.0 kW (8 units)</u>	
Voltage Input	<u>48 volts DC</u>	
Voltage Output	<u>208 volts AC</u>	
Manufacturer's Warranty	<u>10 years</u>	

**Equipment - Mounting Structure**

Manufacturer	<u>TenKsolar</u>
Material	<u>Aluminum I-Beam</u>
Ballasting	<u>Concrete block</u>
Wind Rating	<u>90 MPH</u>
Location	<u>Roof Mounted</u>

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**Energy Alternatives Solar, LLC**

**Leaseback Agreement**

**City of Falcon Heights**

# Energy Alternatives Solar, LLC

# Leaseback Agreement

Lessor and Lessee have executed this Agreement effective December 1, 2011 and hereby agree to the terms contained below and in any attachments made a part of this Agreement.

This Lease and the attachments hereto constitute the entire Agreement of the Parties with respect to the leasing of the Equipment and the other subject matter of this Lease. This Lease supersedes all prior written and/or oral understandings or agreements with respect to the subject matter hereof, and no change, modification, addition or termination of this Lease shall be enforceable unless in writing and signed by Lessor and Lessee.

**Lessor:**

City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

**Lessee:**

Energy Alternatives Solar, LLC  
17685 Juniper Path, Suite 301  
Lakeville, MN 55044

**By:**

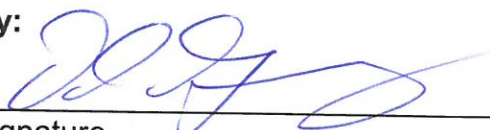
  
\_\_\_\_\_  
Signature

Justin Miller  
\_\_\_\_\_  
Print Name

City Administrator  
\_\_\_\_\_  
Title

11/22/11  
\_\_\_\_\_  
Date

**By:**

  
\_\_\_\_\_  
Signature

Dale Gundberg  
\_\_\_\_\_  
Print Name

President  
\_\_\_\_\_  
Title

11-29-11  
\_\_\_\_\_  
Date

In consideration of the mutual covenants herein contained, the parties hereby agree as follows:

- 1. LEASE OF EQUIPMENT.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor subject to the terms of this Agreement ("Lease" or "Lease Agreement"), the Equipment ("Equipment") described in Schedule(s) A ("Schedule(s) A") executed by Lessor and Lessee and made a part hereof. Each such Schedule A when executed by the Parties shall be deemed to be a part of this Lease. All schedules, addenda or other attachments to this Lease executed by Lessor and Lessee are hereby incorporated herein and made a part hereof.
- 2. PROPERTY STATUS.** The Equipment is, and shall at all times remain, personal property, notwithstanding that the Equipment or any part thereof shall now be or

hereafter become in any manner affixed or attached to real property or any improvements thereof.

3. **OWNERSHIP.** While Lessor shall have legal title to the Equipment, the Equipment shall be and remain a capital asset of Lessee at all times. Lessee shall be exclusively entitled to all federal and state investment tax credits and accelerated income tax depreciation application to the Equipment. Subject to an event of default by Lessee, Lessor agrees to assign all state and utility rebates to Lessee, or to immediately pay such rebates to Lessee should the rebates be received by Lessor.
4. **LEASE TERMS AND DEFINITIONS.** Lessee agrees to pay Lessor rentals for the Equipment leased under this Lease as set forth in Schedule A. All rentals shall be payable as described to Lessee at Lessor's mailing address set forth in such Schedule A, or to such person and such other place as Lessor may from time to time designate in writing. The "Scheduled Lease Term" and "Scheduled Lease Commencement Date" shall be as set forth in Schedule A. The Scheduled Lease Term as set forth in Schedule A shall constitute the Lease Term ("Lease Term") for the Equipment. This lease cannot be canceled or terminated except as expressly provided herein.
5. **MAINTENANCE AND OPERATION.** Lessee, at its expense, shall keep the Equipment in good repair, condition and working order, in compliance with normal and prudent industry practices. Lessee shall pay the costs related to Equipment repairs and replacements.
6. **INSURANCE.**
  - a. *Liability Insurance* - Lessee shall at its own expense acquire and maintain, during the term hereof, comprehensive public liability insurance including coverage for any bodily injury, death or property damage which may be caused by or related to the Equipment or its operation, in an amount not less than One Million Dollars (\$1,000,000.00) or in such amount as the Lessor may reasonably require during the Lease Term.
  - b. *Property Insurance* - Lessee, at its expense, shall acquire and maintain, during the term hereof, all risk property insurance, in amounts and under coverages to provide for rebuilding, repairing or replacing the Equipment in the event of any damage, destruction, loss or theft of the Equipment and shall provide Lessor with a certificate of insurance evidencing coverages in amounts approved by the Lessor.
7. **REPRESENTATIONS OF LESSOR.** Lessor acknowledges that:
  - a. Lessee, its agents and assigns, shall upon 24 hours notice to Lessor, unless an emergency exists requiring immediate access to the Equipment, and have full access upon the real property where the Equipment is located

("Property") to inspect, repair, rebuild, disassemble, or remove the Equipment without further notice, or further permission, charge for, or obligation to any person or entity referred to in the attached Severance Agreement ("Severance") and in the event of default and failure to cure within a reasonable time by Lessor in the performance of any of Lessor's obligations and liabilities to Lessee. Lessee or its agents or assigns may remove the Equipment or any part thereof from the Property without objection, delay, hindrance or interference by Lessor, and in such case, Lessor will no claim or demand whatsoever against the Equipment.

8. **REPRESENTATIONS OF LESSEE.** Lessee acknowledges that:  
This lease and all schedules and attachments shall have been duly entered into, delivered and shall constitute legal, valid and binding obligations of Lessee, enforceable in accordance with their terms when executed by Lessor and Lessee.
9. **NOTICES.** All notices or communications under this Lease shall be in writing, shall be delivered by Federal Express or equivalent commercial courier or mailed to the Parties at the addresses set out for them in this Lease, and any notice so addressed and mailed by registered mail or hand delivered and left with a responsible person shall be deemed to have been given when so mailed or delivered.
10. **EVENTS OF DEFAULT.** The following shall constitute events of default:
  - a. Lessor substantially ceases or suspends its business at the Service Address specified in Schedule A, admits in writing its inability to pay its debts as they mature; or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against Lessor; or
  - b. Lessor fails to perform or materially breaches any of the covenants herein and shall continue to fail to observe or perform the same for a period of ten (10) days after written notice thereof by Lessee; or
  - c. Lessor creates, incurs or suffers to exist any mortgage, lien or other encumbrance or attachment of any kind whatsoever upon or affecting the Equipment or this lease or any of Lessee's interests thereunder and fails to remove such lien or encumbrance within a reasonable time after notice; or
  - d. Any representation or warranty made by Lessor herein or in any document or certificate furnished to Lessee proves to be incorrect in any material respect when made; or
  - e. The dissolution of Lessor as a business entity; or
  - f. Lessee fails to perform any material obligation set forth in this Lease Agreement or related scheduled and attachments forming the totality of this



transaction and fails to cure such default within a reasonable time after written notice of default from Lessor. Provision of the direct current electrical output set forth in the Agreement due to defective Equipment or negligent operation is a material obligation.

**11. REMEDIES UPON DEFAULT.** Upon the occurrence of any event of default that is not cured within the specified and reasonable time after notice, and at any time thereafter, Lessee may do any one or more of the following with or without terminating this Lease and without limitation on other remedies that may be available to the non-defaulting Party:

- a. Take immediate possession of any and all Equipment with notice;
- b. Sell or lease the Equipment or otherwise dispose, hold or use such Equipment at the non-defaulting Party's sole discretion;
- c. Upon notice to the defaulting Party, terminate this Lease.

**12. ENFORCEABILITY/CAPTIONS.** If any part, term or provision of this Lease is held by any court to be unenforceable or prohibited by law, the rights and obligations of the Parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Lease did not contain that particular part, term or provision. The headings in this Lease have been included for ease of reference only and shall not be considered in the construction and interpretation of this Lease. This Lease shall in all respects be governed by and construed in accordance with the laws of the State of Minnesota.

### **13. CHANGE OF PROPERTY OWNERSHIP**

- a. This Lease shall inure to the benefit of Lessee, its successors and assigns, and all obligations of Lessor shall bind its permitted successors and assigns. Except pursuant to rights set forth in paragraph 11 above, Lessor may not sell, assign or otherwise transfer all or any part of Lessor's interest in the real property located at the Service Address specified in Schedule A prior to the expiration of the Scheduled Lease Term, or earlier termination of this Lease, without the written prior consent of Lessee, which consent shall be granted provided that Lessor arranges for the assignment and assumption of the Lessor's obligations under this Lease by an assignee acceptable to Lessee in its sole discretion.
- b. If Lessor sells, assigns or otherwise transfers its interest in the real property located at the Service Address without Lessee's prior written consent, any purported conveyance of the Equipment by Lessor to a third party shall be void and of no force or effect, and Lessee may exercise its remedies under paragraph 11 of this Agreement.

- c. No director, officer or employee of Lessor or Lessee shall be liable for the obligations of Lessor or Lessee hereunder except for acts which constitute fraud or willful misconduct of such director, officer or employee.
- d. Notwithstanding anything apparently contrary in this Agreement, Lessee's Energy Performance Guarantee to Lessor as set forth in the Power Plus Agreement, Schedule A, shall remain in full force and effect following execution of the Put and Call Agreement incorporated herein.

**Leaseback Agreement  
Schedule A**

**Energy Alternatives Solar, LLC**

This Schedule A and its Addendum(s), when executed by both Lessor and Lessee shall be made a part of that Leaseback Agreement dated December 1, 2011 ("Agreement") between Lessor and Lessee.

**Lessor**

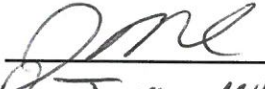
City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

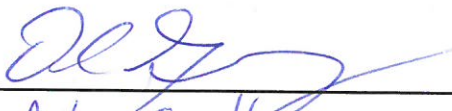
**Lessee**

Energy Alternatives Solar, LLC  
17685 Juniper Path, Suite 301  
Lakeville, MN 55044

**Equipment Location**

Falcon Heights City Hall  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

By:   
Printed Name Justin Miller  
Title City Administrator  
Date 11/30/11

By:   
Printed Name Dale Gundberg  
Title President  
Date 11-29-11

**Equipment - Solar Panels**

Manufacturer	<u>TenKsolar</u>
Model Number	<u>RAIS 130</u>
Panel Rating	<u>130 watts</u>
Reflector Rating	<u>60 watts</u>
Panel Output	<u>48 Volts DC</u>
Number of Panels	<u>224</u>
Number of Reflectors	<u>224</u>
Manufacturer's Warranty	<u>25 Years</u>
Total DC Output	<u>39.92 kW</u>

**Equipment - Inverters**

Manufacturer / Model	<u>Sunergy</u>	<u>ELV208</u>
kW Rating / Units	<u>5.0 kW (8 units)</u>	
Voltage Input	<u>48 volts DC</u>	
Voltage Output	<u>208 volts AC</u>	
Manufacturer's Warranty	<u>10 years</u>	

**Equipment - Mounting Structure**

Manufacturer	<u>TenKsolar</u>
Material	<u>Aluminum I-Beam</u>
Ballasting	<u>Concrete block</u>
Wind Rating	<u>90 MPH</u>
Location	<u>Roof Mounted</u>

**Lease Terms**

Scheduled Lease Commencement Date	<u>June 1, 2012</u>
Scheduled Lease Term	<u>240</u> mo.
Lease Payment	<u>\$ 1,372.92</u> mo.
Total Lease Payments	<u>\$ 329,500.00</u>

Lessee will pay all Lease Payments to Lessor in advance on the date of execution of this Lease Agreement. Lessee will record this Equipment as a Capital Asset and will be exclusively entitled to any and all federal and state investment tax credits and accelerated income tax basis depreciation applicable to the Equipment. Lessor agrees to assign all state and utility rebates to Lessee, or to immediately pay such rebates to Lessee should the rebates be received directly by Lessor.

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**Energy Alternatives Solar, LLC**

**Power Plus Agreement**

**City of Falcon Heights**

# Energy Alternatives Solar, LLC

# Power Plus Agreement

Energy Alternatives Solar, LLC ("EA Solar") and Customer have executed this Agreement effective December 1, 2011, and hereby agree to the terms herein below and any schedules and attachments made a part of this Agreement.

This Agreement and the attachments hereto constitute the entire Agreement of the Parties with respect to the use of the Equipment and other subject matter of this Agreement. This Agreement supersedes all prior written and/or oral understandings or agreements with respect to the subject matter hereof, and no change, modification, addition or termination of this Agreement shall be enforceable unless in writing and signed by the Parties.

**Customer:**

City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

**EA Solar:**

Energy Alternatives Solar, LLC  
17685 Juniper Path, Suite 301  
Lakeville, MN 55044

By:

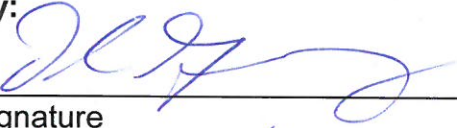
  
\_\_\_\_\_  
Signature

Justin Miller  
\_\_\_\_\_  
Print Name

City Administrator  
\_\_\_\_\_  
Title

11/22/11  
\_\_\_\_\_  
Date

By:

  
\_\_\_\_\_  
Signature

Dale Gunberg  
\_\_\_\_\_  
Print Name

President  
\_\_\_\_\_  
Title

11-29-11  
\_\_\_\_\_  
Date

In consideration of the mutual covenants hereinafter contained, the Parties hereby agree as follows:

- 1. USE OF EQUIPMENT.** Subject to the terms of this Agreement, Customer may use the equipment ("Equipment") described in Schedule(s) A ("Schedule(s) A") executed by EA Solar and Customer and made a part hereof. Each such Schedule A when executed by the parties shall be deemed to be a part of this Agreement. All Schedules, addenda or other attachments to this Agreement executed by EA Solar and Customer are hereby incorporated herein and made a part hereof.
- 2. PROPERTY STATUS.** The Equipment is, and shall at all times be and remain, personal property, notwithstanding that the Equipment or any part thereof shall now be or hereafter become in any manner affixed or attached to real property or any improvements thereof.

3. **OWNERSHIP.** The Equipment shall remain a capital asset of EA Solar at all times, and EA Solar will be exclusively entitled to all federal and state investment tax credits and accelerated income tax depreciation applicable to the Equipment. Subject to default remedies of paragraph 11 of the Leaseback Agreement, Customer agrees to assign all state and utility rebates to EA Solar, or to immediately pay such rebates to EA Solar should the rebates be received directly by Customer.
4. **TERMS AND DEFINITIONS.** Customer agrees to pay EA Solar a monthly fee for the Equipment used under this Agreement as set forth in Schedule(s) A. All charges shall be payable at EA Solar's mailing address set forth in such Schedule(s) A, or to such other person or at such other place as EA Solar may from time to time designate in writing. The "Scheduled Term" and "Scheduled Commencement Date" shall be set forth in Schedule(s) A. The Scheduled Term as set forth in Schedule(s) A, shall constitute the Term ("Term") for the Equipment. This Agreement cannot be canceled or terminated except as expressly provided herein. At the conclusion of the Scheduled Term, Customer is deemed to have continued the Agreement on a year-to-year basis for not more than an aggregate term of 20 years, unless Customer notifies EA Solar in writing 90 days prior to the end of the Scheduled Term that it desires to terminate the Agreement.

Upon termination of the Agreement prior to the end of the Scheduled Term, for any reason other than the exercise of the Put and Call Agreement incorporated herein, EA Solar shall bill to Customer and Customer shall pay to EA Solar, the amount of unrecoverable site installation costs as specified in Schedule(s) A:

5. **MAINTENANCE AND OPERATION.** EA Solar, at its expense, shall keep the Equipment in good repair, condition and working order, in compliance with normal and prudent industry practices. EA Solar shall pay the costs related to the Equipment repairs and replacements.
6. **INSURANCE.**
  - a. *Liability Insurance* - EA Solar shall at its own expense acquire and maintain, during the term hereof, comprehensive public liability insurance including coverage for any bodily injury, death, or property damage which may be caused by or related to the Equipment or its operation, in an amount not less than One Million Dollars (\$1,000,000.00).
  - b. *Property Insurance* - EA Solar shall at its own expense acquire and maintain, during the term hereof, all risk property insurance, in amounts and under coverages to provide for rebuilding, repairing or replacing the Equipment in the event of any damage, destruction, loss or theft of the Equipment, and provide a certificate of insurance to Customer evidencing coverages satisfactory to Customer.
7. **REPRESENTATION OF EA SOLAR.** EA Solar acknowledges that:

- a. The Equipment is of a size, design, capacity, description and manufacture selected by EA Solar;
- b. EA Solar warrants that all services performed by EA Solar hereunder will be of good workmanship, consistent with general industry standards; and
- c. EA Solar will make a good faith effort to repair the Equipment in a timely manner, should it become inoperable.

**8. REPRESENTATIONS OF CUSTOMER.** Customer acknowledges that:

- a. This Agreement is executed by a person with authority to enter into contracts on behalf of Customer after approval by Customer's city council;
- b. The Customer intends that this Agreement and all schedules and attachments shall have been duly entered into, delivered and shall constitute legal, valid and binding obligations of Customer, enforceable in accordance with their terms when executed by EA Solar and Customer; and
- c. EA Solar, and its agents and assigns, upon 24 hours notice unless an emergency exists, shall have full access upon the real property where the Equipment is located ("Property") to inspect, repair, rebuild, disassemble, or remove the Equipment without further notice, to or further permission of, charge for, or obligation to, any person or entity referred to in the attached Severance Agreement ("Parties"), and in the event of default by Customer in the payment or performance of any of Customer's obligations and liabilities to EA Solar, EA Solar or its agents or assigns may remove the Equipment or any part thereof from the Property without objection, delay, hindrance or interference by the Parties, and in such case, the Parties will make no claim or demand whatsoever against the Equipment.

**9. NOTICES.** All notices or communications under this Agreement shall be in writing, shall be delivered by Federal Express or equivalent commercial courier or mailed to the parties at the addresses set out for them in this Agreement, and any notice so addressed and mailed by registered mail or hand delivered and left with a responsible person shall be deemed to have been given when so mailed or delivered.

**10. EVENTS OF DEFAULT.** The following shall constitute Events of Default:

- a. The defaulting party substantially ceases or suspends its business or operation of solar systems at the Service Address specified in Schedule A, admits in writing its inability to pay its debts as they mature; or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against the defaulting party; or
- b. The defaulting party shall fail to pay all or any part of the charges or any other payment when due and payable; or



- c. Customer shall fail to perform or shall materially breach any of the covenants herein and shall continue to fail to observe or perform the same for a period of ten (10) days after written notice thereof by the non-defaulting party; or
- d. Without EA Solar's consent, Customer sublets any Equipment and EA Solar is not in default; or
- e. Customer creates, incurs or suffers to exist any mortgage, lien or other encumbrance or attachment of any kind whatsoever upon or affecting the Equipment or this Agreement or any of EA Solar's interests thereunder and fails to remove such lien or encumbrance within a reasonable time after notice; or
- f. Any representation or warranty made by either Party herein or in any document of certificate furnished to the other Party proves to be incorrect in any material respect when made; or
- g. The dissolution of EA Solar as a business entity.

11. **REMEDIES FOR DEFAULT.** Upon occurrence of any Event of Default and at any time thereafter, the non-defaulting Party may do any one or more of the following with or without terminating this Agreement and without limitation on other remedies that may be available to the non-defaulting Party:

- a. Take possession of any and all Equipment with notice;
- b. Sell or lease the Equipment or otherwise dispose, hold or use such Equipment at the non-defaulting Party's sole discretion;
- c. Demand payment of all additional costs incurred by the non-defaulting Party in the course of correcting any material default.

12. **ENFORCEABILITY.** If any part, term, or provision of this Agreement is held by any court to be unenforceable or prohibited by law, the rights and obligations of the parties shall be construed and enforced with that part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Agreement did not contain that particular part, term, or provision.

13. **GOVERNING LAW.** This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of Minnesota.

14. **ENTIRE AGREEMENT.** Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

15. **AMENDMENT.** This Agreement may not be modified, amended or otherwise altered except by written agreement executed by the parties.

16. **COUNTERPARTS.** This Agreement and any amendments hereof may be executed in counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

**Energy Alternatives Solar, LLC**

This Schedule A and its Addendum(s), when executed by both Customer and EA Solar shall be made a part of that Power Plus Agreement dated December 1, 2011 ("Agreement") between Customer and EA Solar.

**Customer (and billing address)**


City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

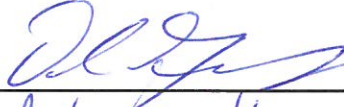
**EA Solar**

**Energy Alternatives Solar, LLC**  
**17685 Juniper Path, Suite 301**  
**Lakeville, MN 55044**

**Equipment Location**

Falcon Heights City Hall  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

By:   
Printed Name Justin Miller  
Title City Administrator  
Date 11/30/11

By:   
Printed Name Dale Gundersen  
Title President  
Date 11-29-11

**Equipment - Solar Panels**

Manufacturer	<u>TenKsolar</u>
Model Number	<u>RAIS 130</u>
Panel Rating	<u>130 watts</u>
Reflector Rating	<u>60 watts</u>
Panel Output	<u>48 Volts DC</u>
Number of Panels	<u>224</u>
Number of Reflectors	<u>224</u>
Manufacturer's Warranty	<u>25 Years</u>
Total DC Output	<u>39.92 kW</u>

**Equipment - Inverters**

Manufacturer / Model	<u>Sunergy</u>	<u>ELV208</u>
kW Rating / Units	<u>5.0 kW (8 units)</u>	
Voltage Input	<u>48 volts DC</u>	
Voltage Output	<u>208 volts AC</u>	
Manufacturer's Warranty	<u>10 years</u>	

**Equipment - Mounting Structure**

Manufacturer	<u>TenKsolar</u>
Material	<u>Aluminum I-Beam</u>
Ballasting	<u>Concrete block</u>
Wind Rating	<u>90 MPH</u>
Location	<u>Roof Mounted</u>

**Terms**

Scheduled Term 72 mo.

Scheduled Commencement Date June 1, 2012

**Energy Performance Guaranty**

EA Solar guarantees that the Equipment shall provide a minimum average annual value of \$ 4,910 in annual utility savings to Customer for the term of the Power Plus Agreement beginning with the final completion of the Equipment and on a year to year basis thereafter, until such time as the Customer's total payments for the cost use of of the Equipment of \$ 50,880 is paid for by the utility savings produced by the Energy System as required by Minnesota Statutes Section 471.345, Subd. 13. Annual utility savings shall be calculated as the metered kWh Equipment output times the aggregate of all charges on Customer's utility bill based upon a kWh rate, plus the Equipment's DC Output times a factor of 25% times the aggregate of all monthly charges on Customer's utility bill based upon a kW rate. To further comply with Section 471.345 subd. 13, EA Solar agrees to pay Customer the difference between the cost of the use of the Equipment and the actual cumulative savings as calculated above, if after twenty (20) years, the savings fail to at least equal the \$ 50,880 cost of using the Equipment.

**Energy Alternatives Solar, LLC**

**Fixed Dollar Payment**

Customer will pay monthly to EA Solar on the first  
day of each month, the amount of \$ 530.00

**Unrecoverable Site Installation Costs**

Per the Agreement, upon termination of the Agreement prior to the end of the Scheduled Term, for any reasons other than 1) a EA Solar initiated termination, or 2) a Customer initiated Buyout Option in accordance with Schedule A, then EA Solar shall bill to Customer and Customer shall pay to EA Solar, the amount of unrecoverable site installation costs as specified in Schedule A, Table 1.

Years Since In-Service Date	Unrecoverable Site Installation Costs
0	\$ 26,360
1	\$ 21,088
2	\$ 15,816
3	\$ 10,544
4	\$ 5,272

**Energy Alternatives Solar, LLC**

**Put & Call Agreement**

**City of Falcon Heights**

# Energy Alternatives Solar, LLC

# Put and Call Agreement

**THIS PUT AND CALL AGREEMENT** (this **"Agreement"**), is made as of December 1, 2011, by and among the City of Falcon Heights (the **"City"**) and Energy Alternatives Solar, LLC, a Minnesota limited liability company (**"EA Solar"**).

**WHEREAS**, EA Solar is the lessee of an Energy System and associated rights under that certain Lease Agreement of even date herewith (collectively the **"Interest"**); and

**WHEREAS**, the parties hereto now desire to enter into this Put and Call Agreement to set forth the terms and conditions upon which EA Solar has an option to put the Interest to the City and upon which the City has an option to call the Interest from EA Solar.

**NOW, THEREFORE**, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

**Section 1. Put of Interest.** Following the sixth anniversary of the Commencement Date as defined in the Lease and for a period of six months thereafter, (the **"Put Period"**), EA Solar shall have the right and option to require the City to purchase all (but not less than all) of its Interest (the **"Put"**), by delivering written notice thereof to the City. EA Solar may exercise the Put by delivering notice of such exercise in writing to the City during the Put Period. If exercised, EA Solar shall be obligated to sell, and the City shall be obligated to purchase, all of the Interest then owned by EA Solar. The purchase price for the Interest shall be an amount equal to two years worth of lease payments for the PV system as determined by the Facility Lease Agreement as well as any taxes. (the **"Put Price"**). The Put Price shall be paid by the City to EA Solar in cash on the Put Closing Date. The date of the Put closing (the **"Put Closing Date"**) will be thirty (30) calendar days following the notice of exercise of the Put, or such earlier date as the City and EA Solar shall agree in writing.

**Section 2. Call of EA Solar's Interest.** The City shall have the right and option (**"Call"**) to purchase all, but not less than all of the Interest for one (1) year following the last day of the Put Period. If exercised, EA Solar shall be obligated to sell, and the City shall be obligated to purchase, all of the Interest. The date of the Call closing shall be thirty (30) calendar days following delivery of the notice of exercise of the Call, or such other date as the City and EA Solar may agree upon in writing. The purchase price for the Interest pursuant to this Section 2 shall be an amount equal to the fair market value (the **"Fair Market Value Price"**) of such Interest (as determined by the parties and if no agreement is reached then by an appraisal of an independent qualified appraiser, selected by the City). All costs relating to an appraisal shall be born by EA Solar. The purchase price pursuant to this Section 2 shall be payable by the City to EA Solar in cash on the Call closing date. The Fair Market Value Price shall be determined by valuing the estimated cash flow and capital proceeds to be received during the remaining term of the Interest, using actual income and expenses for the prior calendar year, as updated through the month prior to the month of closing.

Title to the Interest shall not vest in the City until payment in full of the applicable purchase price.

**Section 4. Representations and Warranties of EA Solar.** EA Solar represents and warrant to the City as follows:

(a) EA Solar has authority to enter into this Agreement and carry out the transaction contemplated hereunder.

(b) The execution, delivery, and performance by EA Solar of this Agreement have been duly authorized by all necessary corporate action of EA Solar.

(c) EA Solar has, and will have at the time of any assignment to the City hereunder, and will convey to the City, good title to the Interest free of any encumbrances, liens or interests whatever, and will indemnify the City for any such interests.

**Section 5. Notice.** All notices and other communication permitted or required hereunder shall be in writing and shall be delivered as provided in the Lease.

**Section 6. Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of Minnesota.

**Section 7. Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

**Section 8. Amendment.** This Agreement may not be modified, amended or otherwise altered except by written agreement executed by EA Solar and the City.

**Section 9. Counterparts.** This Agreement and any amendments hereof may be executed in counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

**Section 10. Time is of the Essence.** Time is of the essence with respect to all of the terms of this Agreement.


**Section 11. Fees.** Except as otherwise set forth herein, each party shall pay its own fees and expenses in connection with the exercise of the Put or the Call, as applicable.

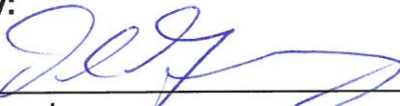
**Section 12. General.** This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

**IN WITNESS WHEREFORE,** the undersigned have executed this Put and Call Agreement as of the day and year first above written.

**City:**  
City of Falcon Heights  
2077 W Larpenteur Ave.  
Falcon Heights, MN 55113

**EA Solar:**  
Energy Alternatives Solar, LLC  
17685 Juniper Path, Suite 301  
Lakeville, MN 55044

**By:**  
  
\_\_\_\_\_  
Signature  
Justin Miller  
\_\_\_\_\_  
Print Name  
City Administrator  
\_\_\_\_\_  
Title  
11/22/11  
\_\_\_\_\_  
Date

**By:**  
  
\_\_\_\_\_  
Signature  
Dale Gundberg  
\_\_\_\_\_  
Print Name  
President  
\_\_\_\_\_  
Title  
11-29-11  
\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Attorney  
Date: \_\_\_\_\_



## BILL OF SALE, TERMINATION AND RELEASE AGREEMENT

**THIS BILL OF SALE, TERMINATION AND RELEASE AGREEMENT** (this "Agreement") is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2018 (the "Effective Date"), by and between Energy Alternatives Solar, LLC, a Minnesota limited liability company ("EA Solar"), and City of Falcon Heights ("Falcon Heights").

**WHEREAS**, EA Solar and Falcon Heights entered into that certain Sales Agreement ("Sales"), that certain Facility Lease Agreement ("Lease"), that certain Power Plus Agreement ("Power Plus"), and that certain Put & Call Agreement ("Put & Call"), all dated as of or effective January 1, 2012 (the Sales, Lease, Power Plus and Put & Call, as any of these agreements may have been amended, being collectively referred to as the "Agreements"), relating to certain solar panels and corollary equipment, a listing of which is attached hereto as **Exhibit A** and incorporated by reference herein (the "Equipment"), installed at Falcon Heights City Hall with an address of 2077 Larpenteur Avenue West, Falcon Heights, Minnesota 55113-5594 (the "Location"); and

**WHEREAS**, EA Solar and Falcon Heights wish to terminate the Agreements and provide for disposition of the Equipment at the Location, and resolve all claims that either EA Solar or Falcon Heights may have against the other party under the Agreements.

**NOW, THEREFORE**, in consideration of Falcon Heights paying EA Solar the sum of Four Thousand and No/100 Dollars (\$4,000.00) and in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Transfer of Ownership of Equipment.** As of the Effective Date, EA Solar transfers to Falcon Heights all of EA Solar's right, title, and interest in and to the Equipment and in and to any and all remaining federal and state investment tax credits and accelerated income tax depreciation applicable to the Equipment and all state and utility rebates.

2. **Termination of Agreements.** As of the Effective Date, the Lease, the Power Plus and the Put & Call are terminated and of no further force or effect.

3. **Mutual Release of Claims.** Except as specifically set forth herein, as of the Effective Date, EA Solar and Falcon Heights release each other from any and all claims, obligations and liabilities which either party had, has, or may have in the future against the other party arising out of or relating to the Agreements.

4. **Indemnification of Falcon Heights.** EA Solar shall defend, indemnify and hold harmless Falcon Heights against any and all claims, obligations, losses, damages, expenses or liabilities (including fees and expenses of counsel) for third party initiated claims, causes of action, violations, penalties or other costs of any kind arising out of EA Solar actions or inactions relating to its ownership or operation of the Equipment prior to the Effective Date ("EA Action"). Falcon Heights shall promptly notify EA Solar of any such EA Action and tender defense of the EA Action to EA Solar. EA Solar shall be afforded the opportunity, at EA Solar's own expense, to participate in its own defense against third parties with respect thereto. If EA Solar does not accept the defense of any such breach, Falcon

Heights may defend such EA Action and EA Solar shall reimburse Falcon Heights for reasonable attorney's fees and costs that Falcon Heights incurs in defending same, on a monthly basis upon Falcon Heights's submittal of an invoice describing the fees and costs. If EA Solar accepts the tender, Falcon Heights may, but is not obligated to, at Falcon Heights's cost, retain additional counsel to represent Falcon Heights.

5. Indemnification of EA Solar. Falcon Heights shall defend, indemnify and hold harmless EA Solar against any and all claims, obligations, losses, damages, expenses or liabilities (including fees and expenses of counsel) for third party initiated claims, causes of action, violations, penalties or other costs of any kind arising out of Falcon Heights actions or inactions relating to its ownership or operation of the Equipment on or subsequent to the Effective Date ("Falcon Heights Action"). EA Solar shall promptly notify Falcon Heights of any such Falcon Heights Action and tender defense of the Falcon Heights Action to Falcon Heights. Falcon Heights shall be afforded the opportunity at Falcon Heights's own expense to participate in its own defense against third parties with respect thereto. If Falcon Heights does not accept the defense of any such breach, EA Solar may defend such Falcon Heights Action and Falcon Heights shall reimburse EA Solar for reasonable attorney's fees and costs that EA Solar incurs in defending same, on a monthly basis upon EA Solar submittal of an invoice describing the fees and costs. If Falcon Heights accepts the tender, EA Solar may, at EA Solar's cost, retain additional counsel to represent EA Solar.

6. Authority to Execute Agreement. Each of EA Solar and Falcon Heights hereby represent and warrant to the other party that it is fully authorized to execute and perform this Agreement.

7. Enforceability. If any part, term, or provision of this Agreement is held by any court to be unenforceable or prohibited by law, the rights and obligations of the parties shall be construed and enforced with that part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Agreement did not contain that particular part, term, or provision.

8. Governing Law. This Agreement, and the rights and obligations of the parties hereunder, shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of Minnesota.

9. Benefit. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

10. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

11. Amendment. This Agreement may not be modified, amended or otherwise altered except by written agreement executed by the parties.

12. Counterparts. This Agreement and any amendments hereof may be executed in counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce

or account for more than one such counterpart signed by the party against whom enforcement is sought.

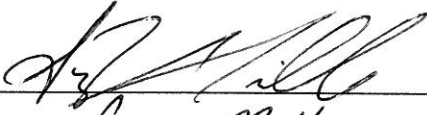
13. Enforcement Expenses. EA Solar shall be entitled to recover all expenses associated with enforcement of this Agreement from Falcon Heights, including, but not limited to, attorneys' fees, costs and disbursements, in the event of any breach of this Agreement by Falcon Heights.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first written above.

**FALCON HEIGHTS:**  
**CITY OF FALCON HEIGHTS**

**EA SOLAR:**  
**ENERGY ALTERNATIVES SOLAR, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:  \_\_\_\_\_  
Name: Greg Miller  
Title: President

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Attorney  
Date: \_\_\_\_\_

**EXHIBIT A**  
**EQUIPMENT**

**Equipment Sales Price:** (sales tax exempt in Minnesota) \$321,600.

**Equipment Generator:** tenKsolar  
Model Number: RAIS 130  
kw rating : 5.0 kw (8)

Reflector Panel Rating: 60 watts  
Output: 48 volts DC  
Number of Panels: 222  
Number of Reflectors: 222  
Total DC output: 39.96 kw  
Manufacturer's Warranty: 25 years

**Equipment Switch gear:** Manufacturer:  
Sunergy ELV208  
Panel Rating: 130 watts  
Voltage Input: 48 volts DC  
Voltage Output: 208 volts AC  
Manufacturer's Warranty: 10 years

**Equipment Enclosure:**  
Manufacturer: tenKsolar  
Material: Aluminum  
Ballasting: Concrete block/cable  
Wind Rating: 90 mph  
Tilt Angle: 45 degrees

**CITY OF FALCON HEIGHTS  
COUNCIL RESOLUTION**

June 13, 2018

No. 18-20

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**RESOLUTION APPROVING THE BILL OF SALE, TERMINATION, AND RELEASE  
AGREEMENT FOR THE PURCHASE OF THE CITY HALL ROOFTOP SOLAR PANELS**

**WHEREAS**, in 2011, the City of Falcon Heights entered into a Sale, Leaseback, and Put and Call Agreement with Energy Alternatives Solar, LLC to install 224 solar panels on the roof of City Hall;

**WHEREAS**, in 2018, the City Administrator was contacted by Greg miller, President and CEO of Dakota Electric Association to request a Bill of Sale, Termination, and Put and Call Agreement prior to the required date to implement the Put and Call by November;

**WHEREAS**, the President/CEO offered to reduce the required purchase price from \$12,720 to \$4,000 ;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Falcon Heights, Minnesota:

1. Approve the Bill of Sale, Termination, and Release Agreement.
2. Authorize the City Administrator and Mayor to execute all necessary documents.

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Moved by:

Approved by: \_\_\_\_\_  
Peter Lindstrom  
Mayor

LINDSTROM            \_\_\_\_\_    In Favor  
GUSTAFSON  
BROWN THUNDER    \_\_\_\_\_    Against  
LEEHY  
MIAZGA

Attested by: \_\_\_\_\_  
Sack Thongvanh  
City Administrator