

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Joos called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., March 21, 2016.

MEMBERS PRESENT: Commissioners Joos, Amundson, Mars, Helkamp, and Olson. Also present, Liaison Whiting, Utilities Manager Crooks, Finance Director Schmid, Planning & Engineering Director Adams, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh.

Motion by Mars, seconded by Helkamp to approve the minutes of the March 7, 2016 Commission meeting. Motion carried.

Under Communications, President Joos read Resolution #1118 - A Resolution in Recognition of Public Service: William P. Mars into the record. Commissioners and Staff thanked Commissioner Mars for his years of service to Shakopee Public Utilities.

Motion by Helkamp, seconded by Amundson to offer Resolution #1118 - A Resolution In Recognition Of Public Service: William P. Mars. Ayes: Commissioners Mars, Helkamp, Olson, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

President Joos offered the agenda for approval. President Joos asked that Item 11a: 2015 Audited Financial Statements Presentation be moved up in the Agenda and be placed after the Liaison Report.

Motion by Helkamp, seconded by Mars to approve the amended agenda as presented. Motion carried.

Motion by Helkamp, seconded by Olson to approve the Consent Business agenda as presented. Motion carried.

President Joos stated that the Consent Items were: item 8c: Monthly Production Dashboard; and item 11c: February 2016 Financial Statements.

The warrant listing for bills paid March 21, 2016 was presented.

Motion by Mars, seconded by Helkamp to approve the warrant listing dated March 21, 2016 as presented. Motion carried.

Liaison Whiting presented his report. It was stated the City Council will be meeting with Scott County and Jackson Township on the development of southwest Shakopee.

Andrew Grice, Audit Manager with Bergan KDV, presented the 2015 Financial Audit for Shakopee Public Utilities. The audited financial statements and related management letter were discussed. There were no material weaknesses or significant deficiencies identified. This puts the audit in the top 5% of audits. The Commission thanked Finance Director Schmid and her Staff for their work.

Motion by Mars, seconded by Helkamp to accept the 2015 Audited Financial Statements as presented by Bergan KDV. Motion carried.

Water Superintendent Schemel provided a report of current water operations. Verizon is beginning their upgrade on Tank #1. The AMR Pilot Project has begun and an overview of the project will be presented at the next Commission meeting. Well #16 is scheduled to be pulled for preventative maintenance in early April.

Motion by Olson, seconded by Amundson to offer Resolution #1119. A Resolution Approving Watermain Replacement With The 2016 City Of Shakopee Street Reconstruction Project. Ayes: Commissioners Mars, Helkamp, Olson, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Item 8c: Monthly Production Dashboard was received under Consent Business.

Mr. Crooks provided a report of current electric operations. One outage occurred which was caused by a car hitting a pedestal. Ten customers were out of power for less than an hour. Crews are working on the last part of the tree trimming season and are providing support for the Lineworker's Rodeo grounds.

The APPA Lineworker's Rodeo is scheduled for April 2, 2016. Preparations are well under way and deadlines are being met. The week of the event, crews are being made available to concentrate on the final work to the event site.

Mr. Crooks presented the 2015 APPA Certificate of Excellence in Reliability Award given to Shakopee Public Utilities for being in the top quartile of public power systems in reliable service.

Planning and Engineering Director Adams provided an update on the Dean Lake Substation Expansion Project. Mr. Adams reviewed the completed NSP Dean Lake Substation Construction Agreement, the bid results for the 47 MVA Transformer and the bid results for the Control Building and Switchgear.

Motion by Mars, seconded by Amundson to accept and conditionally approve the Dean Lake Substation Construction Agreement with NSP and authorize its execution subject to attorney review. Motion seconded.

Kevin Favero from Leidos Engineering reviewed the bid results for the 47 MVA power transformer. The estimated engineer's estimate was \$1,300,000. Bids came in much less than the

estimate due to commodity costs being low, especially the cost of copper. The apparent low bid was by Virginia Transformer Corporation in the amount of \$775,646.

Motion by Mars, seconded by Olson to award the Dean Lake Transformer #3 to Virginia Transformer Corporation in the amount of \$775,646. Motion carried.

The review of the bid results for the Control Building and associated switchgear was presented by Mr. Favero. Commission consensus was to wait and award the bid once the MMPA Interconnection Reimbursement Agreement is finalized.

Mr. Crooks provided an update on the search for the new Electric Superintendent. Six applicants have been identified as potential candidates. The first round of interviews will begin in early April.

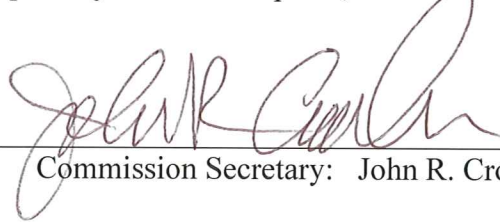
Mr. Crooks began a discussion on Customer Surveys. The 2005 Residential and Business Customer Assessment of Shakopee Utilities was reviewed. Several different types of surveys were presented. Commission consensus was to explore the cost of a third party customer survey, explore the demographics of such a survey and explore social media and mailers as potential avenues for the customer survey. This information will be brought back at a future meeting.

Item 11c: February 2016 Financial Statements were received under Consent Business.

Under New Business, President Joos welcomed Aaron Weyer. Mr. Weyer will be the new SPU Commissioner as of April 1, 2016. President Joos also welcomed Corky Mars to the meeting.

The tentative commission meeting dates of April 4 and April 18 were noted.

Motion by Mars, seconded by Helkamp to adjourn to the April 4, 2016 meeting. Motion carried.



Commission Secretary: John R. Crooks