

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MARCH 16, 2020

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
 - 3a) Resn #1267 – Recognition of Public Service – Terry Joos
 - 3b) Resn #1268 – Recognition of Public Service – Steve Clay
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
7. **Liaison Report**
8. **Reports: Water Items**
 - 8a) Water System Operations Report – Verbal
 - 8b) Water Tank #8 – Bid Results/Approval
 - C=> 8c) Monthly Water Production Dashboard
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Distributed Generation Filing – MN Public Utilities Commission
 - 9c) CR 83 Underground vs. Overhead Cost Analysis
 - 9d) Property Appraisal Reports for Future Substations - Update
 - 9e) MMPA Board Meeting Public Summary – February 2020
10. **Reports: Human Resources**
11. **Reports: General**
 - 11a) 2020 Sponsor of the Downtown Flower Baskets
 - 11b) City of Shakopee Resolution #2020-020 – Rejecting Shakopee Public Utilities Commission’s Modification to the Method of Calculating the Amount of the Commission’s Payment to the City
12. **New Business**
 - 12a) Coronavirus COVID-19 – Health Safety Measures Update
13. **Adjourn to 2020 Goals and Objectives Work Session**
14. **Reconvene to Regular Session**
15. **Tentative Dates for Upcoming Meetings**

- Regular Meeting	--	April 6
- Mid Month Meeting	--	April 20
- Regular Meeting	--	May 4
- Mid Month Meeting	--	May 18
16. **Adjourn to 4/6/20** at the SPUC Service Center, 255 Sarazin Street

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

Vice President Amundson 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 2, 2020.

MEMBERS PRESENT: Commissioners Amundson, Meyer, Clay and Mocol. Also present, Liaison Lehman, Utilities Manager Crooks, Electric Superintendent Drent, and Marketing/Customer Relations Director Walsh. President Joos was absent as previously advised.

Motion by Mocol, seconded by Clay to approve the minutes of the February 18, 2020 Commission meeting. Motion carried.

There were no Communications items to report.

Vice President Amundson offered the agenda for approval. Ms. Amundson noted that two items will be discussed under New Business. The first item will be the SPU response to the City posting on the City's website. The second item will be a discussion on the Council interview/selection process for new SPU Commissioners.

Motion by Clay, seconded by Meyer to approve the amended agenda as presented. Motion carried.

Motion by Meyer, seconded by Mocol to approve the Consent Business agenda as presented. Motion carried.

Vice President Amundson stated that the Consent Items were: Item 8c: Monthly Water Production Dashboard and Item 11f: Financial Results for January 2020.

The warrant listing for bills paid March 2, 2020 was presented.

Motion by Meyer, seconded by Mocol to approve the warrant listing dated March 2, 2020 as presented. Motion carried.

Liaison Lehman presented his report. It was stated that a motion that he made at the February 18, 2020 City Council meeting for proposing a meeting with the City Administrator, Utilities Manager, Mayor and SPU President failed for lack of a second. Liaison Lehman also discussed the proposed Rep. Tabke legislation that was requested from the City Administrator and how that was not directed from the City Council.

Utilities Director Crooks provided a report of current water operations. An air leak issue with the Riverview Booster Station was discussed. SPU received a zero detect on cyanazine in the test

well water analysis. Some private wells in the area have low level detects of the herbicide. Preventative maintenance activities continue for Booster Stations and Pump Houses. Chemical feed equipment updates were provided.

Mr. Crooks reviewed the MN Department of Health annual sanitary survey results for the Water Department. No deficiencies were found.

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

Electric Superintendent Drent provided a report of current electric operations. One electric outage was reported. The outage affected 7 customers for 15 minutes. Tree trimming continues as well as the construction of the new circuit from the South Shakopee Substation. Training has begun for the SPU Lineworker's Rodeo that is scheduled for April.

Mr. Drent reported on the initial forensic analysis of the Cooper Eaton switch that failed and caused the electric outage on February 15, 2020. Discussions have taken place with the supplier, manufacturer and SPU Staff. The equipment will be sent to Cooper Eaton next week.

The overhead facilities relocation for the County Road 42 project was reviewed by SPU Project Engineer Christian Fenstermacher. A presentation took place in regards to the three segments of overhead line within the project location. Pricing estimates were provided for each segment.

Motion by Meyer, seconded by Mocol to agree with Staff recommendations 1 and 2; to accept the estimated costs to relocate the SS-31 overhead facilities for the middle section of the project and to forward the estimated overhead versus the undergrounding costs to the City of Shakopee for their determination under the City's Right of Way Management Ordinance. Motion carried.

Motion by Clay, seconded by Meyer to accept Staff recommendation for 3 and 4; to direct Staff to voluntarily relocate the east portion of the overhead line underground and to underground the west portion of the overhead electric line within the CR 42 construction project. Motion carried.

Market/Customer Relations Director Walsh presented the rebranding efforts with SPU. The first part of the rebranding is the new SPU Logo. Ms. Walsh reviewed the prior designs, lengthy process and reasoning in the development of the new logo. The rollout of the logo will be brought back to the Commission for their review.

Motion by Clay, seconded by Meyer to adopt the new SPU Logo as presented. Motion carried.

Mr. Crooks presented a donation request from the Saints Foundation, representing both St. Francis Hospital and St. Gertrudes Assisted Living Center. SPU has annually supported the efforts of the Saints Foundation for many years.

Motion by Mocol, seconded by Clay to become a 2020 Sponsor of Hope for the Saints Foundation in the amount of \$4000. Motion carried.

Mr. Crooks reported that he had not heard from the City Administrator in regards to the City Council offering dates for a Joint Meeting between the Council and Commission. Mr. Crooks received an email from the City Administrator that this issue would be discussed at the February 18, 2020 City Council meeting. SPU had offered to meet with the City Council on February 18 at 5:00pm, two hours before the City Council meeting of the same date.

Mr. Crooks asked for the Commission to decide on a date to proceed with the annual Goals and Objectives Work Session that provides guidance on issues facing the utilities in 2020 and the next five years. The date for the meeting is now scheduled for March 18, 2020.

Mr. Crooks presented the Commission with initial preparedness planning for potential Coronavirus (COVID-19) transmission in Scott County. Staff is monitoring the situation daily and is receiving interim guidance from the CDC, State of MN, APPA and AWWA. Commission Mocol presented information in regards to employment law and the plan. Liaison Lehman also stated that he had prior pandemic training as supplied by the Federal Department of Homeland Security.

Motion by Meyer, seconded by Mocol to have Staff move forward with the preparedness plan as provided. Motion carried.

Item 11f: Financial Results for January 2020 was received under Consent Business.

Under New Business, Mr. Crooks presented the SPU response to the posting on the City of Shakopee website. The posting was in regards to the City's position in regards to the December 16, 2019 action by the Commission to change the method of calculation for the SPU contribution to the City that benefits both the ratepayers and the City of Shakopee.

Motion by Clay, seconded by Meyer to approve the SPU response, post the reply on the SPU website and Facebook site, send the response to the Shakopee Valley News and to include the City Council members. Motion carried.

Under New Business, Commissioner Meyer discussed the selection process for the two 2020 SPU Commission appointments by the City Council. Commissioner Meyer reviewed the written City of Shakopee Policy regarding Board appointments.

The tentative commission meeting dates of March 16 and April 6 were noted.

Motion by Mocol, seconded by Clay to adjourn to the March 16, 2020 meeting. Motion carried.


Commission Secretary: John R. Crooks

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 16, 2020

By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

55126	American Messaging	1,547.39
55127	Altec Industries, Inc.	756.15
55128	Alternative Technologies Inc.	60.00
55129	Amaril Uniform Co.	1,515.23
55130	Arrow Ace Hardware	49.11
55131	Kelley C. Mulhern Badger State Inspection LLC	1,300.00
55132	Bell Lumber & Pole Company	13,864.25
55133	Robert Berndtson	74.18
55134	Best Buy Business Advantage Account	338.73
55135	Border States Electric Supply	9,743.84
55136	Emergency Response Solutions	1,608.72
55137	Broadway Awards	234.41
55138	CAP Agency	8,151.00
55139	CDW Government LLC	664.01
55140	Centerpoint Energy	96.15
55141	City of Shakopee	3,767.48
55142	City of Shakopee	428,638.53
55143	City of Shakopee	600.00
55144	John Crooks	58.63
55145	Customer Contact Services	502.57
55146	DR Horton Inc	191,527.96
55147	DSI/LSI	243.25
55148	Doggie Doo's Spa & Resort	1,703.32
55149	Greg Drent	99.45
55150	Mike Enright	35.35
55151	Christian Fenstermacher	220.57
55152	Further	25.00
55153	Gopher State One-Call	274.05
55154	Grainger Inc.	224.29
55155	Matthew Griebel	27.16
55156	Hach Company	4,989.85
55157	Hawkins Inc.	16,243.43
55158	Hennen's Auto Service, Inc.	59.16
55159	Interstate All Battery Center	55.79
55160	Impact Mailing of Minnesota, Inc.	12,826.20
55161	Indelco Plastics Corp.	273.14
55162	Innovative Office Solutions LLC	1,019.90
55163	Integrated Process Solutions Inc.	1,649.57
55164	JT Services	14,817.75
55165	Tyra Kratochvil	50.95
55166	League of Minnesota Cities	144.48
55167	Matheson Tri-Gas, Inc.	244.35
55168	McGrann Shea Carnival Straughn & Lamb, Chartered	6,659.70
55169	Mike's Auto Repair Inc.	112.66
55170	Minn Dept. of Commerce	9,728.00
55171	Minn Valley Testing Labs Inc.	790.29
55172	Minn Dept. of Health (MDH)	28,061.00
55173	MMPA c/o Avant Energy	2,355,361.73
55174	VOID	-
55175	MN Dept. of Revenue	190,450.00
55176	Tony Myers	69.00
55177	Gerry Neville	173.08
55178	Cindy Nickolay	144.90
55179	Northern States Power Co.	5,831.23
55180	Northwestern Power Equipment Co. Inc.	251.86
55181	Tyler O'Brien	24.16
55182	Patchin Messner & Dodd	15,000.00
55183	Pomp's Tire Service Inc.	295.50
55184	Quality Forklift Sales & Service	1,373.78
55185	Ramada	400.08
55186	Resco	2,221.13
55187	Robert Romansky	213.30
55188	Sambatek	29,863.25

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 16, 2020

By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

55189	Cody Schuett	32.68
55190	Scott County Treasurer	162.00
55191	Shakopee Chamber of Commerce	4,500.00
55192	Shakopee School District	1,000.00
55193	Tri-State Bobcat Inc.	35,380.06
55194	Gregory Triplett	148.93
55195	Twin City Garage Door Co.	884.25
55196	Johnson Controls Fire Protection LP	1,925.55
55197	Verizon Connect NWF Inc.	581.50
55198	Verizon Wireless	1,252.46
55199	Water Conservation Service Inc.	320.74
55200	Kelley Willemssen	220.57
55201	Xcel Energy	3,212.55

TOTAL

3,416,971.29


Commission Secretary


Commission President

Renee Schmid

Director of Finance & Administration

RESOLUTION #1267

A RESOLUTION IN RECOGNITION OF PUBLIC SERVICE

Terrance Joos

WHEREAS, Terrance Joos, throughout his tenure as commissioner of the Shakopee Public Utilities always applied his best efforts toward the professional operation of the Shakopee Public Utilities Commission, and

WHEREAS, Mr. Joos consistently performed his duties in a diligent, conscientious, and civic minded manner,

THEREFORE BE IT RESOLVED, that the Commission expresses its appreciation and that of the people of Shakopee to Mr. Joos for his nine years of dedicated service.

BE IT FURTHER RESOLVED, by the Shakopee Public Utilities Commission that this resolution be adopted as a tribute to those years of faithful service of Terrance Joos and that a copy of the resolution be retained as a permanent testimony to the action.

Adopted in regular session of the Shakopee Public Utilities Commission, this 16th day of March, 2020.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1268

A RESOLUTION IN RECOGNITION OF PUBLIC SERVICE

Steve Clay

WHEREAS, Steve Clay, throughout his tenure as commissioner of the Shakopee Public Utilities always applied his best efforts toward the professional operation of the Shakopee Public Utilities Commission, and

WHEREAS, Mr. Clay consistently performed his duties in a diligent, conscientious, and civic minded manner,

THEREFORE BE IT RESOLVED, that the Commission expresses its appreciation and that of the people of Shakopee to Mr. Clay for his one year of dedicated service.

BE IT FURTHER RESOLVED, by the Shakopee Public Utilities Commission that this resolution be adopted as a tribute to those years of faithful service of Steve Clay and that a copy of the resolution be retained as a permanent testimony to the action.

Adopted in regular session of the Shakopee Public Utilities Commission, this 16th day of March, 2020.


Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John R. Crooks, Utilities Manager

FROM: Lon R. Schemel, Water Superintendent 

SUBJECT: **Water Tank #8 – Bid Results/Approval**

DATE: March 12, 2020

Competitive bids will be opened for the construction of a 750 million gallon elevated tank, access road and piping, on Monday, March 16th at 11:00 am. Sambatek, the utility's engineer, will provide their recommendation for the award at that evening's mid-month meeting. The total amount budgeted in the Capital Improvement Plan for this project is \$2,700,000.

Monthly Water Dashboard

As of: February 2020

Shakopee Public Utilities Commission

8c

ALL VALUES IN MILLIONS OF GALLONS

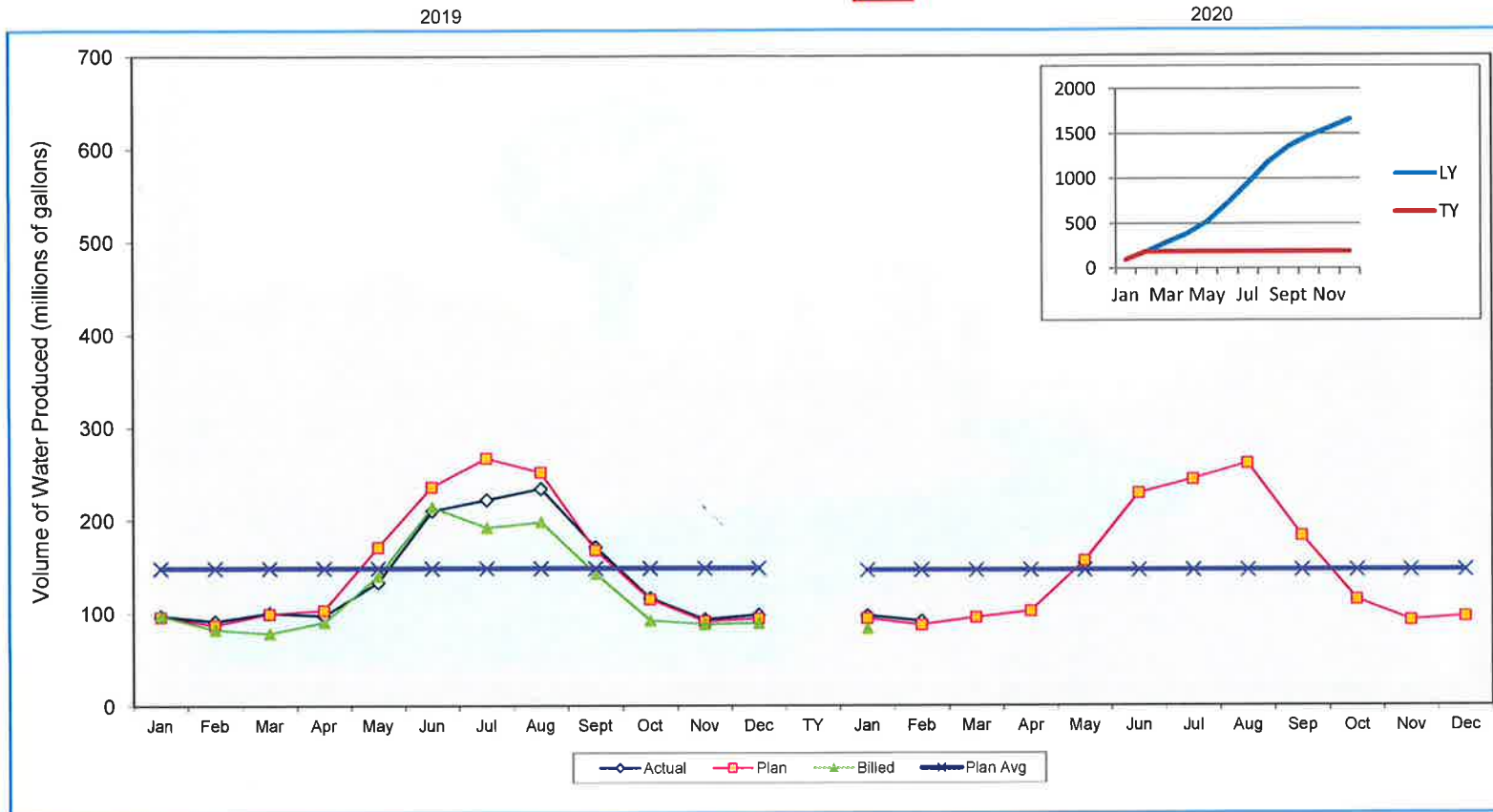
Element/Measure

Water Pumped/Metered

Averages

Last 6 months actuals	171	116	93	98	97	91
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2017	147
2018	153
2019	139




LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Actual	97	91	100	97	133	210	222	234	171	116	93	98		97	91											
Plan	96	87	99	103	171	236	267	252	168	115	91	94		94	87	95	102	156	229	244	261	183	114	92	96	
YTD % *														103%	104%											
Billed	97	82	78	90	140	214	192	198	142	92	88	89		83												

* Actual gallons pumped vs. Plan

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Distributed Generation Filing with State of MN

DATE: March 11, 2020

ISSUE

Staff recently submitted the attached mandated annual Distributed Energy Resources Report to the MN Department of Commerce.

DISCUSSION

There are now 53 customers (up from 38 as reported in 2019) with distributed generation resources interconnected to the SPU electric distribution system, plus the MMPA wind turbine at the SPU Service Center. This is the second most number of customer interconnections among municipal electric utilities in Minnesota.

To be consistent with the state of MN reporting requirements we have converted all interconnected system size capacities to kW AC (previously reported as kW DC, which may be up to 20% higher than kW AC). There is a total of 406.56 kW AC of distributed generation capacity (changed from 269.67 kW DC as reported in 2019) interconnected by these customers to our system, which is the second highest combined distributed generation capacity interconnected by customers to municipal utilities in Minnesota.

RECOMMENDED ACTIONS

This is an information item and no action is necessary.

Minnesota Department of Commerce
 Docket E999/PR-20-10 Reporting Period: January 1, 2019 - December 31, 2019
 Distributed Energy Resource (DER) Interconnection Re Utility: Shakopee Public Utilities

Interconnection Summary Statistics

All cells auto calculate. Please use to make sure numbers in "DER Facilities" align with utility database counts

2019 Interconnections Summary by System Size

	<=20 kW	>20 to <=40 kW	>40kW to <=1MW	>1 MW to <=5MW	>5MW to <=10MW
Number of Interconnection Applications Received	19	1	0	0	0
Solar	19	1	0	0	0
Wind	0	0	0	0	0
Storage	0	0	0	0	0
Other	0	0	0	0	0
Number of Projects Interconnected	14	1	0	0	0
Solar	14	1	0	0	0
Wind	0	0	0	0	0
Storage	0	0	0	0	0
Other	0	0	0	0	0

Submitting Utility:	Year	Date Reported	MN ID	Utility Type	Total Interconnected DER Facilities							New Interconnections in Reporting Year												
					# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity	# Solar	Solar Capacity	# Wind	Wind Capacity	# Storage	Storage Capacity	# Other	Other Capacity	# Total	Total Capacity
Shakopee Public Utilities	2019	2/28/20	107	Muni	53	406.56	1	160	0	0	0	0	54	566.56	15	153.17	0	0	0	0	0	0	15	153.17

Distributed Energy Resources															
DER Identifier	DER Capacity kW AC	DER Type	CHP	Storage	DER Status	City	Zip Code	Substation	Feeder	Customer Type	Incentive Program	Total Installed Cost without Incentives	Year Application Submitted	Year Interconnected	Year Decommissioned (if applicable)
Hometown Wind Power	160	Wind			Interconnected	Shakopee	55379	SH	10	Utility				2009	2009
2010 DG Interconnection 1	6.39	Solar		X	Interconnected	Shakopee	55379	SS	33	Commercial	MN SCIP	\$ 34,000.00	2010	2010	
2010 DG Interconnection 2	3.5	Solar			Interconnected	Shakopee	55379	SS	34	Residential	MN SCIP		2010	2010	
2010 DG Interconnection 3	4.72	Solar			Interconnected	Shakopee	55379	PL	71	Residential	MN SCIP	\$ 17,000.00	2010	2010	
2010 DG Interconnection 4	4	Solar			Interconnected	Shakopee	55379	DL	43	Commercial	MN SCIP		2010	2010	
2010 DG Interconnection 5	4	Solar			Interconnected	Shakopee	55379	DL	43	Commercial	MN SCIP		2010	2010	
2010 DG Interconnection 6	4	Solar			Interconnected	Shakopee	55379	DL	43	Commercial	MN SCIP		2010	2010	
2011 DG Interconnection 1	4.06	Solar			Interconnected	Shakopee	55379	PL	71	Residential	MN SCIP		2011	2011	
2011 DG Interconnection 2	4.06	Solar			Interconnected	Shakopee	55379	PL	73	Residential	MN SCIP		2011	2011	
2011 DG Interconnection 3	3.44	Solar			Interconnected	Shakopee	55379	SS	32	Residential	MN SCIP	\$ 24,654.00	2011	2011	
2012 DG Interconnection 1	4.2	Solar			Interconnected	Shakopee	55379	SS	31	Commercial	MN SCIP		2012	2012	
2013 DG Interconnection 1	3.44	Solar			Interconnected	Shakopee	55379	PL	74	Residential	MN SCIP		2013	2013	
2013 DG Interconnection 2	34.22	Solar			Interconnected	Shakopee	55379	PL	71	Commercial	MN SCIP		2013	2013	
2013 DG Interconnection 3	3.44	Solar			Interconnected	Shakopee	55379	PL	73	Residential	MN SCIP	\$ 18,069.12	2013	2013	
2014 DG Interconnection 1	4.08	Solar			Interconnected	Shakopee	55379	SH	9	Residential	MN SCIP	\$ 19,971.00	2014	2014	
SOL-15-01	5	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 21,250.00	2015	2015	
SOL-15-02	5	Solar			Interconnected	Shakopee	55379	PL	71	Residential	MN SCIP		2015	2015	
SOL-15-03	10	Solar			Interconnected	Shakopee	55379	SS	31	Residential	MN SCIP		2015	2015	
SOL-15-04	5.5	Solar			Interconnected	Shakopee	55379	PL	71	Residential	MN SCIP	\$ 24,122.00	2015	2015	
SOL-15-05	7.68	Solar			Interconnected	Shakopee	55379	PL	73	Residential	MN SCIP	\$ 29,960.00	2015	2015	
SOL-16-01	2.7	Solar			Interconnected	Shakopee	55379	SS	31	Residential	MN SCIP		2016	2016	
SOL-16-02	10	Solar			Interconnected	Shakopee	55379	SS	31	Residential	MN SCIP	\$ 36,889.00	2016	2016	
SOL-16-03	5.5	Solar			Interconnected	Prior Lake	55372	PL	73	Residential	MN SCIP	\$ 24,142.00	2016	2016	
SOL-16-04	6.11	Solar			Interconnected	Shakopee	55379	PL	74	Residential	MN SCIP	\$ 28,183.00	2016	2016	
SOL-16-05	12.87	Solar			Interconnected	Shakopee	55379	SS	32	Residential	MN SCIP	\$ 44,088.00	2016	2016	
SOL-16-06	26.6	Solar			Interconnected	Shakopee	55379	SH	10	Commercial	MN SCIP	\$ 77,405.00	2016	2016	
SOL-16-07	6	Solar			Interconnected	Shakopee	55379	SH	10	Commercial	MN SCIP	\$ 23,390.00	2016	2016	
SOL-17-01	3	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP		2017	2017	
SOL-17-02	3.8	Solar			Interconnected	Shakopee	55379	SH	10	Residential	MN SCIP	\$ 16,274.00	2017	2017	
SOL-17-03	6	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 19,361.00	2017	2017	
SOL-17-04	5.46	Solar			Interconnected	Shakopee	55379	BL	20	Residential	MN SCIP	\$ 20,998.00	2017	2017	
SOL-17-05	6	Solar			Interconnected	Shakopee	55379	PL	71	Residential	MN SCIP	\$ 25,990.00	2017	2017	
SOL-17-06	3.8	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 14,055.00	2017	2017	
SOL-17-07	4	Solar			Interconnected	Shakopee	55379	SS	32	Residential	MN SCIP	\$ 16,067.00	2017	2017	
SOL-18-01	5.46	Solar			Interconnected	Shakopee	55379	PL	74	Residential	MN SCIP	\$ 30,000.00	2018	2018	
SOL-18-02	3.8	Solar			Interconnected	Prior Lake	55372	PL	73	Residential	MN SCIP	\$ 15,998.00	2018	2018	
SOL-18-03	7.6	Solar			Interconnected	Shakopee	55379	SS	34	Residential	MN SCIP	\$ 29,000.00	2018	2018	
SOL-18-04	6.96	Solar			Interconnected	Shakopee	55379	DL	92	Residential	MN SCIP	\$ 28,598.00	2018	2018	
SOL-18-05	7	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 27,360.00	2018	2018	
SOL-19-01	7.67	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 32,515.00	2019	2019	
SOL-19-02	7.4	Solar			Interconnected	Shakopee	55379	DL	92	Residential	MN SCIP	\$ 38,064.00	2019	2019	
SOL-19-03	6.96	Solar			Interconnected	Shakopee	55379	PL	74	Residential	MN SCIP	\$ 32,234.00	2019	2019	
SOL-19-04	10	Solar			Interconnected	Shakopee	55379	PL	71	Residential	MN SCIP	\$ 36,358.54	2019	2019	
SOL-19-05	13.6	Solar			Interconnected	Shakopee	55379	SS	81	Residential	MN SCIP	\$ 54,591.30	2019	2019	
SOL-19-06	37.8	Solar			Interconnected	Shakopee	55379	SH	8	Commercial	MN SCIP	\$ 112,388.00	2019	2019	
SOL-19-07	7.6	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 36,074.53	2019	2019	
SOL-19-08	11.4	Solar			Interconnected	Shakopee	55379	SS	31	Residential	MN SCIP	\$ 41,866.00	2019	2019	
SOL-19-09	4.6	Solar			Interconnected	Shakopee	55379	SH	9	Residential	MN SCIP	\$ 12,699.00	2019	2019	
SOL-19-10	3.8	Solar			Active Application	Prior Lake	55372	PL	73	Residential		\$ 24,000.00	2019		
SOL-19-11	6	Solar			Interconnected	Shakopee	55379	SH	8	Residential	MN SCIP	\$ 23,865.09	2019	2019	
SOL-19-12	7.6	Solar			Interconnected	Shakopee	55379	SS	34	Residential	MN SCIP	\$ 25,980.00	2019	2019	
SOL-19-13	7.44	Solar			Interconnected	Shakopee	55379	SS	81	Residential	MN SCIP	\$ 32,284.00	2019	2019	
SOL-19-14	6	Solar			Active Application	Shakopee	55379	SS	81	Residential		\$ 32,775.00	2019		
SOL-19-15	5.28	Solar			Active Application	Shakopee	55379	PL	71	Residential		\$ 35,200.00	2019		
SOL-19-16	10	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 41,348.85	2019	2019	
SOL-19-17	11.4	Solar			Interconnected	Shakopee	55379	BL	22	Residential	MN SCIP	\$ 48,055.73	2019	2019	
SOL-19-18	3.7	Solar			Interconnected	Shakopee	55379	SS	33	Residential	MN SCIP	\$ 13,825.00	2019	2019	
SOL-19-19	7.2	Solar			Active Application	Shakopee	55379	BL	22	Residential		\$ 44,640.00	2019		
SOL-19-20	7.6	Solar			Active Application	Shakopee	55379	SS	32	Residential		\$ 27,676.00	2019		

Minnesota Public Utilities Commission

DOCKET NO. E999/PR-20-09
Qualifying Facilities Report

Reporting Period:

January 1, 2019 - December 31, 2019

Utility:

Shakopee Public Utilities

Minn. Rules 7835.1400 NET ENERGY BILLED QUALIFYING FACILITIES <40kW

7835.1400 (A)				7835.1400 (B)	7835.1400 (C)	7835.1400 (D)			
Facility Type	Number of Net Metering Customers	Installed Net Metering Capacity (kW)*	Month	Total net exports to Utility (kWh)	Total net imports from Utility (kWh)	Total Net Metered electricity purchased by the Utility (kWh)			
Photovoltaic	53	406.56	Jan 2019	3180	107800	0			
Notes:			Feb 2019	3485	140504	0			
			Mar 2019	3619	104327	0			
			Apr 2019	13567	81257	1714			
			May 2019	15545	77139	2924			
			Jun 2019	19832	98891	7384			
			Jul 2019	18240	10944	4907			
			Aug 2019	18565	99855	3864			
			Sep 2019	14443	109128	5623			
			Oct 2019	17864	122980	1126			
			Nov 2019	15073	107944	562			
			Dec 2019	7108	121489	73			
			PV TOTAL ANNUAL				150521	1182258	28177
			Wind			Jan 2019			
Notes:			Feb 2019						
			Mar 2019						
			Apr 2019						
			May 2019						
			Jun 2019						
			Jul 2019						
			Aug 2019						
			Sep 2019						
			Oct 2019						
			Nov 2019						
			Dec 2019						
			WIND TOTAL ANNUAL				0	0	0

Minn. Rules 7835.1400 NET ENERGY BILLED QUALIFYING FACILITIES <40kW

7835.1400 (A)				7835.1400 (B)	7835.1400 (C)	7835.1400 (D)	
Facility Type	Number of Net Metering Customers	Installed Net Metering Capacity (kW)*	Month	Total net exports to Utility (kWh)	Total net imports from Utility (kWh)	Total Net Metered electricity purchased by the Utility (kWh)	
CHP/Cogen			Jan 2019				
Notes:			Feb 2019				
			Mar 2019				
			Apr 2019				
			May 2019				
			Jun 2019				
			Jul 2019				
			Aug 2019				
			Sep 2019				
			Oct 2019				
			Nov 2019				
			Dec 2019				
	CHP/COGEN TOTAL ANNUAL				0	0	0
	Biomass			Jan 2019			
Notes:			Feb 2019				
			Mar 2019				
			Apr 2019				
			May 2019				
			Jun 2019				
			Jul 2019				
			Aug 2019				
			Sep 2019				
			Oct 2019				
			Nov 2019				
			Dec 2019				
	Biomass TOTAL ANNUAL				0	0	0
	Natural Gas & Methane			Jan 2019			
Notes:			Feb 2019				
			Mar 2019				
			Apr 2019				
			May 2019				
			Jun 2019				
			Jul 2019				
			Aug 2019				
			Sep 2019				
			Oct 2019				
			Nov 2019				
			Dec 2019				
	NG TOTAL ANNUAL				0	0	0

Minn. Rules 7835.1400 NET ENERGY BILLED QUALIFYING FACILITIES <40kW

7835.1400 (A)				7835.1400 (B)	7835.1400 (C)	7835.1400 (D)
Facility Type	Number of Net Metering Customers	Installed Net Metering Capacity (kW)*	Month	Total net exports to Utility (kWh)	Total net imports from Utility (kWh)	Total Net Metered electricity purchased by the Utility (kWh)
Hydro			Jan 2019			
Notes:			Feb 2019			
			Mar 2019			
			Apr 2019			
			May 2019			
			Jun 2019			
			Jul 2019			
			Aug 2019			
			Sep 2019			
			Oct 2019			
			Nov 2019			
			Dec 2019			
			Hydro TOTAL ANNUAL		0	0
Municipal Solid Waste			Jan 2016			
Notes:			Feb 2016			
			Mar 2016			
			Apr 2016			
			May 2016			
			Jun 2016			
			Jul 2016			
			Aug 2016			
			Sep 2016			
			Oct 2016			
			Nov 2016			
			Dec 2016			
			MSW TOTAL ANNUAL		0	0

Minn. Rules 7835.1400 NET ENERGY BILLED QUALIFYING FACILITIES <40kW

7835.1400 (A)				7835.1400 (B)	7835.1400 (C)	7835.1400 (D)
Facility Type	Number of Net Metering Customers	Installed Net Metering Capacity (kW)*	Month	Total net exports to Utility (kWh)	Total net imports from Utility (kWh)	Total Net Metered electricity purchased by the Utility (kWh)
Waste Oil			Jan 2019			
Notes:			Feb 2019			
			Mar 2019			
			Apr 2019			
			May 2019			
			Jun 2019			
			Jul 2019			
			Aug 2019			
			Sep 2019			
			Oct 2019			
			Nov 2019			
			Dec 2019			
			Waste Oil TOTAL ANNUAL			
Energy Storage			Jan 2019			
Notes:			Feb 2019			
			Mar 2019			
			Apr 2019			
			May 2019			
			Jun 2019			
			Jul 2019			
			Aug 2019			
			Sep 2019			
			Oct 2019			
			Nov 2019			
			Dec 2019			
			Storage TOTAL ANNUAL			

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director

SUBJECT: CR 83 Electric Facilities Relocation

DATE: March 11, 2020



ISSUE

Scott County is re-constructing CR 83 from the Highway 169 north ramps to Valley Industrial Boulevard South and the city street intersections along this path, including a portion of 12th Avenue to the east of CR 83 during 2021. The planned improvements will require the relocation of multiple three phase electric utility feeder circuits, including:

- a) approximately 4,010 feet of circuit DL-55, which is currently overhead
- b) approximately 4,780 feet of circuit DL-41, which is currently underground
- c) approximately 400 feet of circuit DL-44, which is currently underground

BACKGROUND

Circuit DL-55 runs along the west side of CR 83 in the project area, extending north from the westbound north ramp of Highway 169. DL-55 serves commercial and industrial customers. Approximately 3,340 feet of DL-55 was originally installed in a private easement obtained by SPU with approximately 185 feet installed in City of Shakopee platted Drainage and Utility (D&U) easements and the remaining approximately 485 feet installed in Scott County right of way. Scott County right of way has since expanded to encompass the private and platted easement areas.

Circuit DL-41 runs along the west side of CR 83 in the project area, extending north from Secretariat Drive. DL-41 serves commercial and industrial customers. Approximately 2,415 feet of DL-41 was originally installed in a private easement obtained by SPU with approximately 1,565 feet installed in City of Shakopee platted D&U easements and the remaining approximately 800 feet installed in Scott County right of way. Scott County right of way has since expanded to encompass the private and platted easement areas.

Circuit DL-44 runs along the north side of 12th Avenue in the project area, extending east (and west) from CR 83. Circuit DL-44 serves commercial and industrial customers. Approximately 225 feet of DL-44 was originally installed in City of Shakopee platted D&U easements and the remaining approximately 175 feet installed in Scott County right of way.

DISCUSSION

The City of Shakopee has adopted a Right-of-Way Management Ordinance that includes establishing their authority to order utility facilities be placed underground when they have to be relocated due a public improvement in a public right of way.

The Commission has adopted a policy on relocations by resolution that when ordered to relocate facilities underground by the City of Shakopee, the additional cost to place facilities underground over and above the cost to relocate those facilities overhead shall be paid for out of the Relocation Underground Fund. This funding is a special line item per kWh charge on Shakopee area electric customer bills.

Staff believes some of the relocation costs may be reimbursable due to the fact that portions of the facilities were originally installed in easements prior to the expansion of the county right of way.

The estimated costs associated with relocating the facilities within each section of the project are as follows:

Portion of feeders originally located within private easements

DL-55 Overhead costs = \$93,238 (includes removal of overhead facilities)
DL-55 Underground costs = \$182,146 (includes removal of overhead facilities)
DL-41 Underground costs = \$73,131

Portions of feeders originally located within City of Shakopee platted D&U easements

DL-55 Overhead costs = \$5,164 (includes removal of overhead facilities)
DL-55 Underground costs = \$10,089 (includes removal of overhead facilities)
DL-41 Underground costs = \$47,391
DL-44 Underground costs = \$6,813

Portions of feeders originally located within Scott County right of way

DL- 55 Overhead costs = \$13,539 (includes removal of overhead facilities)
DL-55 Underground costs =\$26,449 (includes removal of overhead facilities)
DL- 41 Underground costs = \$24,226
DL-44 Underground costs = \$5,299

The total estimated costs by feeder are:

DL-55 Relocation OH Cost (Overhead Circuit)	\$111,941
DL-55 Relocation UG Cost (Underground Circuit)	\$218,684
DL-41 Relocation UG Cost (Underground Circuit)	\$144,748
DL-44 Relocation UG cost (Underground Circuit)	\$ 12,112

For facilities that must be relocated due to the public improvements within the right of way the estimated cost for construction of new overhead facilities plus removal and retirement of the existing overhead facilities that have to be relocated would normally be absorbed as an operating expense. Should the City of Shakopee under their right of way management authority order the relocated

facilities be placed underground, the additional cost of \$106,743 ($=\$218,684-\$111,941$) would normally per Commission policy be funded out of the Underground Relocation Fund. There is a line item of \$163,000 for this purpose in the 2020 Capital Projects.

Relocating overhead facilities within right of way and keeping them overhead is normally funded from the Electric Operating Fund under the category of Re-building Overhead Lines. There is a line item of \$75,000 for re-building overhead lines in the 2020 Capital Projects for the cost to relocate the DL-55 facilities overhead. The total estimated cost to relocate DL-55 overhead is \$111,941, but the estimated cost for the portion of DL-55 originally installed in right of way is only \$13,539.

Relocating underground facilities within right of way and keeping them underground is normally funded from the Electric Operating Fund under the category of Replacing UG Cables. There is a line item for this project of \$83,136 for this purpose in the 2020 Capital Projects. The total estimated cost to replace the DL-41 and DL-44 cables is \$156,860, but the estimated cost for the portions of DL-41 and DL-44 originally installed in right of way is only \$29,525 ($=\$24,226+\$5,299$).

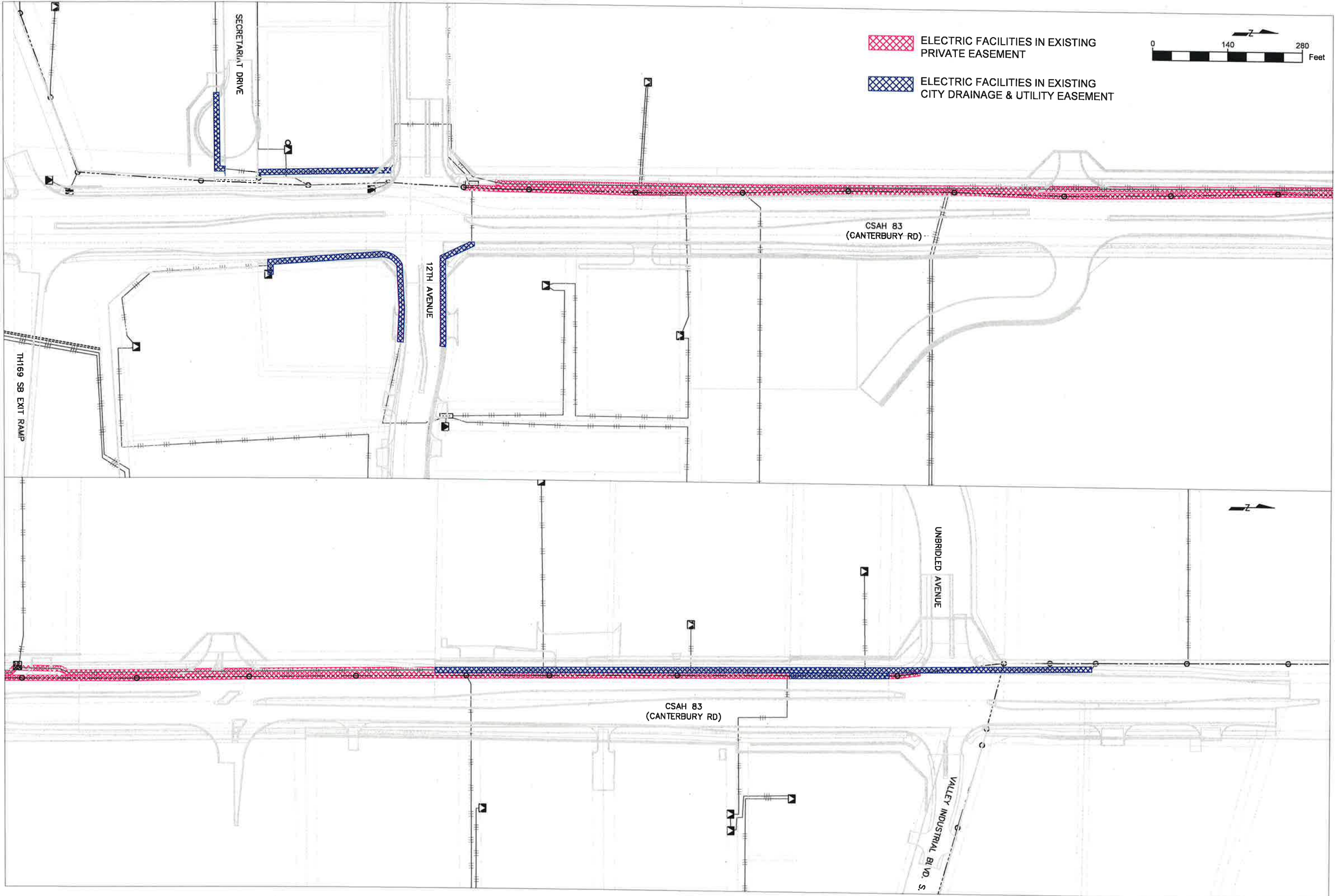
RECOMMENDATIONS



Staff recommends:

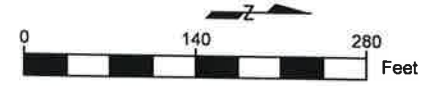
1. The Utilities Commission accepts the estimated costs to relocate the DL-55 overhead facilities and the DL-41 and DL-44 underground facilities in the project area due to the planned 2021 CR 83 road improvements.
2. The Utilities Commission directs staff to forward the estimated costs to relocate the DL-55 overhead facilities in the project area to the City of Shakopee to aid the City in making their determination under the City's Right of Way Management Ordinance whether or not to order the affected facilities to be relocated underground.
3. The Utilities Commission directs staff to pursue reimbursement from Scott County for the costs to relocate the DL-55 overhead and the DL-41 and DL-44 underground facilities for the portions originally located in utilities easements.

REQUESTED ACTION

Staff requests the Utilities Commission adopt staff recommendations 1, 2 and 3.



-  ELECTRIC FACILITIES IN EXISTING PRIVATE EASEMENT
-  ELECTRIC FACILITIES IN EXISTING CITY DRAINAGE & UTILITY EASEMENT



SECRETARIAT DRIVE

12TH AVENUE

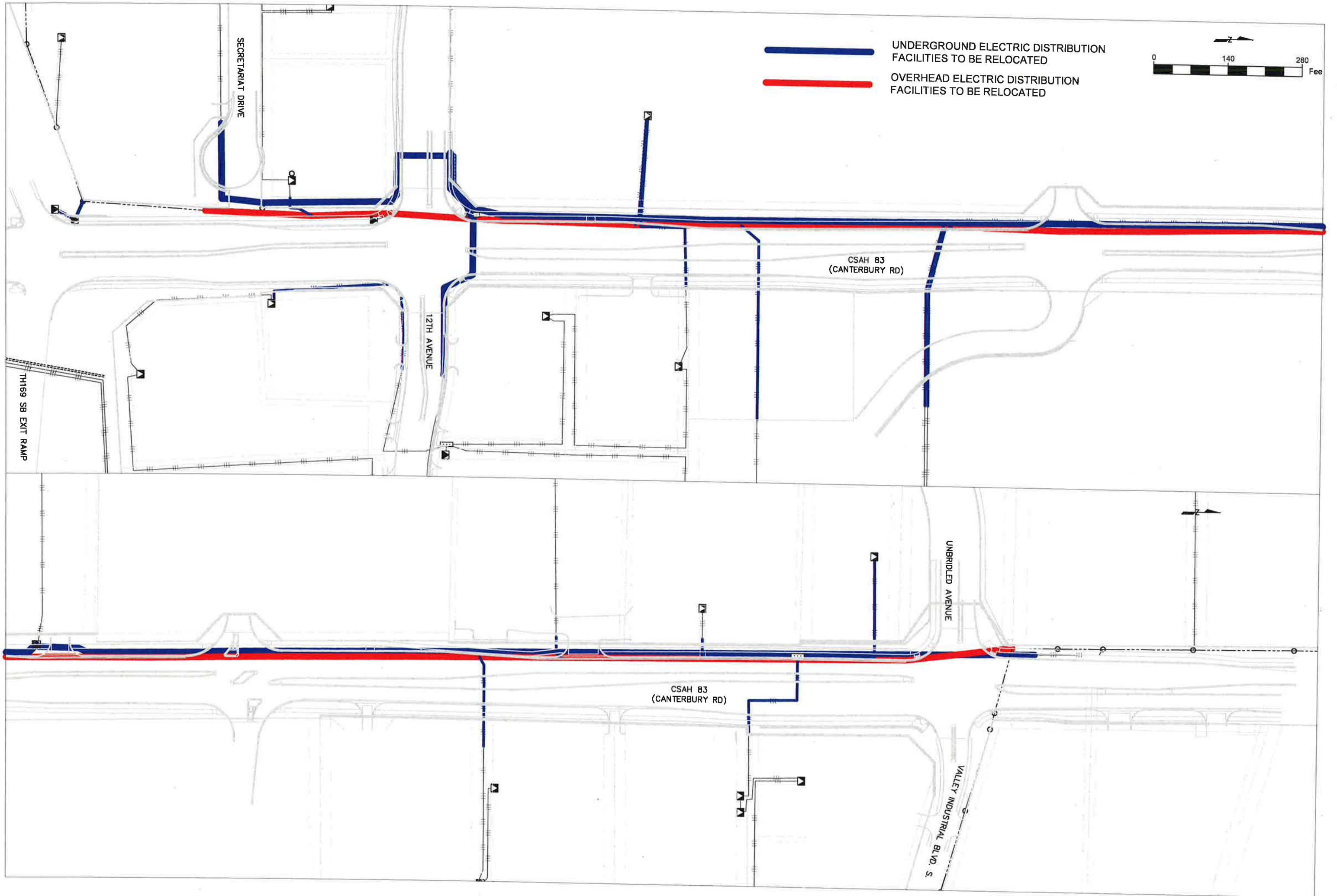
CSAH 83
(CANTERBURY RD)

TH169 SB EXIT RAMP

UNBRIDLED AVENUE

CSAH 83
(CANTERBURY RD)

VALLEY INDUSTRIAL BLVD. S.



SECRETARIAT DRIVE

TH169 SB EXIT RAMP

12TH AVENUE

CSAH 83
(CANTERBURY RD)

UNBRIDLED AVENUE

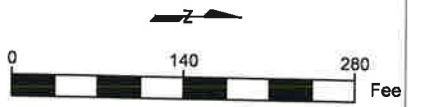
CSAH 83
(CANTERBURY RD)

VALLEY INDUSTRIAL BLVD. S.




UNDERGROUND ELECTRIC DISTRIBUTION
FACILITIES TO BE RELOCATED

OVERHEAD ELECTRIC DISTRIBUTION
FACILITIES TO BE RELOCATED



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Property Appraisal Reports for Future Substations – Update

DATE: March 11, 2020

ISSUE

The Long Range Electric System Study recommended the addition of two more electric distribution substations. One substation each on the **east side** of the system and one on the **west side**, so two sites need to be acquired.

BACKGROUND

The **East Side** of the SPU electric system operates at 13.8 kV. SPU has existing limited capacity equal to 8.3 MW in Xcel Energy's Blue Lake Substation located in northeast Shakopee. SPU's existing electric feeder circuits BL-20 and BL-22 serve portions of the industrial park and residential and commercial areas within the Southbridge developments. These circuits also serve as important backups ties to other feeder circuits from the Dean Lake (in central Shakopee) and Pike Lake Substations (in the southeast area of the system). SPU pays Xcel Energy a monthly transformation charge based on the combined peak demand of SPU's two Blue Lake circuits at the rate of \$0.47 per kW. In addition, SPU pays a monthly operations and maintenance fee of \$1,667 for our presence in their substation to Xcel Energy.

Xcel has made numerous past requests for SPU to vacate our Blue Lake capacity. Xcel's interest ebbs and flows with development pressures that increase the demand on their Shakopee facilities which are limited to their Blue Lake substation, e.g. ADC shell building and the Emerson/Rosemount buildout of that location. At one time we were working on an arrangement to build a SPU owned substation next door to the Xcel owned Blue Lake Substation, but Xcel has since indicated that is no longer a viable option. Attempts to replace the long since lapsed Facilities Agreement have been stalled for a number of years, leaving our status in their Blue Lake substation somewhat in limbo. In addition, operationally it is increasingly difficult to access our equipment inside the substation fence.

Consequently, staff has been searching for a suitable substation site in northeast Shakopee with few options remaining due to past and recent development of vacant spaces. Last fall SM Hentges purchased the old Cretex Pipe site from Forterra Pipe and Precast, who shut down their Shakopee operations after acquiring the Cretex plant. Staff met with the new owner Mr. Steve Hentges and his

land broker Mr. Jon Rausch of Cushman Wakefield to initiate discussions of SPU acquiring a portion of the property for a new electric distribution substation. Staff also met with city staff to inquire if they had any comments and concerns about the proposed development including a substation. Staff developed a preliminary substation layout with the assistance of Mr. Kevin Favero of Leidos who had prepared the long range plan and consulted on the last several substation construction projects. Staff shared this site plan with SM Hentges and their engineers who put together a preliminary concept plan for the entire parcel reserving adequate space for a potential SPU substation in the southeast corner of the site. The current site is mostly vacant and bisects the border of our electric service territory with Xcel Energy. The western 2/3 of the site is in Xcel's service territory and the eastern 1/3 of the site is in SPU's.

It was determined it would be useful to have a preliminary appraisal done to determine a valuation of the site for use in negotiations. The valuation was recently completed and staff shared that information with SM Hentges and their representatives. It was determined now would be a good time for all parties, the land owner/developer, the city and SPU staff to meet again to address the issues of access, utility services and plat configuration. That meeting has not yet been scheduled, but this site appears promising that we can make something work that will be a win-win-win-win result.

The developer would like to maximize their profit in re-developing this parcel, which may include attracting large electricity users.

The city would like to gain the resulting property tax revenue from such a project.

Xcel Energy would like to be able to serve new customers with the capacity SPU now employs out of their Blue Lake Substation, which they could do if we would vacate that capacity and remove our facilities.

SPU would like to meet the increasing demand from our own customers with a new self-owned facility with more capacity than present and that we would have operational control over.

The **West Side** of the SPU electric system operates at 12.47 kV and SPU has existing capacity in the Shakopee (in northwest Shakopee) and South Shakopee Substations adequate to serve existing and planned loads for the time being, provided additional feeder circuits are installed. Long term however, SPU requires additional substation capacity to serve the proposed land uses identified in the city's 2040 Comprehensive Plan as outlined in SPU's Long Term Electric System Study.

Consequently, SPU will need to move to secure a site and construct a new substation in West Shakopee due to city plans for annexation of Jackson Township. Staff identified multiple sites to investigate and zeroed in on the two most promising sites and then we asked the property appraisal firm to prepare preliminary valuation reports on both sites. We are in the process of contacting those property owners to share that information and to gauge their interest in selling.

In the short term, we are currently constructing a new electric feeder circuit out of the South Shakopee Substation to serve the increasing load in the Windermere developments. This project should be

completed later this year to support new developments on the west side including the new West Shakopee Gateway development proposed by Opus Corp until a new substation can be constructed.

DISCUSSION

Staff will continue to work with SM Hentges and the city to work out an acceptable plat configuration for the East Shakopee Substation site that addresses all city concerns and then we will attempt to arrive at a negotiated purchase agreement that the developer will accept and staff can recommend to the Commission.

Staff is in the process of contacting the property owners on the west side of Shakopee and share the preliminary valuation reports to gauge their interest in being a willing seller. If we find one to be a willing seller, we will then try to negotiate an acceptable purchase agreement that we can recommend to the Commission.

It is important to note that the Midwest Independent System Operator (MISO) and Xcel Energy the transmission system owner have strict rules to follow to gain access and secure transmission line capacity for a new interconnection. The process can take five years and we cannot initiate an application until we have secured land rights to a site.


Staff will report back on developments as they occur.

REQUESTED ACTION

There is no action requested at this time.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION

FROM: JOHN R. CROOKS, UTILITIES MANAGER 

**SUBJECT: MMPA BOARD MEETING PUBLIC SUMMARY
FEBRUARY 2020**

DATE: MARCH 8, 2020

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on February 18, 2020 at Shakopee Public Utilities in Shakopee, Minnesota.

The Board discussed the status of the renewable projects the Agency is pursuing.

The Board discussed MMPA's government relations initiative and the upcoming American Public Power Association annual legislative rally.

Participation in MMPA's residential Clean Energy Choice program increased over January, with 53 new customers signing up for the program. Customer penetration of MMPA's Clean Energy Choice program for residential customers increased to 3.4%




11a

SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

March 10, 2020

TO: John Crooks, Utilities Manager 
FROM: Sharon Walsh, Director of Marketing and Customer Relations 
SUBJECT: Community Commitment

Overview

SPU will once again be sponsoring the beautiful flower baskets that line our downtown Shakopee streets during the Spring/Summer months. For a number of years SPU has worked with the Chamber of Commerce, specifically the Main Street Program, to make these baskets available. They are enjoyed by many and have become a recognizable trademark of our downtown streets.

As a sponsor of these baskets, SPU provides the funding annually. The Chamber coordinates the purchasing of these baskets, while the City of Shakopee hangs and waters the baskets throughout the season.

In 2020 thus far, in addition to the flower baskets, SPU has made donations to less visible, yet highly important community efforts. These include:

- All Night Graduation Party - a tradition for SHS seniors since 1979
- SHS Inclusive Engineering Project –physical needs impacting school day of students in special education programs
- Saints Foundation - ensuring the healthcare needs of our community are met by both St. Francis Regional Medical Center and St. Gertrude’s Heath and Rehabilitation Center
- American Cancer Society – programs and research
- Shakopee Dollars for Scholars – assisting students from ISD#720/Chapter area with post-secondary educations
- Shakopee Rotary Foundation – businesses and professionals providing humanitarian services
- Esperanza Lunch Program – feed children when school is not in session; low income
- Haven Acres Mentoring Program – mentorship ranch for at-risk youth

An SPU donation fund is budgeted annually and is managed by the Utilities Manager under the SPU Donation Policy set in 2012. Established criteria is followed to determine distribution and prioritization for community benefit.

Action Requested

No action is required.

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(952) 445-1988 • Fax (952) 445-7767 • www.spucweb.com




SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: CITY OF SHAKOPEE RESOLUTION #2020-020
DATE: MARCH 8, 2020

ISSUE –

At their March 4 meeting, Resolution #2020-020 – *Rejecting Shakopee Public Utilities Commission's Modification to the Method of Calculating the Amount of the Commission's Payment to the City* was passed by the City Council on a 4-1 vote. The resolution is attached for your review.

BACKGROUND –

The resolution has 3 points:

1. City Council rejects the action by the Commission to approve Resolution #1261 (attached).
2. City Council requests the Commission to rescind Resolution #1261 so that the Commission and Council can engage to resolve the issue at hand.
3. City Council authorizes the City Attorney to initiate legal proceedings if the Commission does not rescind Resolution #1261 by March 31, 2020.

DISCUSSION –

The SPU Commission passed Resolution #1261 – *Authorizing Certain Payments from the Shakopee Public Utilities Commission to the City of Shakopee* at the December 16, 2019 meeting on a 5-0 vote.

Commission staff recommended this change to support the water fund and avoid a rate increase. Legal advice was sought regarding the statutory authority provided to SPU in making the adjustment in the method of calculation in the transfer to the City. The change was approved by the Commission in the best interest of the SPU ratepayers. Staff also recommended the change because it would have negligible impact to the transfer provided to the City. The

Commission was confident that both of these items were met before the resolution was passed.

Although the Commission has a sound basis for its actions, the public interest is best served by cooperation among governing bodies, rather than litigation. SPU has been attempting to meet with the City Council since January, but to date it has not occurred. We should continue to focus on the best interest of our ratepayers.

RECOMMENDATION –

Staff recommends that the SPU Commission suspend Resolution #1261 – *Authorizing Certain Payments from the Shakopee Public Utilities Commission to the City of Shakopee* for a period of 60 days. Within that time frame, the SPU Commission should meet with the City Council at a neutral meeting site and attempt to resolve the issue of the Commission's annual monetary transfer to the City of Shakopee's general fund. During the 60-day suspension, staff will make estimated payments to the City's general fund according to the Commission's earlier resolution (#672).

*4.A.4.



Shakopee City Council
March 4, 2020

FROM: William H. Reynolds, City Administrator and Jim Thomson, City Attorney
TO: Mayor and City Council

Subject:

Resolution Rejecting Shakopee Public Utilities Commission's Unilateral Modification to the Method of Calculating the Amount of the Commission's Payment to the City

Policy/Action Requested:

Approve Resolution Number R2020-020, a resolution Rejecting Shakopee Public Utilities Commission's Modification to the Method of Calculating the Amount of the Commission's Payment to the City

Recommendation:

Approval.

Discussion:

On December 16, 2019 the Shakopee Public Utilities Commission adopted Resolution No. 1261 which unilaterally and without prior discussion or agreement modified the method of calculating the Commission's payment to the City's General Fund. That action abrogated a long-standing agreement between the City and SPUC. Prior to that action, since 1950, any modification was either 1) by action of City Council, 2) by agreement, or 3) by state mandate.

The action contemplated by the resolution is to reject the unauthorized changing of the formula implemented by SPUC Res. No. 1261, request that SPUC rescind Res. No. 1261, and if SPUC fails to do so by March 31, 2020 authorizes and directs the City Attorney to initiate legal proceedings to have Res. No. 1261 determined null and void.

Budget Impact:

Unknown.

ATTACHMENTS:

- ▯ [Resolution No. 2020-020](#)

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. 2020-020

**RESOLUTION REJECTING SHAKOPEE PUBLIC UTILITIES
COMMISSION'S MODIFICATION TO THE METHOD OF CALCULATING
THE AMOUNT OF THE COMMISSION'S PAYMENT TO THE CITY**

WHEREAS, on December 16, 2019, the Shakopee Public Utilities Commission ("Commission") adopted Resolution No. 1261 modifying the method of calculating the Commission's payment to the City's General Fund;

WHEREAS, the Commission's action changing the formula for determining its payment to the City resulted in a change in the amount of the Commission's payment to the City;

WHEREAS, the Commission took its action without any prior discussion with, or approval by, the City;

WHEREAS, the Commission is not authorized to change the formula for calculating its payment to the City or the amount of that payment other than by an agreement with the City; and

WHEREAS, the City has not agreed to the changes set forth in Resolution No. 1261.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shakopee, Minnesota, as follows:

1. The City Council rejects the action taken by the Commission in Resolution No. 1261.
2. The City Council requests that the Commission rescind Resolution No. 1261 so that the City and the Commission can engage in discussions and hopefully agree to any change in the formula by which the Commission's payment to the City is calculated and the amount of the Commission's payment.
3. If the Commission fails to rescind Resolution No. 1261 by March 31, 2020, the City Attorney is authorized and directed to initiate an appropriate legal proceeding to obtain a court ruling that Resolution No. 1261 is null and void.

Adopted by the City Council of the City of Shakopee, Minnesota this 4th day of March, 2020.

Mayor

ATTEST:

City Clerk

RESOLUTION #1261

RESOLUTION AUTHORIZING CERTAIN PAYMENTS FROM THE SHAKOPEE PUBLIC UTILITIES COMMISSION TO THE CITY OF SHAKOPEE

WHEREAS, the Shakopee Public Utilities Commission (the "Commission") has historically contributed from its resources to the City of Shakopee (the "City") general fund, most recently through a methodology adopted in Commission Resolution 672, approved December 3, 2001, and

WHEREAS, the Commission has continued to transfer funds to the City's general fund according to Resolution 672. The Commission has determined that it is beneficial for its customers and the City to modify the method of calculating the transfer to the City's general fund to preserve adequate utility reserves and to minimize or avoid a rate increase, and

WHEREAS, the Commission wishes to achieve an equitable balance between support of the City's general fund and maintaining rates that are fair to the Commission's customers as well as adequate utility reserves and which will sustain the Commission's ability to provide reliable electric and water service at a competitive price.

NOW THEREFORE BE IT RESOLVED, that the following transfers to the City's general fund from the electric and water utilities operations shall be made by the Commission for the year 2020 and subsequent years, until such further action as may be taken by the Commission:

Electric Transfer		Year	Defined as:
Residential Sales Total	\$		Fixed/Service, Energy, PCA, Security Lights (GL 440 excluding conservation)
Commercial Sales Total	\$		Fixed/Service, Energy, PCA, Security Lights (GL 442)
Industrial Sales Total	\$		Fixed/Service, Energy, PCA, Security Lights (GL 443)
Total Defined Electric Sales *	\$		
Less Bad Debt Expense	\$	GL 904	
Total Defined Electric Sales Net of Bad Debt	\$		
Multiplied by Transfer Rate		4.40%	
Electric Transfer	\$		

Water Transfer		Year	Defined as:
Residential Sales Total	\$		Fixed/Service, Usage (GL 461 excluding conservation)
Commercial Sales Total	\$		Fixed/Service, Usage (GL 462)
Industrial Sales Total	\$		Fixed/Service, Usage (GL 463)
Total Defined Water Sales *	\$		
Less Bad Debt Expense	\$	GL 904	
Total Defined Water Sales Net of Bad Debt	\$		
Multiplied by Transfer Rate		4.40%	
Water Transfer	\$		

*Defined Sales excludes revenues for specific purposes such as electric relocation underground, water reconstruction, conservation, water division pumping penalties, hydrant sales, etc.

BE IT FURTHER RESOLVED, that energy for street lighting and the cost of maintenance and operation of street lights will continue to be donated to the City consistent with the past practices of the Commission.

BE IT FURTHER RESOLVED, that water usage and related costs to support firefighting and water system flushing to support fire protection will continue to be donated to the City consistent with past practices of the Commission.

BE IT FURTHER RESOLVED, that the payments due to the City pursuant to the foregoing schedule and the determination of sales shall be based on the corresponding figures contained in the audited financial statements of the Commission for the year 2020 and thereafter. Until those figures are available, monthly payments shall be made to the City commencing in January 2020 and each month thereafter equal to one-twelfth (1/12) of the annual payment due, estimated on the basis of the sales figures reflected in the audited financial statements of the

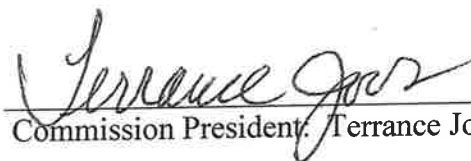
Commission for the year 2019, rounded to the nearest \$1,000. Upon the availability of the audited financial statements for the year 2020, a determination will be made if an over or under payment has been made for the year and that difference will be remitted to the City or refunded to the Commission. This procedure shall be followed in subsequent years, substituting the appropriate year under consideration.

BE IT FURTHER RESOLVED, that the Resolution #672 of the Commission shall be repealed, effective on the date of the adoption of this Resolution, and effective upon completion of the last payment due in respect to year 2019.

BE IT FURTHER RESOLVED, that the payments and services authorized to be provided hereunder are subordinate to the obligation of the Commission to timely pay principal and interest upon its outstanding bonds and is further subject to reconsideration in the event of unforeseen events which may adversely affect the utilities operations or the best interests of the utilities' customers of the Commission.

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purposes of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 16th day of December, 2019.


Commission President. Terrance Joos

ATTEST:


Commission Secretary: John R. Crooks




SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

12a

March 13, 2020

TO: John Crooks, Utilities Manager

FROM: Sharon Walsh, Director of Marketing and Customer Relations 

SUBJECT: Coronavirus COVID-19 – Health Safety Measures Update

Overview

Following President Trump’s public address on the evening of Wednesday, March 11th related to the COVID-19 pandemic, SPU enacted basic precautions on the morning of Thursday, March 12th in line with the initial preparedness plan Mr. Crooks provided in the March 3rd Commission Meeting packet. CS and Billing staff were provided latex-free gloves for their protection in dealing with payments received from customers and/or direct customer contact. We also purchased surface cleaners, and periodic ‘wipe-downs’ throughout the business day are being performed. SPU’s cleaning company has already adjusted their cleaning supplies to a stronger disinfectant and have been instructed to wipe down all handles on the entrance doors each day. The Water department has suspended entering private homes on service calls.

Effective Friday, March 13, SPU posted signage at the front entrance asking customers to make all payments, including cash, in the drop box in accordance with the ‘social distancing’ practice recommended by the CDC. Supplies such as labeled envelopes (requesting name, service address, amount enclosed and need for a receipt) and pens were positioned on a table at the front entrance for the customers’ convenience. At the time of this memo, front doors remain unlocked and customers are entering if they choose to.

To further learn about best practices for our industry, SPU Directors participated in an APPA Webinar on COVID-19 Preparedness. CPS Energy in San Antonio lead the discussion with information from their Business Continuity Leader. The following are the key talking points:

1. Utilities are at a higher risk of cyber attacks during this time.
2. Customers need to be aware of recent payment scams and identify theft.
 - a. Calls are being made requesting payments over the phone due to COVID-19
 - b. “Spoof” websites are being created and are collecting personal data, EX: Johns Hopkins is a popular resource for individuals and a false website has been created by scammers. NOTE: NO LOGIN IS REQUIRED ON THE REAL WEBSITE.



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

Continued...

3. Proper personal etiquette should be reinforced among employees, including hand washing, honoring the 6’ distance between people, and hand sanitizers. Mitigating risk is 99.9% effective in slowing down the spread.
4. CPS has a 21-day supply of critical inventory, including fuel.
5. 14-Day Isolation Practice – it was unclear as to the employee payment status of this requirement, but CPS is requiring a 14-day isolation practice with high-risk individuals (i.e., recent travel situations, symptoms, etc.). They are not requiring ‘sick time’, but it was not clear if the time was paid by CPS or if it was unpaid administrative time.
6. Travel – they are prohibiting international business travel for their employees. They are requiring employees to report personal travel so decisions can be made about their return to CPS following that travel. If traveling to ‘hot spots’, employees are required to take a 14-day isolation from CPS.
 - a. They went to this extreme because of the importance of keeping critical employees healthy so that the operations of their services can continue.
7. Field employees are wearing suits before entering any homes and are asking individuals within the home that are deemed to be ‘sick’ to move to another area of the house for the safe social distancing guideline.
8. Any meeting over 30 attendees has been canceled.


City Utilities of Springfield, MO also presented and spoke specifically to their business continuity planning and how they developed this plan.

All audio and slides are to be made available to registered attendees. I will share this information when I receive it.

Action Requested

Staff is positioned to execute further precautionary measures if the Commission directs us to do so.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: SPU COMMISSION GOALS AND OBJECTIVES - 2019
DATE: JANUARY 10, 2020

The following 6 items were discussed at the March 18 Commission Goals and Objectives Workshop. The following were identified by SPU Staff and the SPU Commission to be completed within the next 12-36 months.

IT and Security Assessment will need to be handled separately and within the Utility, as there would be limited information that should be discussed at public meetings.

Items are listed under 2015 Strategic Initiatives.

2019 Goals / Objectives

To preserve, cultivate and advance the existing reputation of the Shakopee Utilities Commission in our community and service areas; with all customers

1. Website Development – contract signed with Vivid Image
2. Development of a Strategic Communications Plan – instituted and will have full deployment with the rollout of the new SPU website

To continue our commitment to all Shakopee Public Utilities employees

3. Succession/Transition Plans for Key Positions – final draft complete

To be properly positioned in adapting changes, both short and long term, in the Water and Electric industries and therefore continually evolve the present Shakopee Public Utilities business model in a direction that most positively serves our community and service areas

4. Automatic Meter Reading Implementation – RFP presentation at February 3 Commission meeting
5. 5 Year Strategic Geographic Information System Plan (GIS) – Spring 2020
6. Information Technology and Security Assessment – complete and ongoing

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION

FROM: JOHN R. CROOKS, UTILITIES MANAGER

SUBJECT: SPU COMMISSION GOALS AND OBJECTIVES - 2019

DATE: MAY 3, 2019

The following 6 items were discussed at the March 18 Commission Goals and Objectives Workshop. Staff is in the process of preparing detailed work plans for each item. Included with this agenda item are work plans (as they exist today) that are already in progress; website development, succession planning and the communications plan. When completed the work plans for AMR Implementation and the GIS Roadmap will be brought back to the Commission for review.

IT and Security Assessment will need to be handled separately and within the Utility, as there would be limited information that should be discussed at public meetings.

1. **Website Development** – 2018 carryover
2. **Succession/Transition Plans for Key Positions** – 2018 carryover
3. **Automatic Meter Reading Implementation** -
4. **5 Year Strategic Geographic Information System Plan (GIS)** -
5. **Development of a Strategic Communications Plan** –
6. **Information Technology and Security Assessment** – ongoing

THE GOAL SETTING PROCESS

MISSION	A broad statement of overall direction and purpose.
GOAL	A clear statement of desired direction or activity in broad, general terms.
OBJECTIVE	A specific, time oriented, and realistic statement of what we are going to do, for whom, when we will do it, and how much we are going to do.
STRATEGY	One step or one specific action in the attaining of an objective. A group of strategies is a plan of action spelling out how an objective will be reached.

CHARACTERISTICS OF A WORTHWHILE GOAL

1. It is a guide to action – stated as a desired outcome, as a result, a desired condition or a state of affairs.
2. It is general in its direction.
3. It is both challenging and inspiring to its participants.
4. It calls for investment and involvement by the participants.
5. It provides a long-range time target (3-5 years).
6. It is directly tied to the purposes and goals of higher units in the organization.
7. It can be attained through a series of objectives and strategies.

CHARACTERISTICS OF A MEANINGFUL OBJECTIVE

1. It begins with the word “to” and is followed by an action verb.
2. It produces a single key result when accomplished.
3. It specifies for or with whom an action is done.
4. It has a specific target date for accomplishment (from three months to one year from planning date).
5. It is quantifiable and measurable – how much is to be done.

6. It is clear and understandable for all those participating in the action.
7. It is realistic and attainable – considers present and anticipated resources.
8. It is in line with one or more goals of the group.
9. (If there is an expense, specify maximum cost factors.)

CHARACTERISTICS OF A STRATEGY/ACTION PLAN

1. Who does it – name the individual or group representative?
2. What concretely are they to do?
3. How much are they to do?
4. For, to, or with whom?
5. By when (target date)?
6. Is a subdivision of a specific objective.
7. Ties in sequentially or in parallel with other strategies (action steps) toward attaining the objectives.

KEYS TO GOAL SETTING PERFORMANCE STANDARDS

1. Examine accuracy and currency of job description.
2. A standard should be a normal result – attainable.
3. Should be specific to person – not job.
4. Standards should start from the top down – they are a management tool.
5. They should not be a training manual, but a description.