

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
DECEMBER 5, 2016

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street
2. **Approval of Minutes**
3. **Communications**
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) Resn. #1144 - Adjusting the Fees Applied Under the Water Connection Charge Policy Resolution
 - 8c) Resn. #1145 - Adjusting the Fees Applied Under the Trunk Water Charge Policy Resolution
 - 8d) Resn. #1146 - Adjusting Fees Applied Under the Reconstruction Fund Charge Resolution
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Resn. #1147 – Adjusting Fees Under the Relocation Underground Charge Resolution
 - 9c) Resn. #1148 - Adjusting Fees Applied Under the Installation of Underground Electrical Distribution Systems Policy Resolution
 - 9d) MMPA Monthly Board Meeting Statement
 - 9e) Dean Lake Substation / SEP Construction Update and Schedule
10. **Reports: Human Resources**
 - 10a) Utilities Manager Annual Review Schedule
11. **Reports: General**
 - 11a) Resn. #1149 - Designating an Official Means of Publication
 - 11b) Resn. #1150 - Designating Official Depositories of the Shakopee Public Utilities Commission Funds
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**
 - Mid Month Meeting -- December 19
 - Regular Meeting -- January 3 (Tuesday)
 - Mid Month Meeting -- January 17 (Tuesday)
 - Regular Meeting -- February 6
14. **Adjourn** to 12/19/16 at the SPUC Service Center, 255 Sarazin Street



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., November 21, 2016.

MEMBERS PRESENT: Commissioners Joos, Amundson, Helkamp, Olson and Weyer. Also present, Utilities Manager Crooks, Finance Director Schmid, Planning & Engineering Director Adams, Line Superintendent Drent, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh. Liaison Whiting was absent as previously advised.

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

Under Communications, two items were presented. A verbal thank you was relayed to the Commission from City Councilor Luce for the support for the Fun For All Playground. Kids Voting Shakopee also thanked SPU for their support during the recent election.

President Joos offered the agenda for approval.

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

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

President Joos stated that the Consent Items were: item 8c: Monthly Water Production Dashboard; and item 11d: October Financials.

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

Motion by Olson, seconded by Weyer to approve the warrant listing dated November 21, 2016 as presented. Motion carried.

There was no Liaison report.

Water Superintendent Schemel provided a report of current water operations. An update to construction projects was provided.

Motion by Amundson, seconded by Helkamp to offer Resolution #1143. Resolution Establishing Water Meter and Installation Fees. Ayes: Commissioners Olson, Amundson, Weyer, Helkamp and Joos. Nay: none. Motion carried. Resolution passed.



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

Line Superintendent Drent provided a report of current electric operations. An overview of the current electric demand was given. Three small electric outages were reviewed and updates for construction projects were provided.

Mr. Drent reviewed the status of the Dean Lake Substation and Shakopee Energy Park construction projects.

Marketing/Customer Relations Director Walsh provided an overview of the Cold Weather Rule. Details of the State mandated rule were discussed and how SPU complies with the regulation.

Planning and Engineering Director Adams presented the 2017-2021 Capital Improvement Plan.

Motion by Helkamp, seconded by Olson to accept the 2017-2021 Capital Improvement Plan as presented. Motion carried.

Mr. Adams presented the 2017 Water Capital Projects and Equipment Plan.

Motion by Weyer, seconded by Amundson to approve the 2017 Water Capital Projects and Equipment as presented. Motion carried.

Mr. Adams presented the 2017 Electric Projects and Equipment Plan.

Motion by Amundson, seconded by Helkamp to approve the 2017 Electric Projects and Equipment as presented. Motion carried.

Mr. Adams presented the 2017 Administrative Projects and Equipment Plan.

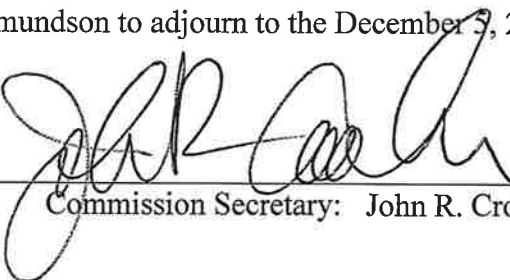
Motion by Helkamp, seconded by Olson to approve the 2017 Administrative Projects and Equipment as presented. Motion carried.

Utilities Manager Crooks reviewed the 2016 SPU donation recipients.

Item 11d: October Financials was received under Consent Business.

The tentative commission meeting dates of December 5 and December 19 were noted.

Motion by Helkamp, seconded by Amundson to adjourn to the December 5, 2016 meeting. Motion carried.



Commission Secretary: John R. Crooks

RESOLUTION #1144

A RESOLUTION ADJUSTING FEES APPLIED
UNDER THE WATER CONNECTION CHARGE POLICY RESOLUTION

WHEREAS, the Shakopee Public Utilities Commission operates and maintains the municipal water system of the City of Shakopee, such system consisting of a (“blended”) complex of water production, treatment, storage, and delivery facilities interconnected across multiple service districts or pressure zones via a network of trunk and lateral watermains, and

WHEREAS, the water connection charge fees are a component of water availability charges, and

WHEREAS, the fees established in Resolution #261, which Resolution established the Water Connection Charge Policy, and Resolution #902, which Resolution adjusted said fees, are intended to be adjusted on the first day of January each year, and

WHEREAS, the water connection charge fees were adjusted in 2015 by Resolution #1106 to \$5,134.00 per equivalent SAC unit for all service, plus 12.1 cents per square foot for industrial use only, and

WHEREAS, per Resolution #902 designated that future increases in the water connection charge fees shall be based on the percentage increase in the Construction Cost Index for the previous period as reported by the Engineering News Record, plus 2.0%, multiplied by the present water connection charge, and

WHEREAS, the “Construction Cost Index” as listed in the Engineering News Record was 10,092, as of November, 2015, and

WHEREAS, this index was 10,442.61 as of November, 2016, and

WHEREAS, the Shakopee Public Utilities Commission determines an upward adjustment in the water connection charge equal to 5.5% is warranted at this time to provide adequate funding for the planned water production, treatment and storage facilities necessary to serve developing properties with the Commission’s standard of level “A” service (i.e. a robust, redundant, looped water supply and distribution system capable of supplying water safe for human consumption at adequate pressure for domestic and fire protection uses).

NOW THEREFORE, BE IT RESOLVED that the water connection charge fees be increased effective January 1, 2017 as follows:

\$5,416.00 per equivalent SAC unit for all service, plus 12.8 cents per square foot for industrial use only, (equivalent SAC units to be computed according to the Metropolitan Waste Control Commission Availability Charge Criteria, but applied to all municipal water usage whether discharged to sewer or not).

BE IT FURTHER RESOLVED, that the water connection charges shall be applied to all water connections made to, or newly drawing water from, the City of Shakopee water system; and that the connection charges shall also be applied to all instances where increased water usage is indicated by an increase in SAC units or by other means.

BE IT FURTHER RESOLVED, that the funds collected from the water connection charges will be set aside by the Utility and used to pay for construction of water production, treatment and storage facilities.

BE IT FURTHER RESOLVED, that water availability shall not be granted until the acceptance by the Utility of payment of all standard water fees requisite by this resolution and by compliance with all other Shakopee Public Utilities Commission resolutions applicable to new services.

BE IT FURTHER RESOLVED, that in the case of large water users, specific authorization by Shakopee Public Utilities Commission is also a prerequisite to water availability.



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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1145

A RESOLUTION ADJUSTING FEES
APPLIED UNDER THE TRUNK WATER CHARGE POLICY RESOLUTION

WHEREAS, the fees established in Resolution #222, which Resolution established the Trunk Water Charge Policy, and Resolution #901, which Resolution adjusted said fees, are intended to be adjusted on the first day of January each year, and

WHEREAS, the fees were adjusted in 2015 by Resolution #1107 to \$2,911.00 per acre, and

WHEREAS, per Resolution #901 designated that future increases in the trunk water charge fees shall be based on the percentage increase in the Construction Cost Index for the previous period as reported by the Engineering News Record, plus 2%, multiplied by the present trunk water charge, and

WHEREAS, the "Construction Cost Index" as listed in the Engineering News Record was 10,092, as of November, 2015, and

WHEREAS, this index was 10,442.61 as of November, 2016, and

WHEREAS, the Shakopee Public Utilities Commission determines an upward adjustment in the trunk water charge equal to 5.5% is warranted at this time to provide adequate funding for the planned trunk water main facilities necessary to serve developing properties with the Commission's standard of level "A" service (i.e. a robust, redundant, looped water supply and distribution system capable of supplying water safe for human consumption at adequate pressure for domestic and fire protection uses).

NOW THEREFORE, BE IT RESOLVED, that the fees charged under Resolution #222 and #901 be increased to \$3,071.00 per acre effective January 1, 2017.

BE IT FURTHER RESOLVED, that the funds collected from the trunk water charges will be set aside by the Utility and used to pay for construction of trunk water main facilities.

BE IT FURTHER RESOLVED, that water availability shall not be granted until the acceptance by the Utility of payment of all standard water fees requisite by this resolution and by compliance with all other Shakopee Public Utilities Commission resolutions applicable to new services.

BE IT FURTHER RESOLVED, that in the case of large water users, specific authorization by Shakopee Public Utilities Commission is also a prerequisite to water availability.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks



RESOLUTION #1146

A RESOLUTION ADJUSTING FEES APPLIED UNDER
THE RECONSTRUCTION FUND CHARGE RESOLUTION

WHEREAS, the fees established in Resolution #875 which Resolution established the Reconstruction Fund Charge are intended to be adjusted as deemed necessary to provide for adequate funds collected for the purpose intended, and

WHEREAS, an analysis of the current projected Reconstruction Fund Projects, listed on the attachment, indicates an increase in the fees collected is appropriate at this time.

NOW THEREFORE, BE IT RESOLVED, that the fees charged under Resolution #1108 be increased to forty-one cents (\$0.41) per 1,000 gallons applied to the monthly usage of all Shakopee Public Utilities Commission water customers.

BE IT FURTHER RESOLVED that said terms and adjustments are to become effective immediately, and applied to the January 2017 billings (which are due February 15), and all subsequent billings.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks



Attachment to Resolution #1146

Shakopee Public Utilities Water Reconstruction Fund Rates

	Projected Annual Retail Sales Gallons in Thousands	Estimated Average Charge Per 1,000 Gallons	Estimated Revenues	Reconstruction Project Costs	Projected Fund Balance
9/30/2016					502,202.23
10/30/2016			41,563.30		543,765.53
11/30/2016			36,580.26	(73,555.29)	506,790.50
12/31/2016	1,634,288	0.34	29,826.84	(533,673.77)	2,943.57
2017	1,572,037	0.41	644,535.03	(534,000.00)	113,478.60
2018	1,587,757	0.42	666,857.95	(700,000.00)	80,336.56
2019	1,603,635	0.10	160,363.46	(178,000.00)	62,700.02
2020	1,619,671	0.05	80,983.55	(60,000.00)	83,683.57
2021	1,635,868	0.05	81,793.38	(60,000.00)	105,476.95

RESOLUTION #1147

A RESOLUTION ADJUSTING FEES APPLIED UNDER
THE RELOCATION UNDERGROUND CHARGE RESOLUTION

WHEREAS, the fees established in Resolution #742, which Resolution established the Relocation Underground Charge, are intended to be adjusted as deemed necessary to provide for adequate funds collected for the purpose intended, and

WHEREAS, an analysis of the current projected Relocation Underground Projects, listed on the attachment, indicates a decrease in the fees collected is appropriate at this time.

NOW THEREFORE, BE IT RESOLVED, that the fees charged under Resolution #742 be decreased to .25 mills (\$0.00025) per kWh.

BE IT FURTHER RESOLVED that said terms and adjustments are to become effective immediately, and applied to the January 2017 billings (which are due February 15), and all subsequent billings.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks



Attachment to Resolution #1147

Relocation Underground Rates/Fund Balance Projections

Date	KWH Billed	UGRL Rate	Revenue	Expense	Ending Balance
9/30/2016		0.00100			559,480.72
10/30/2016		0.00100	34,424.81		593,905.53
11/30/2016		0.00100	32,390.89		626,296.42
12/31/2016		0.00100	34,477.07	44,883.61	615,889.88
2017	432,383,397	0.00025	108,095.85	202,075.00	521,910.73
2018	436,707,231	0.00025	109,176.81	43,750.00	587,337.53
2019	441,074,304	0.00025	110,268.58	368,250.00	329,356.11
2020	445,485,047	0.00025	111,371.26	48,000.00	392,727.37
2021	449,939,897	0.00025	112,484.97	125,000.00	380,212.35

RESOLUTION #1148

A RESOLUTION ADJUSTING FEES
APPLIED UNDER THE INSTALLATION OF
UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEMS
POLICY RESOLUTION

WHEREAS, the fees established in Resolution #716 are intended to be adjusted effective on the first day of January each year, and

WHEREAS, the underground electrical distribution charge fees were adjusted upward by 37%, effectively establishing a new base line, in 2007 by Resolution #876 to \$458.00 per lot for single-family and twin home developments and \$262.00 per living unit for other than twin home multi-family unit developments except apartment buildings and the fees remained at 75% of the cost of materials for all other developments including apartment buildings, and

WHEREAS, the "Construction Cost Index" as listed in the Engineering News Record was 7887.62, as of December, 2006, and

WHEREAS, this index was 10,442.61 as of November, 2016.

NOW THEREFORE, BE IT RESOLVED, that the underground electrical distribution charge fees be increased to \$606.00 per lot for single-family and twin home developments and \$347.00 per living unit for other than twin home multi-family unit developments except apartment buildings (this represents a 3.5% increase over the 2016 fees) and that the fees shall remain to be 75% of the cost of material for all other developments including apartment buildings, effective January 1, 2017.

BE IT FURTHER RESOLVED, that the fees for residential developments only should be adjusted once a year by the ratio of the current Construction Cost Index to the December 2006 Construction Cost Index, multiplied by the current underground electrical distribution charge.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: NOVEMBER 2016 MMPA BOARD MEETING SUMMARY
DATE: DECEMBER 2, 2016

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on November 22, 2016 in Shakopee, Minnesota.

Construction is nearly complete on MMPA's 46 MW Shakopee Energy Park project. Commissioning is expected to begin in the next month. The project remains on schedule and on budget.

The Board also discussed several other renewable energy contracts being discussed with developers.

The Board also discussed the status of MMPA's contract for the output of the Black Oak Wind Farm and its contract for the output of the Buffalo Solar project.




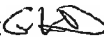


SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

November 30th 2016

TO: John Crooks, Utilities Manager 

FROM: Greg Drent, Electric Superintendent 

Subject: Dean Lake Substation Update

Dean Lake Substation Update:

The Dean Lake Substation upgrade is proceeding as planned and designed. Hooper has installed the 13.8kv wires from the transformer to the control building and is working on terminations of those wires. Once the 13.8kv cables are terminated, the control cable will be pulled. L&S Electric is on schedule for testing the control building switchgear. Dean Lake #2 transformer circuit switchgear is low on gas, so while the transformer is out of service, we have L&S Electric looking at the switchgear for the gas leak.

Hooper is working to install the switches for the DG plant circuits at the substation. This has been a slow process for 2 reasons

1. The delayed start date as the crane had to set up in this location for the installation of the control building.
2. The rain has caused the spill pile to get to wet and new gravel was brought in so the foundation can be properly tamped.

This work is a couple weeks behind schedule because of the delays. The schedule is to have the DG distribution circuits installed and terminated by the 2nd week in January.

The Shakopee distribution conduits are being installed by NPL and are going according to the plans. The duct bank to the North is out of the substation and is installed under 169 and the right of way is back to normal with the fences installed. Conduits to the South are installed. Conduits to the East are out of the substation and being installed the week of December 5th. Temporary easements were secured from Goodyear and Holiday for the spoil piles of dirt during the construction of the duct bank to CR 83.



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION

FROM: JOHN R. CROOKS, UTILITIES MANAGER 

**SUBJECT: UTILITIES MANAGER'S ANNUAL REVIEW AND
SETTING OF 2017 GOALS AND OBJECTIVES**

DATE: DECEMBER 2, 2016

Per the contract between the Shakopee Public Utilities Commission and the Utilities Manager, there is to be an annual evaluation and a process for establishing goals and objectives for the ensuing year.

The Commission shall evaluate and assess in writing, the performance of the Utilities Manager, at least once a year during the term of the contract. This evaluation and assessment shall be related to the position description of the Utilities Manager and the goals and objectives of the Commission for the year in question. The performance evaluation is to be scheduled by the Utilities Manager within the first 90 days of each fiscal year.

Also within 90 days of the execution of the contract, the Commission and the Utilities Manager shall meet to establish Commission goals and objectives for the ensuing year. The goals and objectives shall be established in writing and be among the criteria by which the Utilities Manager is evaluated.

REQUEST-

Have the Commission establish the date or dates to conduct the annual performance review and schedule the workshop for setting the 2017 goals and objectives.



RESOLUTION #1149

A RESOLUTION DESIGNATING AN OFFICIAL
MEANS OF PUBLICATION

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION, in meeting duly assembled that the Shakopee Valley News, Inc. of Savage, Minnesota 55378 be and the same hereby is designated as the official means of publications for the Shakopee Public Utilities Commission, 255 Sarazin Street, Shakopee, MN 55379-0470 for 2017.

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks



RESOLUTION #1150

A RESOLUTION DESIGNATING OFFICIAL DEPOSITORIES
OF THE SHAKOPEE PUBLIC UTILITIES COMMISSION FUNDS

WHEREAS, the State of Minnesota Statutes 118.A02 and 118A.06 provide that the governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions.

NOW THEREFORE BE IT RESOLVED, by the Shakopee Public Utilities Commission of the City of Shakopee, Minnesota that the following institutions are designated as depositories.

Western Bank

Anchor Bank

US Bank as Custodian for Minnesota Municipal Money Market Fund

Wells Fargo Institutional Trust & Custody

Northland Trust Services, Inc

U.S. Bank National Association

Adopted in regular session of the Shakopee Public Utilities Commission of the City of Shakopee, Minnesota held this 5th day of December, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks

