

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
December 4, 2017

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. #1176 – Establishing Water Rates In and For the City of Shakopee
 - 8c) Resn. #1177 – Adjusting the Fees Applied Under the Reconstruction Fund Charge Resolution
 - 8d) Resn. #1178 – Adjusting the Fees Applied Under the Water Connection Charge Policy Resolution
 - 8e) Resn. #1179 – Adjusting the Fees Applied Under the Trunk Water Charge Policy Resolution
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Resn. #1180 – Modifying a Policy With Reference to Underground Electrical Distribution Systems
 - 9c) November 2017 MPPA Board Meeting Public Summary
10. **Reports: Human Resources**
 - 10a) Utilities Manager's Annual Review
11. **Reports: General**
 - 11a) Resn. #1181 - Bond Redemption Proposal
 - 11b) Resn. #1182 – Adopting Fees and Charges For 2018
 - 11c) Resn. #1183 – Designating an Official Means of Publication
 - 11d) Resn. #1184 – Designation of Official Depositories of the Shakopee Public Utilities Commission Funds
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Mid Month Meeting	--	December 18
- Regular Meeting	--	January 2 (Tuesday)
- Mid Month Meeting	--	January 15
- Regular Meeting	--	February 5
14. **Adjourn** to 12/18/17 at the SPUC Service Center, 255 Sarazin Street

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

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., November 20, 2017.

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

Motion by Joos, seconded by Hennen to approve the minutes of the November 6, 2017 Commission meeting. Motion carried.

There were no Communication items

President Amundson offered the agenda for approval.

Motion by Weyer, seconded by Joos to approve the agenda as presented. Motion carried.

Motion by Joos, seconded by Hennen to approve the Consent Business agenda as presented. Motion carried.

President Amundson stated that the Consent Items were: Item 8c: Monthly Water Production Dashboard and Item 11d: October 2017 Financial Results.

The revised warrant listing for bills paid October 2, 2017 was presented.

Motion by Joos, seconded by Hennen to approve the revised warrant listing dated October 2, 2017 as presented. Motion carried.

The warrant listing for bills paid November 20, 2017 was presented.

Motion by Weyer, seconded by Joos to approve the warrant listing dated November 20, 2017 as presented. Motion carried.

Liaison Mocol presented her report. The Holiday Festival in downtown Shakopee was discussed. At the November 21 City Council meeting there will be a presentation of the Canterbury Commons development project.

Water Superintendent Schemel provided a report of current water operations. Construction projects were updated.

A construction update was provided for the Riverview Booster Station by Mr. Schemel.

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

Line Superintendent Drent provided a report of current electric operations. Two electric outages were reviewed. Project updates were also provided.

Mr. Drent reviewed the bid results for the trenching equipment. The apparent low bid was RDO-Vermeer Equipment in the amount of \$178,815.00 plus tax and delivery. Delivery of the equipment could be in early February.

Motion by Weyer, seconded by Hennen to award the bid of the Vermeer RTX1250 tractor, trencher, plow and backhoe unit to RDO Equipment in the amount of \$178,815.00. Motion carried.

Planning and Engineering Director Adams presented the final 2018 Administrative Projects and Equipment Plan.

Motion by Weyer, seconded by Hennen to approve the 2018 Administrative Projects and Equipment Plan as presented. Motion carried.

Mr. Adams presented the final 2018 Electric Capital Projects and Equipment Plan. Several changes in the Plan were discussed.

Motion by Weyer, seconded by Hennen to approve the 2018 Electric Capital Projects and Equipment Plan as presented. Motion Carried.

Mr. Adams presented the final 2018 Water Capital Projects and Equipment Plan

Motion by Joos, seconded by Hennen to approve the 2018 Water Capital Projects and Equipment Plan as presented. Motion carried.

Mr. Adams then presented the 2018-2022 Capital Improvement Plan.

Motion by Weyer, seconded by Joos to accept the 2018-2022 Capital Improvement Plan as presented. Motion carried.

Finance Director Schmid presented the 2018 Proposed SPU Budget, Cash Flows and Assumptions.

Motion by Joos, seconded by Hennen to approve the 2018 Operating Budget and the 2018-2022 projected cash flows, based on the key assumptions as presented. Motion carried.

Item 11d: October 2017 Financial Results were received under Consent Business.

Under New Business, the Utilities Manager's annual review was discussed with a date being set at a future meeting.

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

Motion by Joos, seconded by Weyer to adjourn to the December 4, 2017 meeting. Motion carried.



Commission Secretary: John R. Crooks

RESOLUTION #1176

A RESOLUTION ESTABLISHING WATER RATES
IN AND FOR THE CITY OF SHAKOPEE

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION at meeting duly assembled on the 4th day of December, 2017, that Resolution #1151 is repealed upon this Resolution taking effect, that the following water rates shall be, and hereby are established for all users of water furnished by the City of Shakopee through the Shakopee Public Utilities Commission:

Section I: RESIDENTIAL SERVICE: (RW)

AVAILABILITY: The primary use is or will be single and multiple family dwellings.

First 5,000 gallons:	\$2.49 per 1,000 gallons per month
Above 5,000 gallons:	\$2.98 per 1,000 gallons per month

Plus a fixed charge per month of:

5/8 x 3/4 inch	\$3.37 per month
3/4 inch	\$3.71 per month
1 inch	\$4.71 per month
1 1/2 inch	\$6.06 per month
2 inch	\$9.76 per month
3 inch	\$37.03 per month
4 inch	\$47.12 per month
6 inch	\$70.69 per month
10 inch	\$168.30 per month

Section II: COMMERCIAL / INSTITUTIONAL SERVICE: (CW)

AVAILABILITY: The principle use is or will be the sale, lease, rental, or trade of products, goods, and services. This shall include office buildings and all institutional users including schools, churches, governmental buildings and nursing homes.

\$2.28 per 1,000 gallons per month

Plus a fixed charge per month of:

5/8 x 3/4 inch	\$3.37 per month
3/4 inch	\$3.71 per month
1 inch	\$4.71 per month
1 1/2 inch	\$6.06 per month
2 inch	\$9.76 per month
3 inch	\$37.03 per month
4 inch	\$47.12 per month
6 inch	\$70.69 per month
10 inch	\$168.30 per month

Section III: INDUSTRIAL SERVICE: (IW)

AVAILABILITY: The principle use is or will be for the production, manufacture, warehousing, storage, or transfer of goods, products, commodities, or other wholesale items.

\$1.98 per 1,000 gallons per month

Plus a fixed charge per month of:

5/8 x 3/4 inch	\$3.37 per month
3/4 inch	\$3.71 per month
1 inch	\$4.71 per month
1 1/2 inch	\$6.06 per month
2 inch	\$9.76 per month
3 inch	\$37.03 per month
4 inch	\$47.12 per month
6 inch	\$70.69 per month
10 inch	\$168.30 per month

Section IV: IRRIGATION SERVICE:

AVAILABILITY: The primary use is or will be for lawn and landscape irrigation.

\$2.98 per 1,000 gallons per month

Plus a fixed charge per month of:

5/8 x 3/4 inch	\$3.37 per month
3/4 inch	\$3.71 per month
1 inch	\$4.71 per month
1 1/2 inch	\$6.06 per month
2 inch	\$9.76 per month
3 inch	\$37.03 per month
4 inch	\$47.12 per month
6 inch	\$70.69 per month
10 inch	\$168.30 per month

Section V: THE FOLLOWING CLAUSES APPLY TO ALL RATES:

MONTHLY BILLS:

The monthly bill is the sum of the commodity charge, reconstruction fund charge, the fixed charge, state water connection fee and any applicable sales tax.

In addition to the foregoing, monthly bills also include other adjustments referenced in this or other rate resolutions of the Shakopee Public Utilities Commission.

Minimum bill provisions, late charges, penalties, and special charges, also apply.

Section VI: THE FOLLOWING CLAUSES APPLY TO CERTAIN RATES:

Multiple-family Residential Dwellings:

Multiple-family residential dwellings are buildings or housing groupings which consist of several units each of which is intended and designed for one family or individual occupant. The designation is not dependent upon the actual occupancy of the units for their intended use. Shakopee Utilites will endeavor to adjust billing tier structures to accommodate residential units located in multiple-family dwelling installations and billed through a common water meter. The owner or the customer of record in such instances is responsible for furnishing all necessary information and documentation to provide the Shakopee Utilites the basis for making such adjustments. Adjustment will apply forward from the date documentation is provided and the determination made.

Metered Fire Services, Detector/Check Installations, and similar:

Fire Services having water meters, Detector/Check Installations, and similar services will be billed the regular standard monthly fixed charge applicable to all water meters. Water usage for actual fire suppression is not billed. No other water usage is permitted through such services, and such usage may be subject to charges and penalties specified under other resolutions, ordinances, or law.

BE IT FURTHER RESOLVED that all terms and adjustments described in this resolution are to become effective immediately, and applied to the January 2018 billings (which are due February 15), and all subsequent billings.

Passed in regular session of the Shakopee Public Utilities Commission this 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1177

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 #1146 be increased to forty-three cents (\$0.43) 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 2018 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 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1178

8d

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 10,442.61, as of November, 2016, and

WHEREAS, this index was 10,817.11 as of October, 2017, and

WHEREAS, the Shakopee Public Utilities Commission determines an upward adjustment in the water connection charge equal to 5.8% 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, 2018 as follows:

\$5,730.00 per equivalent SAC unit for all service, plus 13.5 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 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1179

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 10,442.61, as of November, 2016, and

WHEREAS, this index was 10,817.11 as of October, 2017, and

WHEREAS, the Shakopee Public Utilities Commission determines an upward adjustment in the trunk water charge equal to 5.8% 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), and

WHEREAS, the Shakopee Public Utilities Commission also determines an additional one time upward adjustment in the trunk water charge equal to \$500.00 per acre is warranted at this time due to the continuing deficit in the trunk water fund.

NOW THEREFORE, BE IT RESOLVED, that the fees charged under Resolution #222 and #901 be increased to \$3,749.00 per acre effective January 1, 2018.

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 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1180

RESOLUTION MODIFYING A POLICY WITH REFERENCE
TO UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEMS

WHEREAS, the cost of installing an underground electric distribution system in newly developed subdivisions, plats, lots, areas, tracts, or other land, is greater than the cost of installing an overhead electric distribution system, and

WHEREAS, said additional cost shall be the responsibility of the developers of all newly developed subdivisions, plats, lots, areas, tracts, or other land, and

WHEREAS, the cost of financing the developer's share of the cost of installing an underground electric distribution system in newly developed subdivisions, plats, lots, areas, tracts, or other land, should not be the responsibility of the Shakopee Public Utilities Commission, and

WHEREAS, the Shakopee Public Utilities Commission has previously received and accepted a report on Underground Service Policy dated April 17, 2003 by RW Beck, Inc. that details the cost difference between installing an underground distribution system and an overhead distribution system, and

WHEREAS, the underground electrical distribution charge fees were adjusted upward by 37%, effectively establishing a new base line, in 2007 by Resolution #846 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 Shakopee Public Utilities Commission previously declared in Resolution #955 that the underground electrical distribution charge fees shall be named the "Contribution in Aid of Construction" for underground electrical distribution system extensions, and

WHEREAS, the Construction Cost Index for October 2017 as reported by the Engineering News Record was 10,817.11.

NOW THEREFORE BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION, that Resolution #1115 is repealed upon this Resolution taking effect, that it hereby modifies the policy governing the installation of electric distribution systems in newly developed subdivisions, plats, lots, areas, tracts, or other land.

BE IT FURTHER RESOLVED, that the developer of such subdivision, plat, lot, area, tract, or other land, must apply to the Shakopee Public Utilities Commission in writing for such installation, which at the sole discretion of the Shakopee Public Utilities Commission may be placed underground; and when placed underground, the developer must assume and pay a contribution in aid of construction equal to seventy-five percent (75%) of the total cost of all materials used for such underground installation plus any extra costs related to the underground installation, including but not limited to, permit fees, rock excavation, winter construction, etc.

BE IT FURTHER RESOLVED, that before the Shakopee Public Utilities Commission undertakes any such installation, the developer must enter into a written distribution agreement with the Shakopee Public Utilities Commission and at the same time make a deposit of one hundred percent (100%) of the estimated contribution in aid of construction and any remaining balance of said contribution in aid of construction is to be paid by the developer upon being billed therefore. The Shakopee Public Utilities Commission will return to the developer any amount of the deposit that is in excess of the contribution in aid of construction upon completion of the project.

BE IT FURTHER RESOLVED, that for residential developments only, not including apartment buildings, the new baseline residential contribution in aid of construction shall be set initially at \$628.00 per lot for single-family and twin home developments and \$359.00 per living unit for other than twin home multi-family developments in lieu of paying 75% of the cost of underground material. Any extra costs related to the underground installation shall be in

addition to the above fees. The fee for apartment buildings shall be 75% of the cost of underground material plus any extra costs, the same as non-residential developments.

BE IT FURTHER RESOLVED, that the fees for residential developments only shall be adjusted once a year based on the percentage increase in the Construction Cost Index for the previous period as reported by the Engineering News Record multiplied by the present residential contribution in aid of construction fee.

BE IT FURTHER RESOLVED, that the Shakopee Public Utilities Commission reserves the right to require special terms and conditions, including the charging of additional fees and or deposits beyond those described previously, for large single or multiple points of use of electric service or requests for a service level above the standard terms available.

BE IT FURTHER RESOLVED, that in certain circumstances, at Shakopee Public Utilities Commission's option, other consideration may be accepted in lieu of cash payment. Such consideration shall be, in the sole judgment of Shakopee Public Utilities Commission, of equal or near equal value and in Shakopee Public Utilities Commission's best interest to be accepted in lieu of cash payment.

BE IT FURTHER RESOLVED, that this policy shall apply to all property developed after January 1, 2018, where the written distribution agreement is not yet signed by the Shakopee Public Utilities Commission, and where underground installation has not yet commenced.

BE IT FURTHER RESOLVED, that this policy shall not apply to individual underground service lines from the system to the customer. Individual underground service lines are solely the customer's responsibility.

BE IT FURTHER RESOLVED, that all other standard policies concerning electric service remain in full force and effect.

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 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: NOVEMBER 2017 MMPA BOARD MEETING SUMMARY
DATE: NOVEMBER 30, 2017

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on November 28, 2017 at the offices of Shakopee Public Utilities in Shakopee, Minnesota.

Customer penetration of MMPA's Clean Energy Choice program for residential customers increased to 2.3%, with a range of market penetration by members of 0.7% to 5.4%.

Several cities have also signed up customers for the Clean Energy Choice for Business program, with more cities indicating the customers have expressed interest in the program.

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

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: UTILITIES MANAGER'S ANNUAL REVIEW
DATE: DECEMBER 1, 2017

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 2018 goals and objectives.



SHAKOPEE PUBLIC UTILITIES COMMISSION

"Lighting the Way - Yesterday, Today and Beyond"

November 30, 2017

TO: John Crooks, Utilities Manager *GPC*

FROM: Renee Schmid, *RS* Director of Finance and Administration

SUBJECT: Bond Redemption Proposal

Background

Shakopee Public Utilities Commission has \$7,590,000 in debt outstanding under the 2006A Crossover Revenue Bond Series which is fully callable. The average annual interest rate on the 2006A Bond Series is 4.32%. Retirement of the \$7,590,000 bonds will generate savings in interest expense of \$2,193,125 between 8/1/2018 and 2/1/2030. We have sufficient cash reserves to support this bond redemption. This bond issue is supported 100% by the electric fund. We would see some deterioration in the electric operating fund reserve balance; however, the projected reserves are sufficient to meet targeted minimum operating expense reserves of three to six months.

The Commission recently approved the 2018 Operating Budget and related Cash Flow projections which an assumption to redeem the 2006A Bond Series. The projected cash flow projections provide adequate coverage to support operating requirements, projected CIP expenditures, and the 2006A bond debt redemption.

Below is a table that summarizes the P&I Bond payments for the 2006A Bond Series from 2018 – 2030.

Series 2006A Public Utilities Crossover Refunding Revenue Bonds				
Date	Principal	Interest	Total	Coupon
2018	445,000.00	318,912.51	763,912.51	4.25%
2019	460,000.00	299,681.26	759,681.26	4.25%
2020	480,000.00	279,706.26	759,706.26	4.25%
2021	500,000.00	258,881.26	758,881.26	4.25%
2022	520,000.00	237,206.26	757,206.26	4.25%
2023	550,000.00	214,468.76	764,468.76	4.25%
2024	575,000.00	190,203.13	765,203.13	4.38%
2025	600,000.00	164,500.00	764,500.00	4.38%
2026	625,000.00	137,703.13	762,703.13	4.38%
2027	655,000.00	109,703.13	764,703.13	4.38%
2028	690,000.00	80,281.25	770,281.25	4.38%
2029	725,000.00	49,328.13	774,328.13	4.38%
2030	765,000.00	16,734.38	781,734.38	4.38%
	7,590,000.00	2,357,309.46	9,947,309.46	4.32%
2/1/2018 Payments	-	(164,184.38)		
Total Interest Savings:		2,193,125.08		
Principal Due on 2/1/2018:	7,590,000.00			



SHAKOPEE PUBLIC UTILITIES COMMISSION

"Lighting the Way - Yesterday, Today and Beyond"

Action steps required to execute call:

1. Request the commission to approve redemption of 2006A Crossover Refunding Revenue Bonds on December 4, 2017.
2. Consult with Peter Cooper at McGrann Shea for legal review to make sure we are in compliance with bond indenture.
3. Work with Bill Fahey, Northland Securities and Peter Cooper, McGrann Shea to execute the call on or before 2/1/18.
4. Write down any unamortized bond issuance/refunding costs in 2018 when these bonds are called. Estimated amount of write down is approximately \$215,211. This would be an expense on our books in 2018 which will be offset by the savings in interest expense of \$283,668 and reduced amortization expense of \$16,319 resulting from the bond redemption. The projected impact to 2018 to non-operating income is approximately \$24,056 including loss of investment income.

Interest Expense Savings 2/1/18 -12/31/18	283,668.24
Bond Ammortization Expense Savings 2/1/17 - 12/31/18	16,318.61
Bond Ammortization Write Off	(215,210.62)
Impact to 2017 Net Position	84,776.23
Lost Investment Income	(60,720.00)
2018 Impact to Non-Operating Income/(Expense)	24,056.23

5. Fund \$7,590,000 bond redemption

Recommendation

I recommend the Commission pursue redemption of the 2006A Crossover Revenue Bond Series by February 1, 2018 or sooner.

Commission Action Requested

- Direct staff to pursue redemption of the 2006A Crossover Revenue Bonds.
- Approve Resolution #1181 authorizing the redemption of the Shakopee Public Utilities Commission Public Utilities Crossover Refunding Revenue Bonds, Series 2006A

RESOLUTION #1181

**A RESOLUTION AUTHORIZING THE REDEMPTION
OF THE SHAKOPEE PUBLIC UTILITIES COMMISSION
PUBLIC UTILITIES CROSSOVER REFUNDING REVENUE BONDS, SERIES 2006A**

WHEREAS, the Shakopee Public Utilities Commission, a municipal utility commission organized under Minnesota law (the "Commission"), issued \$10,570,000 of its Crossover Refunding Revenue Bonds, Series 2006A, dated November 1, 2006 (the "Bonds"); and

WHEREAS, the Bonds may be redeemed at the option of the Commission on February 1, 2015 and any date thereafter; and

WHEREAS, the Commission has sufficient cash reserves to redeem the Bonds pursuant to their terms; and

WHEREAS, the redemption of the Bonds would result in significant cost savings for the Commission; and

WHEREAS, the Commission has determined that the redemption of the Bonds is in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION AS FOLLOWS:

1. That the President, Utilities Manager or the Director of Finance and Administration of the Commission is hereby authorized and directed to take all necessary action to effectuate the redemption of the Bonds on February 1, 2018 using existing cash reserves.
2. That the President, Utilities Manager or the Director of Finance and Administration of the Commission is authorized and directed to execute and deliver to all such instruments and other documents as may be necessary to effectuate the redemption of the Bonds.

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 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

A RESOLUTION ADOPTING FEES AND CHARGES FOR 2018

WHEREAS, it is desirable to have a general listing of various fees and charges applied by the Shakopee Utilities, and

WHEREAS, the Utilities Commission has adopted various electric and water rates and charges by resolutions separate from this one and wish to keep those rates and charges intact,

NOW THEREFORE, BE IT RESOLVED THAT THE SHAKOPEE PUBLIC UTILITIES COMMISSION, hereby adopts the attached listing of fees, charges, and rates, for the purpose of having a common reference, effective January 1, 2018.

BE IT FURTHER RESOLVED, that this resolution does not invalidate any fees or charges adopted by other resolutions, nor does it preclude the subsequent adoption or application of any fees or charges that may arise for circumstances not covered by the attached list.

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

Adopted in regular session of the Shakopee Public Utilities Commission, this 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

SUMMARY OF FEES, CHARGES AND RATES - 2018

Attachment to Resolution #1182

Effective January 1, 2018

	WATER	ELECTRIC	ENGINEERING	CUSTOMER ACCOUNTS & COLLECTIONS
Water Rates	by Resn.			
Water Connection Charge	by Resn.			
Trunk Water Charge	by Resn.			
Hydrant Use Annual Permit Fee Equipment Deposit Meter Rental Water Charge	\$25 \$250 \$9/week \$2/1000gal			
Connection Permit Fee	\$50			
Connection Inspection Fee	\$75			
Shutoff Fee / Cold Weather	\$75 or \$125 after hrs			
Reinstatement Fee	\$75 or \$125 after hrs			
Water Meter Fee	by Resn.			
Special Service Charge Flushing WM Inspection Operate Valves After Hours	\$55/man hr + truck rate \$55/man hr + truck rate \$55/man hr + truck rate overtime rates will apply			
Irrigation Valve Fee 1-3 valves 4+ valves	\$25 \$50			
Private Hydrant Inspection	\$50 each			
Standby Fire Protection Charge	\$20/yr			
Electric Rates		by Resn.		
Reconnect - Electric				\$100
Renters Deposit electric heat gas heat				\$200 \$100
Commercial Account Deposit				2 months typical bill
Plan Review and Inspection Fee			100% actual costs. Deposit amt=8.5% of constr. Costs	
Underground Charge			by Resn.	
Seasonal Demand Customer Charge			by Resn.	
Special Service Charge Line Switching Misc. Work After Hours		\$55/manhr + equipment charge \$55/manhr + equipment charge overtime rates will apply		
Streetlight Charge		refer to attachment		
Security Light Charge		refer to attachment		
Account Setup				\$15
NSF Charge				\$30
Late Payment Charge				5% of balance
Net Meter Fee - Residential			\$85	
Net Meter Fee - Commercial 1 Phase			\$85	
Net Meter Fee - Commercial 3 Phase			\$85	
Meter Tampering/Theft				\$100 (plus actual costs)

SHAKOPEE PUBLIC UTILITIES STREET LIGHTING DEVELOPER INSTALLATION COSTS*

Effective January 1, 2018

LIGHT TYPE	POLE TYPE	EXISTING CHARGE	2018 CHARGE
RESIDENTIAL LED STANDARD 160W LED RECTILINEAR	24' ALUMINUM POLE	\$1,525.00	\$1,470.00
COLLECTOR SINGLE INSTALLATION 160W LED RECTILINEAR	34' ALUMINUM POLE	\$3,000.00	\$3,035.00
COLLECTOR LED STANDARD GROUP CONTROL	34' ALUMINUM POLE	\$3,500.00	\$3,560.00

* FOR TYPICAL MULTIPLE UNITS INSTALLED AS A PART OF A NEW UNDERGROUND ELECTRIC DISTRIBUTION SYSTEM EXTENSION INCLUDES 3 YEARS OF OPERATION AND MAINTENANCE COST

SHAKOPEE PUBLIC UTILITIES SECURITY LIGHTING RATE SCHEDULE

Effective January 1, 2018

SIZE	TYPE	2017 Charge	2018 Charge
100W	HPS	\$9.75	\$9.75
100W	HPS CM	\$5.00	\$5.00
250W	HPS	\$18.00	\$18.00
250W	HPS CM	\$7.25	\$7.25
400W	HPS	\$26.50	\$26.50
400W	HPS CM	\$10.00	\$10.00
1000W	METAL HALIDE	\$60.50	\$60.85
SMALL (100W HPS EQUIV)	LED	\$6.50	\$6.50
SMALL (100W HPS EQUIV)	LED CM	\$4.00	\$4.00
MEDIUM (250W HPS EQUIV)	LED	\$11.50	\$12.15
MEDIUM (250W HPS EQUIV)	LED CM	\$6.00	\$6.00
LARGE (1000W MH EQUIV)	LED		\$23.90
LARGE (1000W MH EQUIV)	LED CM		\$9.75
PL/SMSC RESIDENTIAL	LED		\$4.70
PL/SMSC COLLECTOR	LED		\$8.95
PL/SMSC RESIDENTIAL	HPS		\$7.50
PL/SMSC COLLECTOR	HPS		\$15.75

CM IS LIGHT INSTALLED ON THE CUSTOMER SIDE OF THE METER . SPU HAS NO MERCURY VAPOR SECURITY LIGHTS

SUMMARY OF FEES, CHARGES AND RATES**EQUIPMENT RATES**

Effective January 1, 2018

EQUIPMENT & NUMBER	\$/HR
Digger Derrick #612	\$100.00
Bucket Truck #611, 614, 616	\$65.00
1 Ton Truck #613, 631, 632, 633	\$30.00
Pick Up #617, 618, 621, 627, 645 Water Trucks	\$30.00
Tractor / Back Hoe #637	\$60.00
Trencher	\$35.00
Skid Steer	\$20.00
Hydra Vacuum	\$30.00
Air Compressor	\$15.00
Brush Chipper	\$20.00

Rate does not include \$55/ man hour to operate equipment

RESOLUTION #1183

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 2018.

Passed in regular session of the Shakopee Public Utilities Commission, this 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1184

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, A Division of American National Bank

Anchor Bank, A Division of Old National 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 4th day of December, 2017.

Commission President: Deb Amundson

ATTEST:

Commission Secretary: John R. Crooks