

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
February 1, 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) Jennifer Lane Agreement
9. **Reports: Electric Items**
  - 9a) Electric System Operations Report – Verbal
  - 9b) MMPA Clean Energy Program
  - 9c) January 2016 MMPA Board Meeting Public Summary
10. **Reports: Human Resources**
  - 10a) Electric Superintendent Interview Committee
11. **Reports: General**
  - 11a) Economic Development Update
    1. WCC/SAC Policy
    2. Brochure
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**
  - Mid Month Meeting    --   February 16 – Tuesday
  - Regular Meeting       --   March 7
  - Mid Month Meeting    --   March 21
  - Regular Meeting       --   April 4
14. **Adjourn** to 2/16/16 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., January 19, 2016.

MEMBERS PRESENT: Commissioners Joos, Amundson, Mars and Olson. Also present, Utilities Manager Crooks, Planning & Engineering Director Adams, Line Superintendent Athmann and Marketing/Customer Relations Director Walsh. Commissioner Helkamp was absent as previously advised.

Motion by Amundson, seconded by Mars to approve the minutes of the January 4, 2016 Commission meeting. Motion carried.

Under Communications, Commissioner Olson mentioned there was a customer with a low hanging service line. Staff stated that they will inspect the line and address any issues that are being caused.

President Joos offered the agenda for approval.

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

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

President Joos stated that the Consent Item was: item 8b: Monthly Production Dashboard.

The warrant listing for bills paid January 19, 2016 was presented.

Motion by Amundson, seconded by Olson to approve the warrant listing dated January 19, 2016 as presented. Motion carried.

There was no liaison report.

Utilities Manager Crooks provided a report of current water operations. Preventative maintenance is being performed on Well 6. Chemical tubing is being replaced and oil changes are taking place with all motors. The portable generator housed at the Valley Creek Crossing Booster Station has been serviced. The current extreme cold weather has caused only 2 frozen service lines and both were thawed by Water Department staff.

Item 8b: Monthly Production Dashboard was received as Consent Business.



Line Superintendent Athmann provided a report of current electric operations. It was announced that the Shakopee Substation is now in service. The extreme cold weather has caused very few issues with the distribution system. Commissioner Mars thanked Staff for all the work that has resulted with the new substation.

A video of the construction of the APPA Lineworker's Rodeo site was viewed. An update on the logistics involved with the preparation of the event was presented.

Planning and Engineering Director Adams reviewed a proposed change in the existing Underground Electrical Distribution System Policy.

Motion by Amundson, seconded by Olson to offer Resolution #1115. A Resolution Modifying A Policy With Reference To Underground Electrical Distribution Systems. Ayes: Commissioners Mars, Olson, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Mr. Crooks discussed the Electric Superintendent Job Search Committee appointment. As with prior hirings of Department Head positions, at least one sitting Commissioner serves on the interview committee.

Motion by Mars to appoint Commissioner Amundson to the interview Committee. Motion died for the lack of a second to the motion.

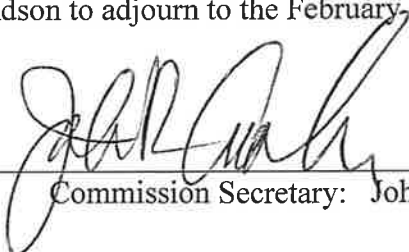
Motion by Mars, seconded by Amundson to "table" the issue to the February 1, 2016 Commission meeting. Motion carried 3-1, with Commissioner Olson dissenting.

Mr. Crooks reviewed the job search schedule of events.


The Schedules/Priorities quarterly review was led by Mr. Crooks. Pole attachments, watermain looping, street lighting and the e-bill presentment schedule were discussed.


The tentative commission meeting dates of February 1 and Tuesday, February 16 were noted.

Motion by Mars, seconded by Amundson to adjourn to the February 1, 2016 meeting. Motion carried.

  
Commission Secretary: John R. Crooks

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: CP 17-32J Jennifer Lane Water Main Construction Cooperative Agreement

DATE: January 28, 2016

**ISSUE**

It is necessary to affix signatures to the Construction Cooperative Agreement with Scott County for this project.

**BACKGROUND**

The Commission previously approved this water main construction project and associated resolutions determining the estimated lateral water main equivalency and trunk water main over sizing in July of last year. However, a signed agreement cannot be found in either staff's or Scott County staff's possession, so a clean copy of the agreement is being re-presented for signature.

**DISCUSSION**

Due to a change in Commission officers a revised signature page is being presented with the original agreement.

**REQUESTED ACTION**

Staff requests the Commission authorize the execution of the agreement by signature by the current Commission President and Vice President.



## CONSTRUCTION COOPERATIVE AGREEMENT

THIS AGREEMENT, made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2015, by and between the County of Scott, Minnesota, a body politic and corporate under the laws of the State of Minnesota, (hereinafter referred to as the "County") and the Shakopee Public Utilities Commission, a body politic and corporate under the laws of the State of Minnesota, (hereinafter referred to as "SPUC").

### RECITALS:

1. The County is planning to construct a local street connection, herein after called "Jennifer Lane Extension", between Wood Duck Avenue at Lakeview Drive and the southerly termini of Jennifer Lane in the Valley Creek Crossing 2<sup>nd</sup> Addition Development. County Highway (CH) 17 from CH 42 to Dominion Avenue, under its highway project known as County Project C.P. 17-32J (hereinafter referred to as "Project").
2. The Project is located in the City of Shakopee.
3. Construction is anticipated to begin in 2015. The County anticipates advertising the Project to solicit bids for construction in June 2015, and awarding the Project construction contract in July 2015.
4. SPUC is planning to install a 12-inch water main in the Project area along the Jennifer Lane Extension that will connect into the existing SPUC trunk water main system in Valley Creek Crossing 2<sup>nd</sup> Addition. The total length of the 12-inch trunk water main extension is approximately 1,900 lineal feet.
5. The Parties desire to enter into an agreement for the mutual benefit of each party to benefit from the economies of scale by incorporating the 12-inch trunk water main plans under the County's Project.

NOW THEREFORE, in consideration of the promises and mutual covenants, terms and conditions contained within this agreement, the County and SPUC hereby agree as follows:

1. The County agrees to include the 12-inch trunk water main plan sheets in the construction plans and specifications for the Project, and pay the contractor for the work to be reimbursed by SPUC. The plan set for the water main will be designed and prepared by the City of Shakopee in accordance with SPUC requirements as described in their Water Policy Manual. Items included in the scope of services provided by the County are summarized as follows:

- a. Install 12-inch trunk water main under County Contract. SPUC shall reimburse the County for all costs as determined by the cost participation outlined in the County's SEQ Plan Sheet, for installation of all items related to the water main construction including any additional grading or restoration work caused by the installation of the water main.
  - b. Include the 12-inch trunk water main plans in the county highway Project plan set. These plans shall be prepared by the City of Shakopee.
  - c. Include special provisions, provided by the City of Shakopee, for the 12-inch trunk water main. These provisions shall include but not be limited to providing for per unit bidding and changes in the design quantities. These provisions shall be prepared by the City of Shakopee, and made available to the County for review and inclusion into the Project Proposal.
  - d. Advertise and conduct a contract letting.
  - e. Award the Project to the lowest total project cost responsible bidder.
  - f. Administer the contract.
  - g. Resolve any issues or conflicts with the construction contractor so that the installation meets the requirements of the plans and specifications. Provide SPUC written documentation of the resolution of all contract issues and conflicts within one week of resolution.
  - h. Track quantities and construction costs and provide final billing to SPUC.
2. SPUC agrees to provide construction inspection for the 12-inch trunk water main, including any daily written and photo documentation of construction activities, collection of GPS data, and quantities completed as needed.
  3. SPUC shall reimburse the County for one hundred percent (100%) of the construction costs of the 12-inch trunk water main for said Project. It is further agreed that the unit prices set forth in the final construction contract with the successful bidder and the final quantities as measured by the County Engineer shall govern in computing the total final contract construction cost of said Project according to the provisions of this paragraph. The estimated construction costs for the 12-inch trunk water main is provided in Exhibit C.
  4. SPUC shall also reimburse the County a share of the construction engineering and inspection services, and contract administration services for the Project based on a percentage of the total construction cost for the 12-inch trunk water main. The costs shall be based on four percent (4%) Construction Engineering and Inspection Services, and three percent (3%) Contract Administration.
  5. The County shall invoice SPUC within thirty (30) days of the County's award of the construction contract for the Project. Upon receipt of the invoice, SPUC shall deposit with the Scott County Treasurer ninety five percent (95%) of SPUC's share of the design engineering, construction engineering, administration costs and estimated construction costs for the 12-inch trunk water main. In the event this payment exceeds SPUC's final

share of these costs, as determined by the actual final construction contract costs, such overpayment shall be returned to SPUC by the County upon closeout of the Project.

6. This agreement shall be effective upon approval by the Scott County Board of Commissioners and the Commissioners of the Shakopee Public Utilities Commission.
7. This agreement shall remain in effect until all obligations set forth in this agreement have been satisfactorily fulfilled, unless earlier terminated as provided, whichever occurs first. Either party may terminate this agreement upon sixty (60) days' notice to the other party. The value of any work not completed by Scott County shall be refunded to SPUC.
8. Scott County shall appoint an authorized agent for the purpose of administration of this agreement. SPUC is notified of the authorized agent of Scott County as follows:

Casy Weise  
Program Specialist  
Scott County  
600 Country Trail East  
Jordan, MN 55352  
952-496-8043

The County is notified the authorized agent for SPUC is as follows:

Joseph Adams  
Planning and Engineering Director  
Shakopee Public Utilities Commission  
P.O. Box 470  
255 Sarazin Street  
Shakopee, MN 55379-0470  
952-233-1501

9. The provisions of Minn. Stat. Sec. 181.59 and of any applicable local ordinance relating to Civil Rights and discrimination and the affirmative action policy statement of Scott County shall be considered a part of this Agreement as though fully set forth herein. See Exhibit "A".
10. Pursuant to Minn. Stat. Section 16C.05, subd. 5, the books, records, documents, and accounting procedures and practices of both parties relative to this agreement shall be subject to examination by the County and the State Auditor. Complete and accurate records of the work performed pursuant to this agreement shall be kept by both parties for a minimum of six (6) years following termination of this agreement for such auditing purposes. The retention period shall be automatically extended during the course of any administrative or judicial action involving either party regarding matters to which the records are relevant. The retention period shall be automatically extended until the

administrative or judicial action is finally completed or until the authorized agent of either party notifies in writing to the other that the records need no longer be kept.

11. County agrees to defend, indemnify, and hold SPUC, its employees and officials harmless from any claims, demands, actions or causes of action, including reasonable attorney's fees and expenses resulting directly or indirectly from any negligent act or omission on the part of the County, or its subcontractors, partners or independent contractors or any of their agents or employees, in the performance of or with relation to any of the work or services to be performed or furnished by the vendor or the subcontractors, partners or independent contractors or any of their agents or employees under the agreement.
12. County shall be responsible for the professional quality, technical accuracy, and the coordination of all services furnished by the County under this agreement. County shall, without additional compensation, correct or revise any errors or deficiencies in the County's final reports and services.
13. Both Parties shall maintain public liability coverage protecting itself, its Board, officers, agents, employees and duly authorized volunteers against any usual and customary public liability claims in amounts which shall, at a minimum, comply with Minn. Stat. 466.04 and Workers' Compensation and shall be in accordance with the Minnesota statutory requirements. Said policies shall be kept in effect during the entire term of this Agreement.
14. County and SPUC agree that neither party shall be liable for any delay or inability to perform this agreement, directly or indirectly caused by or resulting from strikes, labor troubles, accidents, fire, flood, breakdowns, war, riot, civil commotion, lack of material, delays of transportation, acts of God or other cause beyond reasonable control of SPUC and the County.
15. Both Parties agents, employees and any subcontractors of both Parties in providing all services hereunder, agree to abide by the provisions of the Minnesota Government Data Practices Act, Minn. Stat. Chap. 13, as amended, and Minn. Rules promulgated pursuant to Chap. 13. Both Parties agree to indemnify and hold each other, its officers, department heads and employees harmless from any claims resulting from either Parties unlawful disclosure or use of data protected under state and federal laws.
16. This agreement may be terminated by either party, with or without cause upon sixty (60) days written notice to the Authorized Agent of the other party.
17. Any notices to be given under this agreement shall be given by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, addressed to the authorized agent of SPUC at its address stated herein, and to the authorized agent of the County at the address stated herein.



18. The laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this agreement and the legal relations between the herein Parties and performance under it. The appropriate venue and jurisdiction for any litigation hereunder will be those courts located with the County of Scott, State of Minnesota. Litigation, however, in the federal courts involving the herein Parties will be in the appropriate federal court within the State of Minnesota.
19. The County and SPUC respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to this agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this agreement. Neither the County nor SPUC shall assign, sublet, or transfer any interest in this agreement without the prior written consent of the other.
20. The Parties agree that no change or modification to this agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, executed and made part of this agreement. The execution of the change shall be authorized and signed in the same manner as for this agreement.
21. In the event any provision of this agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the Parties unless such invalidity or non-enforceability would cause the agreement to fail its purpose. One or more waivers by either party of any breach of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
22. It is understood and agreed that the entire agreement of the Parties is contained herein and that this agreement supersedes all oral agreements and negotiations between the Parties relating to the subject matter hereof as well as any previous agreements presently in effect between the County and SPUC relating to the subject matter hereof.
23. This agreement shall be binding upon the Parties and their respective successors or assigns.
24. This agreement may be executed in one or more counterparts or in multiple originals, either one of which is as valid as the other and when taken together shall constitute one agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed intending to be bound thereby.

**SHAKOPEE PUBLIC UTILITIES COMMISSION**

(SEAL)

ATTEST:

By: \_\_\_\_\_  
John Crooks, Utilities Manager

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

By: \_\_\_\_\_  
~~William P. Mars - President~~  
Terrance Joos - President

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

By: \_\_\_\_\_  
~~Terry Joos - Vice President~~  
Deb Amundson - Vice President

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

**COUNTY OF SCOTT**

ATTEST:

By: \_\_\_\_\_  
Gary Shelton, County Administrator

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

By: \_\_\_\_\_  
Jon Ulrich, Chair of Its County Board

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

Upon proper execution, this agreement will be legally valid and binding.

RECOMMEND FOR APPROVAL:

By: \_\_\_\_\_  
Ronald Hocevar, County Attorney

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

By: \_\_\_\_\_  
Anthony J. Winiecki, County Engineer

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

**EXHIBIT A**

**POLICY STATEMENT**

It is the policy of Scott County Government to provide Equal Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity laws, directives, and regulations of Federal, State, and local governing bodies or agencies thereof, including Minnesota Statutes, Chapter 363A.

Scott County will not engage in any employment practices which discriminate against or harass any employee or applicant for employment because of race, color, creed, religion, national origin, sex, disability, age, marital status, sexual orientation, or status with regard to public assistance. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, selection, layoff, disciplinary action, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Further, Scott County fully supports incorporation of nondiscrimination rules and regulations into contracts and will commit the necessary time and resources to achieve the goals of Equal Employment Opportunity.

Any employee of the County who does not comply with the Equal Employment Opportunity Policies and Procedures set forth in this Statement and Plan will be subject to disciplinary action. Any subcontractor of the County not complying with all applicable Equal Employment Opportunity laws, directives, and regulations of Federal, State, and local governing bodies or agencies thereof, including Minnesota Statutes, Chapter 363A, will be subject to appropriate contractual sanctions.

Scott County has designated the Employee Relations Director as the manager of the Equal Opportunity Program. These responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of this program, as required by Federal, State, and local agencies. The Scott County Administrator will receive and review reports on the progress of the program. If any employee or applicant for employment believes he or she has been discriminated against, please contact the Scott County Employee Relations Director, Scott County Employee Relations, Government Center Room 201, 200 Fourth Avenue West, Shakopee, Minnesota 55379-1220, or call (952) 496-8103.



Gary L. Shelton  
Scott County Administrator

1-20-15

Date



Jonathan K. Ulrich  
Chair, Board of Commissioners

1-20-15

Date

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**COPY**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director

SUBJECT: County Project 17-32J Construction Cooperative Agreement

DATE: July 16, 2015

**ISSUE**

Scott County is constructing an extension of Jennifer Lane parallel to the 2015 CSAH 17 improvements to increase traffic safety by eliminating multiple driveway access points. The project will also include extensions of the City's trunk sanitary sewer main and the Commission's 12 inch trunk water main to serve future development.

**BACKGROUND**

Staff has been negotiating the attached Construction Cooperative Agreement for the past several months with Scott County staff.

**DISCUSSION**

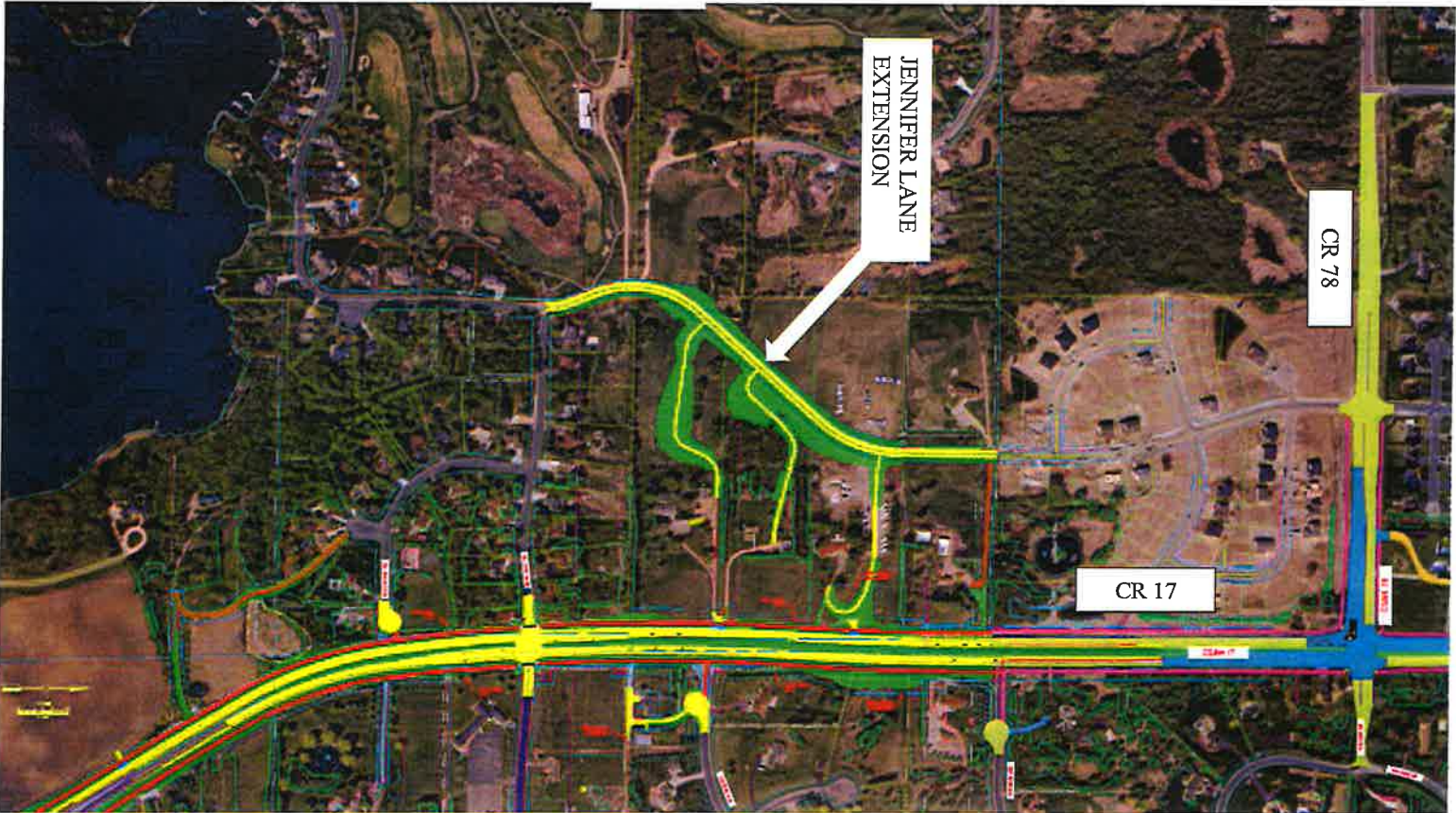
Under the terms of the agreement the Commission agrees to fund the cost of the trunk water main extension and pay a prorated portion of various project costs and fees. The Commission will also be paying a 10% design engineering fee to the City of Shakopee outside of this agreement per the previously approved arrangement for public improvement projects with the Council where the City provides engineering design services.

The estimated amount that the Commission will pay to Scott County is \$235,474.90 with actual bid prices determining the final amount. The estimated amount that the Commission will pay to the City of Shakopee is \$22,070 with actual bid prices determining the final amount.

**RECOMMENDED ACTION**

Staff recommends the Commission approve the CP 17-32J Construction Cooperative Agreement and authorize its execution by the designated parties.

EXHIBIT B Location Map



**EXHIBIT C (Division of Cost Summary)**

| SPEC. NO.    | ITEM                             | UNIT     | UNIT PRICE | TOTAL        |              | PARTICIPATING  |              |              |              | NON-PARTICIPATING |              |                           |              |          |                     |
|--------------|----------------------------------|----------|------------|--------------|--------------|----------------|--------------|--------------|--------------|-------------------|--------------|---------------------------|--------------|----------|---------------------|
|              |                                  |          |            | EST'D QUANT. | EST'D AMOUNT | SP 070-596-012 |              | SCOTT COUNTY |              | CITY OF SHAKOPEE  |              | SHAKOPEE PUBLIC UTILITIES |              |          |                     |
|              |                                  |          |            |              |              | EST'D QUANT.   | EST'D AMOUNT | EST'D QUANT. | EST'D AMOUNT | EST'D QUANT.      | EST'D AMOUNT | EST'D QUANT.              | EST'D AMOUNT |          |                     |
| 2021.501     | MOBILIZATION                     | LUMP SUM | 75,000.00  | 1            | 75,000.00    | 0.560          | 42,000.00    | 0.09         | 6,750.00     | 0.02              | 1,500.00     | 0.19                      | 14,250.00    | 0.14     | 10,500.00           |
| 2504.602     | CONNECT TO EXISTING WATER MAIN   | EACH     | 1,100.00   | 1            | 1,100.00     |                |              |              |              |                   |              |                           |              | 1.00     | 1,100.00            |
| 2504.602     | HYDRANT                          | EACH     | 4,400.00   | 2            | 8,800.00     |                |              |              |              |                   |              |                           |              | 2.00     | 8,800.00            |
| 2504.602     | ADJUST GATE VALVE                | EACH     | 330.00     | 5            | 1,650.00     |                |              |              |              |                   |              |                           |              | 5.00     | 1,650.00            |
| 2504.602     | 6" GATE VALVE AND BOX            | EACH     | 1,650.00   | 5            | 8,250.00     |                |              |              |              |                   |              |                           |              | 5.00     | 8,250.00            |
| 2504.602     | 8" GATE VALVE AND BOX            | EACH     | 2,200.00   | 2            | 4,400.00     |                |              |              |              |                   |              |                           |              | 2.00     | 4,400.00            |
| 2504.602     | 12" GATE VALVE AND BOX           | EACH     | 3,850.00   | 6            | 23,100.00    |                |              |              |              |                   |              |                           |              | 6.00     | 23,100.00           |
| 2504.603     | 6" WATERMAIN DUCTILE IRON CL 52  | LIN FT   | 40.00      | 34           | 1,360.00     |                |              |              |              |                   |              |                           |              | 34.00    | 1,360.00            |
| 2504.603     | 8" WATERMAIN DUCTILE IRON CL 52  | LIN FT   | 50.00      | 42           | 2,100.00     |                |              |              |              |                   |              |                           |              | 42.00    | 2,100.00            |
| 2504.603     | 12" WATERMAIN DUCTILE IRON CL 52 | LIN FT   | 60.00      | 2,103        | 126,180.00   |                |              |              |              |                   |              |                           |              | 2,103.00 | 126,180.00          |
| 2504.603     | 6" GATE VALVE EXTENSION          | LIN FT   | 110.00     | 2            | 220.00       |                |              |              |              |                   |              |                           |              | 2.00     | 220.00              |
| 2504.603     | 8" GATE VALVE EXTENSION          | LIN FT   | 110.00     | 2            | 220.00       |                |              |              |              |                   |              |                           |              | 2.00     | 220.00              |
| 2504.603     | 12" GATE VALVE EXTENSION         | LIN FT   | 220.00     | 2            | 440.00       |                |              |              |              |                   |              |                           |              | 2.00     | 440.00              |
| 2504.603     | HYDRANT EXTENSION                | LIN FT   | 625.00     | 3            | 2,475.00     |                |              |              |              |                   |              |                           |              | 3.00     | 2,475.00            |
| 2504.608     | WATERMAIN FITTINGS               | POUND    | 5.00       | 5,435        | 27,175.00    |                |              |              |              |                   |              |                           |              | 5,435.00 | 27,175.00           |
| 2583.601     | TRAFFIC CONTROL                  | LUMP SUM | 15,000.00  | 1            | 15,000.00    | 0.560          | 8,400.00     | 0.09         | 1,350.00     | 0.02              | 300.00       | 0.19                      | 2,850.00     | 0.14     | 2,100.00            |
| <b>TOTAL</b> |                                  |          |            |              |              |                |              |              |              |                   |              |                           |              |          | <b>\$220,070.00</b> |

SHAKOPEE FEDERAL NON-PARTICIPATING \$0.00  
 SPUC NON-PARTICIPATING (WATERMAIN) \$220,070.00  
 CONSTRUCTION ENGINEERING\* (4%) \$8,802.80  
 ADMINISTRATION (3%) \$6,602.10  
**SPUC TOTAL COST \$235,474.90**

\* Construction Engineering is typically 8% on Scott County Projects.

MINUTES  
OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
(Regular Meeting)

President Mars called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., July 20, 2015.

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

Motion by Joos, seconded by Amundson to approve the minutes of the June 15, 2015 Commission meeting. Motion carried.

Under Communications, Utilities Manager Crooks discussed the upcoming MMPA Annual Meeting to be held July 28 in LeSueur and President Mars thanked Staff for the latest issue of Power Lines, SPUC's quarterly newsletter.

President Mars offered the agenda for approval. It was stated that Item 9b, 2015 Preliminary Electric Cost of Service and Rate Design Study, would move up in the agenda and be presented after the Liaison Report.

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

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

President Mars stated that the Consent Items were: item 8g: Quarterly Nitrate Report; and item 11c: Website Analytics.

The warrant listing for bills paid July 6, 2015 was presented.

Motion by Joos, seconded by Olson to approve the warrant listing dated July 6, 2015 as presented. Motion carried.

The warrant listing for bills paid July 20, 2015 was presented.

Motion by Joos, seconded by Olson to approve the warrant listing dated July 20, 2015 as presented. Motion carried.





Liaison Whiting stated the Jennifer Lane extension, lighting at Tahpah Park, the annual budget and funds review will be discussed by the City Council. Mr. Whiting then introduced William Reynolds, the new City Administrator. Mr. Reynolds then addressed the Commission and Staff.

Dave Berg, of Dave Berg Consulting, reviewed the 2015 Electric Cost of Service and Rate Design Study final report. An increase was recommended in the customer charge for all customers. Residential customers would increase \$1.00/month, commercial customers \$1.43/month, large general service customers \$14.29/month and industrial customers \$20.00/month. For billed demand customers there would be an increase of \$0.50/kW. The recommended increases would result in average increases of 1.0% for residential customers, 1.5% for commercial customers and 1.7% for large general service and industrial customers. Commission directed Staff to review the consultant's recommendations and bring back Staff recommendations by the first meeting in September.

Water Superintendent Schemel provided a report of current water operations. Mr. Schemel provided updates on Tank 7, annual water production, variable speed drives and the 2015 recon project.

Planning and Engineering Director Adams provided an overview on County Project 17-32J, which is the extension of watermain on Jennifer Lane. Mr. Adams explained issues with the initial estimate of costs and updated the increased cost estimates. Mr. Ludzach, a Shakopee homeowner affected by the project, addressed the Commission concerning costs on the project.

Motion by Joos, seconded by Helkamp to offer Resolution #1098. A Resolution Amending Resolution #1094 And Approving A Water Main Construction Project, And Determining Its Lateral Water Main Equivalency, Described As: Jennifer Lane Water Main From Valley Creek Crossing 2<sup>nd</sup> Addition to Wood Duck Trail. Ayes: Commissioners Amundson, Helkamp, Joos and Mars. Nay: Olson. Motion carried. Resolution passed.

Motion by Joos to offer Resolution #1099. A Resolution Approving Of the Estimated Cost Of Pipe Oversizing On The Water Main Project: CP17-32J (Jennifer Lane Water Main Extension). Motion died for lack of a second.

The County Project 17-32J Construction Cooperative Agreement was presented by Mr. Adams.

Motion by Joos, seconded by Helkamp to approve the CP17-32J Construction Cooperative Agreement and authorize its execution by the designated parties. Motion carried.

Motion by Joos, seconded by Helkamp to offer Resolution #1099. A Resolution Approving Of The Estimated Cost Of Pipe Oversizing On The Water Main Project: CP17-32J (Jennifer Lane Water Main Extension). Ayes: Commissioners Amundson, Helkamp, Olson, Joos and Mars. Nay: none. Motion carried. Resolution passed.

The County Project 17-32 County Road 17 bid results were reviewed by Mr. Adams. The low bid for the water main portion of the project was \$268,353 and was below the engineer's estimate of \$275,401.

Item 8g: Quarterly Nitrate Report was received under Consent Business.

Line Superintendent Athmann provided a report of current electric operations. There were five outages since the last Commission meeting. Four of the outages were caused by animals and one by a thunderstorm. The storm related outage affected 150 customers. The Electric crews continue to work on the recon project, the Rahr development project and the Dakota Highlands residential development.

Mr. Adams provided a Shakopee Substation status report. The application for the final plat was conditionally approved by the City. The transformer has been delivered to the site, with the switchgear expected in mid August and the 115kV breaker in October.

Utilities Manager Crooks read the June MMPA monthly statement.

Finance Director Schmid reviewed the annual total compensation reports provided to each employee.

Mr. Crooks presented the Schedules and Priorities spreadsheet for review by the Commission. Staff was directed to update the form, prioritizing projects and to present the new spreadsheet at the next quarterly review, scheduled in October.

Ms. Schmid reviewed the 2015 budget schedule. The Wage and Compensation Subcommittee will consist of Commissioners Helkamp and Amundson, Finance Director Schmid and Utilities Manager Crooks.

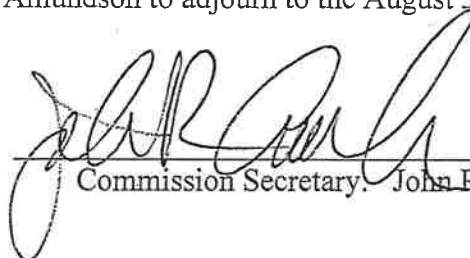
Item 11c: Website Analytics was received under Consent Business.

Ms. Schmid reviewed the financial results for June 2015. Staff was complimented on the Utility's financial standing through the first half of the fiscal year.

Under New Business, Commissioner Helkamp brought the issue of Water Connection Charges with redevelopment projects. Staff was directed to bring back information regarding the issue at the August 3 meeting

The tentative commission meeting dates of August 3 and August 17 were noted.

Motion by Helkamp, seconded by Amundson to adjourn to the August 3, 2015 meeting. Motion carried.

  
Commission Secretary. John R. Crooks

RESOLUTION #1098

A RESOLUTION AMENDING RESOLUTION #1094 AND APPROVING A WATER MAIN CONSTRUCTION PROJECT, AND DETERMINING ITS LATERAL WATER MAIN EQUIVALENCY, DESCRIBED AS:

JENNIFER LANE WATER MAIN FROM VALLEY CREEK CROSSING 2<sup>ND</sup> ADDITION TO WOOD DUCK TRAIL

WHEREAS, the Shakopee Public Utilities Commission previously adopted Resolution #1094, A Resolution Approving A Water Main Construction Project, And Determining Its Lateral Water Main Equivalency, and

WHEREAS, new more accurate cost estimates have been developed based on a more detailed design for the Jennifer Lane Water Main extension, and

WHEREAS, the current updated estimated cost of the 12-inch water main construction is \$258,000,000, and

WHEREAS, the estimated cost of a lateral water main equivalent to an 6-inch water main, the minimum size required to serve the north to south flow requirement of the adjoining property per the Shakopee Public Utilities Commission's adopted water main design criteria, is \$175,000.00, and

WHEREAS, the area of the land being traversed by the extension of Jennifer Lane and the 12-inch water main, which is identified on Attachment A to this resolution, and that is determined to be receiving the benefit of the lateral water main equivalent is 16.82 acres, and

WHEREAS, the current updated estimated cost of the trunk water main over sizing from the 6-inch lateral water main to the 12-inch trunk water main is \$83,000.00.

NOW THEREFORE BE IT RESOLVED, that Resolution #1094 is hereby amended.

BE IT FURTHER RESOLVED, that the Jennifer Lane water main project approval is hereby affirmed.

BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of Resolution #815 with the fee described charged to the properties fronting the Jennifer Lane extension when those properties request water service and meet all other standard requirements to receive water service including additional lateral water main construction, and the fee shall be set after final construction costs plus engineering/administrative charges are known with the current estimated costs the fee should be approximately \$10,404.28, and

BE IT FURTHER RESOLVED, that the trunk water main over sizing cost shall be funded per the trunk water policy, and

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 20<sup>th</sup> day of July, 2015.



Commission President: William P. Mars

ATTEST:



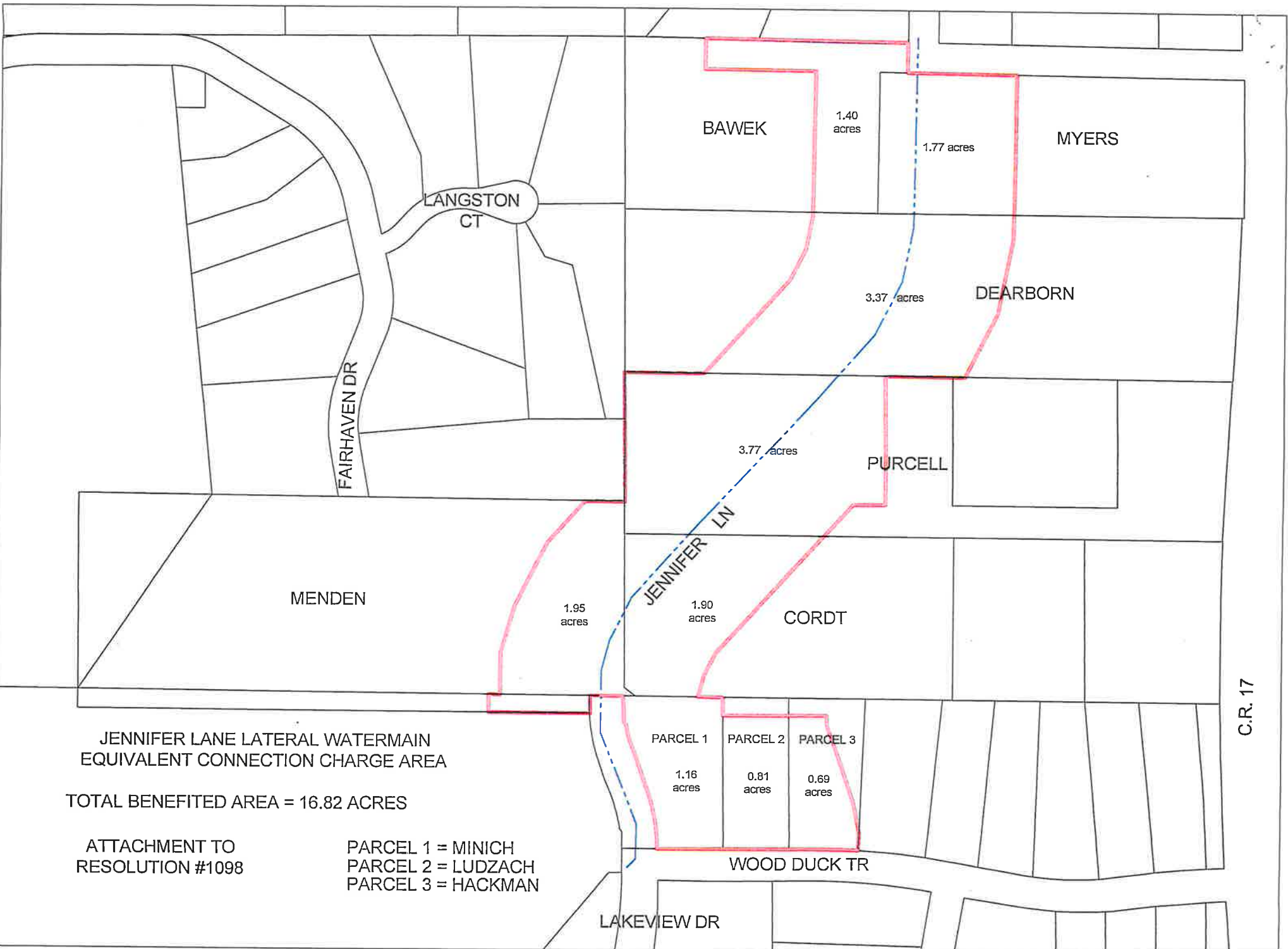
Commission Secretary: John R. Crooks

**Attachment A to Resolution #1098**

**Preliminary Lateral Water Main Equivalent Charge for Extension of Jennifer Lane**

| <b>P.I.D Number</b>  | <b>Owner</b>       | <b>Acreage</b> | <b>Proposed Lateral Water Main Charge</b> |
|----------------------|--------------------|----------------|---|
| 271350010            | Bawek              | 1.40           | \$14,565.99                               |
| 271350020            | Meyers             | 1.77           | \$18,415.58                               |
| 279190157            | Dearborn           | 3.37           | \$35,062.42                               |
| 279190153            | Purcell            | 3.77           | \$39,224.14                               |
| 279190155            | Cordt              | 1.90           | \$19,768.13                               |
| 271420450, 271420500 | Menden             | 1.95           | \$20,288.35                               |
| 270610100            | Minich             | 1.16           | \$12,068.96                               |
| 270610090            | Ludzach            | 0.81           | \$8,427.47                                |
| 270610080            | Hackman            | 0.69           | \$7,178.95                                |
|                      | <b>Total Acres</b> | <b>16.82</b>   | <b>\$174,999.99</b>                       |

**\$175,000 Total Lateral Water Main Cost**  
**\$10,404.28 per acre**



JENNIFER LANE LATERAL WATERMAIN  
EQUIVALENT CONNECTION CHARGE AREA

TOTAL BENEFITED AREA = 16.82 ACRES

ATTACHMENT TO  
RESOLUTION #1098

PARCEL 1 = MINICH  
PARCEL 2 = LUDZACH  
PARCEL 3 = HACKMAN

C.R. 17

BAWEK 1.40 acres

1.77 acres

MYERS

LANGSTON  
CT

FAIRHAVEN DR

3.37 acres

DEARBORN

3.77 acres

PURCELL

MENDEN

1.95 acres

JENNIFER LN

1.90 acres

CORDT

PARCEL 1  
1.16 acres

PARCEL 2  
0.81 acres

PARCEL 3  
0.69 acres

WOOD DUCK TR

LAKEVIEW DR

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**FROM: JOHN R. CROOKS, UTILITIES MANAGER**  
**SUBJECT: MMPA CLEAN ENERGY CHOICE - UPDATE**  
**DATE: JANUARY 29, 2016**

**BACKGROUND -**

During the September 18, 2015 Commission meeting, Staff brought forward the MMPA Clean Energy Choice Program. Attached is the memorandum presented at the meeting. By motion, the Commission supported going forward with the program and the effort involved in setting up, rolling out and the promotion of program.

Staff has moved forward in that effort with a proposed offering of the program in April. One of those efforts was the initial promotion of the program details. Sharon Walsh, Customer Relations/Marketing Director thought it was important to introduce the program initially without the associated costs as to not have our customers think this would be an opportunity for SPU to profitize from potential enrollees.

That initial effort involves a bill stuffer, website and Facebook branding of the program before the official campaign to offer the 100% renewable product. As part of that initial effort I met with MMPA Staff to view our campaign materials.

**ISSUE –**

During the discussion with MMPA Staff, a potential change to the program may be taking place. A recently hired MMPA marketing person has been reviewing costs, options and offerings with the Clean Energy Choice Program as currently offered by all but 2 MMPA member communities. Shakopee and Elk River have not offered the program to their customers as of Jan 1.

MMPA has offered SPU Staff to be part of their detailed review of the program. This opportunity is considered to be important as Staff considers the best way to positively approach our customers with the Clean Energy Choice Program. Unfortunately, participating in the MMPA review would most certainly postpone the offering of the Program.



Staff would prefer to not make changes to the Program once it is officially promoted and made available to our customers. MMPA has stated any changes will be positive to the program and having SPU as part of the process is certainly advantageous to the Agency and to our utility.

**REQUEST–**

To have Staff work with MMPA on review of potential changes to the existing Clean Energy Choice Program and to hold off initial promotion of the Program until the exact changes are determined.

## **SHAKOPEE PUBLIC UTILITIES MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**

**FROM: JOHN R. CROOKS, UTILITIES MANAGER**

**SUBJECT: MMPA CLEAN ENERGY CHOICE PROGRAM**

**DATE: SEPTEMBER 18, 2015**

### **ISSUE –**

The Minnesota Municipal Power Agency (MMPA) has developed a program that Shakopee Public Utilities (SPU) feels will be a positive addition to service we provide our customers. In moving forward with this opportunity, we will reach a segment of our customer base that wants a “green choice” in where their energy comes from.

### **BACKGROUND –**

For the past ten years SPU has had a program called Eco-Energy. This allowed customers to purchase blocks of energy produced from renewable sources, such as wind and hydro power. These blocks of green power are available to customers at a cost of \$2.00 per 100 kWh, which in turn was added to the utility bill. There are approximately 125 residences signed on to the Eco-Energy program. This program has not been promoted for several years.

### **DISCUSSION –**

With MMPA’s increasing amount of renewable energy generation, a better program has been developed. This new program is called the Clean Energy Choice program. What makes this so unique is the green energy for this program will be produced from MMPA’s own portfolio of renewable generation facilities.

The Clean Energy Choice will have the energy produced from its Oak Glen Wind Farm, Hometown BioEnergy or Hometown Wind. This is renewable, sustainable energy from the local area; Minnesota green power.

Participation in this program will be voluntary and on a month to month basis. There are no contracts to sign, and no long term commitment.



The cost to participate in this program is \$0.0175/kWh. Based on a use of 100 kWh, it is \$1.75, which is less than the Eco-Energy product we currently offer. For a typical household with a monthly usage of 750 kWh, it comes out to be \$13.13/month.

Attached is some frequently asked questions about the Clean Energy Choice program. The program is currently being offered in five member communities. Also attached is a bill stuffer that was used in Arlington's promotion of the program.

#### **RECOMMENDATION –**

SPU will have some front end integration with our Daffron system before we can promote the program. There also will be a marketing campaign involved in introducing the Clean Energy Choice. It is recommended to have the Commission support the effort that will be involved in setting up, rolling out and promotion of this unique product for our customers that may be interested in a better green choice for 100% of their energy.

### **Economic Development Brochure**

Staff continues to work on the brochure as directed by the Commission at the January 4 meeting. A preliminary draft of the brochure will be discussed at the March 4 meeting. As part of the brochure is the yet to be developed WCC Payment Policy.

### **REQUEST –**

The development of the WCC Payment Policy could be drafted prior to City Council acceptance of their SAC Policy, if so warranted. The WCC Policy could also wait until the details of the City SAC Policy are determined. Staff is asking direction if a draft Policy should be brought to the Commission for review and discussion before the City adopts their SAC Policy.