

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MARCH 6, 2017

1. **Call to Order** at 5:00pm in the SPU 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
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Shakopee Energy Park/Dean Lake Substation Project Update
 - 9c) Shakopee Avenue Neighborhood East of Marschall Road
Overhead Electric Facilities Preliminary Engineering Report
10. **Reports: Human Resources**
11. **Reports: General**
 - C=> 11a) 2017 January Financial Results
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Mid Month Meeting	--	March 20
- Regular Meeting	--	April 3
- Mid Month Meeting	--	April 17
- Regular Meeting	--	May 1
14. **Adjourn to 3/20/17** at the SPU Service Center, 255 Sarazin Street



MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

Vice President Amundson called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., February 21, 2017.

MEMBERS PRESENT: Commissioners Amundson, Olson and Weyer. Also present, Liaison Whiting, Utilities Manager Crooks, Planning & Engineering Director Adams and Marketing/Customer Relations Director Walsh. Commissioners Joos and Helkamp were absent as previously advised.

Motion by Weyer, seconded by Olson to approve the minutes of the February 6, 2017 Commission meeting. Motion carried.

Under Communications, the retirement of Administrative Assistant Deb Brandes was noted.

Motion by Weyer, seconded by Olson to offer Resolution #1156. A Resolution Of Appreciation To Deb Brandes. Ayes: Commissioners Weyer, Olson and Amundson. Nay: none. Motion carried. Resolution passed. The resolution was read into the record by Commissioner Amundson.

Vice President Amundson offered the agenda for approval.

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

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

Vice President Amundson stated that the Consent Item was: item 8c: Water Production Dashboard.

The warrant listing for bills paid February 21, 2017 was presented.

Motion by Olson, seconded by Weyer to approve the warrant listing dated February 21, 2017 as presented. Motion carried.

Liaison Whiting presented his report. City Council agenda items were discussed including the street reconstruction project, a Minnesota River crossing resolution and setting 2 public hearings for development projects.



Utilities Manager Crooks provided a report of current water operations. Pumphouse maintenance, hydrant inspections and Well #17's rehabilitation were discussed.

Planning and Engineering Director Adams reviewed the CR 83 Construction Cooperative Agreement with Scott County. CR 83 will be reconstructed from CR 101, south past Valley Industrial Boulevard South in 2017. Funding for the project was discussed.

Motion by Weyer, seconded by Olson to approve the CR 83 Construction Cooperative Agreement and authorize its execution by the designated parties. Motion carried.

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

Mr. Adams reviewed the CR 78/79 Construction Cooperative Agreement with Scott County. Scott County will be constructing a regional trail alongside of CR 78 from Jennifer Lane to CR 79 and alongside CR 79 from CR 78 to CR 16/17th Avenue in 2017. Funding for the project was discussed.

Motion by Olson, seconded by Weyer to approve the CR 78/79 Construction Cooperative Agreement and authorize its execution by the designated parties. Motion carried.

Mr. Crooks provided a report of current electric operations. One electric outage was reviewed. Work continues on the Dean Lake Substation. Lineman training took place in Delano and load shifting continues for the Shakopee Energy Park.

Mr. Adams reviewed the CR 83 Overhead Facilities Relocation that will be required with the CR 83 reconstruction project.

Motion by Weyer, seconded by Olson to formally notify Scott County of the intention to seek reimbursement of the relocation costs, to accept the estimated costs as presented, to direct Staff to forward those estimated costs to the City Council for their determination under the City's Right of Way Management Ordinance and to request clarification of the County's reimbursement policy if the Council orders the facilities to be relocated underground. Motion carried.

Mr. Adams reviewed the CR78/79 overhead facilities relocation that will be required with the regional trail project.

Motion by Olson, seconded by Weyer to accept the estimated costs as presented and to direct Staff to forward those estimated costs to the City Council for their determination under the City's Right of Way Management Ordinance. Motion carried.

The E-Bill Presentment project was reviewed. Once programming is complete, the final testing of the project will begin.

Motion by Weyer, seconded by Olson to Adjourn to Closed Session for Annual Evaluation of Utilities Manager.

Motion by Weyer, seconded by Olson to Reconvene to Regular Session.

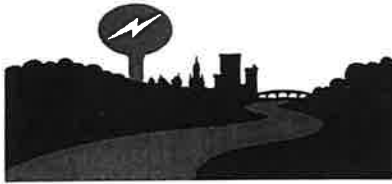
Vice President Amundson stated that no official action was taken during the closed session.

The tentative commission meeting dates of March 6 and March 20 were noted.

Motion by Weyer, seconded by Olson to adjourn to the March 6, 2017 meeting. Motion carried.



Commission Secretary: John R. Crooks



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

March 2nd 2017

TO: John Crooks, Utilities Manager

FROM: Greg Drent, Electric Superintendent

Subject: Dean Lake Substation/ Shakopee Energy Park Update

Dean Lake Substation Update:

The Dean Lake Substation upgrade is getting close to completion. We re-energized T1 on Thursday March 2nd as the circuit switchgear and transmission work is completed. Xcel and Hooper are working on some relay setting on the ring buss before all 3 of Dean Lake transformers can be energized. Dean Lake Transformer #2 will be down starting March 6th to add some buss differential relay protection and should be completed by March 10th. The project is expected to be completed at the end of March.

MMPA continues to generate on a regular basis and the output is used in SPU distribution system. We currently give daily reports on the loading at Dean Lake substation and MMPA generates at a lower amount than that projection. The generation into our system has been seamless and no issues have occurred because of the generation.


L&S Electric is working on the SCADA system at Dean Lake substations and tying it into the SCADA at the control room. The Dean Lake relaying is scheduled to be completed by the end of March. The South Shakopee sub retro fit with Schweitzer relays and tying that into the SCADA system will begin after Dean Lake project is complete and will take about 3 weeks to complete.



Post Office Box 470 • 255 Sarazin Street • Shakopee, Minnesota 55379-0470
 (952) 445-1988 • Fax (952) 445-7767 • www.spucweb.com

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Shakopee Avenue East of Marschall Road Overhead Electric Facilities

DATE: March 2, 2017

ISSUE

The City of Shakopee 2017 Reconstruction Project has generated interest in addressing access and maintenance issues with the overhead electric facilities located along the abandoned railroad right of way north of Shakopee Avenue.

BACKGROUND

Former Electric Line Superintendent Marv Athmann had suggested a project to relocate the existing three phase overhead electric power lines in this area due to the electric department's difficulty in accessing the line for tree trimming and repair during outages. Funding for this project was included in the 2017 CIP budget to coincide with the city's street reconstruction project in the area.

SPU Project Engineer Christian Fenstermacher, with assistance from the electric department, has prepared the attached report that summarizes the issues and options very well.

DISCUSSION

The results of the survey sent to the adjacent property owners have been mostly positive with a clear majority in favor of the proposed option to relocate the overhead facilities underground along Shakopee Avenue. However, not all of the respondents are in favor of the project yet with some indicating opposition. City Engineer Bruce Loney has expressed a desire that the Commission guarantee the funding for any potential assessments that are successfully challenged by property owners unwilling to sign a waiver of assessment appeal should the Council decide to make this a separate (from the reconstruction) public improvement project. A Council approved public improvement project will allow the property owners to pay their share of costs over time with interest should they choose that option.

Staff proposes to create and circulate to the property owners an official petition to the Council in support for a public improvement project and have the petition forwarded to the city for action.



REQUESTED ACTION

Staff requests the Commission accept the preliminary engineering report and adopt a position to approve of the recommendation to relocate the overhead electric facilities underground with the funding sources as outlined in the report.

Staff further requests the Commission direct staff to create and circulate a petition to the affected property owners to initiate a public improvement project and submit said petition to the city for review and action.



SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

Preliminary Engineering Report

Overhead Electric Facilities - Shakopee Avenue Neighborhood East of Marschall Road

Executive Summary

It is proposed to underground the overhead distribution facilities on the north side of Shakopee Avenue that were constructed in the 1970s along an abandoned railroad right of way and is no longer accessible and maintainable by Shakopee Public Utilities in an efficient manner. There is an option to rebuild the line and clear out the area in order to regain access to the line, but since it is located in the backyards of the properties along Shakopee Avenue it would be beneficial to both the property owners and SPU to move the line and underground it in the front yards.

Due to the mutual benefit to SPU and the property owners, SPU must have the support and involvement of all of the property owners along Shakopee Avenue. It is proposed, per past practice, to require each customer to pay the 2017 Underground Charge per lot of \$606 which will account for approximately 22% of the total project cost. SPU would pick up the remainder, \$83,566, under budgeted capital improvement projects. SPU would also require any property owner with an overhead service to hire an electrician to convert their service to underground costing them an estimated additional \$2,000. Some property owners may also be required to provide an easement in order to tie the new front yard facilities to any back yard pedestals.

SPU would construct the new underground system in conjunction with the City of Shakopee's 2017 Street Recon Project, which will be replacing Shakopee Avenue and the associated sewers and water main in the street. By proceeding with this project during the 2017 Street Recon, there is expected to be some cost savings in restoration due to driveways being disturbed. SPU will also combine this project with another project to bring more capacity to the Heritage Place neighborhood, resulting in additional savings by utilizing the same trench for both projects.

Background

A three phase overhead electric line is presently running from Marschall Road east, on the north side of the properties along the north side of Shakopee Avenue to 11th Avenue. This line was originally constructed as a main line feeder in the early 1970s to serve the neighborhood of this portion of Shakopee Avenue and to provide capacity to serve new development in south east Shakopee. The line was constructed in a combination of street right of way, alley right of way and property drainage and utility easements. It was also constructed adjacent to a former railroad right of way which provided access for SPU service vehicles and tree clearance for the line.

As development occurred adjacent to the line, service was tapped off of this line with overhead transformers and a combination of overhead and underground secondary services. Approximately two thirds of the services directly off of the line are underground while the remaining one third is overhead. Per SPU policies, when a customer has an underground service,

the customer owns the service cable from the house to the pole, pedestal or transformer near their property line. When a customer is served from an overhead service drop, SPU owns the wires up to the connection at the mast on the house.

The surrounding neighborhood has also been served from this line as development occurred by extending either overhead or underground primary taps off of this line. This includes an underground cable that serves a portion of the Heritage Place neighborhood and is a backup to the rest of that neighborhood via the underground system all the way to Vierling Drive and Marschall Road. Presently, approximately 475 customers are served either directly or backed up by this line.

A portion of the line was reconstructed in 1999 as part of a relocation project for the White Pines apartment complex. The line originally cut directly across what is now the White Pines apartment property along the former Ramsey Street alignment, but was relocated to accommodate the apartment complex development. The line was rebuilt and relocated up to 1501 and 1511 Shakopee Avenue East.

The City of Shakopee has approved a street reconstruction project for Shakopee Avenue east of Marschall to replace the street and utilities. This project will be completed in the summer construction season of 2017. The street reconstruction project does not affect the overhead line north of Shakopee Avenue, but as part of the project the boulevard and driveways are expected to be disturbed creating an opportunity for reduced costs for a project to bury electric in the boulevard of Shakopee Avenue.

Existing Conditions

Since the line was built in the 1970s, access and tree maintenance has been more difficult for SPU crews. Development on the north side of the line has vacated the former railroad right of way, which provided significant access to maintain the line. SPU crews used to drive the railroad right of way to perform their maintenance and outage response. As a result of the vacation, the line has become a strictly backyard line with mature trees, fences and sheds or other structures that create a hindrance to the successful prevention and response of outages along the line.

There are as many as 2-3 outages a year along this line due to tree branches or animals on the line. Every outage affects around 300 customers and lasts up to a few of hours as the crews responding must walk the line to spot the outage due to the lack of truck access. In order to prevent some of the outages, tree trimming is performed annually, but cannot prevent all outages. Average annual cost of the tree trimming just for this area is \$4,000 - \$5,000.

The line is nearing the end of its expected life. Typical useful life of an overhead electric line with wood poles is 60 years. The life to date of this line is around 45 years. Periodically, visual inspections are completed as crews perform regular tree trimming. The most recent inspection indicated that the poles are in good condition, but limited access will prevent any spot pole replacements. We can typically extend the life of a line with spot replacements of poles, transformers and other materials but, due to the limited access, this will be difficult or impossible to do. As a result, we will need to plan to rebuild the line prior to the end of the useful life which is in the next 10 to 15 years.

Comcast is also attached to the line for the entire length of the three phase overhead line north of Shakopee Avenue.

Options to Proceed

There are two main options at this time to mitigate the existing issues for the three phase overhead electric line.

1. Rebuild the Overhead Line in Place + Establish Access and Clearance

By rebuilding the overhead line in place, we will gain the additional life of a new line. In order to rebuild the line and properly maintain it, SPU needs access to drive a digger derrick truck alongside the line. We will therefore need to establish a clear path by working with the homeowners by having fences and structures removed. We will also need to do some minor grading in order to regain access to the old railroad path. Additionally, nearby mature trees will need to be removed in order to prevent them from falling on the line. In all, by gaining truck access to the line, SPU crews will be able to perform basic maintenance and outage response more effectively and prolong the life of the existing line.

2. Relocate the Line Underground (proposed option)

An underground system would be installed in the front yards where the transformers and pedestals would be accessible. Homeowners with overhead service lines would be required to underground their service to the front yard where they would connect to either a transformer or pedestal. SPU would either splice on and extend the underground services for customers with an underground service to the front (preferred) or install secondary along the side lot line to a pedestal in the backyard. Easements would have to be granted if SPU extends the secondary to the backyard pedestal. The overhead line would then be removed.

By burying the line, outages will be reduced by removing the possibility of trees and most animals from causing an outage.

Additional Capacity Needs

In the summer of 2016, an outage occurred due to excessive loads in the Heritage Place neighborhood. The outage has revealed a need to increase the capacity and correct some fusing issues for the Heritage Place neighborhood. The fusing issues are directly related to the existing overhead circuit reclosers on the overhead line north of Shakopee Avenue which are designed to reduce outages by clearing a temporary fault on the line such as a branch falling on and then off of the line. A project has been planned and budgeted to correct this. The project will partly involve burying a single phase line down Shakopee Avenue in order to bypass the overhead line north of Shakopee Avenue. This will be done in conjunction with the Shakopee Avenue Reconstruction Project.

The total estimated cost to install this single phase line down Shakopee Avenue and to add capacity for the Heritage Place neighborhood is \$47,000.

Proposed Improvements & Estimated Costs

In conjunction with the planned project to bury a single phase cable for the Heritage Place neighborhood, burying an additional 3 cables will enable SPU to remove the need for the

overhead electric line in the backyards north of Shakopee Avenue. A three phase line is proposed to be installed in the boulevard of Shakopee Avenue with an adjacent single phase line with padmount transformers and pedestals in the front yards to serve the Shakopee Avenue customers.

When a public improvement such as a reconstruction project requires more than 300ft of overhead electric to be relocated, the Shakopee City Council has the option to order the overhead line to be relocated underground, but the Shakopee Avenue reconstruction project does not require this line to be relocated. Thus, the project must be a voluntary undergrounding by SPU.

A couple of past projects have set precedent for burying an existing overhead line without the City of Shakopee's (or other right of way authority) direction. One of those past projects is the Beach Street Undergrounding in Prior Lake. In that project, the property owners asked for the line to be placed underground and we established an agreement with the customers affected that required them to bury their own service cable if it was overhead, assume ownership of the service cable up to a point of connection at their property line (either a pedestal or transformer) and pay an underground fee equal to the underground charge at that time which was established for new developments. More recently, the Hilldale Avenue neighborhood had a similar project completed.

It is proposed to follow a similar approach to Beach Street and Hilldale Avenue. An agreement with each property owner would be obtained that will require them to bury their own service cable if it was overhead, assume ownership of the service cable up to a point of connection at their property line (either a pedestal or transformer) and pay an underground fee equal to 2017 Underground Charge which is \$606 per lot. This will require the voluntary involvement of each property owner so a survey has been developed to gauge the neighborhood's support to remove the overhead electric line. The survey results are being compiled, but have thus far shown an overall support from the property owners to underground the line.

The property owners with an overhead service line will be burdened with the additional expense to hire an electrician to convert and bury their service. To help alleviate and encourage this process, SPU has in the past donated the service cable necessary to bury the line. It is proposed to do this again and is approximately a \$400 value. Without the cable cost, it is estimated that the additional cost to bury a service will be approximately \$2,000.

The property owners with an underground service will either have their service cable connected at the backyard pedestal or SPU will splice on and extend the cable to the front yard. If SPU extends the services to the front yard, the property owner will be agreeing to own the service cable all the way up to the pedestal or transformer at the front yard property corner.

Comcast has also indicated that they would participate by undergrounding their facilities as an upgrade to their services in the area. This is important as it allows all of the backyard poles to be removed if the electric is removed. The Comcast response is also attached to this report.

The estimated cost to underground the overhead line is \$94,000 and the cost to remove the poles in the backyards is \$13,200 for a total of \$107,200.

When combined with the single phase underground project for Heritage Place, the cost for that project will be reduced by \$10,000 for a total additional cost of \$37,000.

Funding Sources

Shakopee Public Utilities has budgeted funds in the 2017 Capital Improvements Plan in categories for similar projects as a system upgrade and rebuild overhead lines as follows.

System Material & Facilities; Lateral Circuit Reconfiguration	\$100,000
Rebuild OH Lines; DL-43 Abandoned RR ROW N of Shakopee Ave from CSAH 17 to 11 th Ave 0.75 miles;	\$10,000

Additionally, each property owner will be expected to pay the underground fee of \$606 as a contribution to the project.

Underground Fees (\$606 per lot – 39 lots)	\$23,634
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Total from funding sources is \$134,634. Total combined project cost is \$144,200. The remaining funding gap of \$10,434 can be funded from the miscellaneous project budget for system projects which has a budget of \$170,000 in 2017 of which is budgeted to improve system reliability for RP3 considerations.

The relocation fund is not an eligible funding source for this project since the Shakopee City Council cannot order the line to be undergrounded per established policy and ordinance.

Conclusion

From an engineering standpoint, the proposed project is feasible and an efficient use of budgeted funds to provide a reliability improvement to 475 customers in the Shakopee Ave, 11th Ave, Heritage Place Additions and Vierling drive neighborhoods.

Attachments

Aerial map of existing electric facilities

Agreement to Underground between SPU and property owners

Project introductory letter to property owners and survey

Comcast correspondence in agreement to underground their facilities

Report Preparation

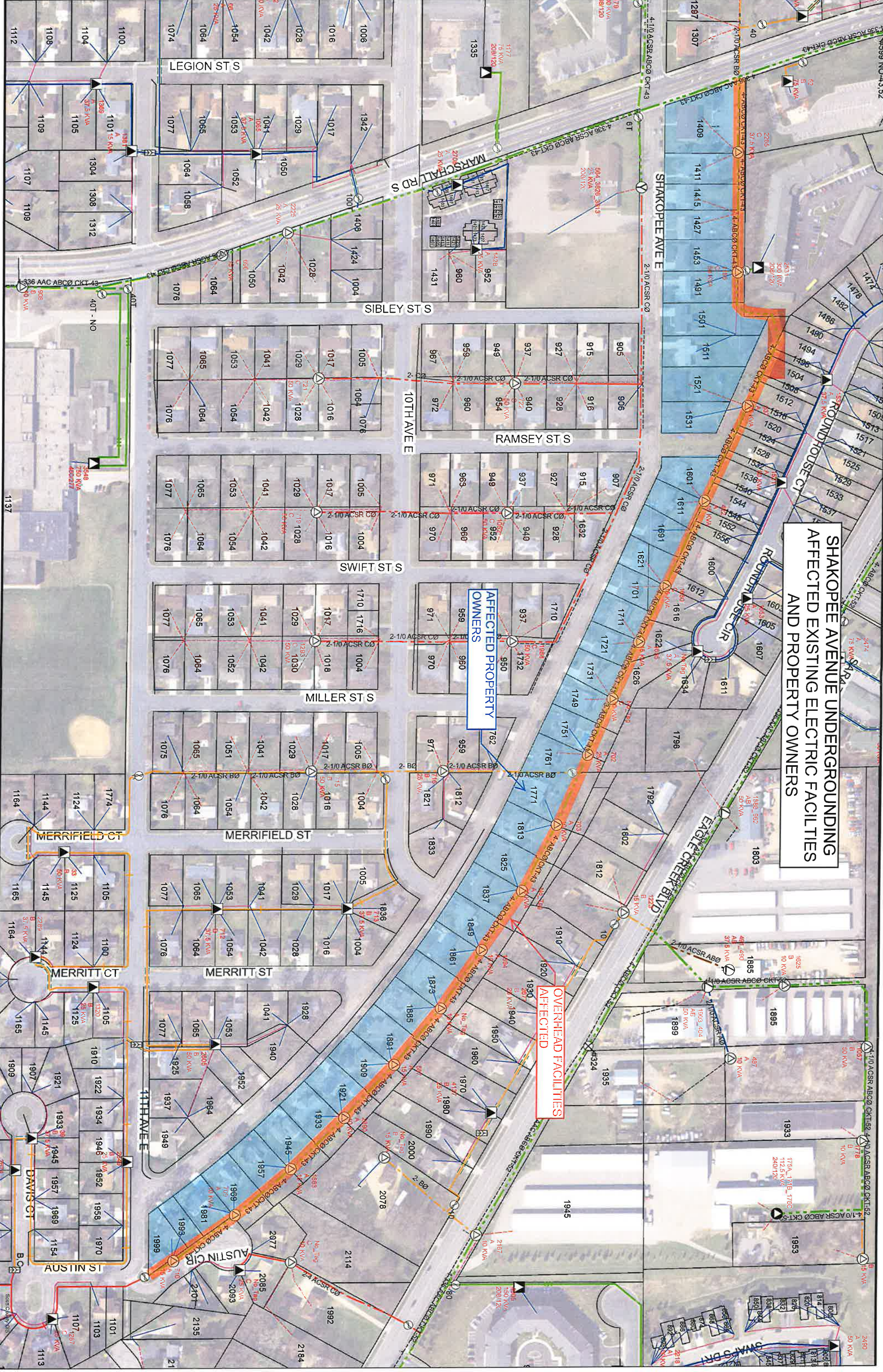
This report was prepared by me and I am a duly licensed Professional Engineer under the laws the State of Minnesota.



Christian Fenstermacher

Date February 27, 2017 License No. 53077

**SHAKOPEE AVENUE UNDERGROUNDING
AFFECTED EXISTING ELECTRIC FACILITIES
AND PROPERTY OWNERS**



AFFECTED PROPERTY OWNERS

OVERHEAD FACILITIES AFFECTED

**AGREEMENT TO CONVERT
AN EXISTING OVERHEAD DISTRIBUTION SYSTEM
TO AN UNDERGROUND DISTRIBUTION SYSTEM**

WHEREAS, the City of Shakopee, through its Public Utilities Commission, hereinafter called Shakopee Public Utilities owns and operates an overhead distribution system serving the following described properties:

Those properties on the north side of Shakopee Avenue East that are east of Marschall Road up to 11th Avenue

AND WHEREAS, the property owner(s) wishes to have Shakopee Public Utilities convert the existing overhead distribution system to an underground distribution system,

AND WHEREAS, the property owner(s) understand that Shakopee Public Utilities policy states the customer is responsible for the installation and maintenance of all underground secondary service lines from the utility's designated connection point on their property line to the metering point and beyond, including but not limited to trenching, conduit, cable, lugs, meter socket, and the service disconnect switch and labor to install the same,

AND WHEREAS, the property owner(s) understand that Shakopee Public Utilities shall have no obligation to remove the existing overhead distribution system or any part thereof unless and until all property owners participating in the project have completed the installation of their underground service lines and are ready to take service from the proposed underground distribution system.

NOW THEREFORE IT IS AGREED, that Shakopee Public Utilities will design, install, own, operate and maintain an underground distribution system to serve the aforementioned properties. The property owner(s) will be responsible for their own underground service lines from the utility designated connection point and beyond. Upon connection of all affected customers to the new underground distribution system, Shakopee Public Utilities will remove the existing overhead distribution system. In exchange for the conversion of the area from the existing overhead distribution system to an underground distribution system, the property owner(s) agree to pay to Shakopee Public Utilities the 2017 Underground Charge of \$606 per lot. It is anticipated, as a neighborhood, the property owners are responsible for \$23,634 of the total cost, \$107,200, to install the underground distribution system and remove the overhead system.

There are multiple property owners involved in the project so the total sum shall be shared in the following manner: Each property owner shall pay the residential per lot underground fee of \$606 (\$606x39=\$23,634)

Property Owner(s)
Signature

Address

Shakopee Public Utilities

February 14th, 2017

RE: Undergrounding Existing Overhead Electric Power Lines

Dear Shakopee Avenue Property Owner,

You are among thirty nine customers receiving electric service from Shakopee Public Utilities off of an overhead electric distribution line in your backyard on the northern side of Shakopee Avenue. This line was originally constructed in the 1970s to serve you and your neighbors as well as a growing portion of eastern Shakopee. Due to the topography, vegetation and private structures, it is getting more and more difficult for our lineman to access the backyards in order to maintain the line.

In conjunction with the 2017 Street Reconstruction Project, we are evaluating a project to remove this line and install an underground electric system along the boulevard of Shakopee Avenue. There are several mutual benefits to undergrounding the electric system including reduced outages from storms and animals therefore increased reliability, no more need to trim trees, removal of poles and wires, and increased use of the backyard for you and your neighbors. There are also negatives to an underground system as well including the increased initial material cost which can be 3 to 4 times as expensive as overhead material.

Due to the mutual benefit and initial costs, we have in past projects required the cooperation of all neighbors in an undergrounding project. This level of cooperation includes an underground fee per customer, conversion of each customer's individual service from overhead to underground and an agreement signed by each homeowner agreeing to pay these costs and assume responsibility of the underground services from the house to a point of connection at the property line. Some homeowners may also be asked to provide an electric, side lot easement in order for SPU to install secondary wire at pedestals already in the back yard.

The underground fee was historically established to aid developers by fixing their contributions to SPU which would construct a new electric system in residential developments. Since this is a similar concept, we have used this fee in the undergrounding projects even though costs tend to be higher in existing neighborhoods due to the presence of existing utilities and mature trees in the boulevards. The 2017 underground charge is \$606 per lot. We are evaluating with the City of Shakopee the potential of adding this fee to your overall assessments from the reconstruction project if you wish to pay it as part of the assessments. We do not have the authority to assess you for this so it must be voluntary on your part and acceptable to the Shakopee City Council.

If you have an overhead service line from the pole to your house, this line must be converted to an underground service line. SPU policies establish a point of connection between customer owned and SPU owned facilities. For an overhead service, the point of connection is at the mast on your home therefore SPU owns and maintains the overhead service wire to the house. For an

underground service, the point of connection is at a transformer or pedestal at the property line which means the homeowner owns and maintains the wire to the house. It is because of this ownership change that SPU crews may not install the underground service cable to the house and convert the service from overhead to underground. This requires a licensed electrician. Each homeowner with an overhead service would have to bear a cost from an electrician to install this cable and convert the service. We have estimated this cost to be \$2,000 plus the cost of the underground service cable. To aid each homeowner in this effort, we would provide, free of charge, the underground service cable which is approximately a \$400 value.

The total cost to convert the utility's overhead system to an underground system is estimated to be \$94,000. With 100% participation by the 39 property owners, Shakopee Public Utilities will be absorbing \$70,366 or about 75% of this estimated cost. The cost to each homeowner with an underground service is \$606. The cost to each homeowner with an overhead service is estimated to be \$2,600 which includes the \$606 fee that would be paid to SPU as a contribution to the project.

On February 9th, we presented this information to a handful of residents that were attending an informational meeting for the 2017 Street Reconstruction Project that will be reconstructing Shakopee Avenue and garnered an overall support to proceed with the project. We ask that you provide your input by filling out the attached survey in order for SPU to gauge the support for an undergrounding project.

I thank you for your cooperation on this endeavor. Please call me with any questions.

Sincerely,

Christian Fenstermacher
Project Engineer
Shakopee Public Utilities
952-345-2475
cfenstermacher@shakopeeutilities.com

Shakopee Avenue – Overhead Electric Undergrounding Project Survey

Name: _____ Address: _____

Do you own your home or rent? Rent ____ Own ____

If rented, who is property owner? _____

1. Would you be supportive of a project to remove the overhead electric in your backyard by installing the electric underground along Shakopee Avenue in your front yard?

Yes ___ No ___ Comments: _____

2. If a project were to be completed, SPU would require a contribution by each customer equal to the 2017 underground charge which would be \$606. Would you be willing to pay such a fee? Yes ___ No ___

a. If so, would you prefer to pay this as part of your assessments for the 2017 Street Reconstruction project, or would you prefer to pay this upfront in full? (it is important to note that the Shakopee City Council must agree to including this in your assessments and would include any interest fees) -

3. If you have an overhead service, would you be willing to hire an electrician and convert your service from overhead to underground including installing the underground service cable? Yes ___ No ___

4. If asked to provide an easement, would you grant a side lot electric easement to the Shakopee Public Utilities Commission? Yes ___ No ___

5. Any further comments? _____

Please return surveys via mail (in the enclosed envelope) or email (to cfenstermacher@shakopeeutilities.com) by March 1st.

Fenstermacher, Christian

From: Niedzielski, Thomas [Thomas_Niedzielski@comcast.com]
Sent: Monday, February 13, 2017 11:16 AM
To: Fenstermacher, Christian
Cc: Macchia, Mark
Subject: RE: Shakopee Avenue Undergrounding
Attachments: Comcast Design Map 2-13-17.pdf

Good Morning Christian

Attached is the Comcast design map covering a majority of the proposed relocation area we discussed. Please note this map is only showing the Comcast fiber optic cables in this area. This area is very close to our hub site on Eagle Creek Blvd and the fiber being relocated is the feed for 65% to 70% of the customers in Shakopee, a transport fiber for the feed to customers in City of Chaska, and points beyond to the south and west.

Comcast will participate in the relocation project based on the idea this pole line is problematic for maintaining quality electric service for your customers. In some cases Comcast could have similar situations with outages that could take a considerable amount of time to resolve and an underground solution could be beneficial.

We will need to talk in detail on how you see this project being staged. Because of the location of this fiber and how important it is, there may need to be some additional work around this area to make for easy points to cut over the new fiber.

Please let me know when you have more information and / or you would like to walk this area off.
Thanks

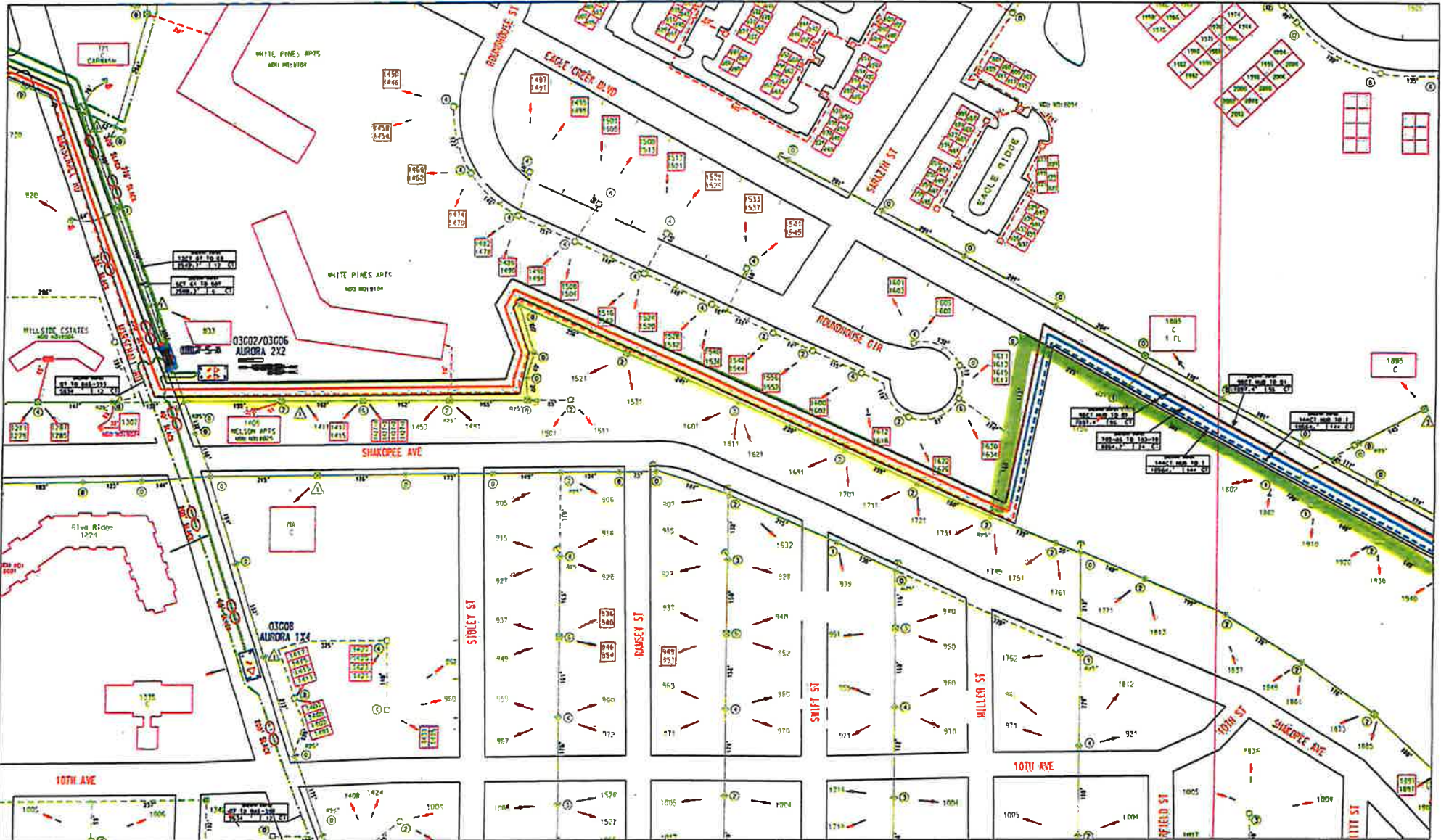
Tom Niedzielski
COMCAST CABLE
2621 Fairview Ave North
Roseville, Minnesota 55113
Office: 651-493-5407
Mobile: 612-490-7750
Fax: 651-493-5116

From: Fenstermacher, Christian [<mailto:cfenstermacher@shakopeeutilities.com>]
Sent: Friday, February 10, 2017 2:52 PM
To: Niedzielski, Thomas <Thomas_Niedzielski@cable.comcast.com>
Subject: Shakopee Avenue Undergrounding

Tom,
Attached is the area that we are currently planning an undergrounding project. Let me know if Comcast would participate. In general, we would be relocating from the backyards to the front yards.

Thanks,

Christian Fenstermacher, PE
Project Engineer
Shakopee Public Utilities - Planning & Engineering
PO Box 470; 255 Sarazin Street; Shakopee, MN 55379
Phone: 952-345-2475





SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

March 3, 2017

Propose as Consent

TO: John Crooks

CC: Joe Adams
 Sherri Anderson
 Greg Drent
 Lon Schemel
 Sharon Walsh *ms*

FROM: Renee Schmid, Director of Finance and Administration

SUBJECT: Financial Results for January, 2017

The following Financial Statements are attached for your review and approval.

Month to Date Financial Results – January, 2017

- Combined Statement of Revenue & Expense and Net Assets – Electric, Water and Total Utility
- Electric Operating Revenue & Expense Detail
- Water Operating Revenue & Expense Detail

Key items to note:

Month to Date Results – January, 2017

- Total Utility Operating Revenues for the month of January totaled \$4.1 million and were favorable to budget by \$595k or 16.8%. Electric revenues were favorable to budget by \$574k or 17.5% driver by higher than plan sales volumes in both the residential and industrial revenue groups. Water revenues were also favorable to budget by \$21k or 8.0% driven by higher than plan sales volumes in all revenue groups.
- Total operating expenses were \$3.3 million and were favorable to budget by \$515k or 13.3%. Total purchased power in January was \$2.5 million and was \$122k or 4.7% lower than budget for the month. Total Operating Expense for electric including purchased power was favorable to budget by \$500k or 14.5% due to purchased power costs and timing of expenditures in conservation expense of \$346k, and lower than plan expenses in employee benefits, outside services, and depreciation. Total Operating Expense for Water was also favorable to budget by \$16k or 3.8% due timing of expenditures in outside services, system operation and maintenance and depreciation.
- Total Utility Operating Income was \$790k and was \$1.1 million favorable to budget due to higher operating revenues and timing of operating expenses.
- Total Utility Non-Operating Revenue was \$107k and was slightly unfavorable to budget by \$1k.





SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Capital Contributions for the month of January totaled a negative \$2k due to a correction for a water connection fee of \$5.1k offset by meter fees of \$3.4k. Capital Contributions were unfavorable to budget for the month by \$151k due to timing of collection of trunk and water connection fees.
- Transfers to the City of Shakopee totaled \$179k and were lower than budget for the month by \$21k.
- Change in Net Position was \$716k and was favorable to budget by \$981k due to higher than plan revenues driven by higher sales volumes, timing of conservation and other miscellaneous operating expenses, and partially offset by lower than plan capital contributions.
- Electric usage billed to customers in January was 37,924,016 KWH, an increase from December usage billed at 32,649,767 KWH.
- Water usage billed to customers in January was 91.7 million gallons, an increase from December usage billed at 82.3 million gallons.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
JANUARY 2017



SHAKOPEE PUBLIC UTILITIES
"Lighting the Way – Yesterday, Today and Beyond"



SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	Month to Date Actual - January 2017			Month to Date Budget - January 2017			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	MTD Actual v. Budget B/(W) \$ %	MTD Actual v. Budget B/(W) \$ %	MTD Actual v. Budget B/(W) \$ %			
OPERATING REVENUES	\$ 3,848,525	289,242	4,137,767	3,274,488	267,885	3,542,373	574,037	17.5%	21,357	8.0%	595,394	16.8%
OPERATING EXPENSES												
Operation, Customer and Administrative	2,778,914	282,769	3,061,683	3,262,779	286,376	3,549,155	483,865	14.8%	3,607	1.3%	487,472	13.7%
Depreciation	173,238	112,404	285,642	189,194	124,473	313,667	15,956	8.4%	12,069	9.7%	28,025	8.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	2,952,152	395,173	3,347,325	3,451,973	410,848	3,862,822	499,821	14.5%	15,675	3.8%	515,497	13.3%
Operating Income	896,374	(105,931)	790,442	(177,485)	(142,963)	(320,449)	1,073,859	605.0%	37,032	25.9%	1,110,891	346.7%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	17,413	90,738	108,151	22,173	93,645	115,818	(4,760)	-21.5%	(2,907)	-3.1%	(7,667)	-6.6%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	19,981	3,472	23,453	12,951	3,002	15,954	7,030	54.3%	470	15.7%	7,500	47.0%
Interest Expense	(30,405)	(23)	(30,428)	(30,274)	(19)	(30,293)	(131)	-0.4%	(4)	-19.2%	(135)	-0.4%
Amortization of Debt Issuance Costs and Loss on Refunding	(1,484)	-	(1,484)	(1,484)	-	(1,484)	-	0.0%	-	-	-	0.0%
Gain/(Loss) on the Disposition of Property	(306)	-	(306)	-	-	-	(306)	-	-	-	(306)	0.0%
Total Non-Operating Revenue (Expense)	12,699	94,187	106,886	10,867	96,628	107,495	1,832	16.9%	(2,440)	-2.5%	(608)	-0.6%
Income Before Contributions and Transfers	909,072	(11,744)	897,328	(166,618)	(46,336)	(212,954)	1,075,691	645.6%	34,592	74.7%	1,110,282	521.4%
CAPITAL CONTRIBUTIONS	-	(1,744)	(1,744)	-	149,395	149,395	-	-	(151,139)	-101.2%	(151,139)	-101.2%
TRANSFER TO MUNICIPALITY	(109,223)	(70,000)	(179,223)	(121,398)	(79,192)	(200,590)	12,175	10.0%	9,192	11.6%	21,368	10.7%
CHANGE IN NET POSITION	\$ 799,850	(83,488)	716,362	(288,016)	23,867	(264,149)	1,087,866	377.7%	(107,355)	-449.8%	980,511	371.2%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE



	MTD Actual January 2017	MTD Budget January 2017	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 1,444,758	1,257,977	186,782	14.8%
Commercial and Industrial	2,305,573	1,928,298	377,275	19.6%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	<u>3,750,331</u>	<u>3,186,275</u>	<u>564,056</u>	<u>17.7%</u>
Forfeited Discounts	28,035	21,016	7,019	33.4%
Free service to the City of Shakopee	14,223	14,223	0	0.0%
Conservation program	55,936	52,974	2,962	5.6%
Total Operating Revenues	<u>3,848,525</u>	<u>3,274,488</u>	<u>574,037</u>	<u>17.5%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	2,493,125	2,615,196	122,071	4.7%
Distribution operation expenses	62,925	39,436	(23,489)	-59.6%
Distribution system maintenance	69,290	55,428	(13,862)	-25.0%
Maintenance of general plant	18,473	35,652	17,179	48.2%
Total Operation and Maintenance	<u>2,643,812</u>	<u>2,745,712</u>	<u>101,900</u>	<u>3.7%</u>
Customer Accounts				
Meter Reading	8,313	9,810	1,496	15.3%
Customer records and collection	51,643	44,751	(6,892)	-15.4%
Energy conservation	(287,063)	58,828	345,891	588.0%
Total Customer Accounts	<u>(227,106)</u>	<u>113,389</u>	<u>340,495</u>	<u>300.3%</u>
Administrative and General				
Administrative and general salaries	40,736	49,969	9,233	18.5%
Office supplies and expense	40,273	15,471	(24,802)	-160.3%
Outside services employed	6,069	40,959	34,891	85.2%
Insurance	9,710	15,727	6,017	38.3%
Employee Benefits	231,983	245,488	13,506	5.5%
Miscellaneous general	33,437	36,063	2,626	7.3%
Total Administrative and General	<u>362,208</u>	<u>403,678</u>	<u>41,470</u>	<u>10.3%</u>
Total Operation, Customer, & Admin Expenses	<u>2,778,914</u>	<u>3,262,779</u>	<u>483,865</u>	<u>14.8%</u>
Depreciation	173,238	189,194	15,956	8.4%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 2,952,152</u>	<u>3,451,973</u>	<u>499,821</u>	<u>14.5%</u>
OPERATING INCOME	<u>\$ 896,374</u>	<u>(177,485)</u>	<u>1,073,859</u>	<u>605.0%</u>



**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE**

	MTD Actual		MTD Budget		MTD Actual v. Budget	
	January 2017		January 2017		Better/(Worse)	
					\$	%
OPERATING REVENUES						
Sales of Water	\$	288,204		266,154	22,050	8.3%
Forfeited Discounts		1,038		1,731	(694)	-40.1%
Uncollectible accounts		1		-	1	-
Total Operating Revenues		<u>289,242</u>		<u>267,885</u>	<u>21,357</u>	<u>8.0%</u>
OPERATING EXPENSES						
Operations and Maintenance						
Pumping and distribution operation		48,136		39,294	(8,842)	-22.5%
Pumping and distribution maintenance		17,934		33,731	15,797	46.8%
Power for pumping		23,475		23,252	(223)	-1.0%
Maintenance of general plant		6,400		2,342	(4,057)	-173.2%
Total Operation and Maintenance		<u>95,945</u>		<u>98,620</u>	<u>2,675</u>	<u>2.7%</u>
Customer Accounts						
Meter Reading		4,555		7,592	3,037	40.0%
Customer records and collection		14,787		11,996	(2,791)	-23.3%
Energy conservation		-		2,000	2,000	-
Total Customer Accounts		<u>19,342</u>		<u>21,588</u>	<u>2,246</u>	<u>10.4%</u>
Administrative and General						
Administrative and general salaries		27,048		31,460	4,412	14.0%
Office supplies and expense		14,760		5,926	(8,834)	-149.1%
Outside services employed		1,894		17,377	15,483	89.1%
Insurance		3,237		5,242	2,006	38.3%
Employee Benefits		80,992		86,190	5,199	6.0%
Miscellaneous general		39,551		19,971	(19,580)	-98.0%
Total Administrative and General		<u>167,482</u>		<u>166,167</u>	<u>(1,315)</u>	<u>-0.8%</u>
Total Operation, Customer, & Admin Expenses		<u>282,769</u>		<u>286,376</u>	<u>3,607</u>	<u>1.3%</u>
Depreciation		112,404		124,473	12,069	9.7%
Amortization of plant acquisition		-		-	-	-
Total Operating Expenses		<u>395,173</u>		<u>410,848</u>	<u>15,675</u>	<u>3.8%</u>
OPERATING INCOME	\$	<u>(105,931)</u>		<u>(142,963)</u>	<u>37,032</u>	<u>25.9%</u>