



AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
May 1, 2017

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
7. **Liaison Report**
8. **Reports: Water Items**
 - 8a) Water System Operations Report – Verbal
 - 8b) Horizon Drive Watermain Bid Results and Discussion
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Shakopee Energy Park/Dean Lake Substation Construction Update
 - 9c) 2017 APPA Lineworker's Rodeo
10. **Reports: Human Resources**
 - 10a) Resn. #1162 – Regulating Wage and Contract Terms
11. **Reports: General**
12. **New Business**
13. **Adjourn to Goals/Objectives Work Session**
14. **Reconvene to Regular Session**
15. **Tentative Dates for Upcoming Meetings**
 - Mid Month Meeting -- May 15
 - Regular Meeting -- June 5
 - Mid Month Meeting -- June 19
 - Regular Meeting -- July 3
16. **Adjourn to 5/15/17 at the SPUC Service Center, 255 Sarazin Street**



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Horizon Drive Water Main Project

DATE: April 27, 2017

ISSUE

The City issued an addendum and extended the bid period at the Commission's request to include an alternate bid item to install a 12 inch trunk water main in Horizon Drive. The City Council is scheduled to award the contract at their May 2nd meeting and the Commission needs to decide if they project should proceed with the water main or not.

BACKGROUND

This issue was previously reviewed and discussed at the Commission's April 3rd meeting.

In the interim staff met with representatives from the Living Hope Church to gauge their possible interest in a deal for the church to sell some of their parcel to the Commission for a future elevated water tank to help offset some of the church's expenses in connecting to city sewer and water. The church representatives replied after a few days that they did not have interest in pursuing such an arrangement. The church does not desire nor intend to connect to city water whenever it is installed and it is unclear at this time if they will have to connect to the city sewer for their planned expansion.

DISCUSSION

Bids for the city project were opened on April 26th and the added construction cost for the 12 inch water main is \$141,967 by the low bidder Northwest Asphalt. (It is important to note that they are the low bidder with or without the water main included.)

Per agreement with the city a 20% cost for design engineering, project management, financing, i.e. project costs is added to city projects for Commission water main projects, so the actual costs would be \$166,106 for the 12 inch trunk water main. Finance Director Renee Schmid has determined that the current Commission cost of borrowing funds is 4.2% and that the Commission is currently earning 1% on its investments. So, the "opportunity" carrying cost would appear to be 5.2% of the \$166,106 or \$8,637.51 per year.



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., April 17, 2017.

MEMBERS PRESENT: Commissioners Joos, Amundson, Helkamp, Hennen and Weyer. Also present, Liaison Whiting, Utilities Manager Crooks, Planning & Engineering Director Adams, Finance Director Schmid, Line Superintendent Drent and Water Superintendent Schemel.

Motion by Helkamp, seconded by Weyer to approve the minutes of the April 3, 2017 Commission meeting. Motion carried.

There were no Communication items.

President Amundson offered the agenda for approval.

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

President Amundson stated that the Consent Items were: item 8d: Monthly Water Production Dashboard and item 11a: February 2017 Financial Results.

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

The warrant listing for bills paid April 17, 2017 was presented.

Motion by Joos, seconded by Helkamp to approve the warrant listing dated April 17, 2017 as presented. Motion carried.

Liaison Whiting presented his report. It was stated the 2017 Street Reconstruction Project will be discussed, the Windemere Project rezoning will be considered and the HyVee plat will be reviewed by the City Council at their next meeting.

Water Superintendent Schemel provided a report of current water operations. Several construction projects were updated. Hydrant flushing and valve exercising is taking place. Private hydrant inspections are also being completed.

Mr. Schemel reviewed the upcoming Street Reconstruction Project. It was stated the MN Health Department had approved the watermain replacement portion of the Project.

Motion by Joos, seconded by Helkamp to approve Resolution #1161: A Resolution Approving Plans and Specifications for the Watermain Replacement with the 2017 City of



Ballpark cost estimates for the 12 inch trunk water main construction were \$215,480 and \$172,000 for an 8 inch lateral equivalent.

Staff estimates the lateral water main cost equivalent would be \$135,584 with the 20% project cost fee. Thus trunk water main over sizing costs to be permanently paid out of the Trunk Water Fund would be \$30,522 and the balance would be established as the Lateral Water Main Equivalent cost with that cost to be collected whenever one of the rural residential lots or the church connected to the water main for service.

There is not a dedicated funding source for lateral water main costs, so that cost too would be paid out of the Trunk Water Fund as in past projects with the future fees collected against the Lateral Water Main Equivalent cost to be paid back into the Trunk Water Fund. There is one rural residential lot across from the church that has yet to have a house constructed on it and there are two other lots that have homes with private well and septic currently. Staff understands since this is a city initiated sewer project that the city is not intending to fix a deadline for hookup by these properties.

Previously staff identified the following potential funding sources in the 2017 CIP Trunk Fund:

Trunk Water Mains Projects by SPUC tbd	\$10,000
Oversizing 12 inch Corrigan/Goode Parcel from Horizon Drive s/e to Muhlenhardt Road	62,700
Oversizing tbd	<u>85,000</u>
Subtotal	\$157,700

There are also projects in the 2017 CIP Trunk Fund that appear doubtful at this point to be completed in 2017, most likely being deferred to a later date with timing determined by city/development interests:

Oversizing 12 inch Vierling Drive from Taylor Street to CR 69	\$ 43,300
Oversizing 16 inch Krystal Addition to CR 79	61,651
Subtotal	\$104,951

Thus, the potential available 2017 funding total could be \$262,651 however the deferred projects would then have to be funded in a future year.

REQUESTED ACTION

Staff requests the Commission provide direction if it wishes to have the water main installed under the city project in 2017.

Shakopee Street Reconstruction. Ayes: Helkamp, Weyer, Joos, Hennen and Amundson. Nays: none. Motion carried unanimously.

John Karwaki, SPU consultant with Sambatek Engineering, gave a presentation for the proposed Riverview Booster Station. The purpose of the booster station, the elements involves in the analysis and the architectural renderings of the site were reviewed.

Motion by Helkamp, seconded by Hennen to accept the Riverview Booster Station Design report. Motion carried.

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

Line Superintendent Drent provided his report of current electric operations. There were two secondary service outages since the last report. Each outage affected four homes and were repaired and service restored within one hour. A relay circuit that caused intermittent street light outages Downtown was also repaired.

Mr. Drent provided an overview on the 2017 Pole Inspection Project.

Utilities Manager Crooks presented the March 2017 MMPA Board Meeting Public Summary.

Mr. Crooks reviewed the Minnesota Department of Commerce letter approving our 2017 SCIP program and the results of the SPU 2015 SCIP Program. The 2015 Program resulted in a 1.3% savings, as reflected in kilowatt hours.

Item 11a: February 2017 Financial Results were received under Consent Business.

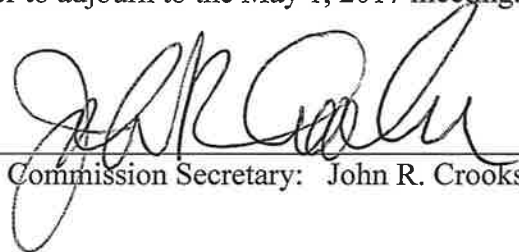
Finance Director Schmid reviewed the March 2017 Financial Results.

Mr. Crooks presented a donation request from the Saints Healthcare Foundation. Past donations were reviewed and the SPU Donation Policy was discussed.

Motion by Helkamp, seconded by Joos to approve the donation request by the Saints Healthcare Foundation and become a Sponsor of Hope in the amount of \$4000. Motion carried.

The tentative commission meeting dates of May 1 and May 15 were noted.

Motion by Helkamp, seconded by Weyer to adjourn to the May 1, 2017 meeting. Motion carried.



Commission Secretary: John R. Crooks




SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

9b

April 26th 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. 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. L&S Electric has completed the work of tying our SCADA system at Dean Lake substations into our control room.

All electrical equipment is installed and working at Dean Lake substation. All 3 power transformers are energized and available. Dean Lake #1 transformer had a small oil leak that we found during a monthly inspection. We spoke with Delta Star, the manufacture of the transformer and they told us there are 2 different options to repair the leak and they are as follows:

- Option 1 Epoxy the leak
- Option 2 Weld the leak

We discussed the options and chose Jordan Transformer to come in and weld the leak as we felt that was the best option for the long term viability of the transformer. The repair went well and the transformer is now back in service.

The final steps to complete the upgrade to the facility are to have the substation grounds landscaped and an asphalt driveway poured going to the facility. We will be getting quotes for these two projects in the coming weeks.

We are working with Eaton Power Systems on warranty work of some switches that we installed for the DG plant. There was a new gasket material that failed a vacuum test and now Eaton is replacing those gaskets. We had a couple internal meetings about the process and we are working with Eaton Power on scheduling the repair. The repair should be completed in May

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SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

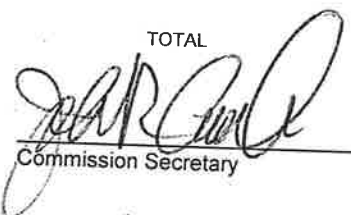
May 1, 2017

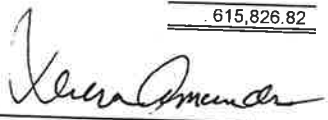
By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

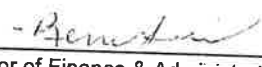
46184	City of Shakopee	1,600.00
46193	American Messaging	1,457.43
46194	Altec Industries Inc.	4,263.58
46195	APPA	65.50
46196	Apple Ford of Shakopee	4,266.04
46197	Aramark	257.24
46198	Arrow Ace Hardware	110.10
46199	Jay Berken	410.40
46200	Robert Berndtson	97.38
46201	Birds Lawn Care LLC	2,730.00
46202	Border States	14,643.19
46203	Brad Carlson	550.00
46204	Centerpoint Energy	1,334.68
46205	Cintas	46.83
46206	City of Shakopee	4,562.24
46207	City of Shakopee	176,000.00
46208	City of Shakopee	35.00
46209	Comcast	2.27
46210	John Crooks	47.08
46211	Delta Dental	5,693.55
46212	DGR Engineering	3,617.01
46213	Diversified Inspections	2,750.65
46214	Greg Drent	945.10
46215	Eatons Cooper Power Systems	84,696.33
46216	Emergency Automotive Technologies	1,073.25
46217	Emergent Networks LLC	812.00
46218	Environmental Systems Research	1,495.00
46219	Global Industrial	878.63
46220	Hawkins Inc	5,391.79
46221	Healthpartners	60,871.09
46222	Hooper Corporation	35,222.30
46223	Innovative Office Solutions	975.74
46224	Impact Mailing	10,327.45
46225	Integra Telecom	2,291.59
46226	Irby - Stuart	23,131.27
46227	Stuart Irby	5,620.80
46228	D & D Service	1,590.86
46229	Tyra Kratochvil	50.02
46230	League of Minnesota Cities	2,500.00
46231	Locators & Supplies Inc	55.74
46232	Marschall Rd Venture	150.00
46233	Metro Sales Inc.	2,508.26
46234	Minn Valley Testing Labs Inc	227.00
46235	MMUA	1,029.84
46236	MN Child Support	244.00
46237	NAPA Auto Parts	30.59
46238	Gerry Neville	78.64
46239	New Creations Lutheran Church	1,000.00
46240	Computex Technology Solutions	1,477.53
46241	Cindy Nickolay	133.22
46242	Bluetarp Financial	456.21
46243	Olsen Chain & Cable Inc	655.87
46244	Donald Overbey	105.93
46245	PLIC - SBD Grand Island	2,679.23
46246	Powerplan BF	27.28
46247	Reserve Account	2,000.00
46248	Vanessa Sanders	76.51
46249	Scott County	46.00
46250	SelectAccount	112.16
46251	Shakopee Crossings Limited	8,826.06
46252	Short Elliott Hendrickson Inc	2,803.24
46253	States Manufacturing Corporation	124,488.43
46254	Tegrete Corporation	3,135.35
46255	Twin City Garage Door Co	377.00
46256	UPS Store	59.24
46257	Ryan Wermerskirchen	150.00
46258	Wesco	480.10

TOTAL

615,826.82


Commission Secretary


Commission President


Director of Finance & Administration







SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

April 26th 2017

TO: John Crooks, Utilities Manager 

FROM: Greg Drent, Electric Superintendent 

Subject: Rodeo San Antonio 2017

Rodeo 2017:

The 2017 APPA (American Public Power Association) rodeo is on May 6th and we have been practicing for the rodeo for a couple of months. SPU is sending 2 journeyman teams to compete and they have 5 events that they participate in:

1. Hurt man rescue
2. OCR (oil circuit recloser) change out
3. Cross arm change out
4. Cutout change out
5. Tie event

In some of the events the Journeyman lineman have to use rubber gloves and other events the line is considered dead and they can use leather gloves. Each event is scored according to time, accuracy and teamwork. There is a possible score of 100 per event for a total of 500 on all the events and if there is a tie then they look at your times. Last year SPU scores were 496, and 488. There were 63 journeyman teams that competed last year and APPA is expecting even more teams this year.

We also are pleased that we have 3 apprentices lineman in the rodeo. All of the apprentices compete in the rodeo as individual events. This means that there is no ground man helping them get their gear to the top of the pole. They first climb the pole and then they pull the equipment up by rope before finishing the event and then climbing down. The events they compete in are:

1. Hurt man rescue
2. Obstacle course
3. Cut out fuse replacement
4. Written test
5. Insulator change out

There are about 150 apprentices that are signed up to compete in the 2017 rodeo.

The 2016 Rodeo was in Shakopee and we are excited to go down to San Antonio for the 2017 APPA Rodeo and represent SPU.

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RESOLUTION #1162
RESOLUTION REGULATING WAGE
AND CONTRACT TERMS

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION,
in meeting duly assembled on May 1, 2017 that the Shakopee Public Utilities
Commission does hereby affirm wage and contract terms offered and accepted
in accordance with the Appendix "A" to this Resolution.

BE IT FURTHER RESOLVED that said wage and contract terms are to
become effective from and after January 1, 2017.

BE IT FURTHER RESOLVED that the salary range and wage will be adjusted
annually on January 1, as determined by the Shakopee Public Utilities Commission.

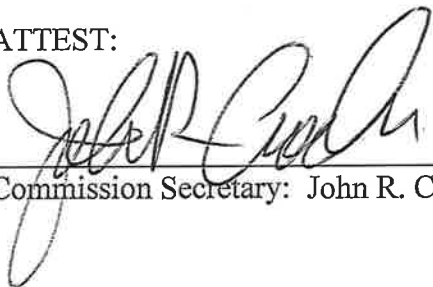
BE IT FURTHER RESOLVED, that all things necessary to carry out the
terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission this
1st day of May, 2017.



Commission President: Deb Amundson

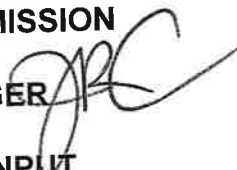
ATTEST:



Commission Secretary: John R. Crooks



SHAKOPEE PUBLIC UTILITIES MEMORANDUM

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: GOALS AND OBJECTIVES – STAFF INPUT
DATE: FEBRUARY 3, 2017

For this year's setting of Goals and Objectives for 2017, I have decided to share with the Commission the actual input from the SPU Directors. Attached are their individual objectives for the next 12-18 months. Several overlap and the anticipation would be all will be worked on during the year and most will be completed.

The following is a list of overlapping objectives and the Directors to be involved:

1. **Electric SCADA Implementation** – Bids are due this month.
Drent, Adams, Schmid and Crooks
2. **EBill Presentment** – Roll out will be end of March
Walsh and Schmid
3. **Daffron CIS iXP Upgrade** – Completion in August
Walsh and Schmid
4. **Service Territory Acquisition with MVEC** – Completion early 2018
Adams, Schmid and Crooks
5. **Develop GIS Roadmap** – December 2017
Adams, Schmid, Drent and Crooks



Crooks, John

From: Schmid, Renee
Sent: Wednesday, January 18, 2017 4:22 PM
To: Crooks, John
Subject: 2017 Goals

John –

Here is a list of goals for 2017 that I would prioritize:

- Ebill presentment
- Early review of health insurance options as we exceed 50 employees and implications for our employees and utility
- Support CIS iXp upgrade and implications for name and address changes with regards to impacts on Opower file, Impact Print file, and Paymentus file transfer as well as testing of all financial and materials applications as part of the CIS iXp upgrade
- Complete security assessment
- Begin to develop plan for IT disaster recovery
- Participate in territory acquisition project
- Evaluate debt retirement options in conjunction with decision on territory acquisition
- Support Electric SCADA implementation

Longer Term Projects that need to be added to our ongoing list and prioritized

- Determine how we are going to use GIS. Need map updates completed first before this can move forward
- Improve fixed asset reporting and tracking. This project correlates with inventory of utilities distribution systems and related retirement of such assets as well as possible integration with GIS, customer service, and engineering.
- Update of employee handbook and related personnel policies

I can expand this list further but these are the main projects that come to mind. Please let me know if you have any questions.

Renee Schmid

Director of Finance and Administration
Shakopee Public Utilities
PO Box 470
255 Sarazin Street
Shakopee, MN 55379
(952)233-1522 Direct (952)445-7767 Fax

Crooks, John

From: Walsh, Sharon
Sent: Friday, January 20, 2017 12:06 PM
To: Crooks, John
Subject: Goals for 2017-2018

John,

Here is where I think my focus is best served over the next 12-18 months

1. Customer Relations – iXP CIS upgrade
2. Customer Relations – Review of our billing practices to mitigate lost revenues and improved billing accuracy. This is to include: *CWR procedures*, including Energy Assistance; *Collection Letters*, including timing of issuance, time allowed to pay and year-round practice of CWR; *Penalties* – minimum account balance; and lastly, *Bill Due Date* (i.e., impact of the 15th on the process).
3. Customer Relations – Revamp of our phone answering/routing system to include a more customer-friendly experience and ability to react more quickly in power outage situation.
4. Marketing – rebranding of SPU within the community, primarily through social media and the redesign of our website.

These four things will definitely be large undertakings, but will have a great impact on our customers in terms of enhanced communications, improved integrity in our billing and collection processes, and perceived ‘advancement out of the dark ages’.

Thanks,

Sharon N. Walsh

Marketing and Customer Relations Director
Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379
952.233-1531 Direct 952.445-1988 Main

Crooks, John

From: Drent, Greg
Sent: Thursday, January 26, 2017 1:37 PM
To: Crooks, John
Subject: Goals for 2017

John,

Here are a few goals for electric department

1. Implement a new SCADA system
2. Pole inspections done and update pole attachment agreements
3. Complete Dean Lake substation upgrade to except generation on a regular basis and update switching procedures
4. Design and implement Apprenticeship program to become a Journeyman lineman for SPU
5. Change out ½ the street lights to LED in 2017

If you need anything else on this just let me know.

Greg Drent

SPU Electric Superintendent

952-233-1502 W

612-919-3674 C

gdrent@shakopeeutilities.com

Crooks, John

From: Adams, Joe
Sent: Thursday, January 26, 2017 2:40 PM
To: Crooks, John
Subject: 2017-18 Goals

John –

Thanks for requesting our input.

The number one goal I believe should be positioning ourselves to negotiate a fair deal to acquire additional service territory from MVEC. The areas now within the city limits that MVEC serves should be acquired with a formula that can be applied to future annexations of areas now outside the city and outside our service territory.

Number two goal would be transition our GIS mapping to a more accessible form namely being able to have field personnel access the data via a mobile device while maintain control over the data so that it is not tampered with or accessed by un authorized persons. This transition has to be to a format that will be compatible with future applications such as AMI/AMR, Work Orders and Asset Management.

Number three goal would be to continue to expand our capabilities with the Engineering analysis software to assist the Electric Department operate a safe, reliable and efficient system.

Number four goal would be adjust the work flow in the P/E department so that is as efficient and responsive to the needs of the other departments as it can be. I would like to further discuss the preliminary outline I previously provided and see if we can complete the plan details and then put it into action.

Thanks,

Joe

Joseph D. Adams
SPU Planning & Engineering Director
952-233-1501

Schemel, Lon

From: Schemel, Lon
Sent: Wednesday, January 25, 2017 1:04 PM
To: Crooks, John (jcrooks@shakopeeutilities.com)
Subject: My Goals & Objectives

Convert water's SCADA from whatever-the-hell 28' in a reservoir means to the Hydraulic Grade Line. This puts everything that we do in the future on the same units as elevation. **December 2017.**

Convert 10 irrigation meters to AMI. This may have to be put on my bucket list since it would be easier to...never mind. **September 2017.**

Install chlorine emergency shut-offs to safeguard the public from accidental releases. 2 per year. **2017 through 2019.**



Lon R. Schemel
Water Superintendent SPU
t.(952) 233-1504
a. P.O. Box 470, 255 Sarazin St, Shakopee, MN 55379
[Website](#) [Email](#)



SHAKOPEE PUBLIC UTILITIES MEMORANDUM

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION

FROM: JOHN R. CROOKS, UTILITIES MANAGER

SUBJECT: 2016 COMMISSION GOALS / OBJECTIVES

DATE: MARCH 4, 2016

Transcribed from notes taken during the SPU Goals and Objectives Work Session on February 22, 2016. Items are listed under appropriate Strategic Initiative.

2016 Goals / Objectives

Shakopee Public Utilities Service to our Customers and to the Community

1. Provide customers with our Clean Energy Choice Program
2. Implement E-Billing presentment and paperless option for customers
3. Develop and deliver more content to ratepayers – Social Media and conventional means of communications
4. Begin Public Relations effort. Increase customer awareness of SPUC and our mission. Brand the Utilities with RP3 Designation, Lineworker's Rodeo, MMPA DG Plant, Low Rates, Tree City, etc...
5. Increase customer satisfaction. Consider a Customer survey to measure progress

Demonstrate a Commitment to all SPUC Employees

1. Electric Superintendent replacement
2. Evaluate needs for additional employees

Leverage Technology to Provide Even Better Customer Service

1. Continue efforts on Dean Lake Substation upgrade and Blue Lake Substation project
2. Implement smart phone application to view bill and pay bill
3. Outage Management options. Evolve current process