

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Amundson called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., May 4, 2020.

MEMBERS PRESENT: Commissioners Amundson, Meyer, Mocol, Brennan and Fox. Utilities Manager Crooks. Finance Director Schmid, Planning and Engineering Director Adams, Water Superintendent Schemel, Electric Superintendent Drent, Marketing/Customer Relations Director Walsh, as well as Commissioners Meyer, Mocol, Brennan and Fox attended via WebEx.

Motion by Mocol, seconded by Fox to approve the minutes of the April 14, 2020, April 20, 2020 and April 23, 2020 Commission meetings. Motion carried.

There were no Communication items to report.

President Amundson offered the agenda for approval.

Motion by Brennan, seconded by Fox to add Item: MN State Auditor's letter to the agenda as presented. Motion carried 3-2 with Amundson and Meyer dissenting.

There was no Consent Business on the agenda.

The warrant listing for bills paid May 4, 2020 was presented.

Motion by Fox, seconded by Amundson to approve the warrant listing dated May 4, 2020 as presented. Motion carried. SPU Staff was thanked for providing more detail to the warrant list as requested April 20, 2020.

Commissioner Brennan stated there was no Liaison report.

Water Superintendent Schemel provided a report of current water operations. Water pumpage increased by 200,000 gallons from March to April. Valves are being inspected that are on the City's street mill and overlay projects for 2020. Valves will be repaired if there is an issue.

Electric Superintendent Drent provided a report of current electric operations. There were four small electric outages reviewed. Construction updates were provided.

Steve Wischman and Andrew Grice with BerganKDV presented the Audited Financial Statements for 2019. Mr. Grice provided a presentation on the results of the financial audit. The audit was unmodified, the best opinion the auditor is able to offer and no material weaknesses or

significant deficiencies were identified. The result is a clean audit. Commissioner Mocol pointed out a transposition of numbers that was identified and a correction will be made.

Motion by Meyer, seconded by Fox to accept the 2019 audited financial statements for Shakopee Public Utilities. Motion failed to carry, with Mocol, Brennan and Fox dissenting.

Marketing/Customer Relations Director Walsh presented an update on the SPU rebranding and communications campaign. The Commission thanked Ms. Walsh for her work accomplished.

Ms. Walsh announced the recipients for the SPU Tom Bovitz award for High School students. The selection for the \$1000 scholarship was Parth Purani. The selection for the \$500 scholarship was Jacqueline Macht.

Utilities Manager Crooks reviewed the annual Goals and Objectives work session for 2020 and that it was originally scheduled for March, but was postponed due to the COVID-19 events. The Commission Goals and Objectives work session will be rescheduled for the May 18, 2020.

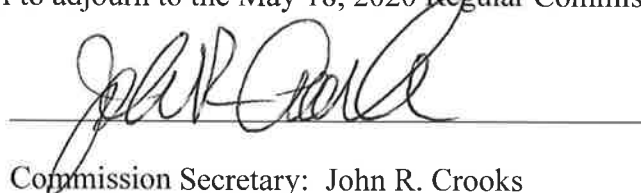
Mr. Crooks discussed updates to the Commission in regards to COVID-19 planning, preparedness and financial effects on sales. Staff will provide monthly updates going forward at the second Commission meeting of each month.

Commissioner Brennan brought forth a discussion on the SPU Governance Handbook as adopted by previous Commissions. The last update to the handbook was in 2018. Staff was directed to update descriptions of Commission Officers and to seek advice for an update from MMUA.

The Commission discussion of the State Auditor's Office letter and interpretation of MN Statutes, Section 43A.17 proceeded next. The letter was in response to a letter sent by SPU President Amundson seeking opinion on the interpretation of calculating an employee's salary in regards to the MN Governor's Salary Cap. The auditor's response from David Kenny stated their opinion was that SPU had been incorrectly interpreting the statute, and therefore the Utilities Manager's annual salary exceeded the cap.

Motion by Brennan, seconded by Mocol to accept the letter from the State Auditor' Office, to look into the salaries of three employees and to require payback if the salary cap had been exceeded. Commissioner Meyer offered a friendly amendment to only accept the letter from the State Auditor's Office. The friendly amendment was not accepted and the original motion was carried, with Amundson and Meyer dissenting.

Motion by Fox, seconded by Mocol to adjourn to the May 18, 2020 Regular Commission Meeting. Motion carried.



Commission Secretary: John R. Crooks