

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
NOVEMBER 4, 2019

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
7. **Liaison Report**
8. **Reports: Water Items**
 - 8a) Water System Operations Report – Verbal
 - 8b) Resn. #1253 – Approving Purchase Agreement and All Documents Necessary to Carry Out Purchase Agreement and Completion of Closing Under Purchase Agreement
 - 8c) Proposed Private Well Ordinance #02019-013 – Staff Review
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) MMPA Board Meeting Summary – October 2019
10. **Reports: Human Resources**
11. **Reports: General**
 - C=> 11a) SPU Budget Schedule
12. **Tentative Dates for Upcoming Meetings**
 - Mid Month Meeting -- November 18
 - Regular Meeting -- December 2
 - Mid Month Meeting -- December 16
 - Regular Meeting -- January 6
13. **Adjourn to 11/18/19** at the SPU 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., October 21, 2019.

MEMBERS PRESENT: Commissioners Joos, Amundson, Meyer, Clay and Mocol. Also present, Liaison Lehman, Utilities Manager Crooks, Finance Director Schmid, Planning & Engineering Director Adams, Electric Superintendent Drent and Marketing/Customer Relations Director Walsh.

Motion by Amundson, seconded by Clay to approve the minutes of the October 7, 2019 Commission meeting. Motion carried.

There were no Communication items.

President Joos offered the agenda for approval. It was requested to move the consultant's presentation, Item 8f: Comprehensive Water System Plan – 2019 Supplement Final Draft to follow the Liaison report.

Motion by Clay, seconded by Meyer to approve the amended agenda as presented. Motion carried.

Motion by Meyer, seconded by Mocol to approve the Consent Business agenda as presented. Motion carried.

President Joos stated that the Consent Items were: Item 8b: Shakopee AUAR Area G – Map Update and Item 11a: Financial Results – September 2019.

The warrant listing for bills paid October 21, 2019 was presented.

Motion by Amundson, seconded by Clay to approve the warrant listing dated October 21, 2019 as presented. Motion carried.

There was no Liaison report, as Council Liaison Lehman had not yet arrived for the meeting.

Chad Katzenberg, water consultant with SEH, presented the 2019 Supplement for the Water System Comprehensive Plan. The supplement was done in conjunction with the City of Shakopee AUAR for Jackson Township. Utilities Manager Crooks reviewed several small changes to incorporate into the Supplement.

Motion by Meyer, seconded by Amundson to accept the report, incorporating the changes as identified by Mr. Crooks and forward copies to the City of Shakopee. Motion carried.

Liaison Lehman arrived and presented his report. A City of Shakopee proposed ordinance prohibiting private wells was discussed. The proposed ordinance is expected to be on the November 5 City Council Agenda.

Mr. Crooks provided a report of current water operations. A watermain break and repair was reviewed. Hydrant flushing is almost complete with over 320 valves being exercised and operated. Construction updates were provided.

Item 8b: Shakopee AUAR Area G – Map Update was received under Consent Business.

Planning and Engineering Director Adams reviewed the SPU rock removal costs settlement offer as detailed in Change Order #2.

Motion by Clay, seconded by Meyer to proceed with payment for Change Order #2 as presented, including the amount of \$92,000 for the extra rock removal costs. Motion carried.

An update on the closing for the Tower #8 Property was provided by Mr. Adams. The closing is scheduled to take place before December 1.

Mr. Adams presented a signed Right of Entry Agreement for the test well at Tower #8 site. The test well will be constructed by Renner Well Company.

Electric Superintendent Drent provided a report of current electric operations. One electric outage was reviewed. It affected two customers and was caused by bad secondary wiring. Construction updates were provided.

Mr. Drent presented the results for the 2019 MN Lineworkers Rodeo that took place October 15 in Marshall, MN. Mike Enright, Justin Rotert, Jamie VonBank and Matt Griebel participated in Journeyman events. Matt Kahle, Tyler Hansen, Tyler O'Brien and Grant Friendshuh participated in Apprentice Events. Awards are given to the top three competitors in each event. SPU received ten awards for being in the top three.

Finance Director Schmid presented the recommendations from the Compensation Sub Committee. Sub Committee members Amundson and Meyer also provided information as to the recommendations. The wage and compensation planning assumptions were then presented by Ms. Schmid.

Motion by Meyer, seconded by Amundson to offer Resolution #1252. A Resolution Regulating Wage Ranges. Ayes: Commissioners Clay, Meyer, Mocol, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Item 11a: Financial Results – September 2019 was received under Consent Business.

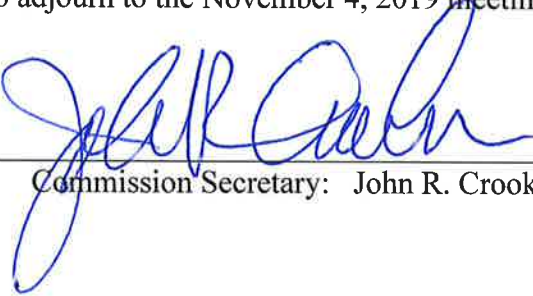
Motion by Meyer, seconded by Amundson to adjourn to Work Session – Transition/Succession Plan.

Motion by Clay, seconded by Mocol to reconvene to Regular Session.

President Joos stated that no official business took place during the work session.


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


Motion by Mocol, seconded by Joos to adjourn to the November 4, 2019 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: Resolution Approving Purchase Agreement and All Documents Necessary to Close

DATE: October 31, 2019

ISSUE

It is the Commission's legal counsel's recommendation that a resolution formally approving the (previously approved by motion and signed) purchase agreement be adopted prior to the scheduled closing of the purchase of the LaTour Family Farm parcel for the Water Tank #8 site.

BACKGROUND

The land purchase closing is expected to become possible in the coming weeks. All of the necessary due diligence has been completed and the final plat (attached) has been submitted to Scott County for their review. Once the final plat is approved then signatures by all parties will be affixed to the final plat and it can be recorded.

DISCUSSION

Once the final plat is recorded then the closing of the purchase of the LaTour parcel can be accomplished and the process of submitting plans for permits to develop the site and construct the tank can move forward. DR Horton has already deeded out lot G of Windermere South 2nd Addition to the Utilities Commission, which parcel provides frontage on Zumbro Avenue to the adjacent LaTour parcel being purchased. The two properties are being combined into one lot in the final plat.

Design is underway and the plan is to solicit bids over the winter and award a construction contract for Water Tank #8 early in 2020.

REQUESTED ACTION

Staff requests the Commission adopt the resolution formally approving the purchase agreement and all documents necessary to close on the LaTour parcel and authorizes their execution.

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., July 1, 2019.

MEMBERS PRESENT: Commissioners Joos, Amundson, Meyer, Clay and Mocol. Also present, Utilities Manager Crooks, Planning & Engineering Director Adams, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh.

Motion by Amundson, seconded by Meyer to approve the minutes of the June 17, 2019 Commission meeting. Motion carried.

Under Communications, Utilities Manager read a letter from two children requesting the Lions Park Splash Pad be built. Commission Mocol stated that she had received two emails and four texts requesting the SPU Commission waive any fees for the Splash Pad.

President Joos offered the agenda for approval.

Motion by Mocol, seconded by Clay to approve the agenda as presented. Motion carried.

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

President Joos stated that the Consent Items were: Item 8b: Quarterly Nitrate Results, Item 8c: Windermere Booster Station Construction Update, Item 11a: SPU Website Analytics and Item 11b: SPU Focus Newsletter.

The warrant listing for bills paid July 1, 2019 was presented.

Motion by Clay, seconded by Amundson to approve the warrant listing dated July 1, 2019 as presented. Motion carried.

Liaison Lehman did not attend the meeting.

Water Superintendent Schemel provided a report of current water operations. During hydrant flushing operations, 18 fire hydrants have been repaired. The crew has exercised 248 gate valves. Updates on construction projects were provided.

Item 8b: Quarterly Nitrate Results was received under Consent Business.

Item 8c: Windermere Booster Station Construction Update was received under Consent Business.

Planning and Engineering Director Adams reviewed the draft Property Purchase Agreement for the future municipal water well and water tower site in southwest Shakopee. The storm water drainage issues with the property were reviewed.

Motion by Meyer, seconded by Clay to approve the terms of the Purchase Agreement subject to legal review and the Utilities Manager's discretion on inconsequential language that do not materially affect the outcome as the document is finalized with the property owners and their attorney. The purchase agreement is with Latour Farms, L.P. for approximately 6.82 acres at \$85,000 per acre for a total of \$579,700 subject to an "as built" survey to determine the legal parcel boundaries and area. Motion carried.

Mr. Crooks presented information and an update on the Lion's Park Splash Pad. Representatives of the Shakopee Lions Club were present. A letter from Shakopee Mayor Bill Mars requesting a waiver of the Water Capacity Charge (WCC) was discussed. Mr. Crooks also reviewed a donation that SPU made in conjunction with the construction of Huber Park in downtown Shakopee in 2005. Additional information from Mr. Adams regarding alternatives to water usage with the Splash Pad were discussed. Two resolutions were prepared by SPU Staff for review by the Commission. One resolution waived the WCC with the dollars being subtracted from the SPU annual city contribution; the second resolution waiving the WCC in its entirety. The Commission opted for the second resolution as presented.

Motion by Mocol, seconded by Meyer to offer Resolution #1248. A Partnership Between the Shakopee Public Utilities Commission, the City of Shakopee and the Shakopee Lions, For the Project of Installing a Community Amenity (Splash Pad) Within Lion's Park and Terms and Conditions of Water Service. Ayes: Commissioners Clay, Meyer, Mocol, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Mr. Crooks provided a report of current electric operations. The electric system had a peak load of 91 MW during June. There were 4 electric outages since the last Commission meeting. One was caused by a contractor and three were caused by animals. For the three animal caused outages, all were on poles that have not yet been fitted with the deterrent wrap. Construction updates were provided.

Mr. Crooks read the MMPA Board Meeting Public Summary for June 2019.

Item 11a: SPU Website Analytics was received under Consent Business.

Item 11b: SPU Focus Newsletter was received under Consent Business.

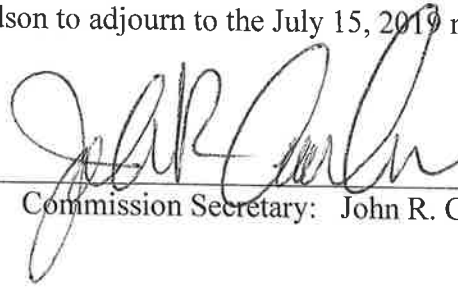
The SPU online payment system, EBill, went live at 0800 Thursday June 27. The deployment was a "soft launch" to identify any issues, if any, before the EBill communications begin with our entire customer base. Mr. Crooks reviewed many of the features with the online

bill pay system. A demonstration of the new system will be made at the July 15 Commission meeting.

The tentative commission meeting dates of July 15 and August 5 were noted.

President Joos thanked the Commission for making an informed decision in regards to the Lions Club Splash Pad issue.

Motion by Meyer, seconded by Amundson to adjourn to the July 15, 2019 meeting. Motion carried.

A handwritten signature in black ink, appearing to read "John R. Crooks", is written over a horizontal line. The signature is cursive and somewhat stylized.

Commission Secretary: John R. Crooks

LA TOUR TERRACE

KNOW ALL PERSONS BY THESE PRESENTS: That LaTour Farms, L. P., a Minnesota limited partnership, fee owner of the following described property situated in the County of Scott, State of Minnesota, to wit:

The South Half of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 14, Township 115, Range 23, and a parcel in the Southeast corner of the Northeast Quarter of the Southwest Quarter of Section 14, Township 115, Range 23, described as follows:

Commencing at the southeast corner of said Northeast Quarter of the Southwest Quarter; thence running west 35 feet; thence northeasterly to a point 35 feet north of the southeast corner of the Northeast Quarter of the Southwest Quarter; thence south 35 feet to the place of beginning.

And that Shakopee Public Utilities Commission, a Minnesota municipal utility commission, fee owner of the following described property situated in the County of Scott, State of Minnesota, to wit:

Outlot G, WINDERMERE SOUTH 2ND ADDITION.

Have caused the same to be surveyed and platted as LA TOUR TERRACE and do hereby donate and dedicate to the public for public use forever the public ways and also dedicate the easements as shown on this plat for drainage and utility purposes only.

In witness whereof said LaTour Farms, L. P., a Minnesota limited partnership, has caused these presents to be signed by its proper partner this _____ day of _____, 20____.

LaTour Farms, L. P., a Minnesota limited partnership

By: _____, General Partner

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as General Partner of LaTour Farms, L. P., a Minnesota limited partnership, on behalf of the partnership.

Notary Public, _____ County, Minnesota
My Commission Expires _____

In witness whereof said Shakopee Public Utilities Commission, a Minnesota municipal utility commission, has caused these presents to be signed by its proper officer this _____ day of _____, 20____.

Shakopee Public Utilities Commission, a Minnesota municipal utility commission

By: _____, as _____

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as _____ of Shakopee Public Utilities Commission, a Minnesota municipal utility commission, on behalf of the commission.

Notary Public, _____ County, Minnesota
My Commission Expires _____

I Keith E. Dahl do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, existing as of the date of this certificate are shown and labeled on this Plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 20____.

Keith E. Dahl, Licensed Land Surveyor,
Minnesota License No. 18418

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Keith E. Dahl.

Notary Public, _____ County, Minnesota
My Commission Expires _____

CITY COUNCIL, Shakopee, Minnesota

I hereby certify that on the _____ day of _____, 20____, the City Council of the City of Shakopee, Minnesota, approved this plat and is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

By: _____ Mayor

By: _____ Clerk

CITY ATTORNEY, Shakopee, Minnesota

I hereby certify that I have examined this plat of LA TOUR TERRACE and do hereby recommend this plat for approval as to form this _____ day of _____, 20____.

By: _____, City Attorney

SCOTT COUNTY SURVEYOR

Pursuant to Minnesota Statutes, Chapter 389.09, Subd. 1, as amended, this plat has been reviewed and approved this _____ day of _____, 20____.

By: _____
Scott County Surveyor

SCOTT COUNTY AUDITOR/TREASURER

I hereby certify that the current and delinquent taxes on the lands described within are paid and the transfer is entered this _____ day of _____, 20____.

By: _____
Scott County Treasurer

By: _____
Scott County Auditor

SCOTT COUNTY RECORDER

I hereby certify that this plat was recorded in the office of the County Recorder for record on this _____ day of _____, 20____, at _____ o'clock _____ M., as Document No. _____.

By: _____
Scott County Recorder

RESOLUTION #1253

RESOLUTION APPROVING PURCHASE AGREEMENT AND ALL DOCUMENTS NECESSARY TO CARRY OUT PURCHASE AGREEMENT AND COMPLETION OF CLOSING UNDER PURCHASE AGREEMENT

WHEREAS, the Shakopee Public Utilities Commission, a municipal utility commission organized under Minnesota law (the “Commission”), entered into that certain Purchase Agreement with LaTour Farms, L.P., a Minnesota limited partnership (the “Seller”), dated July 9, 2019 (the “Purchase Agreement”) to purchase a parcel of real property described in Exhibit A to the Purchase Agreement (the “Property”); and

WHEREAS, the Commission has determined that it is appropriate to finalize and close the transaction contemplated by the Purchase Agreement and to execute, accept and deliver such documents as are necessary to purchase the Property and carry out the transaction; and

WHEREAS, the Commission has determined that the purchase of Property is in the public interest.

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

1. That the Commission hereby ratifies, confirms, authorizes and approves the execution of the Purchase Agreement and the transaction contemplated by the Purchase Agreement.
2. That the Commission hereby ratifies, confirms, authorizes and approves, and directs the President or the Utilities Manager of the Commission to finalize, accept and/or deliver in the name and on behalf of the Commission, all documents, affidavits and certificates in such form and on such terms and conditions as deemed necessary or appropriate in connection with the Purchase Agreement and the purchase of the Property, including all closing documents and other documents as may be required to complete the transactions contemplated by the Purchase Agreement.
3. That the President or the Utilities Manager of the Commission is hereby authorized, empowered and directed to make such changes to the foregoing documents, affidavits and certificates and any other closing documents necessary to carry out the transactions contemplated by the Purchase Agreement as the President or the Utilities Manager of the Commission deems reasonable and necessary.
4. That the President or Utilities Manager of the Commission are authorized, empowered and directed to do all other acts and things as are deemed necessary or desirable in their discretion to effectuate the purchase.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 4th day of November, 2019.

Commission President: Terrance Joos

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: PROPOSED CITY ORDINANCE #02019-013
DATE: NOVEMBER 1, 2019

During the Liaison Report at the October 21 SPU Commission meeting, the proposed City Ordinance prohibiting private wells in Shakopee was discussed with City Councilor Lehman.

Staff was directed to provide a copy to the Commission and request any feedback regarding the proposed ordinance.

With limited review time before the October 15 Commission, Staff indicated support for the ordinance. With further review, Staff still supports the City Council in the adoption of Ordinance # 02019-013 *Prohibiting Wells for Domestic Use on Properties Within the City of Shakopee Served by Shakopee Public Utilities or a City-Owned or Operated System.*

ORDINANCE NO. O2019-013

AN ORDINANCE PROHIBITING PRIVATE WELLS FOR DOMESTIC USE ON PROPERTIES WITHIN THE CITY OF SHAKOPEE SERVED BY SHAKOPEE PUBLIC UTILITIES OR A CITY-OWNED OR OPERATED WATER SYSTEM.

The City Council of the City of Shakopee finds that it is necessary to protect the integrity of the City Water Utility and its system to ensure adequate water supplies to meet the health, safety and welfare needs of the City and its residents, that it shall prohibit the use of private wells for domestic use on properties served by the City water system unless grandfathered by a previous written agreement with the water purveyor.

The City Council of Shakopee, Minnesota ordains:

That Chapter 130 of the Shakopee City Code of Ordinances shall be amended to add new Section 130.21 as follows:

Section 1. Definitions:

Domestic use means water that is used for drinking or potable water, non-potable water or irrigation purposes, but shall not include water from wells drilled for such purposes as dewatering, groundwater monitoring, heating or cooling, elevator borings or environmental bore holes.

Irrigate means to supply land with water by any artificial means, as by diverting streams, flooding, or spraying, to moisten or wet.

Private Wells for Domestic Use means any well not owned by the City Water Utility that are drilled for potable water, non-potable water or irrigation purposes including sand point or drive point wells. "Private Wells for Domestic Use" shall not include wells drilled for such purposes as dewatering, groundwater monitoring, heating or cooling, elevator borings or environmental bore holes.

Sand point or drive point well means a shallow well that is a 1-1/4 to 2-inch steel casing constructed by driving or pounding the casing down into the ground until an aquifer is encountered.

Section 2: Private Wells for Domestic Use.

The drilling of new private wells for domestic use on any property to which City Water Utility Service is available within 1,000 feet is prohibited.

Section 3: That this Ordinance shall take effect upon adoption.

Passed by the City Council of Shakopee, Minnesota this 6th day of November 2019.

Mayor

Attested:

City Clerk

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: MMPA BOARD MEETING PUBLIC SUMMARY
OCTOBER 2019
DATE: OCTOBER 29, 2019

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on October 22, 2019 at Shakopee Public Utilities in Shakopee, Minnesota.

The Board received an update on the refurbishment and life extension project for the Agency's Hometown Wind turbines.

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

The Board approved a template transmission retail rate and requested MMPA's members governing bodies approve retail tariffs based on the template to support the Agency's economic development activities.

Participation in MMPA's residential Clean Energy Choice program increased over September, with market penetration that is at 3.3%.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION

FROM: JOHN R. CROOKS, UTILITIES MANAGER

SUBJECT: SPU BUDGET SCHEDULE

DATE: NOVEMBER 1, 2019

With the 2020 SPU Budget process being in its final phases, these are the proposed actions remaining for the Commission. I have listed all potential actions.

November 18 – Semi-Final Review of the 5 year Capital Improvement Plan for Administration, Water and Electric

December 2 – Commission Review of Semi-Final Budget
2020 Capital Projects Final Approval
2020-2024 Capital Improvement Plan Final Approval

December 16 – Adoption of Fees and Resolutions