

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
June 15, 2020

**Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz (as amended), the Commission is holding its regular meeting on June 15, 2020 at 5:00pm by telephone or other electronic means (WebEx) according to MN Statutes, Section 13D.021. The Commission President has concluded that an in-person meeting is not practical or prudent because of the health pandemic declared under the Emergency Order and according to current guidance from the MN Department of Health and the CDC. The Commission President will be at the regular meeting location for the Commission. The public may monitor the meeting:**

**Call-In Phone Number 1-408-418-9388  
Enter Access Code xxxxxxxxxxxxxx  
When Prompted for Password, enter #**

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. #1267 – Vacation of Public Utility and Drainage Easement Within a Portion of Lot 1, Block 1 and Lot 1, Block 3, Canterbury Park Seventh Addition, Scott County, Minnesota and Shenandoah Drive Right of Way, City of Shakopee, Minnesota – Renumbering to #1269
  - 8c) Trunk Water Main Oversizing Costs at Universal Business Center
  - 8d) Resn. #1270 – Approving the Estimated Cost of Pipe Oversizing On the Watermain Project: Universal Business Center
  - 8e) Resn. #1271 – Approving Payment for the Pipe Oversizing Costs On the Watermain Project: Universal Business Center
  - C=> 8f) Water Production Dashboard – May 2020

9. **Reports: Electric Items**
  - 9a) Electric System Operations Report – Verbal
  - 9b) 2020 State Conservation Improvement Program – Update
  - 9c) East Shakopee Substation Site Investigation – Update
  - 9d) Draft Purchase Agreement Template
  
10. **Reports: Human Resources**
  
11. **Reports: General**
  - 11a) Business Continuity Plan – Draft Review
  - 11b) SPU Governance Handbook - Approval
  - 11c) Commission/City Shared Services Discussion
  
12. **New Business**
  
13. **Tentative Dates for Upcoming Meetings**
  - Regular Meeting -- July 6
  - Mid Month Meeting -- July 20
  - Regular Meeting -- August 3
  - Mid Month Meeting -- August 17
  
14. **Adjourn to 7/6/20 at the SPUC Service Center, 255 Sarazin Street**

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., Jun 1, 2020.

MEMBERS PRESENT: Commissioners Amundson, Meyer, Mocol, Brennan and Fox. Utilities Manager Crooks, 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 May 18, 2020 Commission meetings. Motion carried.

There were no Communication items to report.

President Amundson offered the agenda for approval.

Motion by Fox, seconded by Mocol to approval the agenda. Motion carried.

There was one item on Consent Business for the agenda; Item 8e: Water Production Dashboard – April 2020

Motion by Brennan, seconded by Meyer to approve the Consent Business. Motion carried.

The warrant listing for bills paid June 1, 2020 was presented.

Motion by Meyer, seconded by Brennan to approve the warrant listing dated June 1, 2020 as presented. Motion carried.

Commissioner Brennan presented the Liaison report. Shakopee City offices have re-opened with COVID precautions in place. No decision has been made to have City Council meeting revert to in-person meetings, as it would be likely more than 25 people would be in attendance.

Water Superintendent Schemel provided a report of current water operations. Water pumpage has averaged 5.3 million gallons per day at the end of May. KLM, a water storage consultant is completing interior and exterior inspection of all SPU water storage facilities.

Planning and Engineering Director Adams discussed the 2020 water reconstruction fund project to replace the 12" trunk water main along Hansen Avenue between CR 21 and Crossings Boulevard. The main is being replaced due to the corrosive conditions which has caused two main breaks. Initial estimates to replace the pipe were put into the 5 year CIP. A subsequent study by SEH investigated several options to replace the water main in questions. All of the costs were higher than what was budgeted in the CIP.

Motion by Meyer, seconded by Fox to defer the project until at least 2021 with the new projected costs to be included in the 2021-2025 Capital Improvement Plan. Motion carried.

Mr. Adams reviewed two 2020 operating budget projects. The 12<sup>th</sup> Avenue trail project and the Stone Meadows water main extension project. The trail project is over budget, however the Stone Meadows project is under budget. There are sufficient funds to complete both projects in 2020.

Motion by Meyer, seconded by Brennan to approve the use of 2020 Water Operating Funds as presented. Motion carried.

Mr. Adams described the CSAH 83 water main replacement project being done in conjunction with the Scott County reconstruction and widening project. The overall project will require the SPU water storage tower (TO3) to be out of service for a lengthy period during the summer of 2021. This is an opportunity to reconfigure a second exit point to the water tower. This will eliminate a long period of time that the tower would be out of service. Funding for the reconfiguration was discussed.

Motion by Meyer, seconded by Fox to authorize the TO3 connection reconfiguration in 2020 and use the 2020 Connection Funds for the purpose of funding the costs. Motion carried.

Item 8e: Water Production Dashboard – April 2020 was received under Consent Business.

Electric Operations were reviewed by Electric Superintendent Drent. Two electric outages were reported. One was caused by a contractor and the second was a squirrel. The pole wrap project was reviewed. Construction projects were updated.

Utilities Manager Crooks read the MMPA Board meeting public summary for April 2020.

Mr. Crooks read the MMPA Board meeting public summary for May 2020.

The West Shakopee Substation site investigation was reviewed by Mr. Adams. Several parcels are being looked into as they would meet criteria for the substation. The process with Xcel Energy was discussed as they are owners of the transmission line that would be required to tap into the high voltage line to supply the substation.

Motion by Meyer, seconded by Brennan to submit the application and \$5000 deposit fee to Xcel Energy to study the transmission access feasibility. Motion carried.

Motion by Meyer, seconded by Fox to have a non-site specific draft purchase agreement prepared by legal counsel. Motion carried.

Mr. Crooks presented the retirement letter from the SPU Finance Director. The last day for her position in July 10, 2020. SPU has entered into a professional services contract with Baker Tilly to assist in the recruitment and hiring of the replacement.

Motion by Brennan, seconded by Fox to have Commission Mocol be part of the interviewing process for the position. Motion carried.

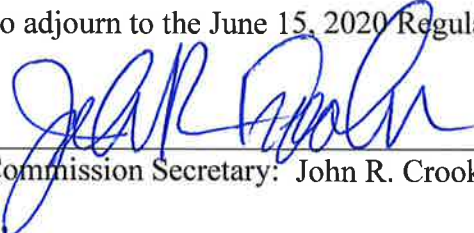
Mr. Crooks reviewed the 2020 Commission Goals and Objectives as discussed during the May 18, 2020 Commission meeting. The Commission agreed with the eight items.

Motion by Meyer, seconded by Mocol to accept the eight goals and objectives as set by the SPU Commission during its May 18, 2020 meeting. Motion carried.

The SPU Governance Handbook final draft was reviewed. No changes were added. The Handbook will be brought back for approval at the next Commission meeting.

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

Motion by Fox, seconded by Meyer to adjourn to the June 15, 2020 Regular Commission Meeting. Motion carried.



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Commission Secretary: John R. Crooks

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

June 15, 2020

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:

55799	Wallace Kopisca	100.00
55800	Veneta Anderson	550.00
55801	American Messaging	1,547.39
55802	Laira Allerai	50.00
55803	Amaril Uniform Co.	54.24
55804	Ancom Technical Center Inc.	338.06
55805	Arrow Ace Hardware	143.08
55806	Asphalt Concrete Solutions Inc.	184.00
55807	Charles Beinke	500.00
55808	Randi Berens	50.00
55809	Robert Berndtson	221.95
55810	Best Buy Business Advantage Account	188.80
55811	Birds Lawn Care LLC	3,205.00
55812	Border States Electric Supply	265.23
55813	Dennis Brown	200.00
55814	Sumon & Sanhita Chatterjee	6,000.00
55815	Choice Electric Inc.	3,378.18
55816	City of Shakopee	379,636.90
55817	City of Shakopee	1,885.00
55818	Angelica Contreras	50.00
55819	Karen Coronel Moreno	200.00
55820	Customer Contact Services	238.47
55821	Daffron & Associates Inc.	1,050.00
55822	DGR Engineering	5,882.48
55823	DSI/LSI	237.85
55824	Ferrellgas	1,048.04
55825	Anna Fischer	500.00
55826	Further	1,208.50
55827	Daryl H Gersch	500.00
55828	Global Industrial	453.92
55829	Gopher State One-Call	-
55830	Grainger Inc.	326.42
55831	Andrew Hahn	200.00
55832	Hawkins Inc.	35.00
55833	Timothy Hilborn	500.00
55834	Sharon & Ronald Huntington	350.00
55835	Impact Mailing of Minnesota, Inc.	12,663.78
55836	Innovative Office Solutions LLC	2,603.11
55837	Interstate Companies Inc.	1,951.28
55838	Irby - Stuart C Irby Co.	92,415.42
55839	ISD #720 - Sweeney Elementary School	1,448.00
55840	Kutter & Moonen, DBA Scott County Abstract	642.00
55841	Elizabeth & Daniel Link	500.00
55842	Lloyd's Const. Services	341.75
55843	Isaac Loynachan	200.00
55844	Michael & Gayle Macbride	6,000.00
55845	Scott Mand	100.00
55846	McGrann Shea Carnival	22,927.00
55847	Michael J & Allison J Metz	200.00
55848	Midstate Reclamation and Trucking	221.00
55849	Midwest Concrete Specialties, Inc.	250.00
55850	Mike's Auto Repair Inc.	126.39
55851	Michael D Miller	500.00
55852	Minn Dept. of Commerce	9,225.44
55853	Minn Valley Testing Labs Inc.	1,774.00
55854	Minn Dept. of Health (MDH)	28,105.00
55855	MMPA c/o Avant Energy	2,468,859.33
55856	MN Dept. of Revenue	188,496.00
55857	Michael Myers	150.00
55858	Nagel Companies LLC	6,910.00
55859	NAPA Auto Parts	19.98
55860	Ken Nelson	350.00
55861	Rebecca & Jeremy Nelson	100.00
55862	Gerry Neville	116.15
55863	Cindy Nickolay	277.73
55864	Northern States Power Co.	3,282.42
55865	Colin & Kristina O'Brien	500.00

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

June 15, 2020

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:

55866	Parrott Contracting, Inc.	15,802.16
55867	Pitney Bowes Inc.	1,214.52
55868	Plunket's Pest Control, Inc.	85.90
55869	Pomp's Tire Service Inc.	352.15
55870	Ries Heating & A/C Inc.	99.00
55871	Sambatek	7,982.00
55872	Doug Schmitz	500.00
55873	Lucia Schmitz	500.00
55874	Sensidyne, LP	2,068.90
55875	Sherwin Williams	52.62
55876	Mayur N Shukla	50.00
55877	Jerry Skrupky	500.00
55878	Ron Solseth	100.00
55879	Southwest News Media	3,128.51
55880	Specialty Solutions, LLC	2,235.28
55881	St. Francis Regional Medical Center	45,118.00
55882	Brian Stanley	500.00
55883	T & R Electric Supply Co. Inc.	85.50
55884	Slack Painting	15,000.00
55885	Gregory Triplett	181.13
55886	United Systems & Software, Inc.	5,932.46
55887	UPS Store #4009	17.13
55888	Verizon Connect NWF Inc.	506.50
55889	Verizon Wireless	1,258.09
55890	Wesco Receivables Corp.	206.11
55891	Xcel Energy	2,978.28
55892	Ziegler Inc.	93.80
55893	Gopher State One-Call	1,186.65
	TOTAL	<u>3,370,268.98</u>

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 Commission Secretary

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 Commission President




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 Director of Finance & Administration

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

June 15, 2020

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:

55799	Wallace Kopisca	100.00	UG Electric easement compensation
55800	Veneta Anderson	550.00	UG Electric easement compensation
55801	American Messaging	1,547.39	Smart switch for June
55802	Laira Allerai	50.00	2020 Res. Appliance rebate
55803	Amaril Uniform Co.	54.24	FR full swing Snap-On hood
55804	Ancom Technical Center Inc.	338.06	3 Radio issue repairs Trk # 611,612 and 618. All electric dept
55805	Arrow Ace Hardware	143.08	Rubber hose, washer, coupling, pipe, weed killer, filter, utility brush paint liner and thinner - electric
55806	Asphalt Concrete Solutions Inc.	184.00	Final bill & hydrant meter deposit
55807	Charles Beinke	500.00	2020 Res. Cooling Rebate
55808	Randi Berens	50.00	2020 Res. Appliance rebate
55809	Robert Berndtson	221.95	Mileage reimbursement
55810	Best Buy Business Advantage Account	188.80	Ink cartridges
55811	Birds Lawn Care LLC	3,205.00	May lawn care
55812	Border States Electric Supply	265.23	Red, green, orange LED lamps for substation control boards
55813	Dennis Brown	200.00	2020 Res. Cooling Rebate
55814	Sumon & Sanhita Chatterjee	6,000.00	2020 Res. Solar rebate
55815	Choice Electric Inc.	3,378.18	12th Ave. E. Install (6) 2" HDPE on top of berm to relocate power - GL594
55816	City of Shakopee	379,636.90	SW(\$273,574.20) and SD (\$106,062.70)
55817	City of Shakopee	1,885.00	May R.O.W. permits. WO#2397 - \$300.00, WO#2215 - \$770.00, \$815.00 - GL #594.00,01.05.08
55818	Angelica Contreras	50.00	2020 Res. Appliance rebate
55819	Karen Coronel Moreno	200.00	2020 Res Appliance Recycling rebate
55820	Customer Contact Services	238.47	Answering Service for June
55821	Daffron & Associates Inc.	1,050.00	Check overlay for Accounts payable & Payroll checks
55822	DGR Engineering	5,882.48	WO#2352 -\$225.0 Professional service thru 4/30/20 for TRU Replacements and WO#2392 for services thru April 30 for Dean Lake #2 Circuit Switcher replacement
55823	DSI/LSI	237.85	June garbage service
55824	Ferrellgas	1,048.04	Propane
55825	Anna Fischer	500.00	2020 Res. Cooling Rebate
55826	Further	1,208.50	May Adm. Fees \$208.50 and Flex dependent care \$1000.00
55827	Daryl H Gersch	500.00	2020 Res. Cooling rebate
55828	Global Industrial	453.92	Disposable Face masks with ear loops \$235/\$96.42 and distilled water
55829	Gopher State One-Call	-	Void
55830	Grainger Inc.	326.42	Solenoid valve
55831	Andrew Hahn	200.00	2020 Res. Cooling Rebate
55832	Hawkins Inc.	35.00	Chlorine Cylinder
55833	Timothy Hilborn	500.00	2020 Res. Cooling Rebate
55834	Sharon & Ronald Huntington	350.00	2020 Res. Cooling Rebate
55835	Impact Mailing of Minnesota, Inc.	12,663.78	May collections letters and statements
55836	Innovative Office Solutions LLC	2,603.11	Office supplies
55837	Interstate Companies Inc.	1,951.28	Electric inspection \$376.84 and water dept. inspection for portable caterpillar \$1574.44
55838	Irby - Stuart C Irby Co.	92,415.42	Cable - \$90536.35 and Pedestal enclosure \$2340.78
55839	ISD #720 - Sweeney Elementary School	1,448.00	2020 Ext. LED lighting rebate
55840	Kutter & Moonen, DBA Scott County Abstract	642.00	2020 LED lighting rebate
55841	Elizabeth & Daniel Link	500.00	2020 Res. Cooling Rebate
55842	Lloyd's Const. Services	341.75	30 yard demo & construction waste
55843	Isaac Loynachan	200.00	2020 Res. Cooling Rebate
55844	Michael & Gayle Macbride	6,000.00	2020 Res. Solar rebate
55845	Scott Mand	100.00	2020 Res. Appliance rebate
55846	McGrann Shea Carnival	22,927.00	Municipal/Regulatory matters
55847	Michael J & Allison J Metz	200.00	2020 Res. Appliance rebate
55848	Midstate Reclamation and Trucking	221.00	Final bill & hydrant meter deposit
55849	Midwest Concrete Specialties, Inc.	250.00	WO#2137 Replace sidewalk panel
55850	Mike's Auto Repair Inc.	126.39	Elec. Dept. trk #611 oil change
55851	Michael D Miller	500.00	2020 Res. Cooling Rebate
55852	Minn Dept. of Commerce	9,225.44	1st Qtr. Fiscal Yr. 2021 Indirect assessment
55853	Minn Valley Testing Labs Inc.	1,774.00	Coliform, Nitrate, Calcium, Iron, Copper, zinc - testing of different elements



SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

June 15, 2020

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:


55854	Minn Dept. of Health (MDH)	28,105.00	Water community connection fee for 2nd Qtr.
55855	MMPA c/o Avant Energy	2,468,859.33	May power bill
55856	MN Dept. of Revenue	188,496.00	Sales & Use tax for May
55857	Michael Myers	150.00	2020 Res. Appliance rebate
55858	Nagel Companies LLC	6,910.00	WO#2366 CSAH 42/Dakota Pkwy
55859	NAPA Auto Parts	19.98	Dexcool RTU - 1 gal for Trk #648
55860	Ken Nelson	350.00	2020 Res. Cooling Rebate
55861	Rebecca & Jeremy Nelson	100.00	2020 Res. Appliance rebate
55862	Gerry Neville	116.15	Mileage reimbursement
55863	Cindy Nickolay	277.73	Mileage reimbursement
55864	Northern States Power Co.	3,282.42	May power bill
55865	Colin & Kristina O'Brien	500.00	2020 Res. Cooling Rebate
55866	Parrott Contracting, Inc.	15,802.16	Blacktop patch - @ Fairlawn (2,800.00) Water GL673, Repair electrical manhole on Holmes St. (3,050.00), WO#2397 Jefferson St. watermain repair (\$9952.16).
55867	Pitney Bowes Inc.	1,214.52	2nd Qtr. Postage machine
55868	Plunket's Pest Control, Inc.	85.90	Well #15 & #16 pest control
55869	Pomp's Tire Service Inc.	352.15	New front tires for Water dept. trk #630
55870	Ries Heating & A/C Inc.	99.00	Onsite SVC call PH #15
55871	Sambatek	7,982.00	\$4,115.00 Prof. Water Service, \$1738.00-WO#2041 Windermere Booster Station/Pump House, WO#2259 - \$2129.00 SPU - Elevated Water tank #8
55872	Doug Schmitz	500.00	2020 Res. Cooling Rebate
55873	Lucia Schmitz	500.00	2020 Res. Cooling Rebate
55874	Sensidyne, LP	2,068.90	Chlorine
55875	Sherwin Williams	52.62	Paint for Electric dept.
55876	Mayur N Shukla	50.00	2020 Res. Appliance rebate
55877	Jerry Skrupky	500.00	2020 Res. Cooling Rebate
55878	Ron Solseth	100.00	2020 Res. Appliance rebate
55879	Southwest News Media	3,128.51	May legals and Job Postings for Adm. Assistant and Billing Clerk
55880	Specialty Solutions, LLC	2,235.28	Sod staples, silt fence, straw and lawn seed
55881	St. Francis Regional Medical Center	45,118.00	2020 LED Retrofit St. Francis Campus
55882	Brian Stanley	500.00	2020 Res. Cooling Rebate
55883	T & R Electric Supply Co. Inc.	85.50	PCB Lab Testing
55884	Slack Painting	15,000.00	Powerwash tower #1 & #2 - WO#2394
55885	Gregory Triplett	181.13	Mileage reimbursement
55886	United Systems & Software, Inc.	5,932.46	WO#2345 Cable, mounting kit, integral connector & Antenna connector
55887	UPS Store #4009	17.13	Meter reader repair shipment
55888	Verizon Connect NWF Inc.	506.50	May vehicle service for Water, Eng. And Electric dept.
55889	Verizon Wireless	1,258.09	Cell phones
55890	Wesco Receivables Corp.	206.11	Poly bucket hooks for Trucks
55891	Xcel Energy	2,978.28	April gas usage for Amberglen Circle \$78 & Valley Park Electric \$2900.32
55892	Ziegler Inc.	93.80	Filters, Elements for Trk #648
55893	Gopher State One-Call	1,186.65	May garbage service
	TOTAL	<u>3,370,268.98</u>	

Commission Secretary

Commission President

Director of Finance & Administration

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**FROM: JOHN R. CROOKS, UTILITIES MANAGER**   
**SUBJECT: RENUMBERING OF RESOLUTION #1267 TO #1269**  
**DATE: JUNE 12, 2020**

There was a numbering issue with Resolution #1267 – Vacation of Public Utility and Drainage Easement, which is attached.

That number, #1267, had already been assigned to the resolution thanking Commissioner Steve Clay for his service to SPU.

The correct numbering for the attachment should be Resolution #1269.

**Request –**

The Commission should authorize the correct numbering to the attached document, Resolution #1269

RESOLUTION #1267

A RESOLUTION FOR VACATION OF PUBLIC UTILITY AND DRAINAGE EASEMENT  
WITHIN A PORTION OF LOT 1, BLOCK 1, AND LOT 1, BLOCK 3, CANTERBURY PARK  
SEVENTH ADDITION, SCOTT COUNTY, MINNESOTA AND SHENANDOAH DRIVE  
RIGHT OF WAY, CITY OF SHAKOPEE, MINNESOTA

WHEREAS, Canterbury Park Entertainment, LLC, a Minnesota Limited Liability Company (CPE) and Canterbury Development, LLC, a Minnesota Limited Liability Company (CD) are the owners of property, described as follows: Lot 1, Block 1 and Lot 1, Block 3, Canterbury Park Seventh Addition, Scott County, Minnesota, (the "Property"), and

WHEREAS, the City of Shakopee (the "City"), manages the public right of way for Shenandoah Drive, (the "Roadway"), and

WHEREAS, There presently exists a Public Utility and Drainage Easement across a portion of the Property and Roadway granted to the Shakopee Public Utilities Commission (SPUC), filed as Document No. T239598 and recorded on May 17, 2016 in the Office of the Registrar of Titles Scott County, Minnesota (the "Existing Easement"), and

WHEREAS, the City, CPE and CD, in partnership as part of the Canterbury Redevelopment Tax Increment Financing District No. 18, have constructed a public water main system within the Roadway, and desires that the Existing Easement be vacated, and

WHEREAS, SPUC no longer requires the easement, and agrees to the vacation of the Existing Easement.

NOW, THEREFORE, SPUC vacates the entire Existing Easement filed as Document No. T239598.



Passed in regular session of the Shakopee Public Utilities Commission, this 20th day of April, 2020.

\_\_\_\_\_  
Commission President: Deb Amundson

ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks

SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM

TO: John Crooks, Utilities Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: Trunk Water Main Oversizing Costs at Universal Business Center  
DATE: June 10, 2020

#### ISSUE

The Universal Business Center project in eastern Shakopee was completed in 2018 and included trunk water main oversizing costs that need to be approved by the Utilities Commission.

#### BACKGROUND

Universal Business Center was constructed next to Dahlen Sign on vacant land that was the site of the former Stagecoach attraction that was served with municipal water prior to the construction of the bypass.

A portion of the original site was taken for the Highway 169 bypass project, leaving most of the site vacant with one remaining structure a building (now occupied by Dahlen sign) located along an unnamed cul de sac running east of Stagecoach Road.

As compensation to the water utility, the state of MN funded the relocation of a 12-inch trunk water main that formerly ran through the site up to the UPRR tracks on the south end. The new location for that water main was to be along Stagecoach Road. This left a dead end section of 12-inch public water main extending east of Stagecoach Road part way down the newly created cul de sac, but not fully to its eastern end, simply terminating with a plugged end of pipe under the pavement.

The described condition existed for the past 20 plus years, since the Highway 169 project was completed, with plans for some eventual redevelopment of the balance of the site anticipated to require additional public water main that would eliminate the dead end and/or extend it to the end of the cul de sac, so a proper flushing fire hydrant could be installed on the dead end.

The developer of the Universal Business Center, a Mr. John Mesenbrink, approached staff with a water service plan that neither would loop the dead end water main nor extend it to the end of the cul de sac so a proper flushing fire hydrant could be installed. There was an unused water service line connected to the dead end main and the developer's plan was to utilize that for the new building's water service. However, the existing service was insufficient for the required fire flow to the building's fire

sprinkling system. A new 8-inch water service was going to have to be installed and that was going to necessitate opening up the pavement. But, the developer objected to looping the water main completely around the new building back to Stagecoach Road. That additional cost was deemed prohibitive for the project.

A compromise was reached between staff and the developer wherein the developer would remove a mid-block fire hydrant and the unused service line stub, extend the public water main to the end of the cul de sac absorbing the equivalent cost of an 8-inch pipe with the utility paying for over sizing to increase the pipe diameter to match the existing 12-inch pipe and the utility would reimburse the developer for the cost to install a new flushing fire hydrant to replace the existing one mid-block.

## DISCUSSION

The developer submitted an estimated construction cost worksheet that included items that were not ever intended to be reimbursed, e.g. paving, curb and gutter. That worksheet was never modified to delete the items not related to trunk water main over sizing, thus causing a delay in processing the resolution to approve the estimated costs of over sizing.

Staff was contacted recently by the developer inquiring about reimbursement prompting a review of the project. From the inspector's daily reports on file, actual quantities differed only slightly from the estimates, so the final actual over sizing costs of \$6,555 are very close to the original estimated costs of \$6,411 in the attached resolutions. There are sufficient funds equal to \$100,000 in the 2020 CIP Trunk Fund for to be determined trunk water main over sizing costs.

The developer also replaced a fire hydrant with this project at a cost of \$7,417.50. There are sufficient funds equal to that amount remaining in the 2020 CIP Operating Fund for fire hydrant replacements.

## REQUESTED ACTION

Staff requests the Commission adopt the attached resolutions, Resolution #1270 A Resolution Approving the Estimated Cost of Pipe Oversizing on the Watermain Project: Universal Business Center and Resolution #1271 A Resolution Approving Payment for the Pipe Oversizing on the Watermain Project: Universal Business Center.

## RESOLUTION #1270

A RESOLUTION APPROVING OF THE ESTIMATED COST OF  
PIPE OVERSIZING ON THE WATERMAIN PROJECT:

## UNIVERSAL BUSINESS CENTER

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes required for that project have been approved as shown on the engineering drawing by Stonebrooke Engineering Inc, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of those costs to install oversize pipe above the standard size, and

WHEREAS, the pipes considered oversized are listed on an attachment to this Resolution,

NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$6,411.00, and

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, and

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

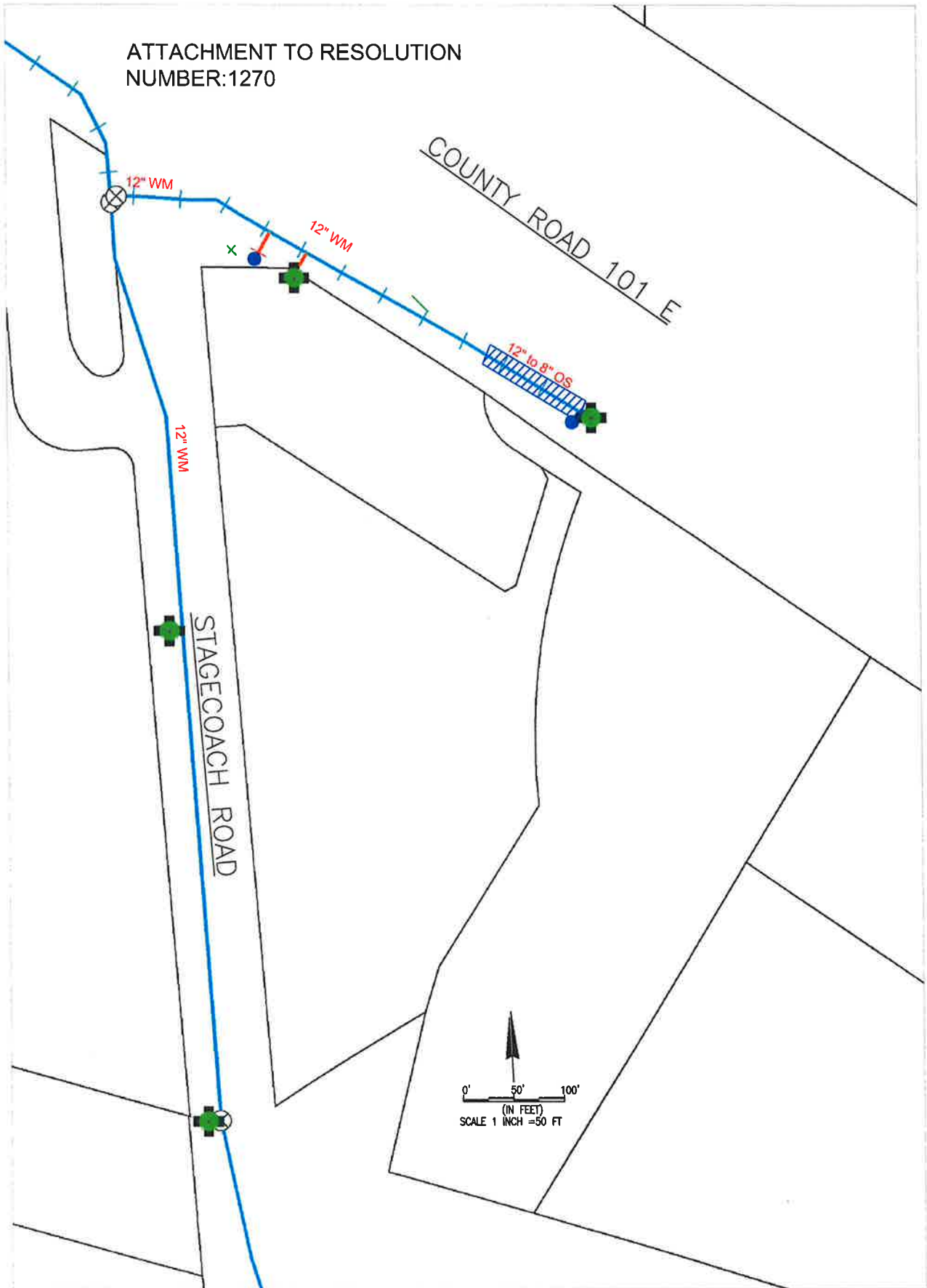
Passed in regular session of the Shakopee Public Utilities Commission, this 15th day of June, 2020.

\_\_\_\_\_  
Commission President: Debra Amundson

ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks

ATTACHMENT TO RESOLUTION  
NUMBER:1270



RESOLUTION #1271

A RESOLUTION APPROVING PAYMENT FOR THE PIPE OVERSIZING COSTS ON THE WATERMAIN PROJECT:

UNIVERSAL BUSINESS CENTER

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$6,411.00 with Resolution #1270 for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by Stonebrooke Engineering Inc., and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.

NOW THEREFORE, BE IT RESOLVED, that the payment by the Shakopee Public Utilities Commission for the oversizing on this project is approved in the amount of \$6,555.00, and

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

Passed in regular session of the Shakopee Public Utilities Commission, this 15<sup>th</sup> day of June, 2020.

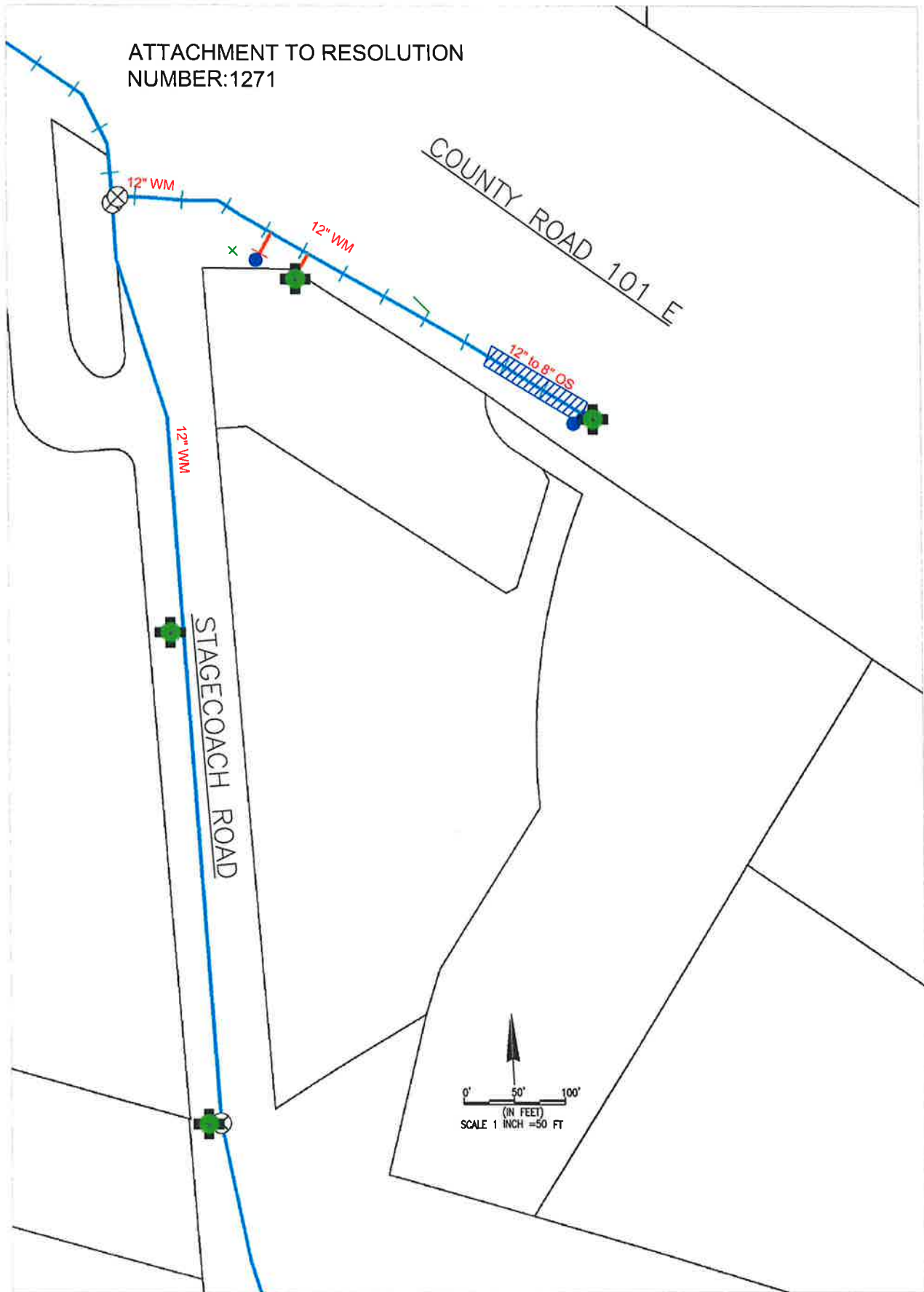
\_\_\_\_\_  
Commission President: Debra Amundson

ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks



ATTACHMENT TO RESOLUTION  
NUMBER:1271



# Monthly Water Dashboard

As of: **May 2020**

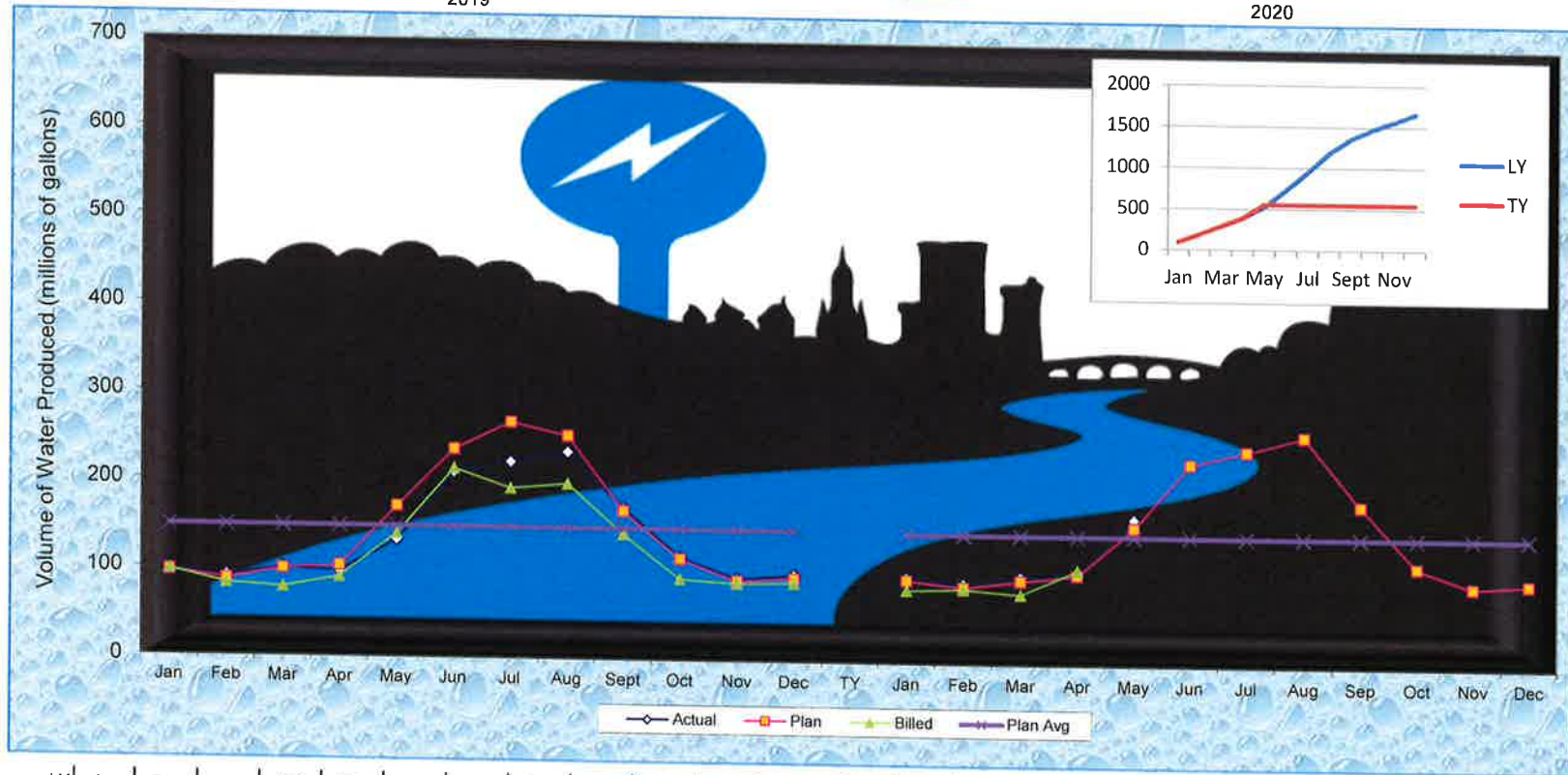
**Shakopee Public Utilities Commission**

ALL VALUES IN MILLIONS OF GALLONS

## Element/Measure Water Pumped/Metered

Last 6 months actuals	98	97	91	99	102	166
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Averages	
2017	147
2018	153
2019	<b>139</b>



LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
	Actual	97	91	100	97	133	210	222	234	171	116	93		98	97	91	99	102	166						
Plan	96	87	99	103	171	236	267	252	168	115	91	94	94	87	95	102	156	229	244	261	183	114	92	96	
YTD % *													103%	104%	104%	103%	104%								
Billed	97	82	78	90	140	214	192	198	142	92	88	89	83	85	80	108									

\* Actual gallons pumped vs. Plan

June 11, 2020

TO: John Crooks, Utilities Manager   
 FROM: Sharon Walsh, Director of Marketing and Customer Relations  
 SUBJECT: Conservation Program Update

**Overview**

At the June 1, 2020 Commission Meeting, Commissioner Meyer inquired about the status of our 2020 conservation program. The following is a summary of the program year-to-date, identifying committed funding to individual programs and available spend for the remainder of the calendar year. The overall conservation budget is based on 1.5% of projected annual electric sales. This conservation budget has to be managed throughout the year monitoring spend vs. actual revenues vs. remaining projected revenues. We do not want to close the program too early, but must be cognizant to not overspend as incentives and associated costs cannot exceed funding of 1.5% of actual electric revenue for the fiscal year. The only exception to this would be if unused funding from the previous year were available.



Program Element	Projected Budget	Allocated/YTD Spend	Available Spend
<b>1.5% of \$45.6MM</b>	<b>\$ 685,000</b>		
<b>Non-Incentive Costs</b>	\$ 116,000	\$ 116,000	\$ -
Administrative			\$ -
Communications/Forms			\$ -
Load Management			\$ -
<b>OPower</b>	\$ 133,000	\$ 133,000	\$ -
<b>Residential Incentives</b>	\$ 100,000	\$ 83,805	\$ 16,195
Residential Rebates			
Residential Low Income (CAP)			
Res Smart Switch Credits			
<b>C/I Incentives</b>	\$ 260,000	\$ 231,500	\$ 28,500
Custom			
Retrocommissioning			
<b>Solar</b>	\$ 76,000	\$ 66,000	\$ 10,000
Residential			
Commercial			
	<b>\$ 685,000</b>	<b>\$ 630,305</b>	<b>\$ 54,695</b>



Action

No action required.

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: East Shakopee Substation Site Investigation Update  
DATE: June 10, 2020

**ISSUE**

Staff wishes to update the Commission on the status of the East Shakopee Substation site search.

**BACKGROUND**

The 2018 Long Range Electric System Study prepared by Kevin Favero of Leidos identified the need for additional substation capacity to serve the anticipated growth envisioned in the City of Shakopee's 2040 Comprehensive Plan and the Jackson township AUAR.

Currently SPU load in eastern Shakopee is served partly by our Dean Lake and Pike Lake Substations and our two feeder circuits that originate out of Xcel Energy's Blue Lake Substation. Occupying space within another utility's facility while once was a necessity, does create ongoing access, operational and maintenance issues. SPU capacity out of Blue Lake Substation is limited by agreement to 8.3 MW. Past attempts to increase that capacity have not been successful and are unlikely to ever occur given Xcel Energy's position. In fact, Xcel Energy has frequently inquired as to if and when SPU may be able to vacate our capacity out of Blue Lake Substation. At one time, Xcel Energy was open to SPU constructing its own substation on Xcel Energy's property under a ground lease arrangement. Unfortunately, that is no longer the case.

There have been a couple of recent developments in eastern Shakopee that warrant consideration. First SM Hentges, Inc. recently purchased the old Cretex Pipe site along the CR 101 frontage road adjacent to 70<sup>th</sup> Avenue. Forterra Pipe and Precast had previously acquired Cretex and had determined that this site no longer fit into their business plans so it was put up for sale. SM Hentges purchased the site and is working with city staff to design an acceptable subdivision with multiple lots for industrial uses. It is worth noting that a vacant portion of the site is within SPU's electric service territory, so load growth will occur and possibly include intensive uses such as a data center per the developer's representatives.

When SPU water department staff was contacted last year by SM Hentges to have the water services to the old Cretex buildings shut down in preparation for demolition, they alerted me and I went along

with them to meet with Mr. Steve Hentges to gather information on what his plans for the property might be and to inquire if he would consider selling a portion of the site to SPU for a future electric substation. Mr. Hentges graciously agreed to consider that and staff has been engaged with the developer and his consultants in an investigation of the feasibility of a portion of the site being suitable for an SPU owned electric substation.

The second recent development is the City of Shakopee has engaged WSB, Inc. to perform a feasibility study of extending municipal services, i.e. sanitary sewer and municipal water, to the Maras Street and Hansen Avenue area of Shakopee. This area is primarily zoned for industrial uses and is currently occupied by multiple businesses served by private wells and septic systems. It is foreseeable, that after some time, more intensive uses made possible by having municipal services available may begin to occupy this area as industrial sites within the city are limited. This could eventually lead to more electric load growth for SPU in this area to some degree than was projected in the long term electric system study.

Because of the potential for load growth in SPU's electric service territory in eastern Shakopee that was projected in the long term electric system study and the possible eventual vacation of SPU's capacity in Xcel Energy's Blue Lake Substation, adding an electric substation in eastern Shakopee was recommended in the Long Range Electric System Study under certain load growth scenarios. Funds are budgeted in the current 5 year CIP to acquire a site and construct an East Shakopee Substation.

## DISCUSSION

Staff has been able to identify only a couple of vacant parcels left in eastern Shakopee suitable for locating an electric substation. This is an opportunity to work with a willing seller for a site near the existing transmission lines that may not remain available in the future.



We understand from our discussions with the property owner that they would be a willing seller at the right price. Patchin Messner Valuation Advisors did a preliminary report for staff to begin discussions of value with the property owner, and while those discussions have been encouraging there is a need to refine the report to come to any agreement on value. The actual location of the proposed SPU parcel has shifted within the overall site and consequently the encumbrances and the parcel dimensions/size have also changed.

Staff believes it would be appropriate now to engage with Xcel Energy, who owns the transmission grid in the area, through an application process to verify the transmission system has the necessary capacity in the vicinity of this location and that a transmission tap is feasible. There is an application form that must be submitted to request a study be performed by Xcel Energy at cost and a deposit of \$5,000 is required for the study to begin.

## REQUESTED ACTION

Staff requests Commission approval to submit the application and \$5,000 deposit fee to Xcel Energy to study the transmission access feasibility.

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: Draft Purchase Agreement Template  
DATE: June 10, 2020

**ISSUE**

Attached for review is the purchase agreement template that Carla Pederson of McGrann Shea drafted for use in acquiring additional sites for electric substations.

**BACKGROUND**

SPU is in need of acquiring up to two additional sites for electrical substations. The Commission directed staff to work with legal counsel to create a template that could be used for a purchase agreement for either site.

**DISCUSSION**

The details of the exact parcel's legal description being acquired would be added to the template as would the proposed purchase price before submitting it to the individual property owner.

**REQUESTED ACTION**

Staff requests the Commission review the draft and provide comments and desired changes.

## PURCHASE AGREEMENT

**DATE:** \_\_\_\_\_, 2020

**BETWEEN:** \_\_\_\_\_,  
a \_\_\_\_\_ [corporation] [limited liability company]  
[general partnership] (“Seller”)

**AND:** **SHAKOPEE PUBLIC UTILITIES COMMISSION,**  
a Minnesota municipal utility commission (“Buyer”)

**FOR VALUABLE CONSIDERATION,** Seller and Buyer agree as follows:

### **I. SALE AND PURCHASE**

- 1.1 **Sale of Property.** Subject to the terms and conditions of this Purchase Agreement (this “Agreement”), Seller will sell and convey to Buyer, and Buyer will purchase and accept from Seller, the parcel of real property described in Exhibit A, together with all improvements thereon and all rights, privileges, easements, licenses, appurtenances and hereditaments relating thereto (collectively, the “Property”).
- 1.2 **Closing.** The closing of the sale and purchase of the Property (“Closing”) will occur thirty (30) days after the expiration of the Due Diligence Period under Article IV of this Agreement at 10:00 a.m. local time in the offices of the Title Company identified in Section 3.1, or at such other time or place as Buyer and Seller may agree.

### **II. PURCHASE PRICE**

- 2.1 **Payment of Purchase Price.** The purchase price for the Property will be \_\_\_\_\_ and No/100 Dollars (\$\_\_\_\_\_.00) (the “Purchase Price”), paid in the following manner:
- (a) \$\_\_\_\_\_, by Buyer depositing with the Title Company such amount in cash upon execution of this Agreement as earnest money; and
  - (b) the remainder, by Buyer paying such amount to Seller in cash at Closing.
- 2.2 **Method of Payment.** All cash payments by Buyer will be in U.S. Dollars and in the form of wire transfers, certified checks or other immediately available funds acceptable to Seller.
- 2.3 **Application of Earnest Money.** Any earnest money deposited by Buyer under Section 2.1 will be deposited with the Title Company. The Title Company will be instructed to hold the earnest money in its trust account, and invest the earnest money in certificates issued by and time deposits in national banking associations or nationally chartered savings and loan associations, in securities issued or guaranteed by the United States Government, in money



market funds the underlying assets of which consist of the above-described certificates or securities, or in such other investments as may from time to time be approved in writing by Buyer and Seller. All interest earned on the earnest money will be considered as additional earnest money, to be held and invested by the Title Company in the same manner as the earnest money originally deposited. If Closing does not occur pursuant to the termination of this Agreement by Buyer per the terms hereof or because of a default by Seller under this Agreement, the earnest money deposited under this Agreement and any interest earned thereon will be returned to Buyer. If Closing does not occur because of a default by Buyer under this Agreement, such earnest money will be paid to Seller as liquidated damages. If Closing occurs, such earnest money will be paid to Seller as a part of the Purchase Price. Buyer will bear any risk of loss with regard to any earnest money deposited with the Title Company or any interest earned thereon.

### III. TITLE

- 3.1 Title Commitment. Within fifteen (15) days of the date of this Agreement, Seller will furnish to Buyer a commitment for an owner's policy of title insurance (ALTA Form 06/17/06) covering the Property (the "Commitment"), issued by Old Republic National Title Insurance Company through Scott County Abstract and Title, Inc., or such other title insurer as may be acceptable to Buyer (the "Title Company"), with standard exceptions for mechanic's liens, survey and parties in possession deleted, with searches for special assessments and with an amount of coverage equal to the Purchase Price. The Commitment will include a copy of each instrument listed as an exception to title or referred to therein. The service charge for the Commitment will be paid by Seller, but the premium for any policy issued pursuant to such Commitment will be paid by Buyer.
- 3.2 Survey. Within thirty (30) days of the date of this Agreement, Seller will furnish to Buyer at Seller's cost an "as-built" survey of the Property made by a registered land surveyor and certified to Buyer, the Title Company and the title insurer, showing the location of all easements, buildings, improvements, and encroachments and conforming to the current standard detail requirements established by the American Land Title Association and the National Society for Professional Surveyors (the "Survey").
- 3.3 Examination of Title. Buyer will be allowed thirty (30) days after receipt of the Commitment and Survey for examination of title to the Property and making of objections. Objections will be made in writing or be deemed waived.
- 3.4 Corrections to Title. If any objections to title to the Property are made as provided in Section 3.3, Seller will be allowed sixty (60) days in which to make title marketable. Pending correction of title, Closing will be postponed; but upon correction of title or waiver of the specified defects by Buyer, Closing will be held on the date scheduled for Closing under Section 1.2 or, if later, ten (10) days after the objections are cured or waived. If title is not made marketable or the objections are not waived by Buyer within sixty (60) days after the date Buyer gives written objection to title to the Property under Section 3.3, Buyer or Seller may terminate this Agreement and the earnest money and any interest earned thereon

will be returned to Buyer and neither party will have any further obligations under this Agreement.

#### IV. REVIEW OF THE PROPERTY

- 4.1 Documents. Within fifteen (15) days after the date of this Agreement, Seller will make available at its offices for review and copy by Buyer all leases, contracts, records, environmental and engineering studies, reports and tests, and other documents and surveys relating to the condition, suitability, and desirability of the Property that are in the possession of Seller or otherwise reasonably available to Seller (collectively, the "Documents"). Seller will not be responsible for the accuracy, completeness or sufficiency of the Documents and will have no obligation to copy or incur any costs for copying the Documents.
- 4.2 Due Diligence. Buyer will be allowed \_\_\_\_\_ (\_\_\_\_\_) days after the date of this Agreement (the "Due Diligence Period") to review the Documents, inspect the Property, perform such inventories, observations, tests, and investigations as Buyer may reasonably deem appropriate, and otherwise satisfy itself regarding the condition, suitability, and desirability of the Property. If Buyer in its sole discretion is not satisfied with the Property, Buyer may on or before the expiration of the Due Diligence Period terminate this Agreement by giving written notice to Seller. Upon such termination, the earnest money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.
- 4.3 Environmental Inspection. Buyer may provide its environmental consultant with a copy of any environmental report included in the Documents made available by Seller, and pursuant to Section 9.2 may at its cost conduct additional investigations of the environmental condition of the Property. If Buyer conducts a Phase I environmental investigation and such report contains a recommendation for a Phase II investigation, Buyer will have the option of terminating this Agreement or ordering at Buyer's cost a Phase II investigation. If a Phase II investigation is ordered, the Due Diligence Period will be extended by an additional sixty (60) days for investigation and submittal of such report. Buyer will provide Seller with a copy of its Phase I and Phase II environmental reports upon completion.
- 4.4 Confidentiality. Buyer may disclose information in the Documents or otherwise obtained by Buyer in the course of its review and inspections only to its attorneys, consultants, investors, lenders and tenants. Otherwise, unless and until Closing occurs, Buyer will keep all such information confidential.
- 4.5 Cooperation. Seller will cooperate with Buyer in making all necessary filings, petitions, and submissions required by Buyer to obtain the necessary governmental approvals for Buyer's planned use of the Property. Seller will take no action, either personally or in connection with a related entity, that would be inconsistent with or in contravention of its obligations to cooperate hereunder.

## V. CONDITIONS TO CLOSING

5.1 Seller Conditions. The obligation of Seller to sell the Property under this Agreement is subject to the reasonable satisfaction of Seller that:

- (a) the representations and warranties of Buyer contained in Section 8.2 are true and correct in all material respects as of Closing;
- (b) Buyer has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by it prior to or on Closing;
- (c) Seller has received a certificate or certificates dated the day of Closing and signed by a responsible officer of Buyer certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) no action or proceeding has been instituted or threatened by any third party unaffiliated with Seller to enjoin or delay purchase or obtain material damages from Seller with respect to the purchase which Seller in good faith believes presents a significant risk of succeeding; and
- (e) Buyer has delivered to Seller all of the items required to be delivered to Seller pursuant to Section 6.1.

5.2 Buyer Conditions. The obligation of Buyer to purchase the Property under this Agreement is subject to the reasonable satisfaction of Buyer that:

- (a) the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of Closing;
- (b) Seller has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by it prior to or at Closing;
- (c) Buyer has received a certificate or certificates dated the day of Closing and signed by a responsible **[officer] [general partner] [manager]** of Seller certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) it is satisfied with the Property in its sole judgment and has determined that it can proceed with its planned use of the Property without significant additional expense and that the same is economically feasible;
- (e) it has obtained the approval of the City of Shakopee and any and all relevant governmental authorities and other bodies and persons for all required rezoning, permits, licenses, variances, site plan reviews, and other approvals necessary for Buyer's planned use of the Property, including, but not limited to, transmission

access approvals from Xcel Energy and the Midwest Independent System Operator (MISO);

- (f) Seller has caused Scott County Property ID: \_\_\_\_\_ to be subdivided such that a resulting lot consists of all of the Property and only the Property, at Seller's sole cost and expense, and with Buyer's approval of all application materials in connection with said subdivision prior to their submission to the Scott County Planning and Zoning Department;
- (g) Seller has terminated all existing leases on the Property prior to Closing so that Seller can deliver the Property to Buyer free of all claims for lease termination and tenant relocation expenses;
- (h) no action or proceeding has been instituted or threatened by any third party unaffiliated with Buyer to enjoin or delay purchase or obtain material damages from Buyer with respect to the purchase which Buyer in good faith believes presents a significant risk of succeeding;
- (i) as of two (2) days before and as of Closing, Seller has removed from the Property any and all containers of motor oil, paint, solvents, petroleum products, all motor vehicle tires and batteries, and all hazardous substances, pollutants, and environmental contaminants from the Property; and
- (j) Seller has delivered to Buyer all of the items required to be delivered to Buyer pursuant to Section 6.2.

5.3 Unsatisfied Conditions. If any condition set out in Section 5.1 or 5.2 is unsatisfied on the date scheduled for Closing, the party for whose benefit the condition is may at its option:

- (a) waive the condition and proceed with Closing;
- (b) delay Closing for up to sixty (60) days to allow the condition to be satisfied; or
- (c) terminate this Agreement.

If this Agreement is so terminated, the earnest money and any interest thereon will be applied as set out in Section 2.3 and neither Seller nor Buyer will have the right to specific performance or damages for default of this Agreement.

## VI. CLOSING

6.1 Buyer Closing Documents. Buyer will deliver to Seller at Closing:

- (a) the portion of the Purchase Price specified in Section 2.1;

- (b) a certificate or certificates dated the day of Closing and signed by a responsible officer of Buyer certifying as to the matters set forth in Section 5.1(a) and (b) of this Agreement;
- (c) a resolution of the board of commissioners of Buyer authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by the secretary of Buyer; and
- (d) any other items required by this Agreement or reasonably required by the Title Company.

6.2 Seller Closing Documents. Seller will deliver to Buyer at Closing:

- (a) a certificate or certificates dated the day of Closing and signed by a responsible **[officer] [general partner] [manager]** of Seller certifying as to the matters set forth in Section 5.2(a) and (b) of this Agreement;
- (b) a warranty deed duly executed by Seller conveying the Property to Buyer;
- (c) termination agreements for all existing leases on the Property;
- (d) an affidavit satisfactory to Buyer that Seller is not a foreign person under Section 1445 of the United States Internal Revenue Code;
- (e) a well disclosure statement as required under Minnesota Statutes section 103I.235, if appropriate disclaimer language is not contained in the deed delivered at Closing;
- (f) an affidavit satisfactory to Buyer that at Closing there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against Seller, no labor, services, materials, or machinery furnished to the Property for which mechanics' liens could be filed, and no unrecorded interests in the Property which have not been fully disclosed to Buyer;
- (g) a resolution of the **[board of directors] [general partners] [managers]** of Seller authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by the **[secretary] [a partner] [manager]** of Seller; and
- (h) any other items required by this Agreement or reasonably required by the Title Company.

6.3 Delivery of Possession. Seller will deliver possession of the Property to Buyer at Closing.

6.4 Further Actions. At Buyer's request from time to time after Closing, Seller will at no cost to Seller execute and deliver such further documents of conveyance and take such other action as Buyer may reasonably require to convey the Property to Buyer.

## VII. CLOSING COSTS AND PRORATIONS

- 7.1 Closing Costs. Buyer and Seller will each be responsible for its legal, accounting and other expenses associated with the transaction contemplated by this Agreement up to and including the date final adjustments are made pursuant to this Agreement. However, if Buyer or Seller defaults under this Agreement, it will be responsible for all reasonable expenses (including attorneys' fees) incurred by the other in enforcing any rights and remedies under this Agreement. Seller will be responsible for any document recording fees required for correction of title and any state deed tax required in connection with the transaction. Buyer will pay all other document recording fees, fees associated with the transfer or obtaining of licenses and permits required to operate the Property, mortgage registry taxes, and any sales or use taxes required in connection with the transaction. Seller and Buyer will each pay half of the closing fee and any escrow fees imposed by the Title Company, title insurer or its closing agent in connection with this transaction.
- 7.2 Taxes and Assessments. Real estate taxes and installments of special assessments with respect to the Property due and payable in the year in which Closing occurs will be prorated as of Closing. Seller will pay all such taxes and assessments due and payable in years prior to the year in which Closing occurs. Buyer will pay all such taxes and assessments due and payable in years following the year in which Closing occurs.
- 7.3 Income and Expenses. Except as set out in Section 7.2, rents (including without limitation payments for operating costs and percentage rent) and all other income and operating expenses relating to the Property, including, but not limited to annual income and annual expenses related to agricultural crops, will be prorated as of the close of business of the day before Closing. Seller will be responsible for the expenses and entitled to the revenues accrued or applicable to the period prior to Closing. Buyer will be responsible for the expenses and entitled to the revenues accrued or applicable to the day of Closing and thereafter.
- 7.4 Estimates. If any amount to be apportioned under Section 7.3 cannot be calculated with precision because any item included in such calculation is not then known, such calculation will be made on the basis of reasonable estimates of Seller of the items in question. Promptly after any such item becomes known to either party, such party will so notify the other and will include in such notice the amount of any required adjustment. If such adjustment requires an additional payment by Buyer to Seller, Buyer will make such payment to Seller simultaneously with its giving or within twenty (20) days of its receipt of such notice, as the case may be. If such adjustment requires a refund by Seller to Buyer, Seller will make such refund simultaneously with its giving or within twenty (20) days after its receipt of such notice, as the case may be.

## VIII. WARRANTIES AND REPRESENTATIONS

- 8.1 Seller Warranties. Seller warrants and represents to Buyer that:

- (a) no brokerage commission or other compensation is due and unpaid in connection with any lease, tenancy or occupancy of the Property or any renewal thereof;
- (b) Seller has not received any notice and is not aware of a violation of any building codes, fire codes, health codes, zoning codes, environmental laws, or other laws and regulations affecting the Property or the use thereof;
- (c) Seller has not received any notice of a condemnation, environmental, zoning or other regulation or proceeding being instituted or planned which would detrimentally affect the use and operation of the Property for its intended purpose;
- (d) Seller has not received any notice of hearing of a public improvement project from any governmental assessing authority, the costs of which may be assessed against the Property;
- (e) Seller does not know of any wells on the Property, except as may otherwise be disclosed in the Documents (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 103I.235);
- (f) Seller does not know of any individual sewage treatment systems on the Property or serving the Property, except as may otherwise be disclosed in the Documents (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 115.55);
- (g) Seller does not know of any underground or aboveground storage tanks currently on the Property, or any underground or aboveground storage tanks formerly on the Property that had a release for which no corrective action was taken, except as may otherwise be disclosed in the Documents or affidavit filed of record (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 116.48);
- (h) Seller has removed, or will remove prior to Closing, all personal property, any and all containers of motor oil, paint, solvents, petroleum products, all motor vehicle tires and batteries, and all hazardous substances, pollutants, and environmental contaminants from the Property, including but not limited to any such hazardous substances, pollutants, and environmental contaminants identified in any environmental assessment of the Property;
- (i) [to the best of Seller's knowledge, no methamphetamine production has occurred on the Property;] **[or]** [to the best of Seller's knowledge, methamphetamine production has occurred on the Property and Seller makes the following disclosure in accordance with the requirements of Minnesota Statutes section 152.0275:

A county or local health department or sheriff **[has]** **[has not]** ordered that the Property or some portion of the Property is prohibited from being occupied or used until it has been assessed and remediated as provided in the Department of Health's Clandestine Drug Labs General Clean-up Guidelines.

[If such order has been issued complete the following statement: The above orders issued against the Property **[have]** **[have not]** been vacated.]

[If such order has not been issued, state the status of removal and remediation on the Property. [Use additional sheets, if necessary.]]

- (j) Seller is a **[corporation]** **[limited liability company]** **[general partnership]** duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_ and has all requisite power and authority to carry out its business as conducted, to execute and deliver this Agreement and the documents entered into pursuant hereto, and to carry out its obligations under this Agreement and such documents;
- (k) this Agreement has been duly authorized, executed and delivered on behalf of Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms;
- (l) the execution, delivery and performance of this Agreement by Seller will not result in a breach or violation of Seller or constitute a default by Seller under any agreement, instrument or order to which Seller is a party or by which Seller is bound; and
- (m) Seller is not aware of any action, proceeding or investigation pending or threatened which might materially adversely affect the Property or the ability of Seller to perform its obligations under this Agreement.

8.2 Buyer Warranties. Buyer warrants and represents to Seller that:

- (a) Buyer is a municipal utility commission duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite power and authority to carry on its business as conducted, to execute and deliver this Agreement and the documents entered into pursuant hereto, and to carry out its obligations under this Agreement and such documents;
- (b) this Agreement has been duly authorized, executed and delivered on behalf of Buyer and constitutes the valid and binding agreement of Buyer, enforceable in accordance with its terms;
- (c) the execution, delivery and performance of this Agreement by Buyer will not result in a breach or violation by Buyer or constitute a default by Buyer under any agreement, instrument or order to which Buyer is a party or by which Buyer is bound; and
- (d) Buyer is not aware of any action, proceeding or investigation pending or threatened which might materially adversely affect the ability of Buyer to perform its obligations under this Agreement.

8.3 Non-Residential Property Disclosures. Seller shall complete the disclosures attached hereto as Exhibit B.



## IX. OPERATIONS PRIOR TO CLOSING

- 9.1 Operation. During the period from the execution of this Agreement to Closing, Seller will cause the Property to be operated in the manner in which it has been operated prior to the execution of this Agreement. Seller will not without Buyer's written consent permit any new leases or contracts relating to the Property. Seller will keep and comply with all requirements of encumbrances and will not without Buyer's written consent permit any new encumbrance or any amendment, modification or termination of any encumbrance or any waiver of Seller's rights under any encumbrance on the Property.
- 9.2 Inspection. During the period from execution of this Agreement to Closing, Buyer and its representatives may enter the Property to inspect the Property and perform such inventories, observations, tests and investigations, including, but not limited to geotechnical investigations, as Buyer may reasonably deem appropriate. Buyer will at Buyer's cost repair or provide reasonable compensation to Seller for any resulting damage to the Property and will indemnify and hold harmless Seller from any resulting injury or damage to persons or property. Notwithstanding anything in this Agreement to the contrary, this obligation and indemnity shall survive termination of this Agreement.

## X. CASUALTY AND CONDEMNATION

- 10.1 Notice of Damage or Taking. Seller will give Buyer prompt notice of any fire or other casualty occurring between the date of this Agreement and Closing which involves damage to the Property and of any actual or threatened taking in condemnation affecting the Property of which Seller has knowledge.
- 10.2 Option to Terminate. If prior to Closing:
- (a) the Property sustains damage by fire or other casualty in an amount greater than 10% of the Purchase Price under this Agreement;
  - (b) the Property is taken in condemnation or by transfer in lieu of condemnation; or
  - (c) condemnation proceedings are commenced against the Property,

Buyer may terminate its obligations under this Agreement by written notice given to Seller within fifteen (15) days after receipt of the notice referred to in Section 10.1. If so terminated, this Agreement will be void and of no effect, the earnest money and any interest earned thereon will be returned to Buyer and neither party will have any further rights or obligations under this Agreement.

- 10.3 Affect on Closing. If Buyer is not entitled to or does not timely make the election provided for in Section 10.2, this Agreement and the obligations of Seller and Buyer under this Agreement will remain in full force and effect except that:
- (a) Buyer will accept the Property with such damage or condemnation;

- (b) there will be no abatement or reduction in the Purchase Price; and
- (c) Seller will at Closing, pay over to Buyer any insurance proceeds and condemnation awards received prior to Closing which have not been applied to repairs and restoration, and assign to Buyer Seller's interest in all unpaid insurance proceeds and condemnation awards.

**XI. GENERAL**

11.1 Notices. Any notice or other communication under this Agreement will be in writing and will be deemed given when delivered personally or when deposited in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed:

(a) if to Seller: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(a) if to Buyer: Shakopee Public Utilities Commission  
 255 Sarazin Street  
 Shakopee, MN 55379  
 Attention: Joseph D. Adams

with copies to: Shakopee Public Utilities Commission  
 255 Sarazin Street  
 Shakopee, MN 55379  
 Attention: Lon Schemel

and McGrann Shea Carnival Straughn & Lamb, Chartered  
 800 Nicollet Mail, Suite 2600  
 Minneapolis, MN 55402  
 Attention: Carla J. Pedersen

or to such other address as the party to be addressed shall specify by notice so given.

11.2 Broker Commissions. Buyer and Seller each represents that no salesperson, broker, or agent has been retained by it in connection with this transaction [other than \_\_\_\_\_ (“Broker”)]. [\_\_\_\_\_ is responsible for payment of the commission of the Broker as and to the extent of its listing agreement with the Broker. Except as so specified,] Buyer and Seller each indemnifies the other from any real estate or other sales commissions arising out of any claim of any salesperson, broker or agent acting or claiming to have acted on behalf of the indemnifying party in connection with this transaction.

11.3 Entire Agreement. This Agreement embodies the entire agreement and understanding between Buyer and Seller relating to the transactions contemplated by this Agreement and may not be amended, waived or discharged except by an instrument in writing executed by

the party against whom enforcement of such amendment, waiver or discharge is sought. No warranties or representations have been given by either party to the other which are not fully embodied in this Agreement. If any term or provision of this Agreement is invalid or unenforceable, the remainder of this Agreement will not be affected and will remain in full force and effect.

- 11.4 Survival. Except as may otherwise be expressly provided in this Agreement, all covenants, agreements, obligations and undertakings made by Seller and Buyer in or pursuant to this Agreement will survive Closing, for a period of six (6) years after Closing, whether or not so expressed in the immediate context of any such covenant, agreement, obligation or undertaking.
- 11.5 Construction. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Time is of the essence of this Agreement. Seller and Buyer and their respective counsel have reviewed and revised this Agreement. Seller and Buyer acknowledge that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
- 11.6 Binding Agreement. This Agreement will be binding upon and inure to the benefit of Buyer and Seller and their respective heirs, representatives, successors and assigns.
- 11.7 Announcements. Prior to and at Closing, Buyer and Seller will coordinate press releases and other public disclosures concerning the transactions contemplated by this Agreement.
- 11.8 Memorandum of Agreement. Buyer has the right to record a memorandum of this Agreement with the County Recorder, Registrar of Titles or other recording office of the County in which the Property is located and Seller consents to and agrees to join in and sign any such memorandum.
- 11.9 Execution and Delivery. This Agreement will be effective only upon execution and delivery by both parties.

*[The remainder of this page is intentionally left blank]*

**IN WITNESS OF** this Agreement, Seller and Buyer have duly executed it as of the date set out at its head.

**SELLER:**

\_\_\_\_\_

a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**BUYER:**

**SHAKOPEE PUBLIC UTILITIES COMMISSION,**  
a Minnesota municipal utility commission

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**

**Legal Description**

**EXHIBIT B**

**Disclosures for Sale of Non-Residential Property**

**A. WELL DISCLOSURE.** Pursuant to Minnesota Statutes Section 1031.235 [check one of the following:]

- Seller certifies that Seller does not know of any wells on the real property and will so certify on the Deed or Contract for Deed delivered at closing.
- Seller certifies there are one or more wells located on the real property and Seller's disclosure is continued on the attached *Well Disclosure Statement*. [If this option is selected, attach a copy of *Well Disclosure Statement*, M.S.B.A. Real Property Form No. 21.]

**B. SEWAGE TREATMENT SYSTEM DISCLOSURE.** Pursuant to Minnesota Statutes Section 115.55 [check only one from (1), (2 and (3):]

- (1) Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency (for example, a city of municipal sewer system).
- (2) Seller certifies that sewage generated at the Property does not go to a facility permitted by the Minnesota Pollution Control Agency and Seller's disclosure of the sewage system is continued on the attached *Disclosure of Sewage Treatment System*. [If this option is selected, attach a copy of *Disclosure of Sewage Treatment System*, M.S.B.A. Real Property Form No. 14.]
- (3) Seller certifies that no sewage is generated at the Property.

[and also check either (4) or (5):]

- (4) Seller has no knowledge whether there is an abandoned subsurface sewage treatment system on the Property.
- (5) Seller knows there [select one:]  **are**  **are no** abandoned subsurface sewage treatment systems on the Property. [If Seller discloses the existence of an abandoned subsurface sewage treatment system on the Property, attach a copy of *Disclosure of Sewage Treatment System*, M.S.B.A. Real Property Form No. 14.]

**Independent Compliance Report.** In addition to the statutory disclosures under Minnesota Statutes Sections 115.55, some local units of government may require an independent sewage treatment system compliance report be provided to the Buyer and may impose obligations on Buyer or Seller for failed systems as a condition to sale of the Property. A copy of any required independent sewage treatment system compliance report [select one:]  **is**  **is not** attached.

**C. HAZARDOUS SUBSTANCES, PETROLEUM PRODUCTS, AND UNDERGROUND STORAGE TANK DISCLOSURE.** Pursuant to Minnesota Statutes Sections 115B.16 and 116.48, Seller knows of no hazardous substances or petroleum products having been placed, stored, or released from or on the Property by any person in violation of any law, nor of any underground or aboveground storage tanks having been located on the Property at any time, except as follows:

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**If the presence of any hazardous substances or petroleum products or any underground or aboveground storage tanks is disclosed, then this paragraph applies:**

*Seller certifies that all underground and aboveground storage tanks known to Seller on the Property are shown on the attached drawing or map. Seller shall provide Buyer with the affidavits required by Minnesota Statutes Sections 115B.16 and 116.48 if applicable to the Property and shall record such affidavits at Closing.*

- D. FLOOD PLAIN, SHORELAND AND WETLANDS DISCLOSURE.** Minnesota law and local ordinances restrict the ability to build or to rebuild improvements (including homes, garages, outbuildings, wells or sewage treatment systems) within flood plains, shorelands, or wetlands or to excavate, fill, or drain a wetland. A “flood plain” is the area adjoining a water course which has been or hereafter might be covered by the regional flood which recurs once in 100 years, a “shoreland” is land located within 1,000 feet from the normal high watermark of a lake, pond, or flowage and land located within 300 feet of a river or stream or the landward side of a flood plain, whichever is greater, and a “wetland” is land transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. Seller knows of no flood plains, shorelands or wetlands affecting the Property, except as follows:

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*[If the presence of a flood plain, shoreland or wetland is disclosed, attach a copy of Addendum to Purchase Agreement: Wetlands, Shoreland and Flood Plain Disclosure, M.S.B.A. Real Property Form No. 8.]*

- E. METHAMPHETAMINE DISCLOSURE.** Pursuant to Minnesota Statutes Section 152.0275, Subd. 2(m), Seller hereby certifies that *[check only one box, either (1) or (2):]*

- (1) Seller is not aware of any methamphetamine production that has occurred on the Property.
- (2) Seller is aware that methamphetamine production has occurred on the Property, and Seller’s disclosure is continued on the attached *Methamphetamine Disclosure Statement*. *[If this option is selected, attach a copy of Methamphetamine Disclosure Statement, M.S.B.A. Real Property Form No. 22.]*

- F. NOTICE OF AIRPORT ZONING REGULATIONS.** If airport zoning regulations affect this real property, a copy of those airport zoning regulations as adopted can be viewed or obtained at the office of the county recorder where the zoned area is located.

- G. TENANTS AND PARTIES IN POSSESSION DISCLOSURE.** Seller certifies that the Property *[select one:]*  is  is not subject to the rights of tenants or other parties in possession. *[If the Property is subject to the rights of tenants or other parties in possession, attach a copy of Addendum to Purchase Agreement: Tenants and Parties in Possession, M.S.B.A. Real Property Form No. 20.]*

**H. CEMETERY DISCLOSURE.** Minnesota Statutes Section 307.08 prohibits any damage or illegal molestation of human remains, burials or cemeteries. Seller certifies that Seller *[select one:]*  **is**  **is not** aware of any human remains, burials or cemeteries on the Property.




**ATTACHMENTS TO EXHIBIT D**  
**DISCLOSURES FOR SALE OF PROPERTY**  
**(NON-RESIDENTIAL)**

- Well Disclosure Statement (M.S.B.A. Real Property Form No. 21)
- Disclosure of Sewage Treatment System (M.S.B.A. Real Property Form No. 14)
- Independent Sewage Treatment Compliance Report
- Addendum to Purchase Agreement: Wetlands, Shoreland and Flood Plain Disclosure (M.S.B.A. Real Property Form No. 8)
- Methamphetamine Disclosure Statement (M.S.B.A. Real Property Form No. 22)
- Addendum to Purchase Agreement: Tenants and Parties in Possession (M.S.B.A. Real Property Form No. 20)

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**

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

**SUBJECT: GOVERNANCE HANDBOOK - ADOPTION**

**DATE: JUNE 12, 2020**

Attached is the SPU Governance Handbook with the changes and additions requested by the Commission.

At the June 1, 2020 Commission meeting there were no further changes recommended by the members.

**Request-**

The SPU Commission should adopt the SPU Governance Handbook as presented and have an annual review of the document at the first meeting of each April.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**

**"Lighting the Way - Yesterday, Today and Beyond"**

## **GOVERNANCE HANDBOOK**

**SHAKOPEE PUBLIC UTILITIES COMMISSION  
255 SARAZIN STREET  
SHAKOPEE, MN 55379**

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## GOVERNANCE PRINCIPALS

1. The Commission governs SPUC with the best interests of all customers as its first priority in the spirit of the SPUC mission:

***Shakopee Public Utilities delivers on a fundamental promise; to provide our customers with reliable electric and water service at affordable rates, as we have done for over 100 years.***

2. The Commission shall govern SPUC for long term sustainability, reliability, safety, and regulatory compliance.
3. The Commission conducts its business according to the highest ethical, legal, and fiduciary standards.
4. The Commission treats all customers and staff with courtesy and respect.
5. Although independently governed from the City of Shakopee, SPUC is part of our local government and the Commission shall coordinate and collaborate with the City to promote improved value to our community and increase economies of scale.
6. The Commission understands that diversity of opinion is inevitable and shall respect the opinions and privacy of all other Commissioners, staff, and customers.
7. Regular meetings of the Commission shall be open and accessible to the public.
8. The Commission is responsible for the hiring and is ultimately accountable for the performance of the Utilities Manager. The Commission is responsible to ensure that the Utilities Manager implements Commission direction and policy to ensure long term sustainability, reliability, safety, and regulatory compliance.
9. The Commission governs the organization; the Commission does not manage it. Management of the organization is the role of the Utilities Manager and staff that serve in a management or supervisory role.
10. The Commission has officially adopted *Robert's Rules of Order Revised* as their rules of parliamentary procedure.
11. Meeting protocol: no sidebar discussions; no interruptions; state your concern; ensure you understand; don't take things personally; adhere to time limits; come prepared; ensure all are heard.

## **ROLE OF THE SPUC COMMISSION**

1. The Commission engages in ongoing planning activities as necessary to determine the mission and strategic direction of SPUC, to define specific goals and objectives related to the mission, and to evaluate the success of the organization's efforts toward achieving the mission.
2. The Commission approves the policies for the effective, efficient, and cost-effective operation of SPUC.
3. The Commission approves SPUC's annual budget and assesses the organization's financial performance in relation to the budget on a regular basis.
4. The Commission hires, sets the compensation for, and provides for an annual evaluation of the performance of the Utilities Manager.
5. The Commission establishes and evaluates compensation for employees to ensure value to the customers and competitiveness within appropriate markets.
6. The Commission approves written policies governing the work and actions of SPUC's employees and committees.
7. The Commission ensures that an internal review of SPUC's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire Commission.
8. The Commission develops, monitors, and strengthens SPUC's services.
9. The Commission assesses the Commission's performance.
10. Special Meetings of the Commission may be called by the SPUC President or by the act of at least 2 SPU Commissioners.

## **ROLE OF AN INDIVIDUAL SPUC COMMISSIONER**

1. The authority of an individual Commissioner resides in the ability to vote. Each Commissioner is entitled to cast one vote for every action item unless prohibited by law, ordinance, or policy (for example, conflicts of interest).
2. Make every effort to attend all SPUC Commission meetings. Review the agenda and supporting materials prior to Commission meetings.
3. Stay informed about SPUC's mission, services, policies, and programs. Participate in SPUC events, programs, and services as often as possible. Inform others about SPUC and its programs and services. Be stewards for municipal public power and water.
4. Endeavor to keep up-to-date on developments in the industry and provide the benefit of that knowledge and insight in Commission discussions and deliberations.
5. Assist the Commission in carrying out its fiduciary responsibilities by reviewing the organization's interim and annual financial statements.
6. Be actively involved in Commission discussions, express one's opinion, and make an effort to see an issue from the perspective of others who may have other views of the issue.
7. Endeavor to make decisions based upon the common interests of all customers rather than the interests of the particular organization or individual customer. Serve the organization as a whole rather than any particular interest group or constituency.
8. Serve on Committees as required and offer to take on special assignments when appropriate.
9. Seek feedback from customers regarding SPUC's priorities, activities, programs, and services.
10. Avoid conflicts of interest and maintain confidentiality of information when appropriate.
11. Refrain from attempting to direct the activities of staff or making special requests of the staff.
12. Adhere to the SPUC Social Media Policy, as adopted. A copy of the adopted Policy is attached at the end of this Handbook.

## **ROLE OF THE SPUC PRESIDENT**

1. Ensure that the Commission and individual Commissioners fulfill their responsibilities for the governance of SPUC and adhere to the Commission's Governance Principles.
2. Ensure that Commission actions are effectively communicated.
3. Serve as a lead spokesperson for the Commission and serve as appropriate as the organization's representative to government, media, other industry organizations, and the Utilities public.
4. To seek direction from the SPUC Commission on matters of policy and procedure.
5. Support the efforts of the Utilities Manager to achieve SPUC's mission.
6. Facilitate an annual review of the Utilities Manager's performance and compensation.
7. Facilitate productive and mutually respectful relationships among the Commission, staff, customers, and the City.
8. Chair meetings of the Commission, ensuring that the Commission functions effectively and fulfills all of its duties. Encourage all commissioners to participate in discussion and ensure that all points of view are fully expressed before a vote is taken. Work with the Utilities Manager regarding development of the agenda for Commission meetings.
9. Appoint the Wage and Benefits Committee and report to the Commission on Wage and Benefits Committee activities and recommendations. The appointment is then voted upon by the Commission members.
10. Appoint other Committees as deemed. Those Committees may consist of, but are not limited to, the following; SPU Director Interview Committee, City Council SPU Commissioner Interview Committee, Utilities Manager's Hiring Committee, etc...The appointments are then voted upon by the members of the Commission.
11. Ensure that appropriate processes are in place to review and evaluate the mission, direction, strategy, and performance of the organization.
12. Fulfill such other roles as the President and Utilities Manager agree are appropriate and desirable for the President to perform, consistent with Commission policy or directions.



## **ROLE OF THE SPUC VICE PRESIDENT**

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with SPUC programs, services, and activities in preparation for fulfilling the duties of SPUC President if required.
5. Fulfill all roles and responsibilities established for individual Commissioners in an exemplary manner.
6. Be willing to serve in a leadership role in SPUC and serve as a spokesperson for the organization.

## **ROLE OF THE SPUC COMMISSION SECRETARY**

1. Keeping all records for the Commission on file and keeping up-to-date list of all Commissioners, past and present.
2. Notifying Commissioners of their election to office or appointment to Committees.
3. Signing all minutes and certified acts of the Commission.
4. Maintaining the official documents of the organization.
5. Providing the Commissioners a notice for each upcoming meeting.
6. Taking minutes at all Commission meetings, handling correspondence, preparing the agenda with the Commission President.
7. In the event of the absence of the President and Vice President, must call a meeting to order until the Commission elects by vote, a temporary President to officiate the meeting.

## **ROLE OF THE WAGE AND BENEFITS COMMITTEE**

The Wage and Benefits Committee exists to help the Commission develop and maintain a pay plan structure and benefits package that are market competitive, promotes employee retention, *and* provides value to the customers through fair labor costs. The Committee shall be comprised of the two appointed Commissioners, the Utilities Manager, and the Finance Director.

Specific duties of the Committee shall include:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. The Committee shall present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for their consideration.
3. Review health and dental insurance policies and evaluate policy renewals. The Committee shall present options and make recommendations regarding insurance policies to the Commission for their consideration.
4. Review submittal information pertaining to pay equity compliance requirements and present options and make recommendations to the Commission as appropriate.

## COMMISSION APPOINTMENT PROCESS, TERMS AND OFFICERS

The City of Shakopee City Council is responsible for the appointment of Commissioners to the SPUC Board. Persons interested in being considered for appointment to the SPUC Commission shall complete an *"Application For Council Advisory Board and/or Commissions"* form furnished by the City.

1. Ninety days prior to the expiration of Commission terms each year, the Council shall be advised of the pending vacancies and those individuals eligible for reappointment.
2. Thirty days prior to the expiration of Commission terms, a committee comprised of two Council members and the Vice-President of the SPUC Commission will meet to review all applications and interview applicants.
3. The Committee shall recommend all qualified candidates per position to the Council for consideration.
4. Pursuant to City of Shakopee Resolution 2559, appointments to Shakopee Public Utilities shall be made in January and shall become effective April 1<sup>st</sup>.
5. A Commission term of service is for 3 years. A Commissioner is eligible and encouraged to serve three consecutive three year terms. If a Commissioner was appointed to serve a remainder of an open term, after April 1<sup>st</sup>, the appointment period will not affect the maximum service term of three consecutive three year terms.
6. At the first meeting in April the election of officers will take place, if officer terms are expiring. The officers are the Commission President, Vice-President and the Secretary. Each office has a term of one year.
7. At the first meeting in April, the appointment of a MMPA Representative and Alternant is to take place. The MMPA Representative is a voting member of the MMPA Board of Directors and is to attend monthly Board meetings. The MMPA Alternant also may attend the MMPA Board meeting but is not eligible to vote. The term of service for the Representative and alternant is one year.

## COMMISSIONERS

**Deb Amundson – President**  
**Mathew Meyer**  
**Kathi Mocol – Vice President**  
**Jody Brennan**  
**Kayden Fox**

### Non-Public E-Mail

EMail	Amundson	damundson@shakopeeutilities.com	damund1281@hotmail.com
	Meyer	mmeyer@shakopeeutilities.com	mathew@mathewmmeyer.com
	Mocol	kmocol@shakopeeutilities.com	kathimocol@icloud.com
	Brennan		
	Fox		

### Non-Public Phone #

Phone	Amundson	952-445-7091	612-810-6678
	Meyer	952-233-1087	612-741-4732
	Mocol	612-716-0375	
	Brennan		
	Fox		

Address	Amundson	1281 Jefferson Street South
	Meyer	437 4 <sup>th</sup> Avenue East
	Mocol	7636 Oak Ridge Trail
	Brennan	
	Fox	

Terms	Amundson	4/1/15 - 3/31/21
	Meyer	4/1/18 - 3/31/21
	Mocol	4/1/19 - 3/31/22
	Brennan	4/1/20 - 3/31/23
	Fox	4/1/20 - 3/31/23

Effective 4/1/20

**SHAKOPEE PUBLIC UTILITIES COMMISSION**

**COMMISSIONER ACKNOWLEDGEMENT**

I hereby acknowledge that I have received a copy of the Shakopee Public Utilities Commission Governance Handbook. I understand that the contents of this Handbook are for general information and guidance and it does not constitute a contract between myself and the Shakopee Public Utilities Commission.

I understand it is my responsibility to read and understand the contents of this Governance Handbook. If I do not understand any provision of the Handbook, I shall contact the Utilities Manager for clarification.

I understand that no person other than the Utilities Manager, as directed by the Shakopee Public Utilities Commission, has the authority to change any policy, rule or procedure as stated in the Governance Handbook.

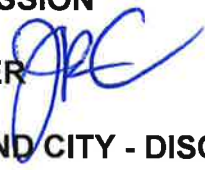
Commissioner Signature \_\_\_\_\_

Print Name \_\_\_\_\_ Date \_\_\_\_\_

**NOTE: Commissioners will be required to acknowledge receipt of the Governance Handbook by signing this acknowledgement.**

**This copy is to remain in the Handbook**

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**FROM: JOHN R. CROOKS, UTILITIES MANAGER**   
**SUBJECT: SHARED SERVICES BETWEEN SPU AND CITY - DISCUSSION**  
**DATE: JUNE 12, 2020**

I have been asked by Commissioners Brennan and Mocol to add a discussion item on the June 15 agenda. The discussion will be in regards to a letter that was sent to the SPU Commission members.

Attached is the letter from the City Administrator.

## Crooks, John

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**From:** Kathi Mocol <Kathi.Mocol@mwcia.org>  
**Sent:** Tuesday, June 9, 2020 9:52 AM  
**To:** Crooks, John  
**Subject:** Agenda for Monday

John,

I have been on vacation so I apologize for not contacting you sooner. I have just received the notice from the City of Shakopee in regards to a proposal addressed to the commission for shared services. We should really discuss this at our next meeting. If you could please add it to the agenda for discussion, I would appreciate it. Consider this my formal request.

Thank you!

**Kathi Mocol** HR/Administrative Supervisor  
MWCIA  
7701 France Avenue South, Suite 450  
Minneapolis, MN 55435-3203

952-897-6454 direct  
[kathi.mocol@mwcia.org](mailto:kathi.mocol@mwcia.org)





## Crooks, John

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**From:** Jody Brennan <jbrennan@ShakopeeMN.gov>  
**Sent:** Friday, June 5, 2020 12:59 PM  
**To:** Crooks, John; Deb Amundson  
**Subject:** City of Shakopee-Offer  
**Attachments:** SPUC Ltr 3 June 2020.pdf; SPUC Timesheet.pdf; City Timesheet.pdf

John and Deb, The attached proposal has been submitted to the Shakopee Public Utilities Commission by Bill Reynolds, Shakopee City Administrator. The City Council has also received a copy. The City of Shakopee is offering to manage the Financial and HR management of the Shakopee Public Utilities. The purpose is three fold: 1. An opportunity to save the rate payer money; 2. Increase internal efficiencies and 3. Establish better controls over the HR and Financial information.

The Governance Handbook states that it is the Role of the Commission to approve the policies for the effective, efficient and cost effective operations of SPUC.

I am requesting that this offer be included on the June 15<sup>th</sup> SPU Commission meeting agenda in order for the Commission to discuss.

Thank you,

Jody Brennan  
Shakopee Public Utilities Commissio



## SHAKOPEE

June 3, 2020

Members of the Shakopee Public Utilities Commission  
255 Sarazin Street  
Shakopee, MN 55379

Dear Members of the Commission,

In July of last year, Councilor Jody Brennan started a discussion during a City Council meeting regarding city staff looking for ways to be more efficient and collaborative with Shakopee Public Utilities. As a result, city staff started research that took some surprising turns. Regardless, the City of Shakopee believes that collaboration and efficiencies are the best value that our taxpayer and ratepayers can experience.

I would like to offer SPUC an opportunity to save your rate payers money, increase your internal efficiencies, and establish better controls over your HR and financial information.

Currently, SPUC's Director of Finance and Administration has announced her retirement. The City of Shakopee has professional and dedicated HR and Finance staffs that quite frankly could absorb all the duties of SPUC's current human resources and finance operations without issues (including payroll). Our HR Director is not split among many different roles/duties; she focuses solely on HR issues and as such has deep knowledge on all HR laws and best practices. The same can be said for our Finance Director.

In regard to Finance, our Finance Director is well-versed in utility billing, including software and reporting requirements, as well as all other utility financial activities. Our staff is more than capable in addressing any issues, and in providing excellent customer service to SPUC. In addition, all of our financial records are easily accessible and designed to be understood by the general public.

A perfect example of the need to move forward in these areas can be shown by simply comparing our two organization's employee timesheets – one from SPUC and one from the City. The SPUC timesheet is done in pencil or pen, apparently doesn't require a certification of the hours actually worked (no entries for time worked just Vacation/Holiday/Sick and Doctor) and is subject to misinterpretation and confusion. In addition, it operates as the first point of entry for data – of many to follow. The City timesheet, however, only requires a single entry. In addition, it requires certification before submission, has an audit history and ability for an employee to easily check leave and other balances. The work can be charged to different funds – to help project accountability, and let's any manager or supervisor review and approve from their own desktop. And everything is logged and accountable.

It is clear that SPUC's current payroll system is antiquated, requires multiple data point entries, and is not conducive for information flow. In addition, it does not allow your employees (and managers) the opportunity to easily track individual and personal information. It is a disservice to them and more akin to the way things were done in the time before computers.

Single point data entry is the easiest and lowest hanging fruit when looking for efficiency in operations. Requiring more than one person to input data or to transfer it to other forms is a

**COMMUNITY PRIDE SINCE 1857**

City of Shakopee | 485 Gorman St., Shakopee MN 55379 | Phone: 952-233-9300 | Fax: 952-233-3801 | [www.ShakopeeMN.gov](http://www.ShakopeeMN.gov)

complete waste of time and resources. In addition, requiring paper copies to review – which exist only in one place – greatly decreases the ability of managers and employees to access the information.

(As and aside, my staff also has a water engineer that I have previously offered SPUC the opportunity to use since the utility doesn't currently have one dedicated to water. In addition, my Public Works Director has previously overseen utility operations, and I have had oversight of a large municipal gas company in the past. The City has a wealth of experience that SPUC should draw from as opposed to viewing City progress as a threat and conducting secretive and damaging activities.)

The Utility and the City should not be in the business of hiding information from the public, nor working at cross currents. This is a perfect opportunity to save money and upgrade your financial and HR systems, provide a better HR experience for your employees and actually move the organization forward.

I look forward to your reply.

Sincerely,



William H. Reynolds  
City Administrator

cc: Shakopee City Council

## Shakopee Public Utilities Salaried Time Sheet

Name [REDACTED]

Pay Period 12/28/2019 to 1/10/2020

Date		Vacation	Holiday	Sick	Doctor/ Dentist
12/28	Sat.	_____	_____	_____	_____
12/29	Sun.	_____	_____	_____	_____
12/30	Mon.	8 ✓	_____	_____	_____
12/31	Tue.	8 ✓	_____	_____	_____
1/1	Wed.	_____	8	_____	_____
1/2	Thurs.	_____	_____	_____	_____
1/3	Fri.	_____	_____	_____	_____
1/4	Sat.	_____	_____	_____	_____
1/5	Sun.	_____	_____	_____	_____
1/6	Mon.	_____	_____	3 } 4.0 ✓	✓ 1.3 1.25 SAM ✓ 94
1/7	Tue.	_____	_____	_____	2.03
1/8	Wed.	_____	_____	3.5 ✓	87
1/9	Thurs.	_____	_____	_____	_____
1/10	Fri.	_____	_____	_____	_____
<b>Total</b>		16	8	7.5	1.85

Notes \_\_\_\_\_

Employee Signature [REDACTED]

Date 1-10-2020

Department Head [REDACTED]

Date 1/13/2020

Employee Daily Time Entry

Home Business Unit

0121

Period Hours

Period Dates	06/25/2020	Pay Type (Total Only)	Regular	Sick	80.00
Pay Period Start	06/25/2020	Vacation	Header	Expected	
Pay Period End	06/27/2020			Total	

Total	Mon 5/25	Tue 5/26	Wed 5/27	Thu 5/28	Fri 5/29	Sat 5/30	Sun 5/31	Mon 6/1	Tue 6/2	Wed 6/3	Thu 6/4	Fri 6/5	Sat 6/6	Sun 6/7
Regular Hours														
All Other Hours														
Total Hours														

Queue  Select All

Queue  Select All

Queue  Select All

Queue  Select All

Queue  Select All

Queue  Select All

Records 1 - 5

Select	Pay Type	Pay Type Description
<input type="checkbox"/>	210	Holiday-Off
<input type="checkbox"/>	1	Regular
<input type="checkbox"/>	200	Vacation
<input type="checkbox"/>	300	Sck

Change To Description

Change To	Description

Print Your Timecard


Mon 5/25	Tue 5/26	Wed 5/27	Thu 5/28	Fri 5/29	Sat 5/30	Sun 5/31	Mon 6/1	Tue 6/2	Wed 6/3	Thu 6/4	Fri 6/5	Sat 6/6	Sun 6/7	
8.00	8.00	8.00	8.00	8.00	2.00	8.00	8.00	8.00	8.00	8.00	8.00	4.00	2.00	2.00

Regular Time Entry

Subledger Description



**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO:** SHAKOPEE PUBLIC UTILITIES COMMISSION  
**FROM:** JOHN R. CROOKS, UTILITIES MANAGER   
**SUBJECT:** CONTINUITY OF SERVICE PLAN – DRAFT REVIEW  
**DATE:** JUNE 12, 2020

The SPU Continuity of Service Plan is in the draft review phase. Work has been conducted during the past year. Several workshops with 2 different consultants were held.

The consultants were Martini and Associates which conducted the first few workshops. The final workshop was conducted by ReBar Associates, which provided the springboard to assemble the document in the form that it is.

The initial draft was presented to the Commission during my annual performance evaluation in February.

**Request –**

The Commission should review the attached document. Questions and comments can be received to get the Continuity of Service Plan in a final draft form. It would be planned to have the Plan ready for acceptance/approval no later than the second meeting in July.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**

*"Lighting the Way - Yesterday, Today and Beyond"*

## **Shakopee Public Utilities Commission**

### **Continuity of Service Plan June 2020**

# **DRAFT**

# **SPU Continuity of Service Plan Table of Contents**

## **Section I – Background**

1. Introduction
2. SPU Organizational Chart
3. Staff Turnover Analysis
4. Key Positions

## **Section II – Developing the Next Generation of Leadership**

5. Program Overview
6. SPU Employee Development Questionnaire
7. Leadership Succession Candidate Interest Form
8. Potential Succession Plan Activities

## **Section III – Managing Utilities Manager and Key Staff Turnover**

9. Emergency Utilities Manager Succession Plan
10. Emergency Utilities Manager Succession Timeline
11. Departure – Defined Utilities Manager Succession Plan
12. Departure – Defined Utilities Manager Succession Timeline
13. Emergency Management Team Member Succession Plan
14. Departure – Defined Management Team Member Succession Plan
15. Emergency Field Staff Member Succession Plan
16. Departure – Defined Field Staff Member Succession Plan
17. Executive Search Firms



## **Section I**

### **Background Materials**

# 1. Introduction

SPU's Continuity of Service plan is intended to assist the organization in anticipating and planning for staff turnover, as well as analyzing historic turnover to see whether the organization is experiencing an unhealthy level of turnover in any areas.

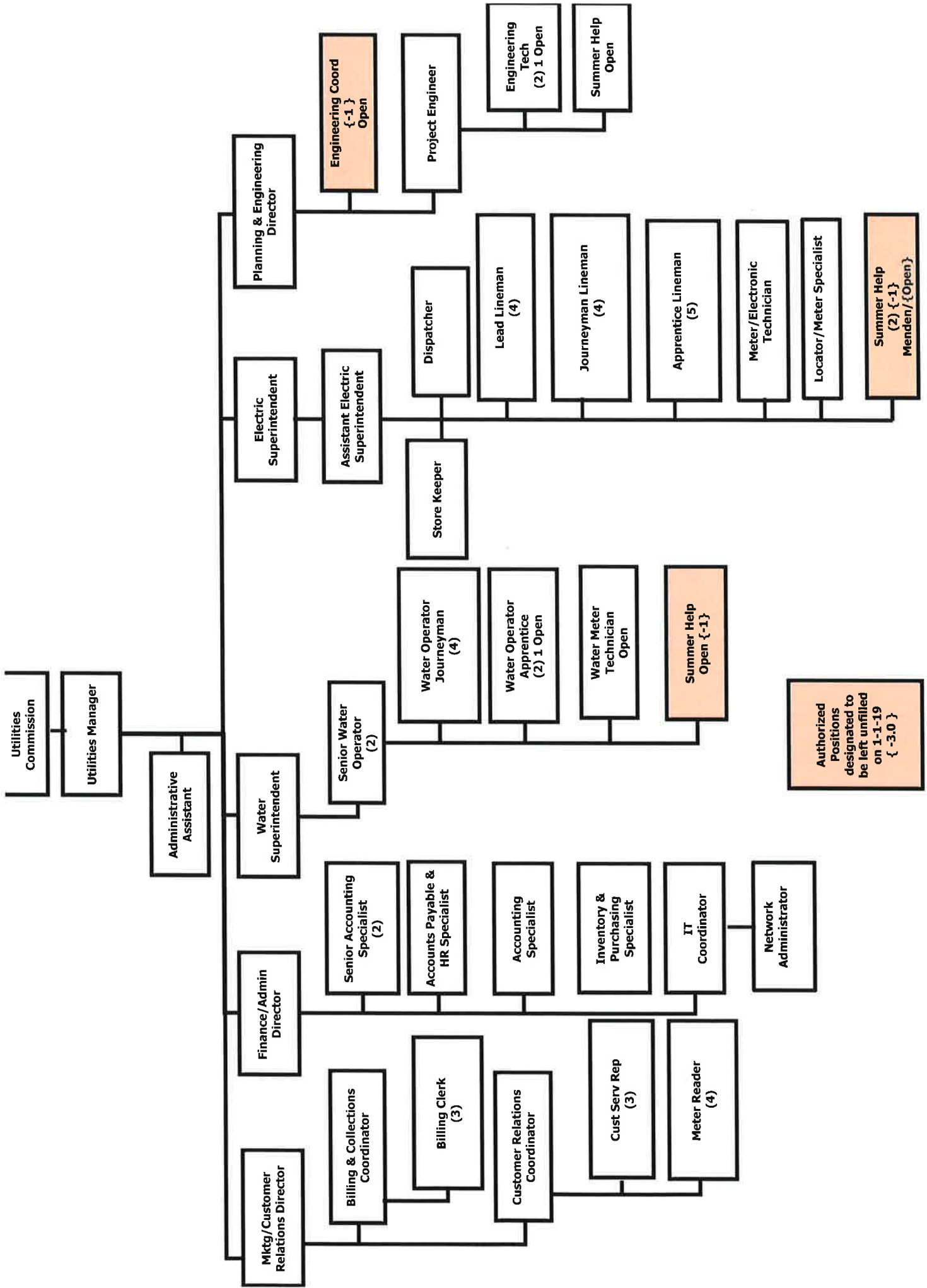
The program also outlines SPU's program for "building the bench" at the staff level to ensure that existing staff members are well-prepared to move into key positions when vacancies occur. The plan contemplates preparing candidates for succession at three levels: Utilities Manager, management team positions, and key field staff positions. Field staff positions are included in the plan because they provide valuable services to our ratepayers. Extended vacancies can cause hardship both to the ratepayers and to SPU.

Finally, the plan contains the playbook for filling vacancies when they occur. The most detailed plans address Utilities Manager succession, since in that case Commission members are having to step in to fill the executive role, and keep operations moving forward, in an organization that they typically have little day-to-day involvement in. The other plans are simpler and more in the nature of checklists, since they assume that Utilities Manager will be in place to oversee the candidate selection process.

The components of the plan are as follows:

- Section I includes the current Organizational Chart, an analysis of past and potential future SPU staff turnover and a list of key positions that are covered by the Plan.
- Section II outlines SPU's program for developing the next generation of leadership. The program overview describes how employees interested in advancing to a higher level in the organization may be selected for participation in the program. The candidate interest form and an annual employee development questionnaire are included. Also included is a list of potential succession plan activities for various positions covered by the plan.
- Section III provides a step-by-step guide for replacing key staff members. Included are plans for:
  - Emergency Utilities Manager Succession
  - Departure-Defined Utilities Manager Succession
  - Emergency Management Team Member Succession
  - Departure-Defined Management Team Member Succession
  - Emergency Field Staff Member Succession
  - Departure-Defined Field Staff Member Succession

Also included is information on several vetted executive search firms.



Authorized Positions designated to be left unfilled on 1-1-19 { -3.0 }

### 3. Staff Turnover Analysis

#### Staffing Levels

As of January 1, 2020:

<u>Department/Function</u>	<u>Authorized Staffing Levels</u>	<u>Staff Employed Today</u>	<u>2020 Additions/ Open</u>	<u>Summer Help Additions</u>	<u>Authorized Positions Left Unfilled</u>	<u>Total</u>
Utilities Manager & Admin Assistant	2	2	0	0	0	2
Department Heads	5	5	0	0	0	5
Customer Service	12	12	0	0	0	12
Finance & Administration	7	7	0	0	0	7
Water Department	11	8	2	0	1	11
Electric Department	20	18	0	1	1	20
Planning & Engineering	6	3	1	1	1	6
<b>Total</b>	<b>63</b>	<b>55</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>63</b>

#### Current Outlook

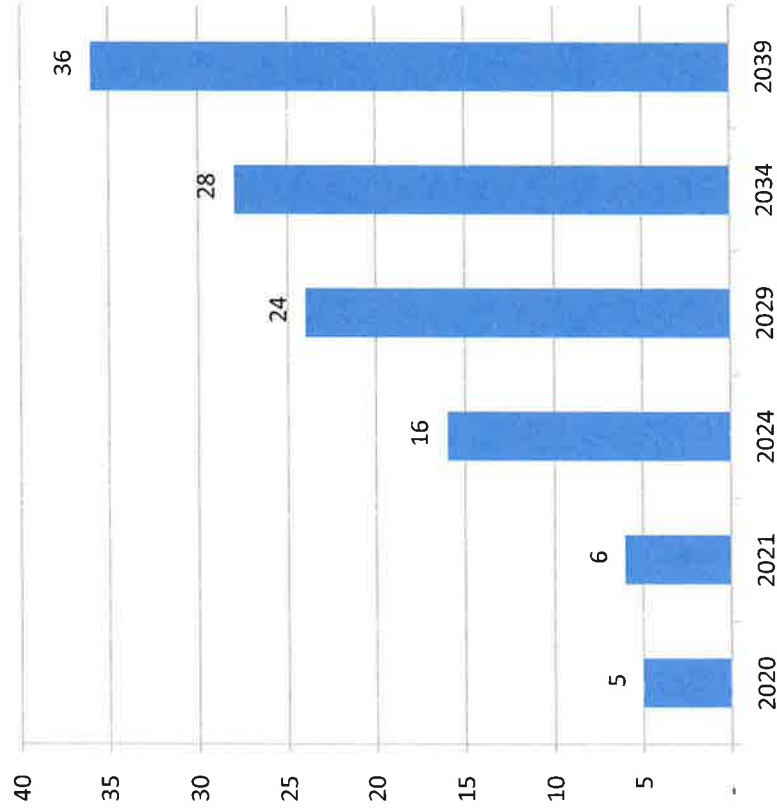
- Number of current employees today is 55 (excluding commissioners & summer help)
- Average employee age is 50 years
- Average years of service is 11 years
- Estimated number of employees eligible to retire in next 10 years based on full social security retirement age and/or Rule of 90 include 24 employees or 44% of current work force

#### Current focus and areas of concern:

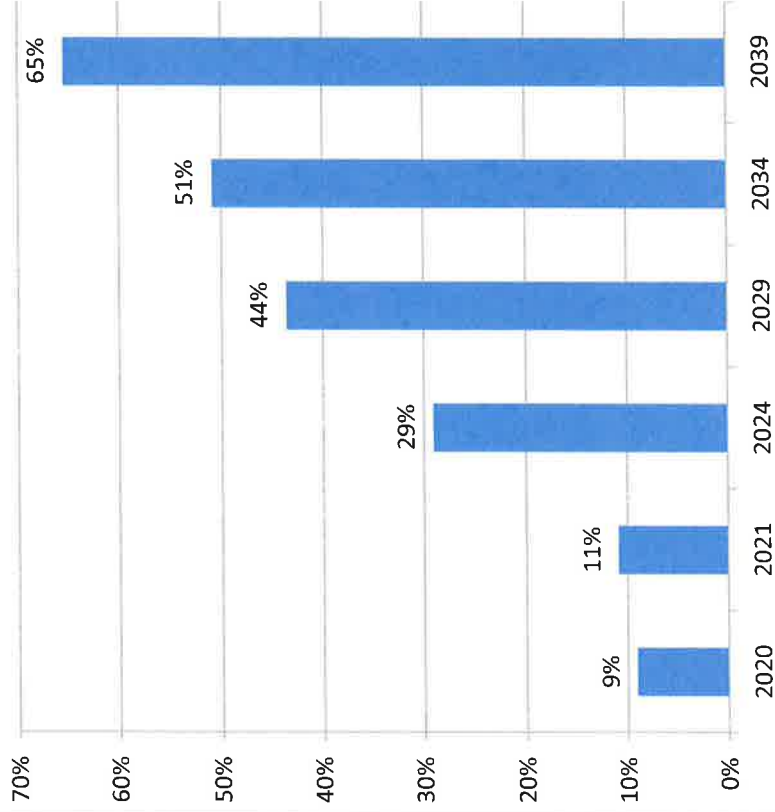
- Utilities Manager position
- Department Heads
- Finance – 43% of department eligible for retirement in next 2 year

## Total SPU Full Social Security Retirement Age

### Number of Employees Eligible to Retire

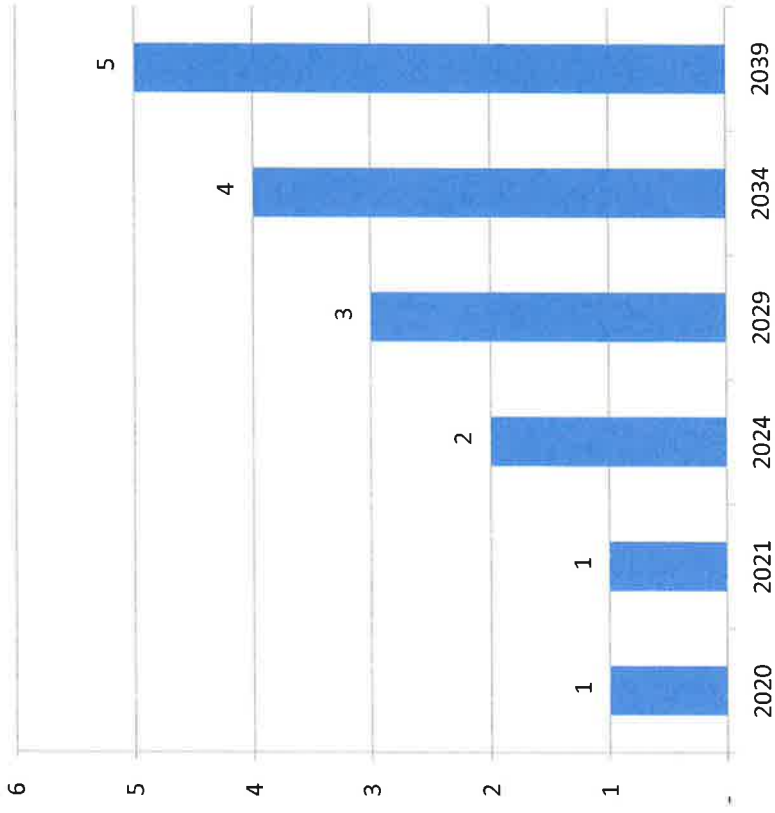


### Percentage of Employees Eligible to Retire

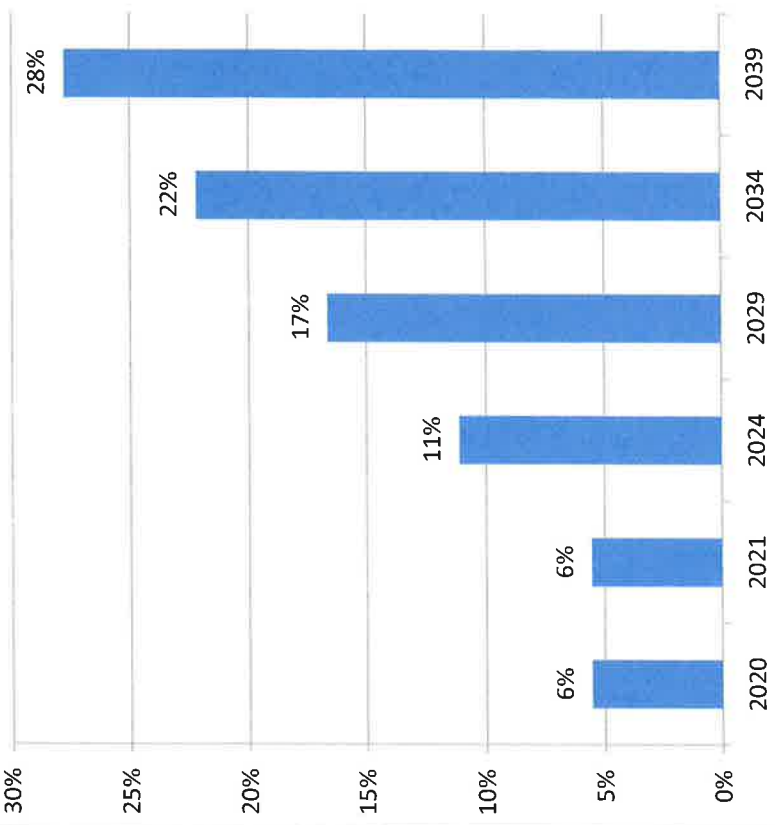


## Electric Department Full Social Security Retirement Age

### Number of Electric Employees Eligible to Retire

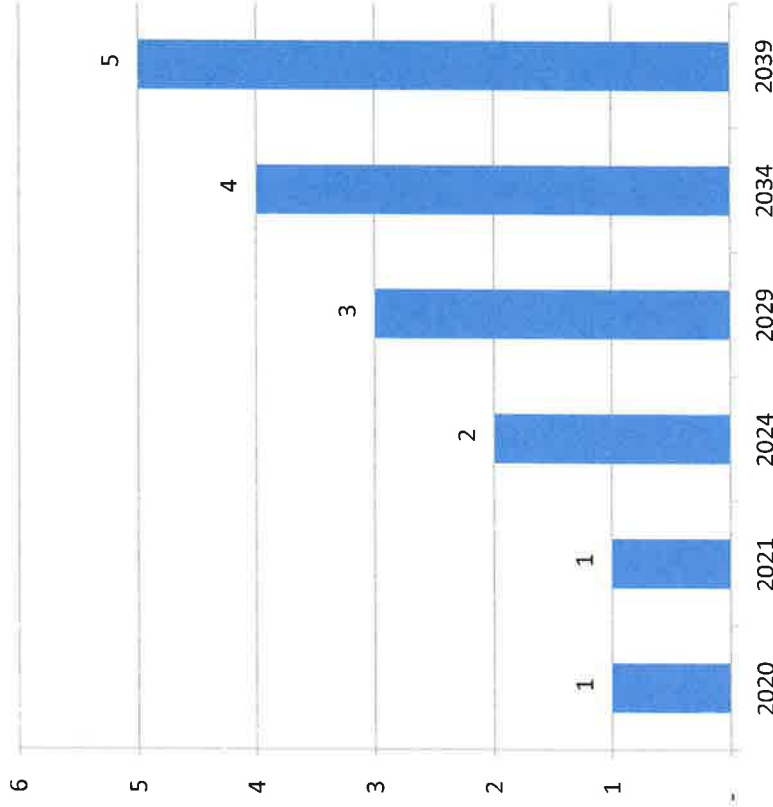


### Percentage of Electric Employees Eligible to Retire

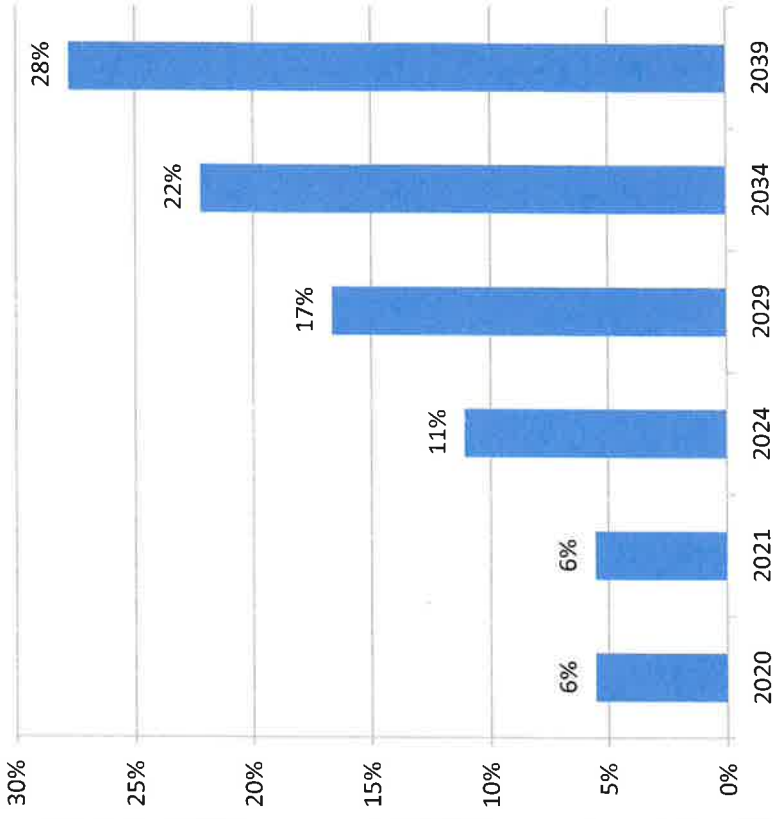


## Water Department Full Social Security Retirement Age

### Number of Electric Employees Eligible to Retire

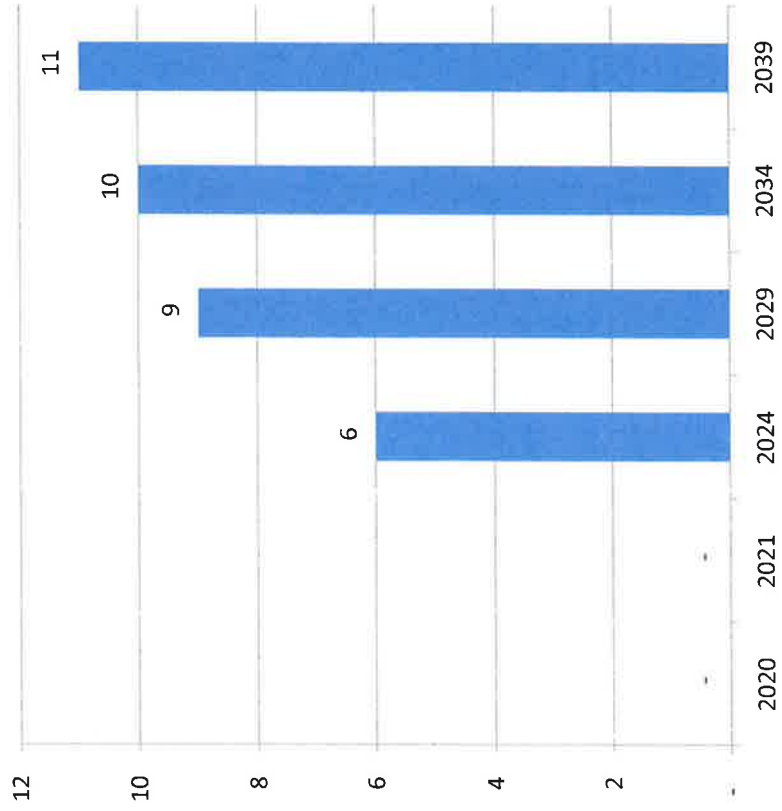


### Percentage of Electric Employees Eligible to Retire

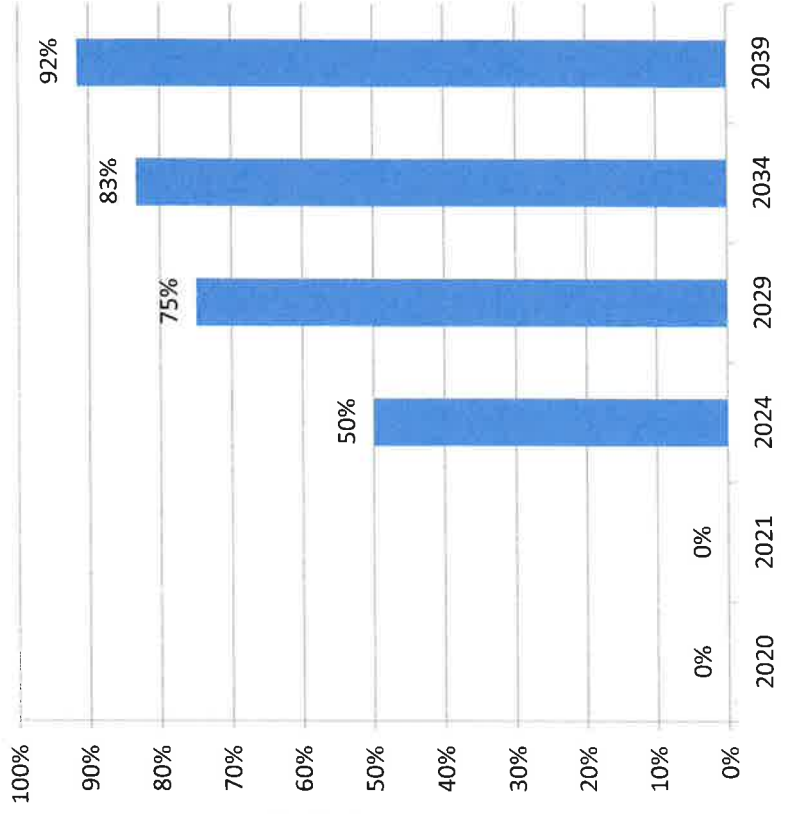


# Customer Service Department Full Social Security Retirement Age

## Number of Customer Service Employees Eligible to Retire



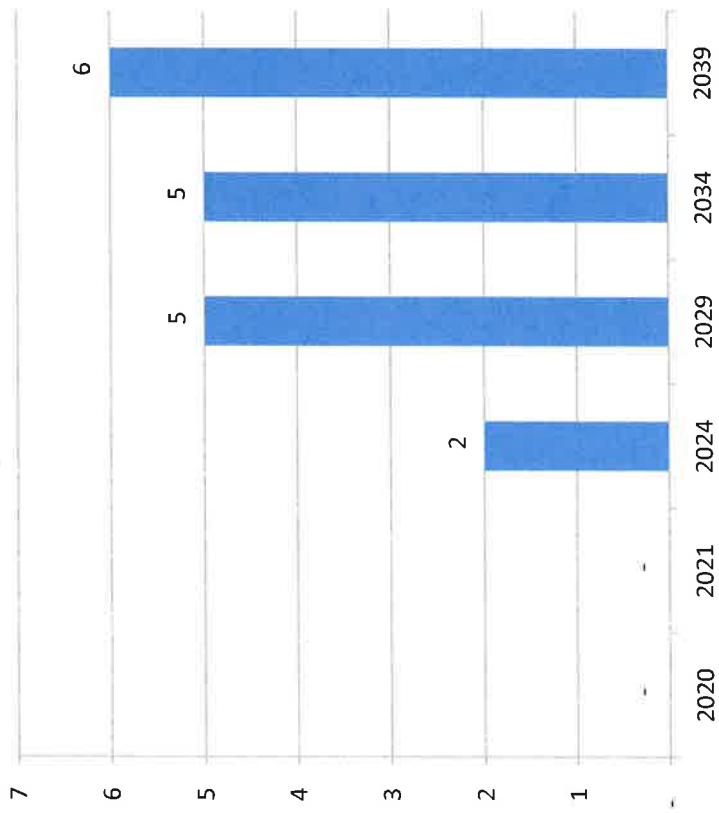
## Percentage of Customer Service Employees Eligible to Retire



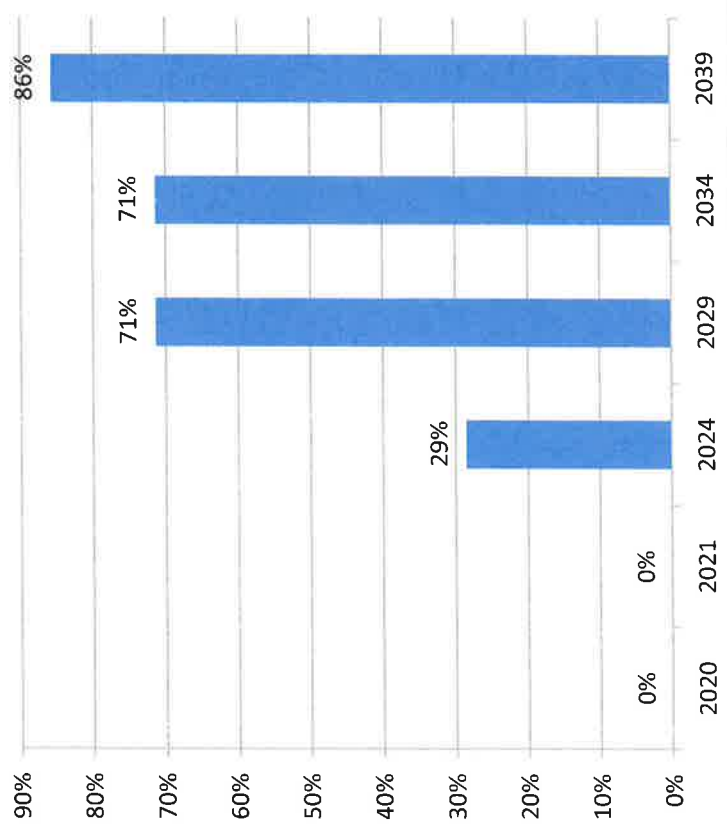


# Management/Administrative Full Social Security Retirement Age

## Number of Director, Management, Administrative Employees Eligible to Retire

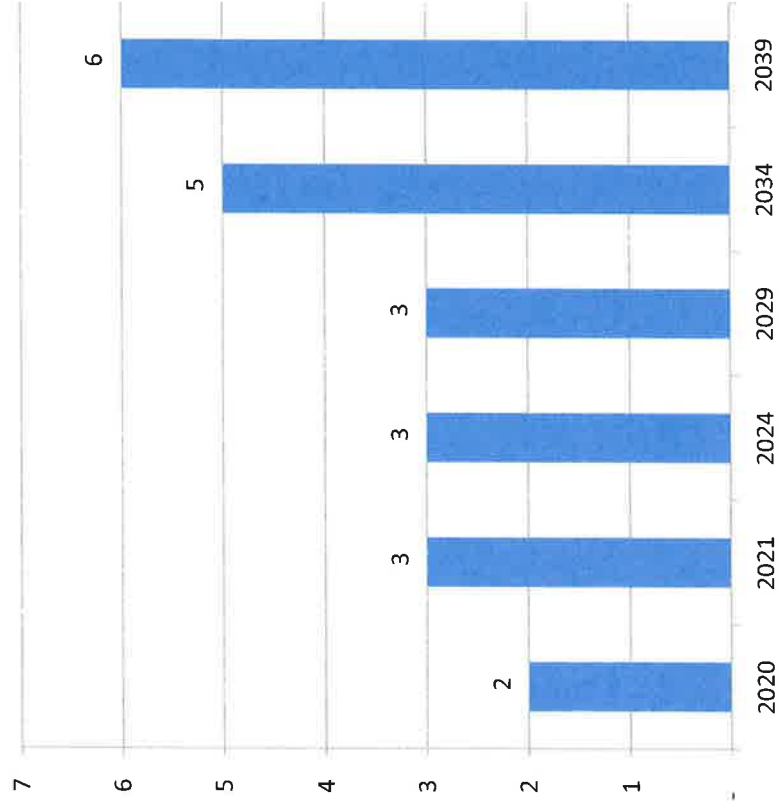


## Percentage of Director, Management, Administrative Employees Eligible to Retire

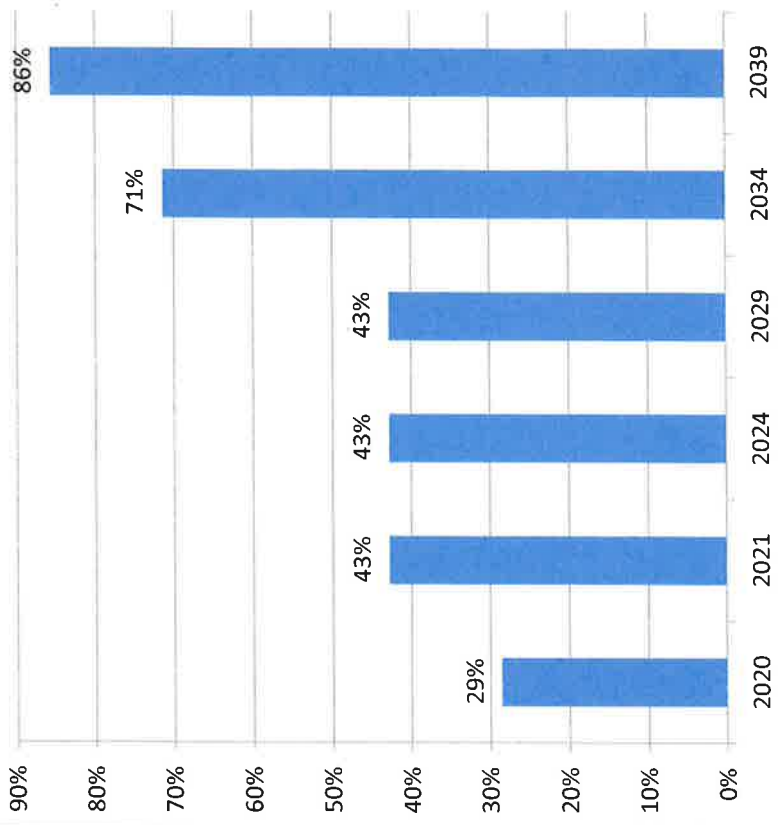


## Finance & Administrative Department Full Social Security Retirement Age

### Number of Finance & Admin Employees Eligible to Retire



### Percentage of Finance & Admin Employees Eligible to Retire



## **4. SPU Key Positions**

### **Utilities Manager**

The Utilities Manager has overall responsibility for all aspects of the organization and reports to the Commission.

### **Key Senior Staff Management Positions**

Each senior staff position has direct responsibility over a substantial and important segment of SPU's overall operations. A prolonged vacancy in any of these positions could have a substantial impact on SPU's operations.

- Director of Finance and Administration
- Director of Planning and Engineering
- Electric Superintendent
- Water Superintendent
- Director of Customer Relations and Marketing

### **Key Field Staff Positions**

Each of these positions provides important services to SPU ratepayers. A prolonged vacancy in any of these positions could deny ratepayers important services that they rely on, and also have a negative financial impact on SPU. SPU currently has 55 employees providing services to SPU ratepayers in the following categories,

- Senior Accounting Specialist
- Information Technology Coordinator
- Billing & Collections Coordinator
- Customer Relations Coordinator
- Senior Water Operator
- Assistant Electric Superintendent
- Project Engineer

## **Section II**

### **Developing the Next Generation of Leadership**

## 5. Program Overview

- 1. Positions.** The Utilities Manager may decide to open a staff position to the succession planning program at any time.
- 2. Eligibility.** SPU staff members are eligible to participate in the succession planning program for any position for which they may be qualified.
- 3. Candidates.** More than one individual may participate in the succession planning program for a position.
- 4. Supervision.** The Utilities Manager will serve as the succession planning program director for candidates for the Utilities Manager position, as well as candidates for management team positions. The Director of Finance and Administration will serve as succession planning program director for field staff positions.
- 5. Plan.** The program director and the candidate will develop a plan for the candidate's participation in the program. Field staff plans will be approved by the Utilities Manager. Plans will be tailored to the specific needs of the candidate and should include specific goals and objectives. Examples of succession planning program activities for various positions are set out in Section 8.
- 6. Meetings.** The Utilities Manager and the candidate should plan to meet monthly if possible to discuss the candidate's progress and future activities. The Utilities Manager may also schedule meetings with multiple succession planning candidates to discuss subjects of common interest. The Utilities Manager should participate in meetings with field staff succession candidates on a quarterly basis. Meetings may include a presentation or briefing provided by a third party.
- 7. Evaluations.** The Utilities Manager will provide a written evaluation of the succession planning candidate's progress at least once per year. The review should address the candidate's progress and level of achievement and include a determination of whether the candidate's performance has been sufficient to warrant continued participation in the program.
- 8. Withdrawal.** A candidate may choose to withdraw from the program at any time for any reason. Withdrawal will have no adverse consequences regarding candidates' continued employment in their current position.

## 6. SPU Employee Development Questionnaire

The Employee Development Questionnaire will be sent to all employees annually.

Date \_\_\_\_\_

Employee Name \_\_\_\_\_ Position \_\_\_\_\_

Are you aware of potential Educational Assistance at SPU?

How could SPU assist you in achieving your career goals?

How do you feel about the benefits offered to employees?

How do you feel about pay levels at SPU compared to similar employers?

How would you rate the adequacy of tools available to you to perform your job?

How would you rate the adequacy of SPU's employee training?

How satisfied are you with your position at SPU?

Would you be interested in other positions at SPU?

Would you be interested in a management position at SPU?

Are there any ideas that you may have to improve succession planning at SPU?

## 7. Leadership Succession Candidate Interest Form

### Succession Candidate Interest Form

SPU has an established process for identifying and developing potential candidates for leadership positions. This process may include training and development opportunities, as well as structured opportunities for individuals to be selected for short-term fill-in.

Short-term fill-in assignments will allow individuals an opportunity to experience the management process, complete various daily management tasks and gain insight from facility management personnel to support supervisory or management development objectives, and expose individuals to actual management tasks and challenges. Selected individuals will not be required to perform tasks that are beyond their skills or abilities.

Candidate Name: \_\_\_\_\_

\_\_\_\_\_ Yes, I am interested in being considered as a succession candidate for the following positions (select all that apply):

- \_\_\_\_\_ Utilities Manager
- \_\_\_\_\_ Director of Finance and Administration
- \_\_\_\_\_ Director of Planning and Engineering
- \_\_\_\_\_ Electric Superintendent
- \_\_\_\_\_ Water Superintendent
- \_\_\_\_\_ Director of Customer Relations and Marketing
- \_\_\_\_\_ Senior Accounting Specialist
- \_\_\_\_\_ Information Technology Coordinator
- \_\_\_\_\_ Billing & Collections Coordinator
- \_\_\_\_\_ Customer Relations Coordinator
- \_\_\_\_\_ Senior Water Operator
- \_\_\_\_\_ Assistant Electric Superintendent
- \_\_\_\_\_ Project Engineer

Candidate Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **8. Potential Succession Plan Activities**

### **Examples for Management Team Member**

- Developing action plan for employee pertinent for position
- Monthly meetings with Utilities Director or Department Director establishing progress, achievements and objectives
- Further education
- Certification programs
- Job shadowing
- AWWA, APPA, MMUA training courses

### **Examples for Field Staff**

- Developing action plan for employee for pertinent requirements of position
- Monthly meetings with Department Director establishing progress, achievements and objectives
- Further Education
- Certification programs
- Job shadowing
- AWWA, APPA, MMUA training courses



## **Section III**

### **Managing Utilities Manager and Key Staff Turnover**

## 9. Emergency Utilities Manager Succession Plan

### Purpose

The purpose of the emergency succession plan is to ensure continuous coverage of executive duties, critical to the ongoing operations and organization's sustainability, in the event of an emergency departure of the Utilities Manager.

This plan addresses issues related to both permanent (Utilities Manager will not return) and temporary (Utilities Manager will return after unplanned such as illness, etc.) replacement. Issue specific to temporary absence are denoted in the plan.

### 1. Utilities Manager Core Responsibilities

- a. Manages complex utility operation
- b. Sustains sound fiscal management
- c. Plans for long-term service needs
- d. Maintains and enhances human resources
- e. Provides leadership to department personnel
- f. Facilitates utility commission decision-making
- g. Ensure customer satisfaction and promotes positive customer and community relations

### 2. Key Competencies

- a. *Strategic Thinking.* Maintains a visionary approach in a competitive climate.
- b. *Communication Skills.* Demonstrates exceptional communication skills, both written and orally.
- c. *Business / Industry Knowledge.* Ability to manage complex utilities operations.
- d. *Influence Skills.* Works effectively with local, state and federal regulatory officials, consultants, developers, contractors and customers.
- e. *Relationship/Team Building.* Demonstrates excellent communication and public relations skills, and the ability to maintain positive working relationships with employees, customers, the utility commission, the community, the City of Shakopee, and other groups, agencies and boards; the ability to persuade and negotiate agreements; and establish the overall tone and content for mass communications.
- f. *Delegation.* Demonstrates proven ability (experience) in successfully influencing and leading multi-faceted, diverse teams/perspectives to a common goal.
- g. *Integrity/Values.* Conducts utility business with the highest ethical standards at all times.
- h. *Legislative/Public Policy.* Evaluates new legislation related to operations and recommends and implements policies and procedures for compliance with new legislation into utilities programs.

- i. *Human Resources Development Culture.* Leads utilities management in creating and maintaining a positive work environment, fostering effective performance of staff, and maintaining effective communications with staff.
- j. *Priority Management.* Develops, recommends and implements operating policies, procedures and programs within the Utility in order to accomplish goals and objectives.

### **3. Expertise and Experience**

- a. Organizational management.
- b. Legislation and public policy development.
- c. Financial management.
- d. Utility industry.

### **4. Required Leadership Style**

- a. In a many-faceted membership organization like Shakopee Public Utilities, a participatory leadership style is preferable to a high-control style.

### **5. Interim Utilities Manager**

The board shall appoint an individual to serve as the interim Utilities Manager to fulfill the Utilities Manager's duties until the position is filled or the Utilities Manager returns, if the vacancy is temporary. The interim Utilities Manager may be a key staff member or a board member. Staff candidates for Interim Utilities Manager will be considered in the following order:

- a. The Director of Planning and Engineering, unless that individual is unable or unwilling to serve.
- b. The Director of Finance and Administration, unless that individual is unable or unwilling to serve.
- c. Any other senior staff member, who in the opinion of the board, can fulfill the responsibilities of the Interim Utilities Manager position.

### **6. Key Interim Utilities Manager Responsibilities:**

- a. Serve, with integrity and strength, as the organization's primary leader, representative and spokesperson to SPU ratepayers and the greater community.
- b. Support the commission, including preparing executive reports and attending board committee meetings.
- c. Lead the management team.
- d. Responsible in the recruitment and selection for directly supervised staff.
- e. Manage initiatives related to organizational capacity, annual goals and strategic plan.
- f. Maintain accountability for current year operating budget and financial performance.
- g. Establish, maintain and cultivate relations with ratepayers, the City of Shakopee and other stakeholders.
- h. Execute resource development goals.

## **7. Interim Utilities Manager Authority**

The person appointed as interim utilities manager shall have the full authority for decision making and independent action outlined above, except for the following which must be approved by the board:

- a. Expenditures that are not included in the SPU operating or capital budget.
- b. Termination of staff.
- c. Decisions that may be controversial and potentially divisive within the organization and community.
- d. Any decision that would normally be subject to commission approval.

## **8. Interim Utilities Manager Compensation**

The Interim Utilities Manager, if a staff member, shall receive a temporary salary increase of up to \$30,000 per year while serving in that capacity and as determined by the SPU Commission.

## **9. Communication Plan**

Communication is a key function of a healthy organization and is integral to the success of a transition. Effective communications, both internal and external, will be crucial to a successful transition.

*Internal communications.* Immediately upon departure, the commission should communicate the following information to SPU staff:

- a. Effective departure date (or pending departure date).
- b. Implementation of the approved succession plan and process to address transition and replacement issues.
- c. The identity of the Interim Utilities Manager and the transition spokesperson during the transition period. Absent other considerations, the Director of Marketing and Customer Relations will serve as the transition spokesperson.

*External communications.* The Director of Marketing and Customer Relations will maintain an updated list of key contacts to be notified in the event of a Utilities Manager transition. In coordination with the Interim Utilities Manager, the transition spokesperson will provide notice of the transition to the key contacts.

## **10. Board Oversight**

The Executive Committee or a special ad hoc committee will have responsibility for monitoring and supporting the work of the Interim Utilities Manager. The President or a member of the committee should try to attend weekly staff meetings, either in person or by telephone. The committee should hold biweekly conference calls with the Interim Utilities Manager to discuss key issues and upcoming SPU projects, ongoing construction and operations.

## **11. Selection of New Permanent Utilities Manager**

An outside search will be conducted unless there is a designated internal successor approved by the commission within the six months prior to the executive's departure. The commission president shall appoint an executive search committee, which may be the Executive Committee

to identify and recommend candidates to the board for approval. The interim utilities manager should not be included on the search committee if they are a potential candidate. Search firms to be considered are found at Section 17.

## **12. Process to Transition and Assimilate New Utilities Manager**

Within the first two weeks of the new Utilities Manager's employment, the board president and/or designated consultant will work with the new Utilities Manager to develop and implement an initial 90-day plan to ensure the new Utilities Manager has the resources and information for a successful transition. The plan should include:

- a. The commission's written goals and expectations for the successor for the first 90 days and 12 months.
- b. Participation in a formal orientation program as well as meetings with commission members, staff, SPU committees and the City of Shakopee.
- c. A structured feedback mechanism with pre-identified key stakeholders to assess progress and potential barriers to a successful transition.
- d. Access to development resources for the new executive, such as reading materials and/or leadership training programs.
- e. Depending on the complexity of the challenges, a transition consultant may be considered.

## 10. Emergency Utilities Manager Succession Timeline

### Week 1-2:

1. SPU Commission meets to begin implementation of the succession plan.
2. Commission appoints Interim Utilities Manager and transition spokesperson.
3. Commission determines whether an outside search is appropriate.
4. Transition spokesperson provides notification of the transition to appropriate parties.
5. Review and refine the interim executive's responsibilities, authority, and decision-making limitations.
6. SPU Commission members appoint search committee which includes 2 commission members and Director of Finance and Administration.

### Week 2-4

1. If appropriate, the President contacts search firms (See Appendix A) and asks for proposals.
2. The search committee and the Interim Utilities Manager review the Utilities Manager job description and list of core responsibilities.
3. Define internal and external communication plan.
4. Identify the required Commission support and supervision process of the interim executive.

### Week 4-12:

1. Outline process to recruit and select permanent new executive.
2. Appoint executive search task force committee.
3. Develop transition plan for new executive.

## **11. Departure-Defined Utilities Manager Succession Plan**

### **Purpose**

The purpose of this departure-defined succession plan is to ensure continuous coverage of the utilities manager duties, critical to the ongoing operation and utilities' sustainability, when a long-term Utilities Manager plans a future retirement or departure date. The objective for this process is to share the expertise of the departing utilities manager with the successor while simultaneously preparing the organization, and departing utilities manager to fully support the successor.

Ideally the departing Utilities Manager's input, along with involvement from the commission and successor will make this an effective plan to ensure continuity in external relationships and with staff, while promoting an environment of operational effectiveness under new leadership.

- 1. Address personal and professional barriers for the departing Utilities Manager.**
  - a. Understand and address "founder syndrome," if applicable. Consider the challenges associated with the departure of a long-term Utilities Manager who has overseen the development of the organization in its current form.
  - b. Agree on the parameters of the Utilities Manager's emeritus role. In collaboration with the long-term executive, the board should identify strategies and boundaries to facilitate a successful transition. If there is a need for the outgoing utilities manager to remain directly involved in the organization, then clearly define his/her role in supporting the successor's decisions and direction even if different than the outgoing Utilities Manager's. The outgoing Utilities Manager's prior mentor role should change to a resource role.
  
- 2. Update job description to ensure executive responsibilities and hiring requirements promote SPU's sustainability and continuity.**
  - a. Identify the top five to seven strategic objectives and/or challenges that fall under the utilities manager's core responsibilities.
  - b. Based on these objectives and/or challenges, is there an impact of the utilities manager's job description?
    - i. Key competencies (e.g., skills – core leadership and management, strategic thinking, board oversight, staff management, agility skills, etc.).
    - ii. Expertise and experience (e.g., financial, political, utility industry).
    - iii. Required leadership style (e.g., high control or participatory?).
    - iv. Leadership traits not desired (e.g., poor relationship building, poor board management, etc.).

- 3. Form a succession-planning committee with clear roles and accountability.**
  - a. Determine the executive search strategy. Search firms to be considered are found at Section 17.
  - b. Update the job description.
  - c. Create and implement the successor development plan.
  
- 4. Define internal and external communication plan.**
  - a. The plan should address communication with stakeholders, including staff, the City of Shakopee, national affiliates, state affiliates, past board members, key accounts and the community at large.
  - b. The plan should include rationale for change, steps to achieve success and commitment to the successor, and a plan for SPU's continued future success.
  - c. The plan should also provide for stakeholders, particularly staff, to help identify transition issues as well as recognize successes.
  
- 5. Position SPU for future success by conducting a sustainability audit.**
  - a. Gather input from stakeholders such as the departing Utilities Manager, commission members, key staff and the City of Shakopee.
    - i. Assess SPU's greatest strengths and areas for improvement.
    - ii. Identify major upcoming issues that may impact SPU's ability to successfully provide services.
    - iii. Identify potential changes that might be needed to address those issues.
  - b. Additional items to explore to gather data about effectiveness, financial position.
    - i. Operational effectiveness of administrative functions: How effective are the human resources and financial functions?
    - ii. Resource relationships: Are key resource relationships held by more than one staff member?
    - iii. Financial resources: Does the organization have sufficient financial reserves?
    - iv. Leadership and staff resources: Are leadership responsibilities shared appropriately within SPU? Have future leaders been identified for development?
    - v. Commission-effectiveness: Should the commission meet more frequently during the transition?
  
- 6. Promote a successful transition of the new Utilities Manager.** The transition plan for the first 90 days should include:
  - a. The board's written goals and expectations for the successor for the first 90 days and 12 months.
  - b. Participation in a formal orientation program as well as meetings with commission members, staff, MMUA, MMPA and the City of Shakopee.
  - c. A structured feedback mechanism with pre-identified key stakeholders to assess progress and potential barriers to a successful transition.



- d. Access to development resources for the new utilities manager, such as reading materials and/or leadership training programs.
- e. Depending on the complexity of the challenges, a transition coach may be considered.

## **12. Departure-Defined Utilities Manager Succession Timeline**

### **Week 1:**

1. Current Utilities Manager meets with Commission President to discuss intent for a future departure.

### **Week 2-3:**

1. Current SPU Commission members discuss departure-defined succession planning process and assign roles and responsibilities.
2. Identify the key spokesperson for the organization until the new executive is hired.

### **Week 4-5:**

1. Identify the top three to five strategic objectives that fall under the Utilities Manager's core responsibilities.
2. Review leadership skills desired and leadership traits not desired for new executive.
3. Review job description for Utilities Manager.

### **Week 6-7:**

1. Define internal and external communication plan.

### **Week 8-9:**

1. Form a succession planning committee and define roles and responsibilities, including departing Utilities Manager.
2. Develop a timetable for the executive search strategy.

### **Week 10-16:**

1. Define internal and external communication plan to be used during the recruiting, hiring and transition process.
2. Conduct a sustainability audit of the organization and develop strategies to address organizational and leadership vulnerabilities.

### **Week 17-TBD:**

1. Conduct executive search for successor.
2. Provide regular updates to the Commission and SPU staff about the selection and hiring process.
3. Identify successor and officially hire them.

Upon Hiring Successor:

1. Search committee drafts and Commission implements the successor development and transition plans.
2. Successor is officially placed in executive role and works with the Commission to implement the 90-day transition period.
3. Commission President works with the departing executive to make sure they understand the emeritus role, as agreed upon.

## **13. Emergency Management Team Member Succession Plan**

### **1. Management Team Member Core Responsibilities**

- a. Review the core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
- b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.
- c. Consider engaging temporary or consulting help if necessary to ensure that core responsibilities are met.

### **2. Key Competencies**

- a. Review the key competencies for the position and make changes as necessary.
- b. Update the job description as appropriate.

### **3. Communication Plan**

- a. Develop a plan for communicating information about the vacancy to staff, members, and other stakeholders as appropriate.
- b. Provide updates during the selection and transition process.

### **4. Candidates**

- a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
- b. Determine whether it is appropriate to advertise for the position.
- c. Advertise if necessary.
  - i. MMUA website.
  - ii. APPA and AWWA if appropriate.
  - iii. Trade allies, LMC, State of Minnesota websites.
  - iv. Other outlets appropriate to the nature of the position.

### **5. Selection**

- a. Initial interviews will be conducted by the Utilities Manager and a member of the SPU Commission.
- b. Final interviews may include additional participants, including other senior staff, commission members, or outside consultants as appropriate to the nature of the position. If the position involves public speaking in any capacity, it is advisable to ask candidates to make a short presentation as part of the interview process.
- c. Final selection is made by the Utilities Manager in consultation with the interviewing Commissioner.

## **14. Departure-Defined Management Team Member Succession Plan**

### **7. Coordination between Utilities Manager and Management Team Member**

- a. Hopefully, the management team member and the Utilities Manager are able to discuss the timing of the management team member's departure in advance
- b. Steps 2, 3 and 4 below should be carried out jointly by the Utilities Manager and the departing management team member.

### **8. Management Team Member Core Responsibilities**

- a. Review core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
- b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.
- c. The Utilities Manager should consider engaging temporary or consulting help if necessary to ensure that core responsibilities are met.

### **9. Key Competencies**

- a. Review the key competencies for the position and make changes as necessary.
- b. Update the job description as appropriate.

### **10. Communication Plan**

- a. Develop a plan for communicating information about the vacancy to staff, members, and other stakeholders as appropriate.
- b. Provide updates during the selection and transition process.

### **11. Candidates**

- a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
- b. Determine whether it is appropriate to advertise for the position.
- c. Advertise if necessary.
  - i. MMUA website.
  - ii. APPA and AWWA if appropriate.
  - iii. Trade allies, LMC, State of Minnesota websites.
  - iv. Other outlets appropriate to the nature of the position.

### **12. Selection**

- a. Initial interviews will be conducted by the Utilities Manager and a member of the SPU Commission.

- b. Final interviews may include additional participants, including other senior staff, commission members, or outside consultants as appropriate to the nature of the position. Having three or four individuals present for the interview will allow the team to share observations and impressions that a single interview might miss. If the position involves public speaking in any capacity, it is advisable to ask candidates to make a short presentation as part of the interview process.
- c. Final selection is made by the Utilities Manager in consultation with the interviewing Commissioner.

## **15. Emergency Field Staff Member Succession Plan**

### **1. Field Staff Member Core Responsibilities**

- a. Review the core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
- b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.

### **2. Key Competencies**

- a. Review the key competencies for the position and make changes as necessary.
- b. Update the job description as appropriate.

### **3. Communication Plan**

- a. Develop a plan for communicating information about the vacancy to staff.
- b. Provide updates during the selection and transition process.

### **4. Candidates**

- a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
- b. Post position internally for 2 weeks.
- c. Determine whether it is appropriate to advertise for the position.
- d. Advertise if necessary.
  - i. MMUA website.
  - ii. APPA and AWWA if appropriate.
  - iii. Trade allies, LMC, State of Minnesota websites.
  - iv. Other outlets appropriate to the nature of the position.

### **5. Selection**

- a. Internal and external Initial interviews will be conducted by the Department Director.
- b. Final interviews may also include the Human Resources Department. If the position involves public speaking in any capacity, it is advisable to ask candidates to make a short presentation as part of the interview process.
- c. Final selection is made by the Utilities Manager in consultation with the Department Director.

## **16. Departure – Defined Field Staff Member Succession Plan**

### **1. Coordination between Department Director and Field Staff Member**

- a. Hopefully, the Department Director and the Field Staff are able to discuss the timing of the management team member's departure in advance
- b. Steps 2, 3 and 4 below should be carried out jointly by the Department Director and the departing Field Staff member.

### **2. Field Staff Member Core Responsibilities**

- a. Review core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
- b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.

### **3. Key Competencies**

- a. Review the key competencies for the position and make changes as necessary.
- b. Update the job description as appropriate.

### **4. Communication Plan**

- a. Develop a plan for communicating information about the vacancy to staff.
- b. Provide updates during the selection and transition process.

### **5. Candidates**

- a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
- b. Post position internally. for 2 weeks
- c. Determine whether it is appropriate to advertise for the position.
- d. Advertise if necessary.
  - i. MMUA website.
  - ii. APPA and AWWA if appropriate.
  - iii. Trade allies, LMC, State of Minnesota websites.
  - iv. Other outlets appropriate to the nature of the position.

### **6. Selection**

- a. Initial interviews will be conducted by the Department Director
- b. Final interviews will include the Human Resources. If the position involves public speaking in any capacity, it is advisable to ask candidates to make a short presentation as part of the interview process.



- c. Final selection is made by the Utilities Manager in consultation with the Department Director.

## **17. Executive Search Firms**