

MINUTES  
OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
October 5, 2020  
(Regular Meeting)

1. Call to Order. President Amundson called the October 5, 2020 meeting of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M.
2. Roll Call. President Amundson, Vice President Mocol, Commissioner Brennan, Commissioner Fox, and Commissioner Meyer were present.
3. Approval of Minutes. Motion by Meyer, seconded by Mocol, to approve the minutes from September 21, 2020. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
4. Approval of Agenda. President Amundson proposed moving the human resources matters to after the liaison report. Motion by Meyer, seconded by Mocol, to approve the agenda, as revised. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
5. Approval of Warrant List. Motion by Meyer, seconded by Fox, to approve the warrant list as presented. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
6. Liaison Report. Commissioner Brennan confirmed that the City Council scheduled a work session for October 6, 2020 to discuss the ballot issue.
7. Human Resources Report.
  - a. Shared Services Update. Larry Koshire, Interim Utilities Manager, provided an update, noting that the accounting department is short-staffed, and requesting authority to engage Abdo Eick & Meyers, LLP (AEM) as contract employees. Commissioner Brennan inquired as to the cost. Commissioner Mocol spoke in favor of AEM. Motion by Meyer, seconded by Mocol to authorize Mr. Koshire to retain contract employees as needed. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
  - b. AEM Compensation Assumptions and Working Group Recommendations. Jean McGann from AEM presented the 2021 budget assumptions and recommendations, including a cost-of-living-adjustment of 2.5% and health insurance rate increase of 4% as well as a uniform rate for employer-funded health benefits for all employees. Motion by Meyer, seconded by Mocol to approve the 2021 budget planning assumptions until the compensation study is completed. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.

- c. Update on Agreement with Mr. Crooks. Attorney K. Brennan noted that AEM completed the audit for compliance with Minnesota Statutes Section 73A.17 for Mr. Crooks for 2017-2020. AEM determined the amount of excess salary for Mr. Crooks for 2017-2019 was \$39,238.03. AEM also determined the amount of payment to Mr. Crooks under the agreement and applying the statutory limits to be \$42,837.62. AEM recommended reducing the final payment to Mr. Crooks by the amount of excess salary owing. Leah Davis of AEM was available to answer questions. Motion by Meyer, seconded by Mocol to delegate to President Amundson the authority to enter into a letter agreement with Mr. Crooks for the limited purpose of changing the method of repayment by Mr. Crooks under the Repayment, Release, and Separation Agreement to deduct the amount of excess salary determined by the audit report. from the final payment to Mr. Crooks, as determined by the audit report. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried

8. Water Report. Lon Schemel, Water Superintendent, presented the water report. He noted that water usage for the period was within 102% of what was estimated.

- a. SEH Water Quality Summary. Joseph Adams, Director of Planning and Engineering, noted that the consulting firm, Short Elliot Hendrickson, Inc. (SEH), had completed one of seven tasks, and would provide an informational update. Chris Larson from SEH presented a summary of the water quality overview. He reviewed iron, manganese, nitrate, and sodium levels. He explained that in the past three years, the manganese level was exceeded only in one sample in one well. Mr. Larson concluded that SPU's water meets all EPA standards for safety. He noted that the aesthetic levels for SPU's water are very good. He observed that water softening may be done, but that it is very expensive. Mr. Larson answered questions by Commissioners.
- b. Ehlers Water Development Fee Study. Jessica Cook from Ehlers presented the study concerning two development fees: (1) water capacity charge, and (2) trunk water charge. She concluded that SPU had prudently managed its resources and set adequate fees. Ms. Cook discussed the opportunity for a one-time decrease in the water capacity charge for higher-density development, with modest increases thereafter. She also discussed the opportunity to restructure fees for multi-family residential units in light of the findings of typically lower usage than single-family homes. Motion by Brennan, seconded by Fox that the Commission meet with the City Council on this issue before making any decisions. Ayes: Mocol, Brennan, Fox. Nays: Amundson, Meyer. Motion carried.


9. Electric Report. Greg Drent, Electric Superintendent, presented the electric report. He described the two outages since the last Commission meeting, as well as current projects.

10. Ballot Question. Mr. Koshire discussed the ballot issue of whether the Shakopee Public Utilities should be abolished. He noted the City's website posting on the topic, including frequently asked questions, as well as the clarifications and factual corrections prepared by SPU staff in response. Mr. Koshire counseled that once the referendum is completed, a third-party should assist with high-level communications between the City Council and the Commission.

Commissioner Mocol commented on the 2020 goal of collaborating more with the City, that information from SPU can take a long time, and that SPU could use its investments more. President Amundson noted that the City has been active in discussing the ballot issue with the community and that she hoped the Commission would also share information with the community, to provide balanced viewpoints and let the voters come to their own conclusions. Otherwise, only the City's position would be publicized. Motion by Amundson, seconded by Meyer, to post the SPU staff response to the City's frequently asked questions on the SPU website. Ayes: Amundson, Meyer. Nays: Mocol, Brennan, Fox. Motion denied.

11. Potential Future Agenda Items. Commissioner Fox suggested discussing the Investment Policy, particularly oversight and existing language delegating responsibility to the Utilities Manager.

12. Adjourn. Motion by Meyer, seconded by Fox, to adjourn to the October 19, 2020 regular meeting. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.

  
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Joseph Adams, Interim Secretary