

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
November 2, 2020

Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz (as amended), the Commission is holding its regular meeting on November 2, 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 126 405 8796**  
**When Prompted for Password, enter #**

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street. (DA)
2. **Approval of Minutes**
  - 2a) October 19, 2020 Minutes
3. **Communications**
  - 3a) November 4<sup>th</sup> SPU Staff and Commissioner Training Moved to Zoom vs In Person
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
  - 6a) October 19, 2020 (KW)
7. **Liaison Report** (JB)
8. **Reports: Water Items**
  - 8a) Water System Operations Report – Verbal (LS)
  - 8b) Water Tank #8 Update (LS)
9. **Reports: Electric Items**
  - 9a) Electric System Operations Report – Verbal (GD)
  - 9b) West Shakopee Substation Update (JA)
  - 9c) MMPA Board Meeting Public Summary - October 2020 (DA)
10. **Reports: Human Resources**
  - 10a) Letter Agreement Modifying Repayment Process under Repayment, Release, and Separation Agreement (KB)

11. **Reports: General**
  - 11a) 2021-25 Semi-Final CIP Administration, Electric, Water w/maps of Electric and Water Project location by year ((JA)
  - 11b) Investment Policy Review (LK)
  - C=> 11c) Action Items from 10/19/20 Regular Meeting (SW)
12. **Potential Future Agenda Items** (fka New Business)
13. **Tentative Dates for Upcoming Meetings**
  - Mid Month Meeting -- November 16
  - Regular Meeting -- December 7
  - Mid Month Meeting -- December 21
14. **Adjourn** to 11/16/20 at the SPUC Service Center, 255 Sarazin Street

MINUTES  
OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
October 19, 2020

1. Call to Order. President Amundson called the October 19, 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 October 5, 2020. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
4. Communications - Website Domain. Commissioner Fox brought up a website (Friends of Shakopee Public Utilities Commission) that is not an approved source of communication by SPU. It was agreed this website was not affiliated with SPU. Motion by Fox, seconded by Mocol that SPU does not recognize the Friends website as an official source of news or information and disavows it; SPU does not seek to antagonize the City of Shakopee or make unfounded claims. Ayes: Mocol, Brennan, Fox. Nays: Amundson, Meyer. Motion carried.
5. Approval of Agenda. Motion by Fox, seconded by Meyer, to approve the agenda. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.
6. Approval of Consent Business. Motion by Fox, seconded by Meyer to approve the consent business, namely: items (8b) Quarterly Water Nitrate Report; (11a) Monthly Financial Results; (11b) COVID Dashboard Metrics. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.
7. Approval of Warrant List. Motion by Amundson, seconded by Meyer, to approve the warrant list as presented. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.
8. Liaison Report. Commissioner Brennan reported that the City Council discussed the rationale for the referendum on whether the Commission should be abolished. She also noted a new park design for Ridge Creek Park.
9. Water Report. Lon Schemel, Water Superintendent, presented the water report. He provided an update as to the hydrant flushing and the leak repair on Hampton Avenue.
10. Electric Report. Greg Drent, Electric Superintendent, presented the electric report. He described the six outages since the last Commission meeting, as well as current projects. Mr. Drent also reported on animal-related outages after the wrapping of poles by SPU: to date in 2020, 12

animal-related outages have occurred, as compared to 22 in 2019. In 2020, 178 customers were affected by animal-related outages (as opposed to 619 in 2019), a difference of 439 customers, and a decrease of 348 minutes between 2020 and 2019. Motion by Fox, seconded by Mocol, to recognize the success of the pole-wrapping project and to commend Mr. Drent and staff. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.

11. Options for Financial Assistance for Past-Due Accounts. Sharon Walsh, Director of Marketing/Customer Relations, presented options for potential financial assistance for SPU customers with past-due accounts as a result of the pandemic. Ms. Walsh explained the ranges of current overdue amounts by customer type. Ms. Walsh noted the CAP Agency could administer SPU funds to SPU ratepayers. Commissioner Brennan noted that the CHAP program began very recently. Motion by Meyer, seconded by Brennan, to provide a grant up to \$25,000 to the CAP Agency to distribute to SPU residential customers with past-due accounts, subject to guidelines and requirements developed by staff. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.

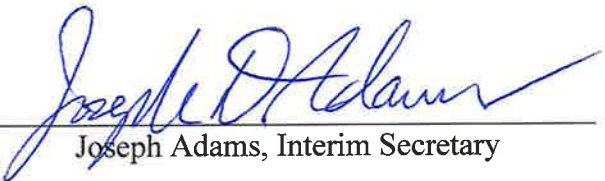
12. Deposit Policy Review. Joseph Adams, Director of Planning and Engineering, presented the current customer deposit policy, which was initially adopted in 1992 and last revised in 2012. For commercial customers, the deposit equals two months of average usage of water/electricity. Interest is determined on an annual basis by the Minnesota Department of Commerce, according to statute 325E.02. Mr. Adams also described a recent survey by MMUA as to municipal utility deposit practices. Mr. Adams noted that a commercial customer requested review of the issue after its deposit was determined for a new point of service; no deposit has been required pending Commission review of this issue. In response to a question about failed businesses by President Amundson, Mr. Adams noted multiple examples, including the Kmart bankruptcy proceeding, when no deposit was on file, which resulted in a \$100,000 loss to SPU. Commissioner Fox commented on the return on investment. Commissioner Meyer questioned why the deposit was held in perpetuity until the account closed. Commissioner Brennan and Commissioner Mocol commented on determining what constitutes a new customer. The Commission gave direction to staff to return with recommendations, including considering: adjusting the term to 4-5 years, the amount of the deposit at two times the monthly payment, further data on the defaults in the last ten years, the length of time for customer accounts, and requiring a second deposit if the first deposit was returned.

13. Resolutions Recognizing Retired Employees. Motion by Meyer, seconded by Fox, to approve Resolution # 1282 recognizing Mary Ellen Baldwin. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried. Motion by Meyer, seconded by Amundson, to approve Resolution #1283 recognizing Renee Schmid. Ayes: Amundson, Meyer. Nays: Mocol, Brennan, Fox. Motion did not pass. Motion by Meyer, seconded by Fox to approve Resolution # 1284 recognizing Sherri Anderson. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.

14. Potential Future Agenda Items. Commissioners discussed a variety of topics, including: the Investment Policy; adding resolutions to a searchable database; adding holidays to the SPU website; access to meeting agendas/packets before 2018; financial information on the website; report from Interim Utilities Manager; Interim Secretary role; process for Commissioner questions

and timeframe for responses; and refining the re-direction from the former SPU website to the current website.

15. Adjourn. Motion by Fox, seconded by Mocol, to adjourn to the November 2, 2020 regular meeting. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion Carried.



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Joseph Adams, Interim Secretary

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

November 2, 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:

56906	City of Prior Lake	\$3,564.00
56907	AEM Financial Solutions, LLC	\$12,470.75
56908	ABM Equipment & Supply LLC	\$17,411.93
56909	Allstream	\$2,488.76
56910	AAR Building Service Co.	\$3,610.00
56911	Apple Ford of Shakopee	\$151.78
56912	Arrow Ace Hardware	\$61.73
56913	Robert Berndtson	\$350.75
56914	Border States Electric Supply	\$1,354.16
56915	Caldwell Tank, Inc.	\$479,152.93
56916	Centerpoint Energy	\$30.02
56917	City of Shakopee	\$3,516.92
56918	City of Shakopee	\$192,000.00
56919	City of Shakopee	\$2,650.00
56920	Core & Main LP	\$4,736.23
56921	Customer Contact Services	\$267.45
56922	Daily Printing Inc.	\$11,468.00
56923	Delta Dental Plan of MN	\$5,046.95
56924	E.H. Renner & Sons Inc.	\$1,522.12
56925	Ehlers Companies	\$11,250.00
56926	Fastenal Ind & Const Supplies	\$151.00
56927	Ferguson Enterprises, LLC	\$2,338.90
56928	Further	\$514.20
56929	Galvanizers, Inc.	\$490.00
56930	Martin Glynn	\$90.00
56931	Grainger Inc.	\$365.55
56932	Matthew Griebel	\$104.46
56933	Brad Gustafson	\$19.91
56934	Tyler Hanson	\$24.81
56935	Hawkins Inc.	\$5,299.14
56936	HealthPartners	\$80,423.30
56937	Hennen's Auto Service, Inc.	\$644.16
56938	Ranger Chevrolet Buick GMC	\$29,485.64
56939	Interstate All Battery Center	\$54.76
56940	Impact Mailing of Minnesota, Inc.	\$11,987.93
56941	Innovative Office Solutions LLC	\$615.06
56942	Irby-Stuart C Irby Co.	\$37,938.92
56943	Stuart C Irby Co.	\$1,327.39
56944	John Henry Foster Minnesota Inc.	\$1,631.77
56945	JT Services	\$7,067.11
56946	Matthew Kahle	\$36.23
56947	KLM Engineering Inc.	\$16,575.00
56948	Larkstur Engineering and Supply Inc.	\$364.57
56949	M E Simpson Co., Inc.	\$3,850.00
56950	Mike's Auto Repair Inc.	\$230.72
56951	Minn Valley Testing Labs Inc.	\$504.00
56952	MMUA	\$930.00
56953	Larry Moody	\$6,000.00
56954	Nagel Companies LLC	\$42,580.00
56955	Napa Auto Parts	\$80.46
56956	Gerry Neville	\$209.88
56957	Cindy Nickolay	\$382.96
56958	Northern Glass & Glazing, Inc.	\$1,750.00
56959	Oracle America Inc.	\$33,246.80
56960	PLIC - SBD Grand Island	\$3,338.38
56961	Paymentus Corporation	\$15,211.45
56962	Pomp's Tire Service Inc.	\$138.69
56963	Printlink Studios, Inc.	\$404.65
56964	RBC Global Asset Management Inc.	\$14,793.72

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

November 2, 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:

56965	Powerplan	\$502.48
56966	Reserve Account	\$2,000.00
56967	William Rose	\$149.99
56968	Sambatek	\$3,144.00
56969	Scott County	\$230.00
56970	Sravan Kumar Sheelam	\$250.00
56971	Short Elliot Hendrickson Inc.	\$5,487.90
56972	The Mathiowetz Construction Co.	\$7,785.00
56973	Gregory Triplett	\$328.91
56974	Johnson Controls Fire Protection LP	\$644.25
56975	United Systems & Software, Inc.	\$5,000.78
56976	Verizon Connect NWF Inc.	\$498.70
56977	Jamie Von Bank	\$289.31
56978	Water Conservation Service Inc.	\$304.50
56979	Water ISAC	\$524.00
56980	WESCO Receivables Corp.	\$5,333.90
56981	Woodhill Business Products	\$682.59
56982	Xcel Energy	\$2,690.41
56983	Ziegler Inc.	\$61.43

TOTAL

\$1,110,214.15

  
Interim Commission Secretary

\_\_\_\_\_  
Commission President

  
Interim Director of Finance & Administration

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

November 2, 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:

56906	City of Prior Lake	\$3,564.00	3rd Qtr. Franchise Fee
56907	AEM Financial Solutions, LLC	\$12,470.75	FS Budget - Cash Flow Forecasting, HR Consult-Utility Mgr. Comp Compliance Review & Report
56908	ABM Equipment & Supply LLC	\$17,411.93	WO#2358 - Utility Service body Brand, install body
56909	Allstream	\$2,488.76	Shak. Sub. Pike Lake and SPU phone lines
56910	AAR Building Service Co.	\$3,610.00	Nov. cleaning service
56911	Apple Ford of Shakopee	\$151.78	Water and Elec. Trk oil changes
56912	Arrow Ace Hardware	\$61.73	Water \$37.08-drill bit, bolts, muriatic acid, foam pipe install, Elec. - \$24.65-Lith batteries
56913	Robert Berndtson	\$350.75	Mileage reimbursement
56914	Border States Electric Supply	\$1,354.16	Shrink heat & switch disconnects
56915	Caldwell Tank, Inc.	\$479,152.93	Payment #1 & #2 for Water Tank #8 - WO#2259
56916	Centerpoint Energy	\$30.02	Gas usage for 10th Ave.
56917	City of Shakopee	\$3,516.92	Sept. fuel bill
56918	City of Shakopee	\$192,000.00	Nov. transfer fee
56919	City of Shakopee	\$2,650.00	Sept. R.O.W. permits (WO#2379 - \$1385.00)
56920	Core & Main LP	\$4,736.23	Stone meadows ext. WO#2438 - Water dept.
56921	Customer Contact Services	\$267.45	Answering service for Oct.
56922	Daily Printing Inc.	\$11,468.00	SPU Focus Newsletter/Autumn 2020
56923	Delta Dental Plan of MN	\$5,046.95	Oct. dental premiums
56924	E.H. Renner & Sons Inc.	\$1,522.12	WO#2369 - Test well request - 130th St. NW, Shakopee
56925	Ehlers Companies	\$11,250.00	Water connection fee study 2020
56926	Fastenal Ind & Const Supplies	\$151.00	Swzall blades for Elec.Dept.
56927	Ferguson Enterprises, LLC	\$2,338.90	End conn cskt, CXC coup, gskt, wog, galv hex bush
56928	Further	\$514.20	Flex dental and dependent claims
56929	Galvanizers, Inc.	\$490.00	Anchor bolts for circuit switcher
56930	Martin Glynn	\$90.00	Reimb. For online classes
56931	Grainger Inc.	\$365.55	Eye/Face wash station & spray paint
56932	Matthew Griebel	\$104.46	Meal reimb. - schooling
56933	Brad Gustafson	\$19.91	Meal reimb. - schooling
56934	Tyler Hanson	\$24.81	Meal reimb. - schooling
56935	Hawkins Inc.	\$5,299.14	Chlorine, control panel
56936	HealthPartners	\$80,423.30	Oct. health premiums
56937	Hennen's Auto Service, Inc.	\$644.16	New tires for Water dept. Trk #615 and Elec. Dept Trk #618 repair tire
56938	Ranger Chevrolet Buick GMC	\$29,485.64	Chevy Silverado - New dump truck chassis - WO#2359
56939	Interstate All Battery Center	\$54.76	Batteries for water dept.
56940	Impact Mailing of Minnesota, Inc.	\$11,987.93	Statements 10/2-10/29/20
56941	Innovative Office Solutions LLC	\$615.06	Office supplies
56942	Irby-Stuart C Irby Co.	\$37,938.92	Cable - Inventory
56943	Stuart C Irby Co.	\$1,327.39	Glove testing
56944	John Henry Foster Minnesota Inc.	\$1,631.77	Semi-Annual Mte contract - Water dept.
56945	JT Services	\$7,067.11	Pipe innerduct, lamp St. light (\$848.12 billed to the city)
56946	Matthew Kahle	\$36.23	Meal reimb. - schooling
56947	KLM Engineering Inc.	\$16,575.00	WO#2404 - Shop inspection - Water dept.
56948	Larkstur Engineering and Supply Inc.	\$364.57	Items for Elec. Dept. vehicles, Crimp
56949	M E Simpson Co., Inc.	\$3,850.00	Water dept. meters tested
56950	Mike's Auto Repair Inc.	\$230.72	Elec.Dept. trucks - oil changes
56951	Minn Valley Testing Labs Inc.	\$504.00	Coliform, Nitrate & Manganese
56952	MMUA	\$930.00	MMUA Tech. & Op. Conf. Dec 8-10th for G.D. & B.C.
56953	Larry Moody	\$6,000.00	2020 Solar System Rebate
56954	Nagel Companies LLC	\$42,580.00	\$1,588.00-WO#2407 hydrovac locate, \$5,175.00-WO#2424 pit for pot holing, spicing or fusing, \$11,480.00-WO#215 -Crt 98 feeder extension - All Electric dept.



SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

November 2, 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:

56955	Napa Auto Parts	\$80.46	Blue Def. 2.5 gal for elec. Dept.
56956	Gerry Neville	\$209.88	Mileage reimbursement
56957	Cindy Nickolay	\$382.96	Mileage reimbursement
56958	Northern Glass & Glazing, Inc.	\$1,750.00	Install 3 glass dividers with clamps
56959	Oracle America Inc.	\$33,246.80	Channel Fee & Cloud Service & Report - Customer Service Dept.
56960	PLIC - SBD Grand Island	\$3,338.38	L.T.D. for Nov. premiums
56961	Paymentus Corporation	\$15,211.45	Transaction fees for Sept.
56962	Pomp's Tire Service Inc.	\$138.69	Transforc Trk #645 registration - Elec. Dept.
56963	Printlink Studios, Inc.	\$404.65	Receipt books
56964	RBC Global Asset Management Inc.	\$14,793.72	Jan-Mar Operating/Cash & Apr. - June Operating/Cash
56965	Powerplan	\$502.48	hose fitting, bulk hose - Elec. Dept.
56966	Reserve Account	\$2,000.00	Replenish postage machine
56967	William Rose	\$149.99	Safety boot reimb.
56968	Sambatek	\$3,144.00	\$1,856.00 Windermere booster station/pump house - WO#2041 and General Services for \$1,288.00
56969	Scott County	\$230.00	\$46.00 easements for WO#2338, #2337, #2388 and 2
56970	Sravan Kumar Sheelam	\$250.00	2020 Res. Appliance rebate
56971	Short Elliot Hendrickson Inc.	\$5,487.90	2020 Eng. On-call service \$2892.90 and WO#2437-\$2595.00 - Both Water dept.
56972	The Mathiowetz Construction Co.	\$7,785.00	Install conduit crossing, lower cable - Elec. Dept.
56973	Gregory Triplett	\$328.91	Mileage reimbursement
56974	Johnson Controls Fire Protection LP	\$644.25	Annual Fire alarm monitoring service
56975	United Systems & Software, Inc.	\$5,000.78	WO#2345-Itron Encoder remote & mount
56976	Verizon Connect NWF Inc.	\$498.70	Sept. vehicle service for all dept.
56977	Jamie Von Bank	\$289.31	Meal reimb. - schooling & Mileage reimb.
56978	Water Conservation Service Inc.	\$304.50	Leak locate 7th Ave. E.
56979	Water ISAC	\$524.00	Annual membership for Lon
56980	WESCO Receivables Corp.	\$5,333.90	Splicing kit - for inventory
56981	Woodhill Business Products	\$682.59	AP Operating checks
56982	Xcel Energy	\$2,690.41	Gas/Electric usage for Amberglen Cir. And Valley Park
56983	Ziegler Inc.	\$61.43	Gasket, latch handle & Spring - Elec.

TOTAL

\$1,110,214.15

\_\_\_\_\_  
Interim Commission Secretary

\_\_\_\_\_  
Commission President

\_\_\_\_\_  
Interim Director of Finance & Administration



po box 470 • 255 sarazin st  
shakopee, mn 55  
main # 952.445-1988 • fax # 952.445-  
www.shakopeeutilities.com

8b

TO: Larry Koshire, Interim Utilities Manager

FROM: Lon R. Schemel, Water Superintendent

SUBJECT: Tank 8 Progress Update

DATE: October 29, 2020

*Larry Koshire*  
*L. Schemel*

The following items have been completed at the Tank 8 site:

- The foundation for the reservoir
- The water main from Zumbro Avenue up to the foundation
- All valves up to the site with only one hydrant to be installed
- The roadbed is complete for this year
- The retention pond was started on October 30th
- Altitude valve pit and by-pass
- The water main has been filled and tested from Zumbro to the tank site

October 29, 2020

Mr. Lon Schemel  
Shakopee Public Utilities  
255 Sarazin Street  
Shakopee, MN 55379

Subject: Change Order No. 2 and No. 3  
Water Tank No. 8  
SPU Project No. 2020-01

Dear Mr. Schemel:

Please find enclosed the Water Tank No. 8 Change Orders No.2 and No. 3 for your consideration.

To date, there have been three change orders defined for the Water Tank 8 project.

- a. Change Order No. 1 is in result of City required plan changes defined during the building permit acquisition. The City required plan changes to included alterations to the stormwater pond, stormwater pipe/structure, erosion control, site entrance concrete apron and tree removal/planting. This change order is predominately unit quantity adjustments, however adjustments to the stormwater pipe and structures require renegotiation. This change order is currently under negotiations with the Contractor and is not included in the letter for review at this time. This change order is anticipated to be a price increase.
- b. Change Order No. 2 is proposed as a construction price credit for elimination of the buried valve vault structure below the water tower base cone. The valve vault structure can be eliminated for this particular water tower because the base cone is insulated and heated. The water tower will function as designed with the elimination of the buried structure. Caldwell Tanks, Inc. proposed a contract price credit of \$20,653.60 for the elimination of the buried structure. The proposal has been reviewed for accuracy and the credit offered is considered fair for both SPU and the Contractor. Sambatek recommends the Commission to approve Change Order No. 2.
- c. Change Order No. 3 relates to construction work hours. The Project Manual defines working hours as Monday through Friday 7:00 A.M. through 7:00 P.M. and no weekend or holiday working hours. Caldwell Tanks, Inc. has requested working hours to match City of Shakopee Code 130.45c. City Code construction working hours are 7:00 A.M. through 10:00 PM Monday through Friday and 9:00 A.M. through 9:00 P.M. on weekends and holidays. With the remote location of the project site and minimal impact on residents, Sambatek recommends approving working hour change to match City Code.



Please feel free to give me a call with any questions or comments.

Sincerely,

Mike Burdorf, PE  
Sr. Project Manager  
Sambatek, Inc.

enc. Change Order No.2 – Proposal for removal of valve vault under tank  
Change Order No. 3 – Working hour adjustment

c.c. Joe Adams, Tony Myers

DOCUMENT 00 6363  
CHANGE ORDER FORM

Change Order No. 2

Date of Issuance: October 14, 2020	Effective Date:
Owner: Shakopee Public Utilities	Owner's Contract No.: 2020-1
Contractor: Caldwell Tanks, Inc	Contractor's Project No.:
Engineer: Sambatek, Inc.	Engineer's Project No.: 2079.05
Project: Water Tank 8	Contract Name: Water Tank 8

The Contract is modified as follows upon execution of this Change Order:

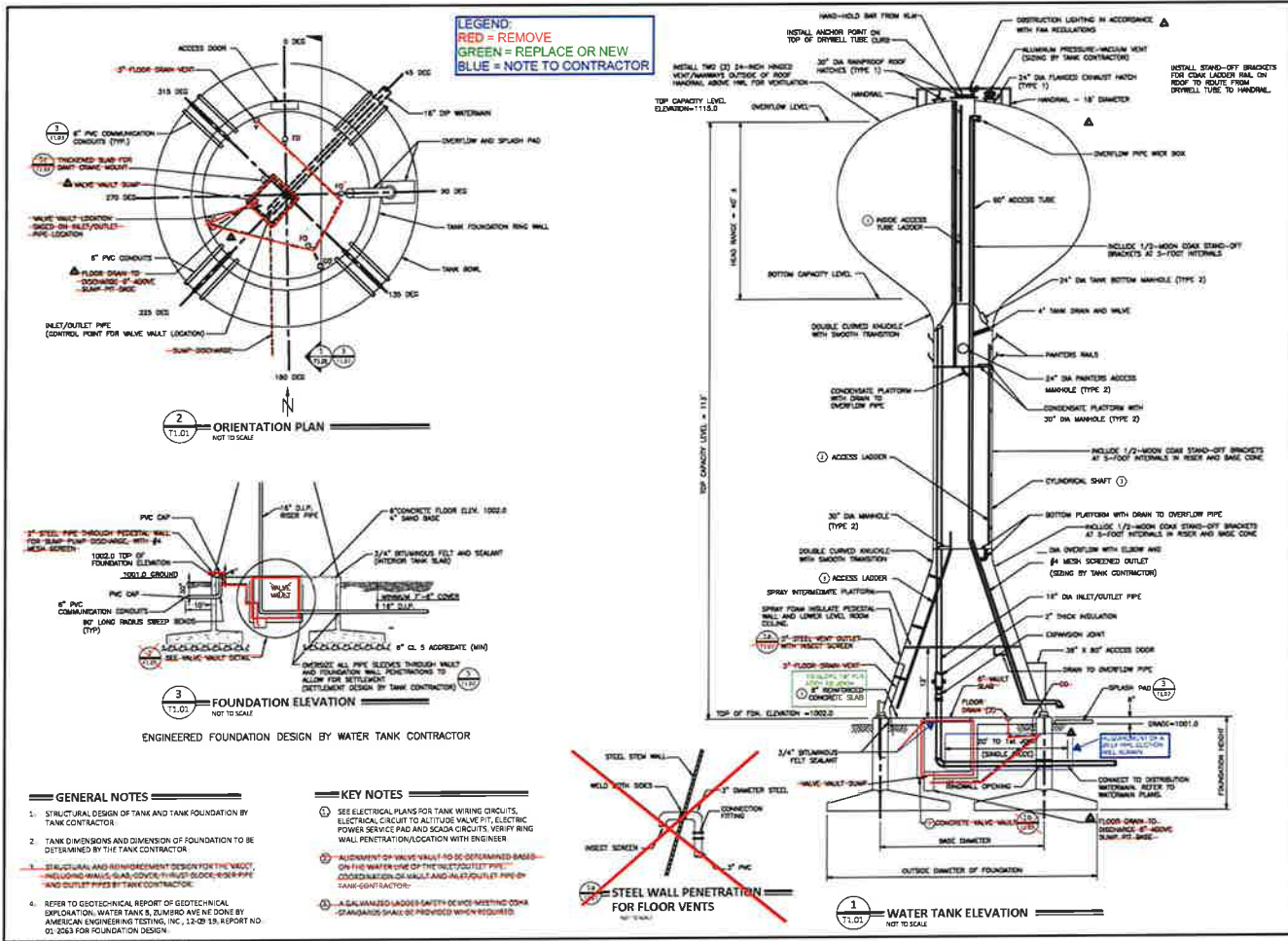
Description: Change order credit to remove the valve vault below Water Tank 8.

Attachments: *Engineering instruction plan sheets – T1.01, T1.02, T1.03, E1.03, & E1.04*  
*Caldwell design team cost proposal with labor and material detail.*

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>3,753,000.00</u>	Original Contract Times: Substantial Completion: <u>P1: 11/1/2020 P2: 10/1/2021</u> Ready for Final Payment: <u>11/15/2021</u> days or dates
[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> : \$ <u>N/A</u>	[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> : Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> days
Contract Price prior to this Change Order: \$ <u>3,753,000.00</u>	Contract Times prior to this Change Order: Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> days or dates
[Increase] [Decrease] of this Change Order: \$ <u>20,653.60</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> days or dates
Contract Price incorporating this Change Order: \$ <u>3,732,346.40</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>P1: 11/1/2020 P2: 10/1/2021</u> Ready for Final Payment: <u>11/15/2021</u> days or dates

<b>RECOMMENDED:</b>		<b>ACCEPTED:</b>		<b>ACCEPTED:</b>	
By: <u></u>	By: _____	By: <u></u>	By: _____	By: <u></u>	By: _____
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)	Contractor (Authorized Signature)	Sr. Project Manager	Sr. Project Manager
Title: <u>Sr. Project Manager</u>	Title: _____	Title: <u>Sr. Project Manager</u>	Title: _____	Title: <u>Sr. Project Manager</u>	Title: _____
Date: <u>10/14/2020</u>	Date: _____	Date: <u>10/15/20</u>	Date: _____	Date: <u>10/15/20</u>	Date: _____

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**Client**

SHAKOPEE PUBLIC UTILITIES  
 255 SARAZIN STREET  
 SHAKOPEE, MN 55379  
 TELEPHONE: 953-443-1888  
 UTILITY MANAGER: JOHN COOPER  
 PLANNING & DESIGN COORDINATOR: JAMES H. HANSEN  
 WATER SUPPLIMENT: 651-439-1101

**Sambatek**  
 www.sambatek.com  
 2820 Whittaker Drive, Suite 200  
 Minneapolis, MN 55425  
 TEL: 612.570.5400  
 FAX: 612.570.5400  
 Engineering | Surveying | Planning | Construction

**Project**  
 PROJECT MANAGER: MACE SUDORFF P.E.  
**WATER TANK 8**

**Location**  
 SHAKOPEE, MN

**Certification**

Professional Engineer  
 State of Minnesota  
 Registration No. 55722 Date: 2/14/2020

**Summary**

Original: N/A Draw: 02  
 Approved: N/A Book / Page:  
 Phase: N/A Release For Bid: 12/24/2021

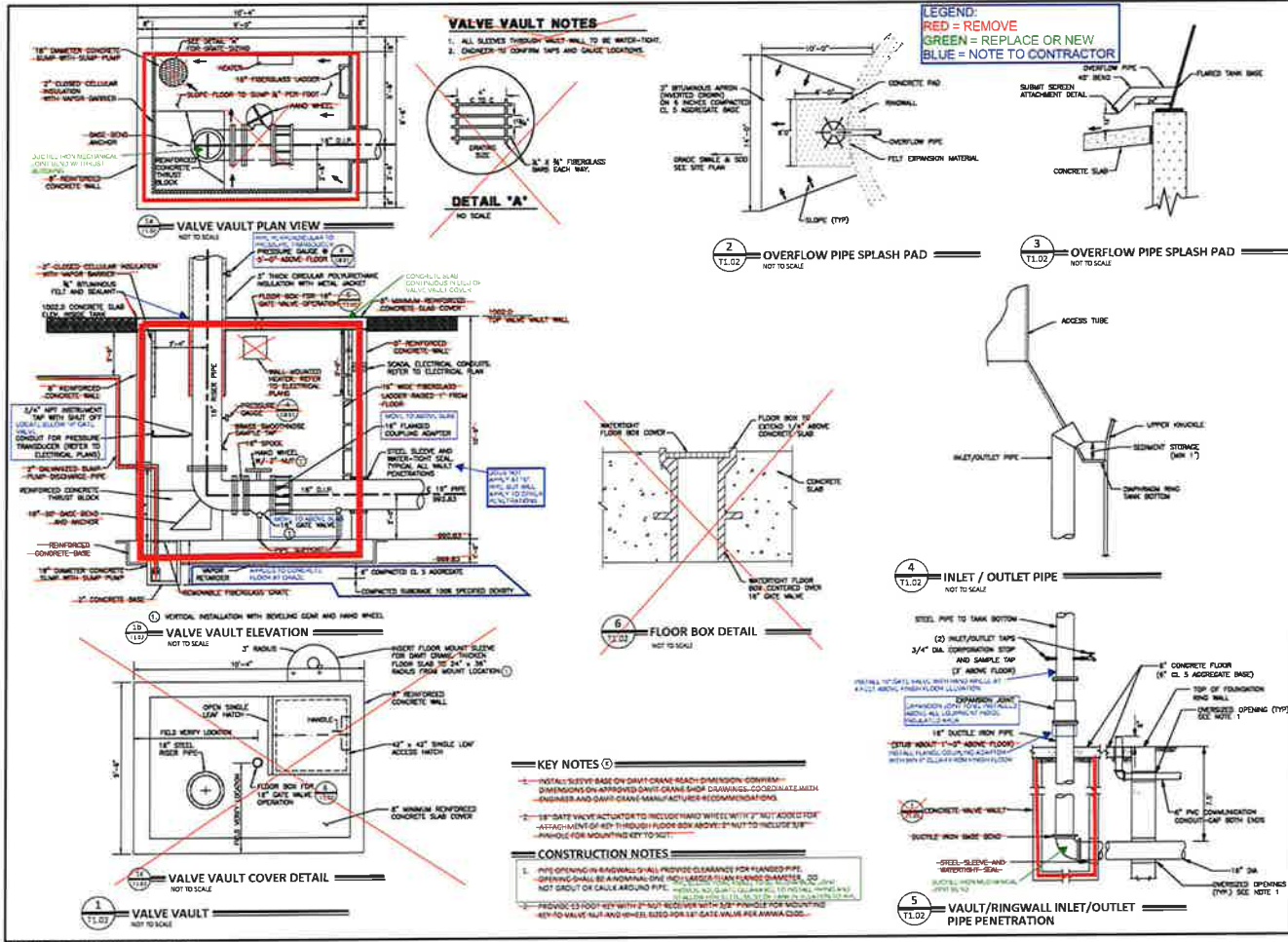
**Revision History**

Rev	By	Date	Description
01	MS	12/24/2021	Issue for Bid

**Sheet Title**  
**TANK NO. 8**  
**PLAN & DETAILS**

**Sheet No. Revision**  
**T1.01**

**Project No.** 20709.05



**Client**

SHAKOPEE PUBLIC UTILITIES  
 255 SARAZIN STREET  
 SHAKOPEE, MN 55379  
 TELEPHONE: 612-463-2888  
 612-463-2888  
 1775 SOUTH MAIN  
 SHAKOPEE, MN 55379  
 WATER SUPPLY TOWER  
 10000 ML

**Sambatek**  
 www.sambatek.com

12800 Washington Drive, Suite 200  
 Minneapolis, MN 55441  
 763-478-8000  
 763-478-8000  
 Engineering / Surveying / Planning / Construction

PROJECT MANAGER: WALEY BLOOM P.E.

**Project**  
**WATER TANK 8**

**Location**  
**SHAKOPEE, MN**

**Certification**

I hereby certify that this design and specification was prepared by me or under my direct supervision and that I am a duly licensed professional engineer under the laws of the state of Minnesota.

*WLB*

MINNESOTA REGISTERED PROFESSIONAL ENGINEER  
 No. 33120 Date: 2/14/2020

**Summary**

Original: 4/4  
 Approved: 4/4  
 Revisions: 1/1

**Revision History**

No. Date By: Submitted / Revisions

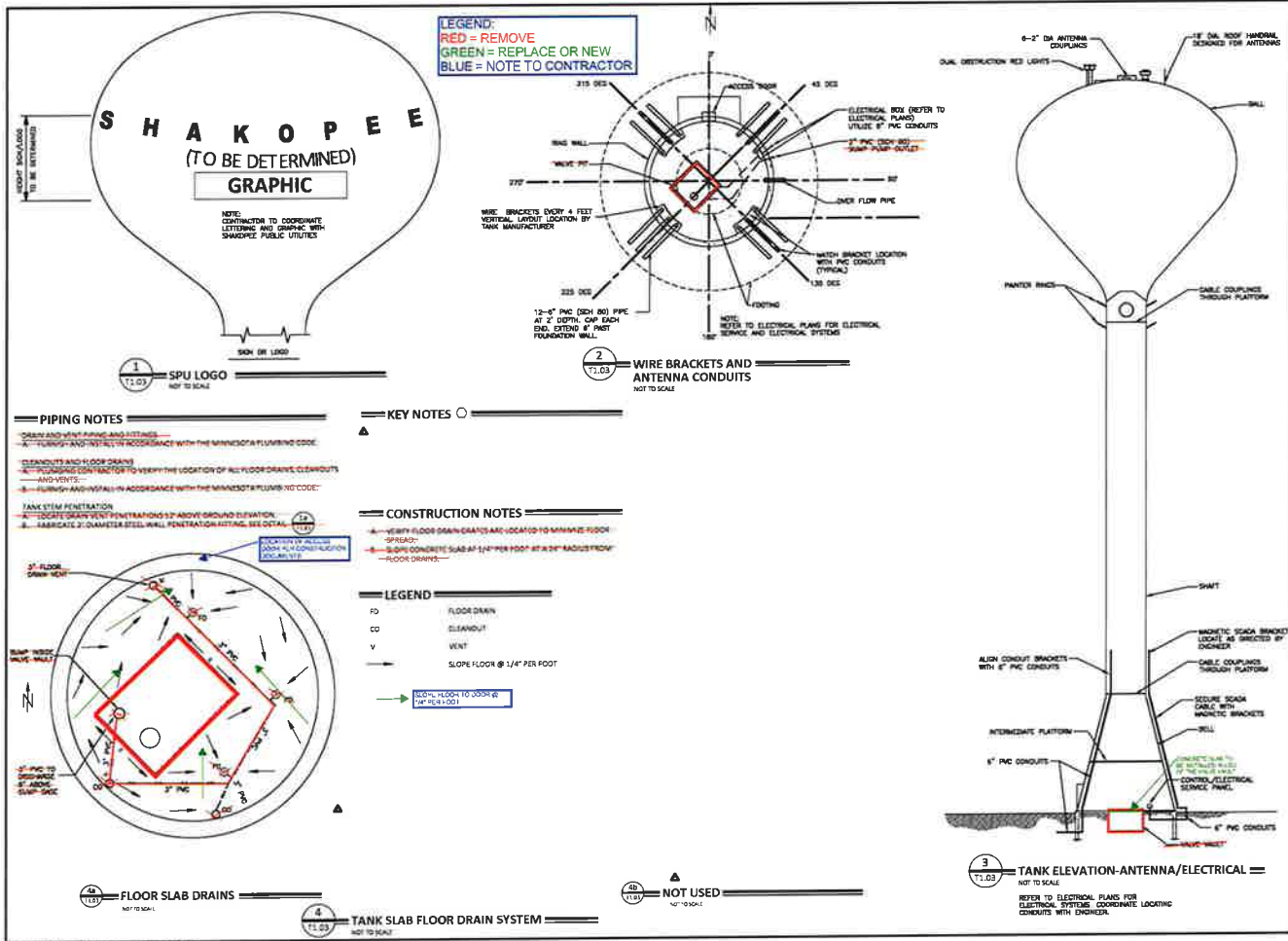
1 4/16/20 01 ON/REV/COMMENTS

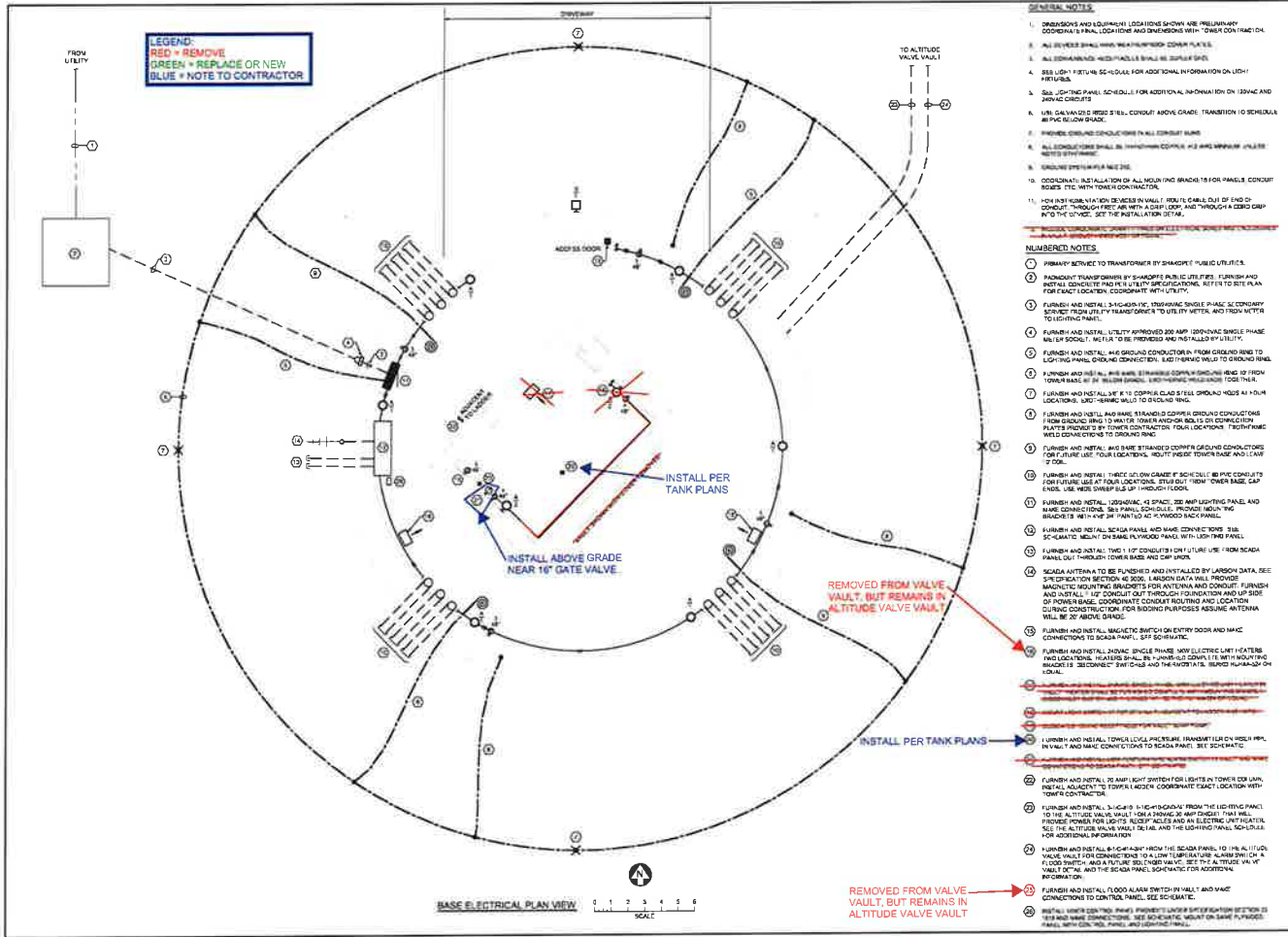
**Sheet Title**  
**TANK NO. 8**  
**PLAN & DETAILS**

**Sheet No. Revision**  
**T1.02**

**Project No.** 20709.05







**Client**  
**SHAKOPEE PUBLIC UTILITIES**  
 255 SARAZIN STREET  
 SHAKOPEE, MN 55379  
 TELEPHONE: 952-445-1588  
 UTILITY MANAGER: JOHN CHODOS  
 PLANNING & ENGINEERING DIRECTOR: JIM COLBY  
 WATER SUPPLY ENGINEER: LORI SCHMEL

**Sambatek**  
 12800 Wilshire Drive, Suite 300  
 Minneapolis, MN 55404  
 763.478.8200 Telephone  
 763.478.8200 Faxline  
 Engineering / Consulting / Planning / Construction

PROJECT MANAGER: NAVE SUBRAManian  
**Project**  
**WATER TANK 8**

**Location**  
**SHAKOPEE, MN**

**Certification**  
 I hereby certify that the design and construction of this project was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer in the State of Minnesota.  
*David S. Steiner*  
 David S. Steiner  
 Registration No. 25753 Date: 02/14/2010  
 Professional Engineer in the State of Minnesota

**Summary**  
 Drawings: 005    Revis: 143  
 Approve: 005    Date: / /  
 Sheet: 005    Total: 005

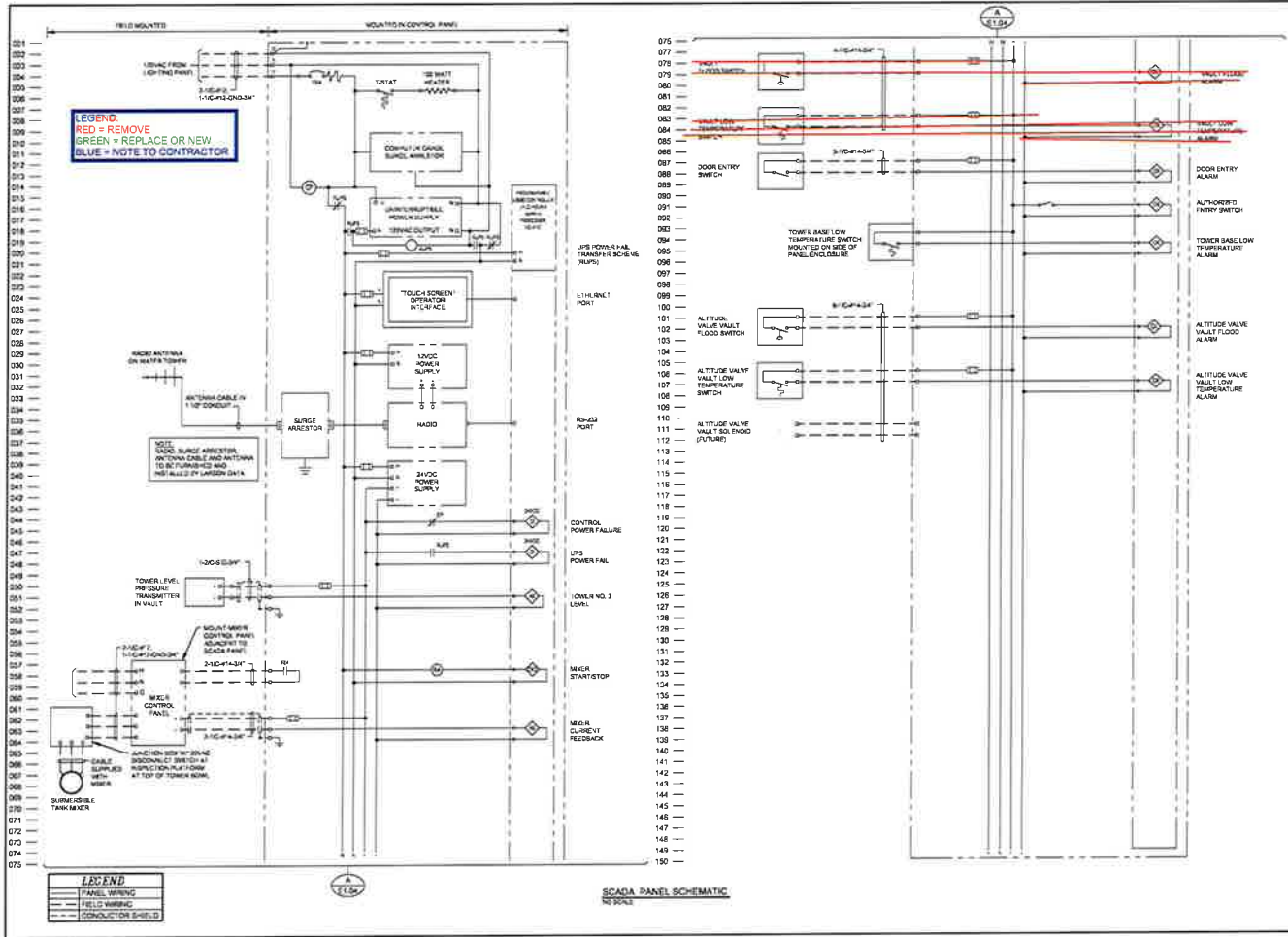
**Revision History**  
 No. Date By    Submitted / Revision

**Sheet Title**  
**BASE**  
**ELECTRICAL**  
**PLAN VIEW**

**Sheet No. Revision**  
**E1.03**

**Project No.**    20709.05

02/14/2010 10:41 AM C:\PROJECTS\20709\20709.DWG PLOT: 11x17 (ANSI) 100% 100% 100%



**Client**

SHAKOPEE PUBLIC UTILITIES  
 255 SARAZIN STREET  
 SHAKOPEE, MN 55379  
 TELEPHONE: 952-445-1988  
 UTILITIES MANAGER JOHN OROGRO  
 PLANNING/ENGINEERING DIRECTOR DE. BIRBAUM  
 WATER SUPERINTENDENT LOU SCHMEL

**Sambatek**  
 www.sambatek.com  
 12800 Winnetonka Drive, Suite 300  
 Minneapolis, MN 55425  
 TEL: 763.870.9400  
 FAX: 763.870.9400  
 Engineering Services • Planning • Software

**Project**  
 WATER TANK 8

**Location**  
 SHAKOPEE, MN

**Certification**

Professional Engineer  
 License No. 100000  
 State of Minnesota  
 Date: 03/11/2025

**Summary**

Revision History

**Sheet Title**  
 SCADA PANEL SCHEMATIC

**Sheet No. Revision**  
 E1.04

**Project No.** 20709.05



September 23, 2020

Sambatek, Inc.  
 12800 Whitewater Drive  
 Suite 300  
 Minnetonka, MN 55343  
 Attention: Mr. Michael Burdorf, P.E.

RE: Shakopee Public Utility  
 750,000 Gallon Composite Elevated Water Storage Tank  
 C.T.I. #E-8982

Re: Change Order Request - PCO#02  
 Tank Interior Vault Deduct

Dear Michael,

Caldwell Tanks submits this revised proposed change order deduct of (\$20,653.60) for the removal of the concrete vault structure in the base of the elevated tank per the attached drawing edit from Sambatek. The following changes will be incorporated:

- 16" gate valve & flange adapter will be moved to the vertical riser above the floor slab
- ¾" NPT instrument (PT) tap with shut off to be located below the 16" gate valve
- Pressure gauge located on vertical riser.
- Brass smooth nose sample tap to be located on vertical riser.
- Removal of vault concrete and cover, and sump and drain.
- Removal of vault heater and sump power routing.

1	Sibley Electric - Deduct UH, LTS, and power routing to sump.	1.00	LS	\$ (700.00)	\$ (700.00)
2	Swan - Deduct concrete vault structure	1.00	LS	\$ (17,000.00)	\$ (17,000.00)
3	Swan - Deduct sump pump	1.00	LS	\$ (1,200.00)	\$ (1,200.00)
4	Swan - Deduct floor drain system	1.00	LS	\$ (4,200.00)	\$ (4,200.00)
	subtotal				\$ (23,100.00)
5	Caldwell engineering drawing revisions; Project Engineer hours	4.00	HR	\$ 141.65	\$ 566.60
6	Caldwell engineering drawing revisions; Drafting hours	16.00	HR	\$ 77.25	\$ 1,236.00
7	Caldwell Project Management	4	HR	160.95	\$ 643.80
	Total				\$ (20,653.60)

Thank you for your consideration of this change order cost. Please let me know if you have any questions, or comments.

Respectfully,

*Maria Y. Bowman*

Maria Y. Bowman  
 Sr. Project Manager  
 Caldwell Tanks, Inc.  
[mbowman@caldwelltank.com](mailto:mbowman@caldwelltank.com)  
 TEL 515-468-1654



7217 West 128th Street  
 Savage MN. 55378  
 612-490-8111  
 Swanexcavating@gmail.com

**Change Order Request      2**

**To:** Tina Snellen / Caldwell

**Project:** Shakopee Water Tower 8

**Date Work Performed:** Pending

**DESCRIPTION OF WORK PERFORMED: Change order 2 Valve Vault deduct**

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
					\$ -
					\$ -
1	Remove concrete valve Vault from scope,	1.00	LS	\$ (17,000.00)	\$ (17,000.00)
					\$ -
2	Remove sump pump from scope	1.00	LS	\$ (1,200.00)	\$ (1,200.00)
					\$ -
3	Remove floor drain system from tank floor	1.00	LS	\$ (4,200.00)	\$ (4,200.00)
					\$ -
4					\$ -
					\$ -
5					\$ -
					\$ -
6					\$ -
					\$ -
7					\$ -
					\$ -
8					\$ -
					\$ -
9					\$ -
					\$ -
10					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
<b>Change Order Request Total</b>					<b>\$ (22,400.00)</b>

\*Please issue a change order for the above requested total. Thank you very much



7217 West 128th Street  
Savage MN. 55378  
612-490-8111  
Swanexcavating@gmail.com

Contractor. \_\_\_\_\_

Project Manager \_\_\_\_\_

**DOCUMENT 00 6363  
CHANGE ORDER FORM**

Change Order No. 3

Date of Issuance: September 23, 2020

Effective Date:

Owner: Shakopee Public Utilities

Owner's Contract No.: 2020-1

Contractor: Caldwell Tanks, Inc

Contractor's Project No.:

Engineer: Sambatek, Inc.

Engineer's Project No.: 2079.05

Project: Water Tank 8

Contract Name: Water Tank 8

The Contract is modified as follows upon execution of this Change Order:

Description: CALDWELL AND SUB CONTRACTORS REQUEST WORK HOURS TO BE ADJUSTED TO MATCH CITY OF SHAKOPEE CITY CODE 130.45c.

CITY CODE 130.45c. CONSTRUCTION ACTIVITY WORKING HOURS

WEEKDAYS: 7:00 AM THROUGH 10:00 PM

WEEKEND AND HOLIDAYS: 9:00 AM THROUGH 9:00 PM

NO WORK REQUIRING OWNER OR OWNER REPRESENTATIVE INSPECTIONS IS ALLOWED TO BE SCHEDULED AFTER 5:00 PM ON WEEKDAYS OR AT ANY TIME DURING WEEKENDS OR HOLIDAYS.

Attachments: [List documents supporting change] N/A

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price:  \$ <u>3,753,000.00</u>	Original Contract Times: Substantial Completion: <u>P1: 11/1/2020 P2: 10/1/2021</u> Ready for Final Payment: <u>11/15/2021</u> <p style="text-align: right;">dates</p>
[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> :  \$ <u>PREVIOUS CHANGE ORDERS NOT YET APPROVED</u>	[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> : Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> <p style="text-align: right;">days</p>
Contract Price prior to this Change Order:  <u>\$3,753,000.00</u>	Contract Times prior to this Change Order: Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> <p style="text-align: right;">days or dates</p>
[Increase] [Decrease] of this Change Order:  \$ <u>0.00</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> <p style="text-align: right;">days or dates</p>
Contract Price incorporating this Change Order:  \$ <u>3,753,000.00</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>P1: 11/1/2020 P2: 10/1/2021</u> Ready for Final Payment: <u>11/15/2021</u> <p style="text-align: right;">dates</p>

<p><b>RECOMMENDED:</b></p> <p>By: <u><i>Michael B. B...</i></u> Engineer (if required)</p> <p>Title: <u>Sr. Project Manager</u></p> <p>Date: <u>9/23/2020</u></p>	<p><b>ACCEPTED:</b></p> <p>By: _____ Owner (Authorized Signature)</p> <p>Title: _____</p> <p>Date: _____</p>	<p><b>ACCEPTED:</b></p> <p>By: <u><i>Michael B. B...</i></u> Contractor (Authorized Signature)</p> <p>Title: <u>SR. PROJECT MANAGER</u></p> <p>Date: <u>9-23-20</u></p>
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**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: Larry Koshire, Interim Utilities Manager *Larry Koshire*  
FROM: Joseph D. Adams, Planning & Engineering Director *J.D. Adams*  
SUBJECT: West Shakopee Substation Update  
DATE: October 29, 2020

**ISSUE**

The West Shakopee Substation 115 KV Interconnection System Impact Study has been completed by Xcel Energy. And the site survey has been completed by Loucks.

**BACKGROUND**

The Commission previously authorized the subject study to be performed to begin the process of determining if the proposed site is a viable location for a new electrical substation to serve the load growth due to the ongoing development and planned expansion of the city on the west side of Shakopee.

The Commission entered into a contingent Purchase Agreement with the landowner for the purchase of approximately 2.47 acres of undeveloped farmland.

**DISCUSSION**

The System Impact Study was submitted to staff and Kevin Favero of Leidos, the Commission's substation engineering consultant. We reviewed the results with Xcel Energy staff and are pleased to report that Xcel Energy staff gave the proposed site a resounding positive review as an excellent site for a substation given its location adjacent to a 115 kV transmission line. From the report:

**“This study concludes that the new West distribution substation fed from Xcel Energy’s Dean Lake to Scott County 115 kV transmission line is reliable and can proceed as detailed in this report. This interconnection allows SPU to meet the**



PO Box 470 • 255 Sarazin Street  
Shakopee, Minnesota 55379  
Main 952.445-1988 • Fax 952.445-7767  
www.shakopeeutilities.com

**needs of their new and future customers without impacting the reliability of the transmission system.”**

The next step in the process of securing approvals from the Federal Energy Regulatory Commission (FERC), the Midwest System Operator (MISO) of the transmission system and Xcel Energy the transmission system owner is for the Commission to enter into a Facilities Study Agreement with Xcel Energy. This agreement details the following:

*Transmission Owner must determine: (a) the adequacy of the Transmission Owner's distribution and transmission systems to accommodate the Requestor's Project; (b) any required network modifications or upgrades which would be needed to accommodate the Requestor's Project; (c) the estimated costs of direct assignment facilities or network upgrades for the Transmission Owner to perform any such modifications or upgrades.*

Staff is reviewing a draft Facilities Study Agreement with the Commission's substation engineering consultant and attorney and expects to submit a final version of the agreement to the Commission for approval at their November 16<sup>th</sup> meeting.

The attached Alta/NSPS Land Title Survey confirms the size of the site to be 2.47 acres.

Attached is an updated closing checklist from the Commission's attorney.

#### REQUESTED ACTION

None at this time.



**WEST SUBSTATION 115KV  
INTERCONNECTION  
SYSTEM IMPACT STUDY**

FAC-002 REPORT

**PREPARED BY:**

Jason Espeseth, PE

Senior Engineer, Transmission Planning, Xcel Energy

Jacob Johnson

Engineer, Transmission Planning, Xcel Energy

**REVIEWED BY:**

Joe Adams

Director, Planning and Engineering, Shakopee Public Utilities (SPU)

Kevin Favero

Senior Project Manager, Energy Consulting & Engineering, Leidos Engineering, LLC

**DATE**

October 27<sup>th</sup>, 2020

**VERSION**

*FINAL*

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## 1. BACKGROUND AND SCOPE OF STUDY

This report demonstrates and evaluates the transmission system impacts caused by the establishment of the Shakopee Public Utilities (“SPU”) interconnection request for the new West distribution substation. The new West substation has a proposed location in the western region of Shakopee, MN and is located approximately 0.5 miles east of Xcel Energy’s Scott County substation. SPU’s proposed substation is on Colburn Drive, previously known as Old Brick Yard Road. This new load serving substation would be in-and-out tapped off Xcel Energy’s Scott County to Dean Lake 115kV transmission line. This interconnection request is needed due to the load growth in the area.

Figure 1.1

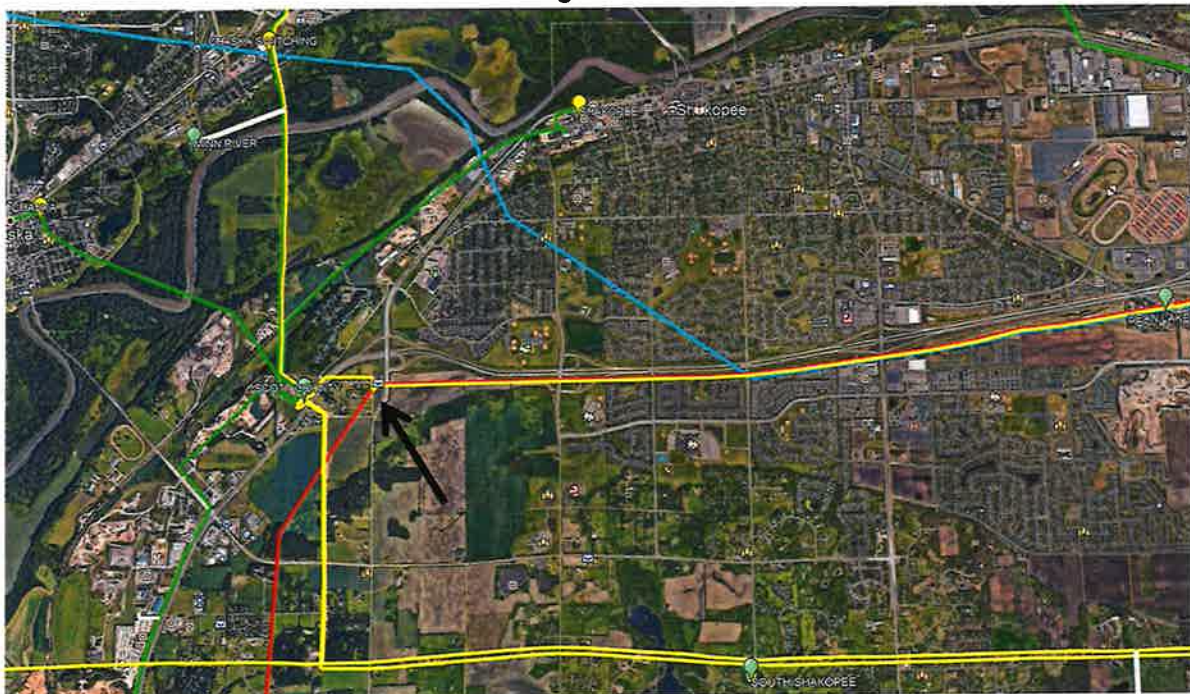


Figure 1.1 shows the transmission system in the localized area around the proposed SPU West substation interconnection. The proposed location of the SPU West substation is indicated by the black arrow.

## 2. CONCLUSIONS AND RECOMMENDED PLAN

This study concludes that the new West distribution substation fed from Xcel Energy’s Dean Lake to Scott County 115 kV transmission line is reliable and can proceed as detailed in this report. This interconnection allows SPU to meet the needs of their new and future customers without impacting the reliability of the transmission system.

### **3. STUDY HISTORY AND PARTICIPANTS**

The study was performed by Xcel Energy's Transmission Planning with input and review from SPU Planning and Engineering, along with Leidos Engineering coordinated on this interconnection request. All study participants agree with the outcome of this study.

#### **3.1 NEED**

This project is driven by the need to accommodate the rapidly developing area in western Shakopee. SPU predicts load growth and requires the construction of an additional substation to serve the forecasted load. SPU intends to design the new West substation with two 28 MVA, 115/12.5 kV distribution transformers in the ultimate configuration. The first transformer will be installed initially, while the second will be installed when needed in the future.

### **4. STEADY STATE ANALYSIS**

#### **4.1 MODELS**

Models implemented in this study:

- MISO20\_2021\_SUM\_\_TA: Modified to local 2021 summer peak conditions
- MISO20\_2022\_SUM\_\_TA: Modified to local 2023 summer peak conditions
- MISO20\_2025\_SUM\_\_TA: Modified to local 2027 summer peak conditions
- MISO20\_2030\_SUM\_\_TA: Modified to local 2033 summer peak conditions

The base case models originated from the MISO MTEP20 model series. The only changes made to the base MISO20 Series models were updating SPU and Xcel Energy local loads to the forecasted peak values and including the West substation interconnection when appropriate. Analysis included both a base model and a study model, which included the proposed West substation, for all years stated above.

#### **4.2 CONTINGENCIES**

NERC Category P0-P7 contingencies in the localized area were run in accordance with Reliability Standard TPL-001-4.

#### **4.3 CONDITIONS STUDIED**

All local loads in the study area were modeled at summer peak conditions. SPU provided their summer peak loads with and without the proposed West substation in-

service. All SPU loads are assumed at 0.98 power factor, while Xcel Energy assumes a power factor of 0.99.

Table 4.1

<b>Load Forecast for Existing SPU Substations (MVA)</b>						
<b>Substation</b>	<b>2021</b>	<b>2023</b>	<b>2025</b>	<b>2027</b>	<b>2031</b>	<b>2033</b>
South Shakopee Sub	40.4	47.1	49.8	52.5	57.9	60.5
Blue Lake Sub	10.5	11.2	11.4	11.6	11.9	12.1
Dean Lake Sub	63.5	66.8	69.1	71.3	75.8	78.1
Pike Lake Sub	18.7	21.2	23.6	26.1	31	33.5
Shakopee Sub	22.7	25.8	28.8	31.8	37.9	41
Total	155.9	172.1	182.7	193.4	214.6	225.2

Table 4.1 shows the SPU forecasted loads without the proposed West substation interconnection.

Table 4.2

<b>Load Forecast for Existing SPU Substations with West Substation (MVA)</b>						
<b>Substation</b>	<b>2021</b>	<b>2023</b>	<b>2025</b>	<b>2027</b>	<b>2031</b>	<b>2033</b>
South Shakopee Sub	40.4	35.6	35.4	35.4	40.3	42.7
Blue Lake Sub	10.6	11.4	11.6	11.8	12.3	12.5
Dean Lake Sub	63.5	68.2	70.5	72.8	77.3	79.6
Pike Lake Sub	18.6	19.6	22	24.4	29.2	31.5
Shakopee Sub	22.7	19.1	19.5	19.8	20.6	21
West Sub	0	18.2	23.7	29.1	34.9	37.8
Total	155.9	172.1	182.7	193.4	214.6	225.2

Table 4.2 shows the SPU forecasted loads with the proposed West substation interconnection in service.

#### **4.4 OPTIONS EVALUATED**

Option 1: Interconnection to the Scott County to Dean Lake 115 kV transmission line and installation of a 115/12.5 kV load serving substation. The initial installation would include a single 28 MVA distribution transformer and one line breaker on the line to Dean Lake. The substation would have an ultimate design of two 28 MVA transformer, a bus tie breaker, and two line breakers.

Option 2: Interconnection to the Scott County to Dean Lake 115 kV transmission line and installation of a 115/12.5 kV load serving substation. The initial installation would include a single 28 MVA distribution transformer and no breakers. The substation would have an ultimate design of two 28 MVA transformer, a bus tie breaker, and two line



breakers. This option is designed similar to multiple existing SPU interconnections to the Xcel Energy transmission system.

Since this study was externally driven, there were only two options evaluated in this analysis and the electrical performance is equivalent between the two.

Figure 4.1

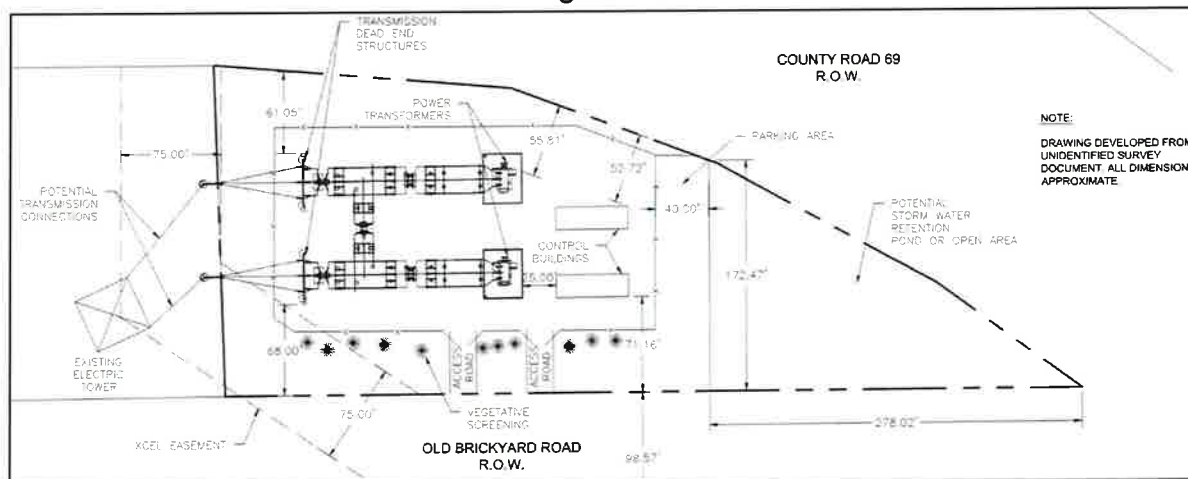


Figure 4.1 shows a preliminary conceptual ultimate layout of SPU's West substation which was provided by SPU.

#### 4.5 POINT OF INTERCONNECTION SELECTION

Prior to submitting the interconnection request for the proposed West substation, SPU identified a parcel of land located tangent to Xcel Energy's Scott County to Dean Lake 115 kV line it could acquire. This parcel was included in the interconnection request as the preferred point of interconnection. Interconnection to the Scott County to Dean Lake 115 kV line was selected due to its proximity to available land and the anticipated potential to serve the required load without impacting the overall transmission system.

#### 4.6 PERFORMANCE EVALUATION METHODS

A power flow analysis was conducted using the simulation software PSS®E version 34. AC Contingency analysis (ACCC) was used to flag voltage and thermal issues on the study case.

#### 4.7 RESULTS

The steady state analysis showed that the proposed SPU West Substation interconnection, and associated transmission system modifications, produced no new thermal or voltage violations as compared to the base case model.

However, the steady state analysis did show potential voltage concerns independent of this interconnection request at two locations which need to be addressed. Two potential projects could address the issue:

1. Installation of under voltage load shedding at SPU Shakopee substation is a potential solution for the loss of both Scott County 115/69 kV transformers.
2. Installation of a reverse power relay on both Carver County 115/69 kV transformers is a potential solution for the loss of Carver County to West Waconia 115 kV line and Scott County Tap to Dahlgren 115 kV line.

Both potential solutions will need to be discussed further to finalize solutions.

## **5. SUPPLEMENTAL ANALYSIS**

### **5.1 DYNAMIC STABILITY ANALYSIS**

Engineering judgment determined that since this study did not include a generator interconnection dynamic stability analysis was not required.

### **5.2 CONSTRAINED INTERFACE ANALYSIS**

Engineering judgment determined that constrained interface analysis was not applicable since this study area does not include a constrained interface.

### **5.3 REACTIVE POWER REQUIREMENTS**

The proposed West distribution substation will have the same reactive requirements as any other substation interconnected to Xcel Energy's transmission system. Engineering judgment determined that no other reactive power requirements were needed as part of this interconnection.

### **5.4 LOSSES ANALYSIS**

Engineering judgement determined loss analysis was not necessary in this study. The proposed reconfiguration of the transmission system around the Shakopee area will have minimal impact to overall transmission system losses.

### **5.5 ECONOMIC ANALYSIS USING PRODUCTION COST MODELING**

A detailed economic analysis was not performed as part of this study because engineering judgment determined the proposed options have equivalent electrical performance.

## **5.6 SHORT CIRCUIT ANALYSIS**

Engineering judgment determined short circuit analysis was not necessary for this study because the proposed solution would not significantly change the fault current in the area.

## **6. ECONOMIC ANALYSIS**

A detailed economic comparison analysis was not performed as part of this study due to the nature of this project. However, an indicative cost comparison was completed for the two options studied. Option 1 has an indicative transmission cost of \$3M while Option 2 has an indicative transmission cost of \$2.5M. These are the only viable options to properly support the load and meet the target in-service date of October 2022.

## **7. RELVANT CONCERNS**

### **7.1 LOAD-SERVING ISSUES**

SPU predicts an average annual load growth of 3.2% over the next 13 years. This rate is significantly higher than typical Minnesota township growth rates. This analysis shows that even this high growth is not an issue for the transmission system.

However, as noted in the steady state analysis multiple potential voltage concerns independent of this interconnection request need to be addressed. These voltage concerns have an impact the load serving capabilities of the area. Potential solutions were discussed in this study report and require further examination to determine effectiveness.

### **7.2 CONSTRUCTABILITY AND SCHEDULE CONSIDERATIONS**

The point of interconnection and potential land to be purchased is ideal for SPU due to the proximity to Xcel Energy's Scott County to Dean Lake 115 kV line. However, there are two transmission lines, 345 kV and 115 kV, on the same steel lattice structure at the point of interconnection. It is to be expected that both lines will require an outage to avoid encroachment on the OSHA minimal approach distance (MAD) and promote safe work.

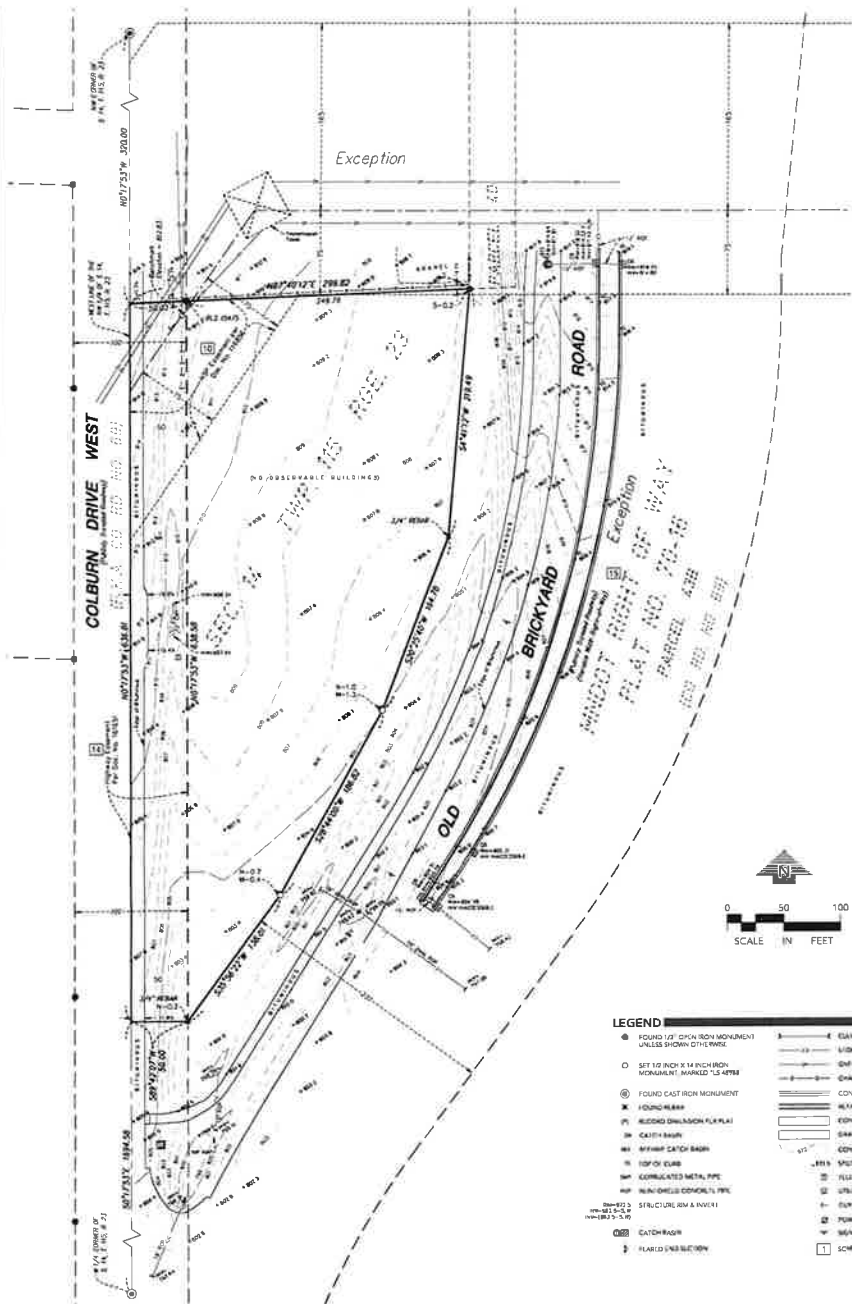
This project went through Xcel Energy's internal constructability review process and both options were presented. Option 2 was approved because it is the most economical initially, maintains the ultimate substation layout, simplifies the system protection, and is consistent with other existing SPU substation designs interconnected to the Xcel Energy transmission system.

In their interconnection request, SPU submitted an in-service date of October 2022. Xcel Energy met with SPU and recommended a later date based on the history of similar projects. Both parties agreed to work in good faith to achieve an October 2022 in-service date and not to exceed a June 1<sup>st</sup>, 2023 in-service date so that the substation is energized for the peak summer period.

### **7.3 OWNERSHIP**

Xcel Energy will own the 115 kV high side of the proposed West substation and all transmission line work required to accommodate the interconnection. SPU will own the transformer disconnections, distribution transformers, and all distribution facilities in the West substation. This ownership arrangement is consistent with all existing SPU substation interconnections to the Xcel Energy transmission system. Xcel Energy and SPU have already agreed to this ownership arrangement in principle and detailed ownership will be handled via contracts between the two parties.





**DESCRIPTION OF PROPERTY**  
(Per Schedule A of the herein referenced Title Commitment)

- Parcel 1:  
 The North one-half of the Northwest Quarter, and the Southwest Quarter of the Northwest Quarter, Section 14, Township 115 North, Range 23 West, Scott County, Minnesota, EXCEPT the following parcels:  
 (A) The North 320.00 feet of the West 340.31 feet of the Northwest Quarter of the Northwest Quarter.  
 (B) The East 214.9 feet of the West 498.0 feet of the South 202.0 feet of the Southwest Quarter of the Northwest Quarter.  
 (C) The West 266 feet of the South 202 feet of the Southwest Quarter of the Northwest Quarter.  
 (D) That part of the West half of the Northwest Quarter and the Northeast Quarter of the Northwest Quarter, as in Section 14, Township 115 North, Range 23 West, shown as Parcel 43B on Minnesota Department of Transportation Right of Way Plat Numbered 70-16 as the same is on file and of record in the office of the County Recorder in and for Scott County, Minnesota.

**TITLE COMMITMENT EXCEPTIONS**  
(Per Schedule B, Part II of the herein referenced Title Commitment)

- The property depicted on this survey and the easements of record shown hereon are the same as the property and the easements described in the Commitment for Title Insurance issued by Scott County Abstract & Title Co., Inc., as agent for Chicago Title Insurance Company, Commitment No. 432555, effective date September 25, 2020. The numbers below correspond to those in the Title Commitment.
- 1-8, 11-12, and 18 do not require comment.  
 9. Terms and Conditions of Agreement dated December 11, 1974, filed April 10, 1975, as Document No. 144748. Lies south of the property surveyed; not shown hereon.  
 10. Terms and Conditions of Easement in favor of Northern States Power Company dated May 13, 1968, filed May 13, 1968, as Document No. 118656. Shown hereon along the north and west boundary lines.  
 13. Terms and Conditions of road easements as described in instrument, dated May 28, 1976, filed June 18, 1976, as Document No. A150466. Lies south of the property surveyed; not shown hereon.  
 14. Terms and Conditions of Highway Easement in favor of County of Scott dated September 17, 1977, filed April 3, 1978, as Document No. A161651. Shown hereon along west boundary line.  
 15. Minnesota Department of Transportation Right of Way Plat No. 70-16, filed January 22, 1992, as Document No. A290965. Shown hereon along easterly boundary lines.  
 Note: The above instrument dictates a restriction of access to County Road No. 69.

**ALTA/NSPS OPTIONAL TABLE A NOTES**  
(The following items refer to Table A optional survey responsibilities and specifications)

- Monuments placed (or a reference monument or witness to the corner) at all major corners of the boundary of the property, unless already marked or referenced by existing monuments or witnesses to the corner are shown hereon.
- This property is contained in Zone X (areas determined to be outside the 0.2% annual chance floodplain) per Flood Insurance Rate Map Panel No. 270428010C, effective date of 02/19/1987.
- Areas:  
 Net Land area = 123,705 +/- square feet or 2.47 +/- acres.  
 Right of Way Easement = 31,885 +/- square feet or 0.73 acres.  
 Gross Land area is 135,590 +/- square feet or 3.2 +/- acres.
- (a) Zoning information was not provided by the client.
- There are no observable buildings on this site.
- Substantial features observed in the process of conducting fieldwork, are shown hereon.
- There are no striped parking stalls on this site.
- We have shown underground utilities on and/or serving the surveyed property per Gopher State One-Call Ticket Nos. 202763347 & 202763362. The following utilities and municipalities were notified:

Comcast	(800)778-9140	Metropolitan Council	(651)402-4511
Century Link	(800)778-9140	Center Point Energy	(612)321-4421
MNDOT	(651)334-3750	Shakopee Utilities Water	(952)923-0030
Minnesota Valley Electric	(952)899-8210	Shakopee Utilities Electric	(952)923-3473

Utility operators do not consistently respond to locate requests through the Gopher State One-Call service for surveying purposes such as this. These utility operators that do respond, often will not locate utilities from their main line to the customer's structure or facility. They consider these utilities "private" installations that are outside their jurisdiction. These "private" utilities on the surveyed property or adjoining properties, may not be located since most operators will not mark such "private" utilities. A private utility locator may be contacted to investigate these utilities further, if requested by the client.  
 Maps provided by those notified above, either along with a field location or in lieu of such a location, are very often inaccurate or incomplete. EXTREME CAUTION MUST BE EXERCISED BEFORE AN EXCAVATION TAKES PLACE ON OR NEAR THIS SITE. BEFORE DIGGING, YOU ARE REQUIRED BY LAW TO NOTIFY GOPHER STATE ONE-CALL AT LEAST 48 HOURS IN ADVANCE AT 811 or (651)454-0002.

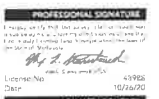
**SURVEY REPORT**

- Schedule A of the herein referenced Title Commitment contains additional property that was not surveyed.
- The bearings for this survey are based on the Scott County Coordinate System NAD 83 (1984 Adjust).
- Benchmark: Mv/DOT Name: 7009 M. At Shakopee, 0.4 mile north along County Road 69 from the junction of County Road 69 and Trunk Highway 169 in Shakopee, 74.0 feet northwest of southbound County Road 69, 98.0 feet north of 115th Street West, 24.0 feet north of a power pole, 1.0 foot south of a witness post. Elevation = 809.43 (NGVD29).  
 Site Benchmark: Spike in the power pole near the north-west corner of the subject property. Elevation = 812.83 (NGVD29).

**CERTIFICATION**

To R & J Breggenmeyer Family Partnership, LP, Shakopee Public Utilities Commission, Scott County Abstract & Title Co., Inc., and Chgois Title Insurance Company.  
 This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2014 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 4, 6(a), 7(a), 8, 9 and 11 of Table A thereof. The field work was completed on October 7, 2020.  
 Date of Plat or Map: October 26, 2020

Max L. Slomkowski, PLS Minnesota License No. 45958  
 ms@slomkowski@louisinc.com



**ALTA/NSPS LAND TITLE SURVEY**

**1 OF 1**

**CLOSING CHECKLIST**

**PURCHASE AGREEMENT**

**R & J BREEGGEMANN FAMILY PARTNERSHIP, LP**

**AND**

**SHAKOPEE PUBLIC UTILITIES COMMISSION**

**McGRANN SHEA FILE NO.: 13,889-0068**

**SELLER:** **R & J BREEGGEMANN FAMILY PARTNERSHIP, LP**  
12355 Old Brickyard Road  
Shakopee, MN 55379  
Attn.: Steven Breeggemann  
Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

**BROKER FOR SELLER:** **STREETER COMPANIES**  
6900 Winnetka Circle  
Brooklyn Park, MN 55428  
Attn.: Ken Streeter  
Phone: 763-566-4151  
E-mail: ken@streetercompanies.com

**COUNSEL FOR SELLER:** **MOSS & BARNETT**  
150 South Fifth Street, Suite 1200  
Minneapolis, MN 55402  
Attn.: David S. Johnson, Esq.  
Phone: 612-877-5387  
E-mail: David.Johnson@lawmoss.com

**BUYER:** **SHAKOPEE PUBLIC UTILITIES COMMISSION**  
255 Sarazin Street  
Shakopee, MN 55379  
Attn.: Joseph D. Adams  
Phone: 952-233-1501  
E-mail: jadams@shakopeeutilities.com

Attn.: Lon Schemel  
Phone: \_\_\_\_\_  
E-mail: lschemel@shakopeeutilities.com

**COUNSEL FOR BUYER:** **McGRANN SHEA CARNIVAL  
STRAUGHN & LAMB, CHARTERED**  
800 Nicollet Mall, Suite 2600  
Minneapolis, MN 55402  
Attn.: Carla J. Pedersen, Esq.  
Phone: 612-752-1917  
E-mail: [cjp@mcgrannshea.com](mailto:cjp@mcgrannshea.com)

**TITLE COMPANY:** **SCOTT COUNTY ABSTRACT AND TITLE**  
223 Holmes Street  
Shakopee, MN 55379  
Attn.: Susan Malz  
Phone: 952-445-6246  
E-mail: [sue@scottcountyabstract.com](mailto:sue@scottcountyabstract.com)

**SURVEYOR:** **LOUCKS, INC.**  
7200 Hemlock Lane, Suite 300  
Maple Grove, Minnesota 55369  
Attn.: Max Stanislawski  
Phone: 763-496-6762  
E-mail: [mstanislawski@loucksinc.com](mailto:mstanislawski@loucksinc.com)

**PURCHASE PRICE:** **\$3.00 per square foot** (square footage to be determined by Survey and not to including the portion of the Property containing Colburn Drive West)

**EARNEST MONEY:** **\$7,500.00**

**DATE OF PURCHASE AGREEMENT:** **SEPTEMBER 25, 2020**

**CLOSING DATE:** Thirty (30) days after the expiration of the Due Diligence Period under Article IV of the Agreement, but no later than three hundred thirty (330) days after the date of the Agreement

**CLOSING LOCATION:** Scott County Abstract and Title

**CLOSING COSTS:** Buyer and Seller will each be responsible for its legal, accounting and other expenses associated with the transaction contemplated by the Agreement up to and including the date final adjustments are made pursuant to the Agreement. However, if Buyer or Seller defaults under the Agreement, it will be responsible for all reasonable expenses (including attorneys' fees) incurred by the other in enforcing any rights and remedies under the 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.

**Title Commitment**

Seller

**Survey**

Seller to order and furnish at Buyer's expense

**Title Policy**

Buyer

**Recording Costs**

Buyer, except for title correction

**Deed Tax**

Seller

**Closing Fee**

Seller and Buyer will each pay half

**Escrow Fee**

Seller and Buyer will each pay half

**Real Estate 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 on a calendar year basis. 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.

**Income and Expenses**

Rents (including without limitation payments for operating costs and percentage rent) and all other income and operating expenses relating to the Property, exclusive of 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. As to annual income and annual expenses related to agricultural crops growing on



the Property in the year of Closing, (a) if Buyer elects, pursuant to Section 5.2(g) of the Agreement, that Seller shall retain all right, title and interest in and to all crops growing on the Property and all proceeds therefrom, then Seller shall pay all expenses related to the crops and shall be entitled to all income from the crops both before and after Closing, or (b) if Buyer elects, pursuant to Section 5.2(g) of the Agreement, that Buyer shall make the required payment to Seller at Closing for which Seller shall transfer all right, title and interest in and to all crops growing on the Property and all proceeds therefrom (the "Crop Purchase Option"), then Seller shall pay all expenses and be entitled to all income related to the crops prior to Closing, and Buyer shall pay all expenses and be entitled to all income related to the crops from and after Closing.

<b>DUE DILIGENCE</b>					
<b>#</b>	<b>Document/Task</b>	<b>Delivery/Due Date</b>	<b>Drafted/Received</b>	<b>Executed/Approved</b>	<b>Comments</b>
1.	Seller to furnish to Buyer ALTA Form 06/17/06 Title Commitment – PA § 3.1	Within 15 days of date of Agreement (10/10/20)	X		Rec'd 10/19/20
2.	Seller to furnish to Buyer "as-built" Survey – PA § 3.2	Within 15 days of date of Agreement (10/10/20)	X		Rec'd 10/27/20
3.	Buyer's Title and Survey Review – PA § 3.3	30 days after receipt of Title Commitment and Survey (11/26/20)			
4.	Seller's Corrections to Title – PA § 3.4	Seller allowed 60 days from objections to cure title			
5.	Seller to provide Property Documents – PA § 4.1	Within 15 days of date of Agreement (10/10/20)			Confirm whether documents have been provided
6.	Buyer's Due Diligence Period – PA § 4.2	270 days after date of Agreement (6/22/21)			
7.	Buyer's Environmental Inspection Period – PA § 4.3	Expiration of the Due Diligence Period (6/22/21) and an additional 60 days if Phase II required (8/21/21)			
8.	Buyer to obtain approval of the Township of Jackson and any and all relevant governmental authorities and other bodies and persons for all required rezoning, permits, licenses,	Closing			

<b>DUE DILIGENCE</b>					
<b>#</b>	<b>Document/Task</b>	<b>Delivery/Due Date</b>	<b>Drafted/Received</b>	<b>Executed/Approved</b>	<b>Comments</b>
	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) – PA § 5.2(e)				
9.	Seller to subdivide the parcel that contains the Property – PA § 5.2(f)	Closing			
10.	Seller to terminate all existing leases – PA § 5.2(g)	Closing			
11.	Buyer's option to purchase crops growing on the Property – PA § 5.2(g)	Closing			

<b>CLOSING &amp; CLOSING DOCUMENTS</b>					
<b>#</b>	<b>Document</b>	<b>Delivery/Due Date</b>	<b>Drafted/Received</b>	<b>Executed/Approved</b>	<b>Comments</b>
1.	Purchase Agreement		X	X	<b>COMPLETED</b>
2.	Earnest Money – PA § 2.2(1)	9/25/20	X	X	<b>COMPLETED</b>
3.	Purchase Price – PA § 6.1(a)	Closing			
4.	Buyer's certificate regarding satisfaction of closing conditions – PA § 6.1(b)	Closing			
5.	Buyer's board resolution (certified by secretary) – PA § 6.1(c)	Closing			
6.	Buyer's notice of exercise of option contained in Section 5.2(g), if applicable, with payment – PA § 6.1(d)	Closing			
7.	Seller's certificate regarding satisfaction of closing conditions – PA § 6.2(a)	Closing			
8.	Warranty deed – PA § 6.2(b)	Closing			
9.	Termination agreements for all existing leases – PA § 6.2(c)	Closing			
10.	FIRPTA Affidavit – PA § 6.2(d)	Closing			
11.	Well disclosure statement if disclaimer language is	Closing			

<b>CLOSING &amp; CLOSING DOCUMENTS</b>					
<b>#</b>	<b>Document</b>	<b>Delivery/Due Date</b>	<b>Drafted/Received</b>	<b>Executed/Approved</b>	<b>Comments</b>
	not contained in the deed – PA § 6.2(e)				
12.	Seller’s Affidavit – PA § 6.2(f)	Closing			
13.	Seller’s resolution of general partners (certified by secretary) – PA § 6.2(g)	Closing			
14.	Title Policy	Closing			
15.	Closing Statement	Closing			
16.	eCRV	Closing			

POST-CLOSING					
#	Document/Task	Delivery/Due Date	Drafted/Received	Executed/Approved	Comments
1.	Perform adjustments for Income and Expenses under PA § 7.3 that were estimated – PA § 7.4	Each party to promptly notify the other once amounts which were previously estimated have become certain. Adjustment must be made within 20 days of notice being provided.			



PO Box 470 • 255 Sarazin Street  
Shakopee, Minnesota 553  
Main 952.445-1988 • Fax 952.445-77  
www.shakopeeutilities.com

9c

FROM: David W Niles, Vice President Avant Energy, Inc.  
DATE: October 29, 2020  
SUBJECT: MMPA Board Meeting Public Summary - October 2020

The public summary for the October 2020 MMPA Board of Directors meeting is below.

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on October 27, 2020, by WebEx and teleconference.

The Board was informed that MMPA successfully redeemed all of its outstanding Series 2010A bonds on October 1, 2020, reducing the Agency's debt outstanding and decreasing its fixed costs for the next fifteen years.

The Board discussed the coronavirus pandemic and its effect on energy consumption levels and prices.

The Board discussed the status of the Agency's renewable projects.

Participation in MMPA's residential Clean Energy Choice program increased by 14 customers from August to September. Customer penetration of MMPA's Clean Energy Choice program for residential customers is at 3.6%.

Thanks,

-David W. Niles  
Vice President  
Avant Energy, Inc.  
220 South Sixth Street, Suite 1300  
Minneapolis, MN 55402  
(612) 252-6531 Direct  
(612) 349-6108 FAX





Main 952.445-1988  
[www.shakopeeutilities.com](http://www.shakopeeutilities.com)

October 7, 2020

VIA E-MAIL

John Crooks  
44556 Bittners Point Road  
Bovey, MN 55709

Re: Letter Agreement Modifying Repayment Process under Repayment,  
Release, and Separation Agreement

Dear Mr. Crooks:

This letter agreement (the "Letter Agreement") modifies the Repayment, Release, and Separation Agreement (the "Agreement") between you and the Shakopee Public Utilities Commission (the "Commission") dated September 9, 2020. (Capitalized terms in the Letter Agreement that are not defined shall have the meaning set forth in the Agreement).

The independent, third-party auditor engaged by the Commission, Abdo Eick & Meyers, LLP (the "Auditor") has determined the amount of Excess Compensation, as well as the accrued but unused vacation and sick leave benefits and salary through the Separation Date, subject to the maximum compensation cap under Minnesota Statutes, Section 43A.17. The Auditor has recommended that the final payment to Mr. Crooks under the Agreement be reduced by the amount of Excess Compensation, as follows:

Excess salary, totaling \$39,238.03, from years 2017 through 2020, should be repaid under an arrangement with the prior Utilities Manager. To avoid complex employment tax consequences and amendments, AEM Workforce Solutions recommends that the Shakopee Public Utilities Commission renegotiate a reduction in the employee's final Vacation and Sick Leave payout, totaling \$42,837.62, resulting in a net payout amount of \$3,599.59.

The Commission (by unanimous vote of its five Commissioners in its October 5, 2020 meeting) and Mr. Crooks have agreed to this change in the process of repayment of Excess Compensation.

Mr. Crooks and the Commission therefore agree that the final vacation and sick leave payout to Mr. Crooks, determined by the Auditor to be \$42,837.62, shall be reduced by the Excess Compensation, determined by the Auditor to be \$39,238.03, resulting in a net payout amount of \$3,599.59 to Mr. Crooks. This amount is subject to



Letter Agreement  
October 7, 2020  
Page 2

all typical payroll tax withholdings, including federal income tax, state income tax, social security, Medicare, federal unemployment, and state unemployment. The Commission shall make this payment to Mr. Crooks within five (5) business days of the effective date of this Letter Agreement.

This Letter Agreement shall supersede and replace the following language in the Agreement, Section 3(d):

Mr. Crooks shall repay the Excess Compensation in three equal monthly installments due on the 30th of the month beginning on October 30, 2020 through December 30, 2020. To memorialize the payment by installments, Mr. Crooks will execute documents upon request of the Commission, including a mutually-agreeable promissory note and mutually-agreeable confession of judgment for the amount determined by the auditor to be owing.

The remainder of the Agreement shall remain in full force and effect. By signing below, Mr. Crooks represents that he had enough time to read this Letter Agreement carefully, understand its terms, and negotiate it. The parties also represent that they have obtained legal advice of their own attorneys before signing this Letter Agreement and have legal authority to execute this Letter Agreement.

This Letter Agreement may be executed in counterparts, with an electronic signature, each of which will be deemed an original, but all of which taken together constitutes but one and the same instrument.

IN WITNESS WHEREOF, this Letter Agreement has been executed by a duly-authorized representative.

SHAKOPEE PUBLIC UTILITIES COMMISSION

---

By: Debra Amundson  
Its: President

JOHN CROOKS

---

John Crooks

Letter Agreement  
October 7, 2020  
Page 2

security, Medicare, federal unemployment, and state unemployment. The Commission shall make this payment to Mr. Crooks within five (5) business days of the effective date of this Letter Agreement.

This Letter Agreement shall supersede and replace the following language in the Agreement, Section 3(d):

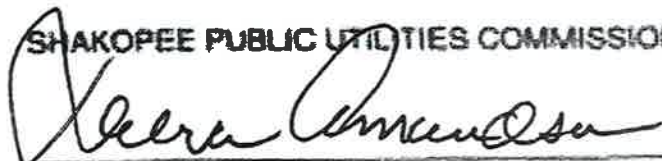
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The remainder of the Agreement shall remain in full force and effect. By signing below, Mr. Crooks represents that he had enough time to read this Letter Agreement carefully, understand its terms, and negotiate it. The parties also represent that they have obtained legal advice of their own attorneys before signing this Letter Agreement and have legal authority to execute this Letter Agreement.

This Letter Agreement may be executed in counterparts, with an electronic signature, each of which will be deemed an original, but all of which taken together constitutes but one and the same instrument.

IN WITNESS WHEREOF, this Letter Agreement has been executed by a duly-authorized representative.

SHAKOPEE PUBLIC UTILITIES COMMISSION



By: Dabra Amundson  
Its: President

JOHN CROOKS



John Crooks

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: Larry Koshire, Interim Utilities Manager *Larry Koshire*

FROM: Joseph D. Adams, Planning & Engineering Director *J.D. Adams*

SUBJECT: Semi-Final Capital Improvement Plan for 2021-2025

DATE: October 29, 2020

**ISSUE**

The Semi-Final Capital Improvement Plan for 2021-2025 is submitted for consideration by the Commission at their November 2, 2020 meeting. I will present the plan and take questions during the meeting.

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: October 29, 2020  
Administrative Summary**

Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total	
1 General Office Equipment	See detail	-	30,300	9,000	-	-	30,000	69,300	
2 Hardware	See detail	-	335,254	311,878	326,450	405,450	292,000	1,671,032	
3 Software	See detail	-	50,000	50,000	50,000	50,000	50,000	250,000	
4									
5 <b>Total Administrative</b>		<b>\$0</b>	<b>\$415,554</b>	<b>\$370,878</b>	<b>\$376,450</b>	<b>\$455,450</b>	<b>\$372,000</b>	<b>\$1,990,332</b>	
6									
7 <b>Cumulative Total Administrative</b>		<b>\$0</b>	<b>\$415,554</b>	<b>\$786,432</b>	<b>\$1,162,882</b>	<b>\$1,618,332</b>	<b>\$1,990,332</b>		
		Electric	\$0	\$311,666	\$278,159	\$282,338	\$341,588	\$279,000	\$1,492,749
		Water	\$0	\$103,889	\$92,720	\$94,113	\$113,863	\$93,000	\$497,583

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: October 29, 2020  
Administrative Detail**

Type	Item	Source of Request	Justification	Qty	Unit Cost	2020 Carryover	2021	2022	2023	2024	2025	Total	
1	Gen Office Equipmt	General office equipment	F&A - IT	General equipment replacements		-	15,000	100,000	100,000	100,000	100,000	415,000	
2	Gen Office Equipmt	Electronic White Board/Projector/Lap Top - Training Room	Plan/Eng, Water, Electric	Map Display for Meetings/Presentations/Training/Conferences		-	15,000	-	-	-	-	15,000	
4	Furn & Equipment	Standing workstation	F&A-IT/Cust Svc/Eng/Admin	Employee Health and Wellness	17	900	15,300	-	-	-	-	15,300	
1	Gen Office Equipmt	File shelving/Scanning Equipment	F&A	Record retention (10 shelf units at \$500/2 scanners at \$2,000 ea)		-	-	9,000	-	-	-	9,000	
3	Gen Office Equipmt	Copier & Fax Upgrades	F&A - IT	Replace Aging Equipment	3	10,000	-	-	-	-	30,000	30,000	
2	<b>Total General Office Equipment</b>						-	<b>30,300</b>	<b>9,000</b>	-	-	<b>30,000</b>	<b>69,300</b>
3	Hardware	Replacement computers	F&A - IT	Replace aging Equipment (staff addition in Plan/Eng covered)	10	1,000	10,000	10,000	10,000	10,000	10,000	50,000	
4	Hardware	Spare Equipment	F&A - IT	Spare Equipment for emergency replacement(monitors/printers/etc.)		-	30,000	30,000	30,000	30,000	30,000	150,000	
5	Hardware	Server room UPS maintenance/battery replacement	F&A - IT	Uninterrupted power supply & battery back up replacement	1	2,000	54,254	2,000	2,000	2,000	2,000	62,254	
6	Hardware	Fiber Ring /INET Connectivity	F&A - IT	Connectivity/Redundancy for systems/remote sites		-	100,000	100,000	100,000	100,000	100,000	500,000	
7	Hardware	Network Switches	F&A - IT	Future Standard Replacement Cycle		-	60,000	-	-	-	25,000	85,000	
8	Hardware	ShoreTel Phones	F&A - IT	Replace aging phones - compatible with Mitel	10	600	6,000	6,000	6,000	-	-	18,000	
9	Hardware	AS400 iSeries DR Solution Cybernetics iGuard Replication	F&A - IT	Position for Disaster Recovery & Backup/replication appliance to CPS Data Center, DR VPN Tunnel Access		-	-	-	-	-	-	30,000	
10	Hardware	Veeam Backup Local Target	F&A - IT	Replace on-site backup appliance	1	6,000	6,000	-	-	-	-	6,000	
11	Software	Veeam Backup Saas & Cloud Storage	F&A - IT	Local & Cloud Backup Software & Storage	1	18,000	18,000	-	-	-	-	18,000	
12	Software	Veeam Backup Draas - Green Cloud with Zerto	F&A - IT	Disaster Recovery in as little as 15 minutes	1	21,000	21,000	-	-	-	-	21,000	
13	Hardware	Miscellaneous Hardware	F&A - IT	Future planning/Unplanned replacements		-	-	-	125,000	125,000	125,000	500,000	
14	Hardware	Remit Plus Scanners - Payment Processing	Cust. Service	Scanner Replacements	3	4,000	-	12,000	-	-	-	12,000	
15	Hardware	Vmware/Windows Backup and Disaster Recovery - Unitrends	F&A - IT	Future maintenance contracts for Vmware system		-	-	16,878	3,450	3,450	-	23,778	
16	Hardware	Firewall	F&A - IT	Replace product reaching end of life support		-	-	10,000	-	-	-	10,000	
17	Hardware	I series Server Replacement	F&A - IT	Replace aging equipment		-	-	-	50,000	-	-	50,000	
18	Hardware	Wireless System Upgrade/Replacement	F&A - IT	Replace aging equipment		-	-	-	-	25,000	-	25,000	
19	Hardware	VMware HP DL380p Server - Add Host machine	F&A - IT	Replacement of existing equipment		-	-	-	-	100,000	-	100,000	
20	Hardware	Water Scada System Replacements	Water	Server/Workstation 6 years old/needs upgrade to Windows 10	2	5,000	-	-	-	10,000	-	10,000	
21	<b>Total Hardware</b>						-	<b>335,254</b>	<b>311,878</b>	<b>326,450</b>	<b>405,450</b>	<b>292,000</b>	<b>1,671,032</b>
22	Software	Microsoft Server 2019 - Standard	F&A - IT	Standalone copy for Veeam Backup Solution	1	2,000	2,000	-	-	-	-	2,000	
23	Software	Software	F&A - IT	Misc/Future budgeting		-	50,000	50,000	50,000	50,000	50,000	250,000	
24	<b>Total Software</b>						-	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>250,000</b>
25	<b>Total CIP Expenditures - Administration</b>						-	<b>415,554</b>	<b>370,878</b>	<b>376,450</b>	<b>455,450</b>	<b>372,000</b>	<b>1,990,332</b>
26	<b>Cumulative CIP Expenditures - Administration</b>						-	<b>415,554</b>	<b>786,432</b>	<b>1,162,882</b>	<b>1,618,332</b>	<b>1,990,332</b>	

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: October 29, 2020  
Electric Summary**

Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
<b><u>Operating Fund</u></b>								
<b><u>System Projects</u></b>								
Miscellaneous	See Detail	-	175,000	175,000	175,000	175,000	175,000	875,000
System Material & Facilities	See Detail	45,000	585,000	510,000	495,000	495,000	115,000	2,245,000
Vehicles/Equipment	See Detail	-	664,500	470,000	515,000	495,000	135,000	2,279,500
<b><u>Local Area Projects</u></b>								
New UG Cables & Related Cost (Net of Contribution)	See Detail	-	400,000	400,000	450,000	450,000	450,000	2,150,000
Replace UG Cable Projects	See Detail	-	10,000	10,000	10,000	10,000	10,000	50,000
Rebuild OH Lines	See Detail	-	175,000	45,000	70,000	20,000	20,000	330,000
<b><u>Major System Projects</u></b>								
Feeder Extension Projects	See Detail	-	243,000	253,000	263,100	275,000	286,000	1,320,100
Convert OH to UG	See Detail	-	296,400	-	-	-	-	296,400
Territory Acquisition	See Detail	-	550,000	350,000	350,000	200,000	200,000	1,650,000
Shakopee Substation	See Detail	-	265,000	-	-	-	-	265,000
South Shakopee Substation	See Detail	-	75,000	-	-	-	-	75,000
Pike Lake Substation	See Detail	-	15,000	-	-	30,000	-	45,000
Dean Lake Substation	See Detail	-	40,000	-	-	-	-	40,000
East Shakopee Substation	See Detail	1,100,000	400,000	-	-	-	-	1,500,000
West Shakopee Substation	See Detail	400,000	200,000	-	416,000	4,950,000	-	5,966,000
Upgrade Projects	See Detail	-	241,600	210,000	220,000	220,000	230,000	1,121,600
ADVANCED METERING INFRASTRUCTURE (AMI)	See Detail	-	120,000	1,820,000	1,700,000	1,700,000	-	5,340,000
Service Center	See Detail	-	3,133,000	295,000	82,000	4,045,000	50,000	7,605,000
<b>Total Operating Fund</b>		<b>1,545,000</b>	<b>7,588,500</b>	<b>4,538,000</b>	<b>4,746,100</b>	<b>13,065,000</b>	<b>1,671,000</b>	<b>33,153,600</b>
<b><u>Relocation Fund</u></b>								
Relocation Projects	See Detail	-	125,000	102,000	186,600	60,000	60,000	533,600
<b>Total Relocation Fund</b>		<b>-</b>	<b>125,000</b>	<b>102,000</b>	<b>186,600</b>	<b>60,000</b>	<b>60,000</b>	<b>533,600</b>
<b>Total Electric</b>		<b>1,545,000</b>	<b>7,713,500</b>	<b>4,640,000</b>	<b>4,932,700</b>	<b>13,125,000</b>	<b>1,731,000</b>	<b>33,687,200</b>
<b>Cumulative Total Electric</b>		<b>1,545,000</b>	<b>9,258,500</b>	<b>13,898,500</b>	<b>18,831,200</b>	<b>31,956,200</b>	<b>33,687,200</b>	

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
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Electric Detail**

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9	Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
10	<u>Operating Fund</u>								
11	<u>System Projects</u>								
12									
13	Miscellaneous	As Necessary	-	175,000	175,000	175,000	175,000	175,000	875,000
14	<b>Total Miscellaneous</b>		-	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>875,000</b>
15	<b>System Material &amp; Facilities</b>								
16									
17	Lateral Circuit Reconfiguration	System Reliability	45,000	25,000	25,000	25,000	25,000	25,000	170,000
18	Meters	New Construction	-	60,000	50,000	50,000	50,000	50,000	260,000
19	Padmount Switches & Related	Load/Development	-	150,000	150,000	150,000	150,000	-	600,000
20	Distribution Transformers	Restock to min.	-	205,000	205,000	205,000	205,000	-	820,000
21	System Capacitors-Additional	PF Improvements	-	25,000	25,000	25,000	25,000	-	100,000
22	SCADA-Capacitor Control	Op. Efficiencies & Voltage Control	-	40,000	40,000	40,000	40,000	40,000	200,000
23	SCADA Switches for Tie Switches	System Reliability	-	80,000	-	-	-	-	80,000
24	Meter Tester	Replace Old Equipment	-	-	15,000	-	-	-	15,000
25	<b>Total System Material &amp; Facilities</b>		<b>45,000</b>	<b>585,000</b>	<b>510,000</b>	<b>495,000</b>	<b>495,000</b>	<b>115,000</b>	<b>2,245,000</b>
26	<b>Vehicles/Equipment</b>								
27	Construction-Related Equipment-New/Additional/Replacement	Tool Replacement	-	45,000	45,000	45,000	45,000	45,000	225,000
28	#621 Pickup (Replace Yard Truck)	Life Cycle Replacement	-	40,000	-	-	-	-	40,000
29	#616 Double Bucket	Life Cycle Replacement	-	300,000	-	-	-	-	300,000
30	Backyard Digger/Bucket Truck	New Equipment	-	190,000	-	-	-	-	190,000
31	Mini Excavator	New Equipment	-	60,000	-	-	-	-	60,000
32	Service Saver	New Equipment	-	4,500	-	-	-	-	4,500
33	Infrared Camera	Additional Service Saver	-	25,000	-	-	-	-	25,000
34	Air Compressor	Life Cycle Replacement	-	-	30,000	-	-	-	30,000
35	#617 Duty Truck	Life Cycle Replacement	-	-	40,000	-	-	-	40,000
36	Directional Bore Equipment	New Equip for UG Construction	-	-	250,000	-	-	-	250,000
37	Vac-Tron	Life Cycle Replacement	-	-	55,000	-	-	-	55,000
38	#637 Engineering Pick Up 4X4	Life Cycle Replacement	-	-	50,000	-	-	-	50,000
39	Mini Skid Loader/Backhoe	Life Cycle Replacement	-	-	-	50,000	-	-	50,000
40	Dump Truck	New Equipment	-	-	-	120,000	-	-	120,000
41	#610 F550 4x4 Service Truck	Life Cycle Replacement	-	-	-	175,000	-	-	175,000
42	Forklift	Life Cycle Replacement	-	-	-	30,000	-	-	30,000
43	#618 Duty Truck	Life Cycle Replacement	-	-	-	40,000	-	-	40,000
44	Vac-Tron	Life Cycle Replacement	-	-	-	55,000	-	-	55,000
45	Digger Truck #612 Bucket	Life Cycle Replacement	-	-	-	-	300,000	-	300,000
46	#610 Service Buket Truck	Life Cycle Replacement	-	-	-	-	150,000	-	150,000
47	Air Compressor #628	Life Cycle Replacement	-	-	-	-	-	70,000	70,000
48	Equipment Trailer 30,000 lbs	Life Cycle Replacement	-	-	-	-	-	20,000	20,000
49	<b>Total Vehicles/Equipment</b>		-	<b>664,500</b>	<b>470,000</b>	<b>515,000</b>	<b>495,000</b>	<b>135,000</b>	<b>2,279,500</b>
50									
51	<u>Local Area Projects</u>								
52									
53	New UG Cables & Related Cost (Net of Contribution)	Load/Development	-	400,000	400,000	450,000	450,000	450,000	2,150,000
54	<b>Total New UG Cables &amp; Related Cost (Net of Contribution)</b>		-	<b>400,000</b>	<b>400,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>2,150,000</b>
55									
56	<b>Replace UG Cable Projects</b>								
57	Replace UG Cable - Projects Yet To Be Determined	As Needed	-	10,000	10,000	10,000	10,000	10,000	50,000
58		County Project	-	-	-	-	-	-	-
59		County Project	-	-	-	-	-	-	-
60	<b>Total Replace UG Cable Projects</b>		-	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>50,000</b>
61									
62	<b>Rebuild OH Lines</b>								
63	Rebuild OH lines - as needed RP3	Change Out	-	50,000	20,000	20,000	20,000	20,000	130,000
64	SH-08 Levee Drive 0.25 mile	Street Project	-	25,000	-	-	-	-	25,000
65	SH-10 Levee Drive 0.25 mile	Street Project	-	25,000	-	-	-	-	25,000
66	BL-22 Stagecoach Road and Maras Avenue	Street Project	-	75,000	-	-	-	-	75,000
67	DL-52 Eagle Creek Blvd@Vierling Drive 0.25 mile	Street Project	-	-	25,000	-	-	-	25,000
68	SS-32 CR 15 @Hwy 169 Ramps 0.50 mile	Roundabout Impacts	-	-	-	50,000	-	-	50,000
69			-	-	-	-	-	-	-
70	<b>Total Rebuild OH Lines</b>		-	<b>175,000</b>	<b>45,000</b>	<b>70,000</b>	<b>20,000</b>	<b>20,000</b>	<b>330,000</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: October 29, 2020  
Electric Detail**

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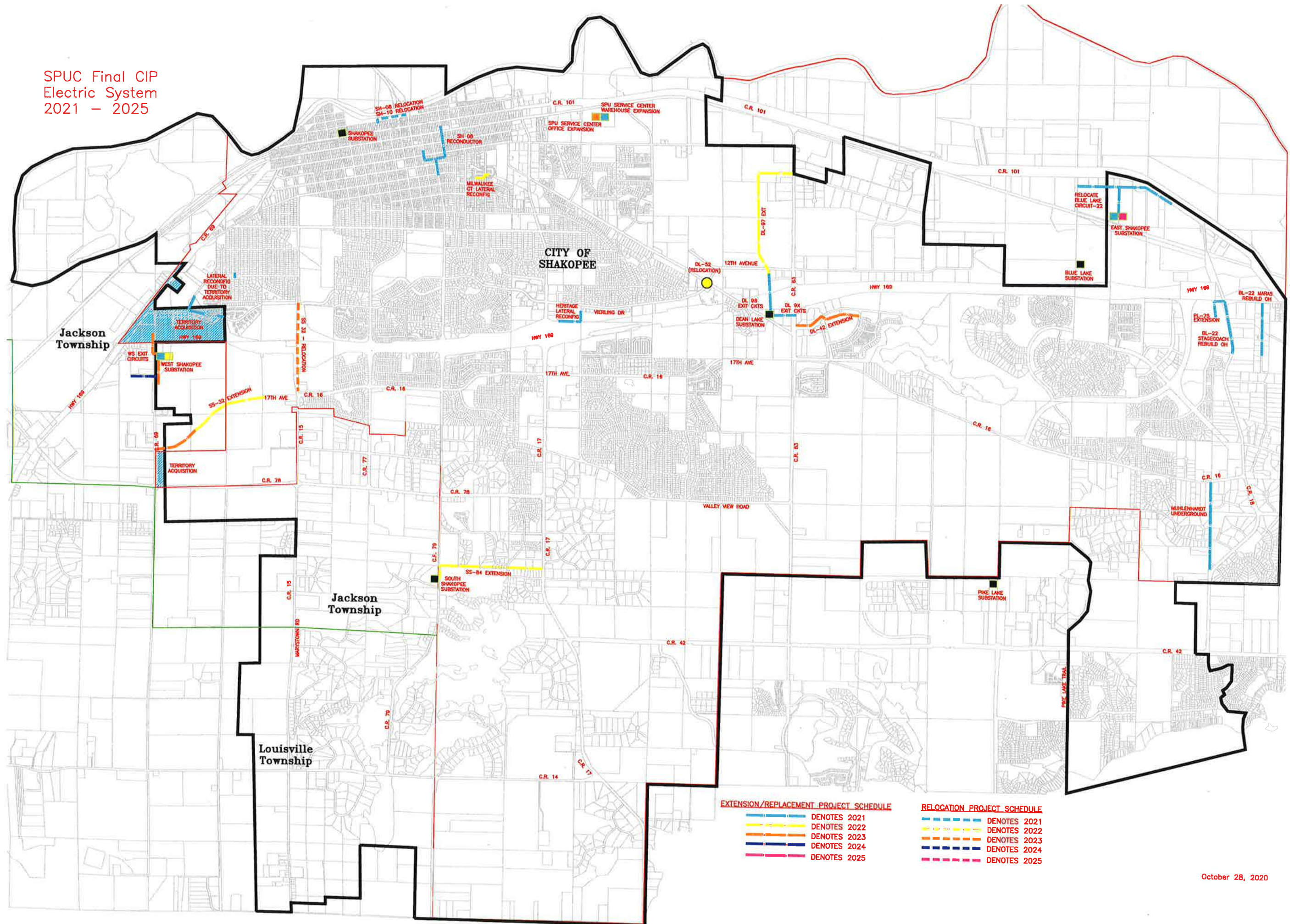
9	Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
71	<b>Major System Projects</b>								
73	<b>Feeder Extension Projects</b>								
74	PL-75 SBX to Stagecoach Rd 0.25 mile	Development	-	60,800	-	-	-	-	60,800
75	Dean Lake Sub Exit Circuits 1.0 mile	Load Growth	-	243,400	-	-	-	-	243,400
76	SS-32 CR 16 Ext. from CR15 to CR69 1.25 mile	Street Project & Development	-	-	126,600	65,700	-	-	192,300
77	West Shakopee Substation Exit Circuits	Load Growth	-	-	100,000	500,000	520,000	-	1,120,000
78	SS-84 New Feeder SS Sub to CR 17 via Stonebrooke 0.75 mile	Load Growth	-	-	189,750	-	-	-	189,750
79	DL-97 New Feeder DL Sub to Barenscheer Blvd 1.0 mile	Development (Canterbury Commons)	-	-	253,000	-	-	-	253,000
80	DL-42 Feeder Extension to Data Center 0.5 mile	Load Growth (Data Center)	-	-	-	131,550	-	-	131,550
81	Projects Yet to be Determined 1.0 mile	As Necessary	-	243,000	253,000	263,100	275,000	286,000	1,320,100
82	<b>Total Feeder Extension Projects</b>		-	<b>243,000</b>	<b>253,000</b>	<b>263,100</b>	<b>275,000</b>	<b>286,000</b>	<b>1,320,100</b>
84	Assumed Cost per mile unless noted otherwise		-	243,000	253,000	263,100	275,000	286,000	1,320,100
86	<b>Convert OH to UG</b>								
87	SH-08 Levee Drive 0.25 mile x 2.3 (rock)	Street Project	-	130,000	-	-	-	-	130,000
88	SH-10 Levee Drive 0.25 mile x 2.3 (rock)	Street Project	-	130,000	-	-	-	-	130,000
89	Muhlenhardt Undergrounding 0.75 mile	Reliability	-	36,400	-	-	-	-	36,400
90	<b>Total Convert OH to UG</b>		-	<b>296,400</b>	-	-	-	-	<b>296,400</b>
92	<b>Territory Acquisition</b>								
93	Territory Acquisition	Purchase	-	400,000	250,000	250,000	100,000	100,000	1,100,000
94	Territory Acquisition	Consolidation	-	150,000	100,000	100,000	100,000	100,000	550,000
95	<b>Total Territory Acquisition</b>		-	<b>550,000</b>	<b>350,000</b>	<b>350,000</b>	<b>200,000</b>	<b>200,000</b>	<b>1,650,000</b>
97	<b>Shakopee Substation</b>								
98	Land Rights	Load Growth/Downtown Re-development	-	250,000	-	-	-	-	250,000
99	Substation to County Fiber & Fiber Equipment		-	15,000	-	-	-	-	15,000
100	<b>Total Shakopee Substation</b>		-	<b>265,000</b>	-	-	-	-	<b>265,000</b>
102	<b>South Shakopee Substation</b>								
103	Substation to County Fiber & Fiber Equipment		-	15,000	-	-	-	-	15,000
104	Oil Change Out on Tap Changer (Transformer 1 & 2)	Maintenance/Extend Life of Tap Changer	-	60,000	-	-	-	-	60,000
105	<b>Total South Shakopee Substation</b>		-	<b>75,000</b>	-	-	-	-	<b>75,000</b>
107	<b>Pike Lake Substation</b>								
108	Substation to County Fiber & Fiber Equipment		-	15,000	-	-	-	-	15,000
109	Oil Change Out on Tap Changer	Maintenance/Extend Life of Tap Changer	-	-	-	-	30,000	-	30,000
110	<b>Total Pike Lake Substation</b>		-	<b>15,000</b>	-	-	<b>30,000</b>	-	<b>45,000</b>
112	<b>Dean Lake Substation</b>								
113	Oil Change Out on Tap Changer	Maintenance/Extend Life of Tap Changer	-	15,000	-	-	-	-	15,000
114	Replace Substation Batteries		-	25,000	-	-	-	-	25,000
115	<b>Total Dean Lake Substation</b>		-	<b>40,000</b>	-	-	-	-	<b>40,000</b>
117	<b>East Shakopee Substation</b>								
118	Land Rights	Load Growth	1,100,000	400,000	-	-	-	-	1,500,000
119	Planning/Design/Project Management	Load Growth	-	-	-	-	-	-	-
120	Construction	Load Growth	-	-	-	-	-	-	-
121	<b>Total East Shakopee Substation</b>		<b>1,100,000</b>	<b>400,000</b>	-	-	-	-	<b>1,500,000</b>
123	<b>West Shakopee Substation</b>								
124	Land Rights		400,000	200,000	-	-	-	-	600,000
125	Planning/Design/Project Management	Load Growth	-	-	-	416,000	450,000	-	866,000
126	Construction	Load Growth	-	-	-	-	4,500,000	-	4,500,000
127	<b>Total West Shakopee Substation</b>		<b>400,000</b>	<b>200,000</b>	-	<b>416,000</b>	<b>4,950,000</b>	-	<b>5,966,000</b>
129	<b>Upgrade Projects</b>								



**Shakopee Public Utilities  
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9 Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
130 SH-08 Reconductoring 4th, Spencer, Fillmore, Somerville	Load Growth	-	41,600	-	-	-	-	41,600
131 Projects yet to be determined		-	200,000	210,000	220,000	220,000	230,000	1,080,000
<b>132 Total Upgrade Projects</b>		-	<b>241,600</b>	<b>210,000</b>	<b>220,000</b>	<b>220,000</b>	<b>230,000</b>	<b>1,121,600</b>
<b>134 ADVANCED METERING INFRASTRUCTURE (AMI)</b>								
135 Planning/Design/Project Management	Project Planning/Design	-	120,000	120,000	-	-	-	240,000
136 Construction/Implementation/Hardware/Software/Training	Customer Service	-	-	1,700,000	1,700,000	1,700,000	-	5,100,000
<b>137 Total ADVANCED METERING INFRASTRUCTURE (AMI)</b>		-	<b>120,000</b>	<b>1,820,000</b>	<b>1,700,000</b>	<b>1,700,000</b>	-	<b>5,340,000</b>
<b>139 Service Center</b>								
140 Miscellaneous Building Improvements/Replacements	Maint. & Requested Changes	-	45,000	45,000	45,000	45,000	50,000	230,000
141 Warehouse Expansion		-	3,000,000	-	-	-	-	3,000,000
142 Display Case Office		-	10,000	-	-	-	-	10,000
143 Door Seal Loading Dock		-	3,000	-	-	-	-	3,000
144 Card Reading system		-	75,000	-	-	-	-	75,000
145 Front Office Drive-up Drop Off box (Like Bank)		-	-	250,000	-	-	-	250,000
146 Garage Heaters	Maintenance	-	-	-	30,000	-	-	30,000
147 Ice Machine		-	-	-	7,000	-	-	7,000
148 Building Expansion Office		-	-	-	-	4,000,000	-	4,000,000
<b>149 Total Service Center</b>		-	<b>3,133,000</b>	<b>295,000</b>	<b>82,000</b>	<b>4,045,000</b>	<b>50,000</b>	<b>7,605,000</b>
<b>151 Total Operating Fund</b>		<b>1,545,000</b>	<b>7,588,500</b>	<b>4,538,000</b>	<b>4,746,100</b>	<b>13,065,000</b>	<b>1,671,000</b>	<b>33,153,600</b>
<b>153</b>								
<b>154 Relocation Fund</b>								
<b>155</b>								
<b>156 Relocation Projects</b>								
157								
158 BL-22 Maras Street & Stagecoach Road	Street Project	-	75,000	-	-	-	-	75,000
159 DL-52 Eagle Creek Blvd@Vierling Drive 0.25 mile	Street Project	-	-	50,000	-	-	-	50,000
160 SS-32 CR 15 & Hwy 169 Ramps 0.50 mile	Roundabout Impacts	-	-	-	131,600	-	-	131,600
161		-	-	-	-	-	-	-
162 Projects Yet to Be Determined 0.50 Ckt. mile	As Necessary	-	50,000	52,000	55,000	60,000	60,000	277,000
<b>163 Total Relocation Projects</b>		-	<b>125,000</b>	<b>102,000</b>	<b>186,600</b>	<b>60,000</b>	<b>60,000</b>	<b>533,600</b>
<b>164</b>								
<b>165 Total Relocation Fund</b>		-	<b>125,000</b>	<b>102,000</b>	<b>186,600</b>	<b>60,000</b>	<b>60,000</b>	<b>533,600</b>
<b>166</b>								
<b>167 Total Electric</b>		<b>1,545,000</b>	<b>7,713,500</b>	<b>4,640,000</b>	<b>4,932,700</b>	<b>13,125,000</b>	<b>1,731,000</b>	<b>33,687,200</b>

SPUC Final CIP  
Electric System  
2021 - 2025



**EXTENSION/REPLACEMENT PROJECT SCHEDULE**

- DENOTES 2021
- DENOTES 2022
- DENOTES 2023
- DENOTES 2024
- DENOTES 2025

**RELOCATION PROJECT SCHEDULE**

- - - DENOTES 2021
- - - DENOTES 2022
- - - DENOTES 2023
- - - DENOTES 2024
- - - DENOTES 2025

**Shakopee Public Utilities**  
**Capital Improvement Plan**  
**Semi-Final**  
**Dated: October 29, 2020**  
**Water Summary**

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Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
<b><u>Operating Fund</u></b>								
Miscellaneous	See Detail	-	355,000	343,000	255,000	280,000	280,000	1,513,000
System Upgrades	See Detail	-	112,000	20,000	20,000	20,000	20,000	192,000
ADVANCED METERING INFRASTRUCTURE (AMI)	See Detail	-	130,858	76,701	2,000,000	2,000,000	2,000,000	6,207,559
Vehicles/Equipment	See Detail	-	95,000	-	-	-	-	95,000
<b>Total Operating Fund</b>		<b>-</b>	<b>692,858</b>	<b>439,701</b>	<b>2,275,000</b>	<b>2,300,000</b>	<b>2,300,000</b>	<b>8,007,559</b>
<b><u>Reconstruction Fund</u></b>								
Reconstruction Projects	See Detail	340,000	1,795,000	255,000	210,000	210,000	210,000	3,020,000
<b>Total Reconstruction Fund</b>		<b>340,000</b>	<b>1,795,000</b>	<b>255,000</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>	<b>3,020,000</b>
<b><u>Trunk Fund</u></b>								
Trunk Water Mains - SPUC Projects	See Detail	-	25,000	25,000	25,000	25,000	25,000	125,000
Over Sizing - Non-SPUC Projects	See Detail	-	687,780	398,267	415,906	335,972	910,636	2,748,561
<b>Total Trunk Fund</b>		<b>-</b>	<b>712,780</b>	<b>423,267</b>	<b>440,906</b>	<b>360,972</b>	<b>935,636</b>	<b>2,873,561</b>
<b><u>Connection Fund</u></b>								
Wells	See Detail	-	771,000	-	-	-	-	771,000
Water Treatment	See Detail	-	25,000	730,000	-	-	10,584,394	11,339,394
Pump House Additions/Expansions	See Detail	-	-	200,000	2,173,000	3,865,000	3,785,000	10,023,000
New Tanks and Transmission Water Main	See Detail	754,925	1,973,751	-	-	-	-	2,728,676
Booster Stations	See Detail	-	-	-	-	-	-	-
Auxiliary Facilities	See Detail	-	108,000	445,000	-	27,040	54,080	634,120
<b>Total Connection Fund</b>		<b>754,925</b>	<b>2,877,751</b>	<b>1,375,000</b>	<b>2,173,000</b>	<b>3,892,040</b>	<b>14,423,474</b>	<b>25,496,190</b>
<b>Total Water</b>		<b>1,094,925</b>	<b>6,078,389</b>	<b>2,492,968</b>	<b>5,098,906</b>	<b>6,763,012</b>	<b>17,869,110</b>	<b>39,397,310</b>
<b>Cumulative Total Water</b>		<b>1,094,925</b>	<b>7,173,314</b>	<b>9,666,282</b>	<b>14,765,188</b>	<b>21,528,200</b>	<b>39,397,310</b>	

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: October 29, 2020  
Water Detail**

Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
<b>Operating Fund</b>								
<b>Miscellaneous</b>								
Water Meters	PM/Development	-	150,000	150,000	150,000	175,000	175,000	800,000
Reservoir Maintenance	Preventative Maintenance	-	50,000	50,000	50,000	50,000	50,000	250,000
Power Wash Towers	Preventative Maintenance	-	15,000	15,000	15,000	15,000	15,000	75,000
Hydrant Replacement	As Needed	-	40,000	40,000	40,000	40,000	40,000	200,000
Cl2 Feed Improvements	Safety/Enhanced Accuracy	-	75,000	37,000	-	-	-	112,000
Chemical Feed Scales	Life Cycle Replacement	-	25,000	26,000	-	-	-	51,000
CR16 Valve & Hydrant Adjustments	County Trail Project CP-16-XX	-	-	25,000	-	-	-	25,000
<b>Total Miscellaneous</b>		-	<b>355,000</b>	<b>343,000</b>	<b>255,000</b>	<b>280,000</b>	<b>280,000</b>	<b>1,513,000</b>
<b>System Upgrades</b>								
Reservoir Mixers	Water Quality	-	35,000	-	-	-	-	35,000
Sidewalk Repair	Safety/Maintenance	-	4,000	-	-	-	-	4,000
Cl2 Leak Detection Upgrade	Safety/Lifecycle Replacement	-	13,000	-	-	-	-	13,000
SCADA Firmware Upgrades	Water System Reliability	-	40,000	-	-	-	-	40,000
Sealcoat Drives/Repair	Preventative Maintenance	-	5,000	5,000	5,000	5,000	5,000	25,000
Miscellaneous Equipment	As Needed	-	15,000	15,000	15,000	15,000	15,000	75,000
<b>Total System Upgrades</b>		-	<b>112,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>192,000</b>
<b>Advanced Metering Infrastructure (AMI)</b>								
Planning/Design/Project Management	Project Planning/Design	-	130,858	76,701	-	-	0	207,559
Construction/Implementation/Hardware/Software/Training	Customer Service	-	-	-	2,000,000	2,000,000	2,000,000	6,000,000
<b>Total Advanced Metering Infrastructure (AMI)</b>		-	<b>130,858</b>	<b>76,701</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>6,207,559</b>
<b>Vehicles/Equipment</b>								
Replace Truck #622	Life Cycle Replacement	-	40,000	-	-	-	-	40,000
Replace Truck #635	Life Cycle Replacement	-	55,000	-	-	-	-	55,000
<b>Total Vehicles/Equipment</b>		-	<b>95,000</b>	-	-	-	-	<b>95,000</b>
<b>Total Operating Fund</b>		-	<b>692,858</b>	<b>439,701</b>	<b>2,275,000</b>	<b>2,300,000</b>	<b>2,300,000</b>	<b>8,007,559</b>
<b>Reconstruction Fund</b>								
<b>Reconstruction</b>								
Reconstruct watermain on Hansen from 21 to Crossing Blvd		200,000	400,000	-	-	-	-	600,000
Reconstruction	City Street Recon	140,000	390,000	150,000	150,000	150,000	150,000	1,130,000
Bituminous Overlay	City CIP	-	25,000	10,000	15,000	10,000	10,000	70,000
Correct Deficient Services	As Needed	-	40,000	40,000	40,000	40,000	40,000	200,000
18" Recon CR 83 from VIBS to HWY 169 0.75 mile	County Project	-	940,000	50,000	-	-	-	990,000
Full-Depth Pavement Reconstruction	City CIP	-	-	5,000	5,000	10,000	10,000	30,000
<b>Total Reconstruction</b>		<b>340,000</b>	<b>1,795,000</b>	<b>255,000</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>	<b>3,020,000</b>
<b>Total Reconstruction Fund</b>		<b>340,000</b>	<b>1,795,000</b>	<b>255,000</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>	<b>3,020,000</b>
<b>Trunk Fund</b>								
<b>Trunk Water Mains - SPU Projects (Completed by SPU)</b>								
Projects to be determined		-	25,000	25,000	25,000	25,000	25,000	125,000
<b>Total Trunk Water Mains - SPU Projects</b>		-	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>
<b>Over Sizing - Non-SPU Projects (Completed by Others)</b>								
Interconnection w/Savage Metering & Value in Manhole put in Trunk	Development	-	25,000	-	-	-	-	25,000
12" WM South from Hwy 169 to 17th Ave 0.25 mile (Hauer) NES	Development	-	52,675	-	-	-	-	52,675
12" WM Vierling Drive West from CR 69 0.25 mile NES	Development	-	52,675	-	-	-	-	52,675

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final**

**Dated: October 29, 2020**

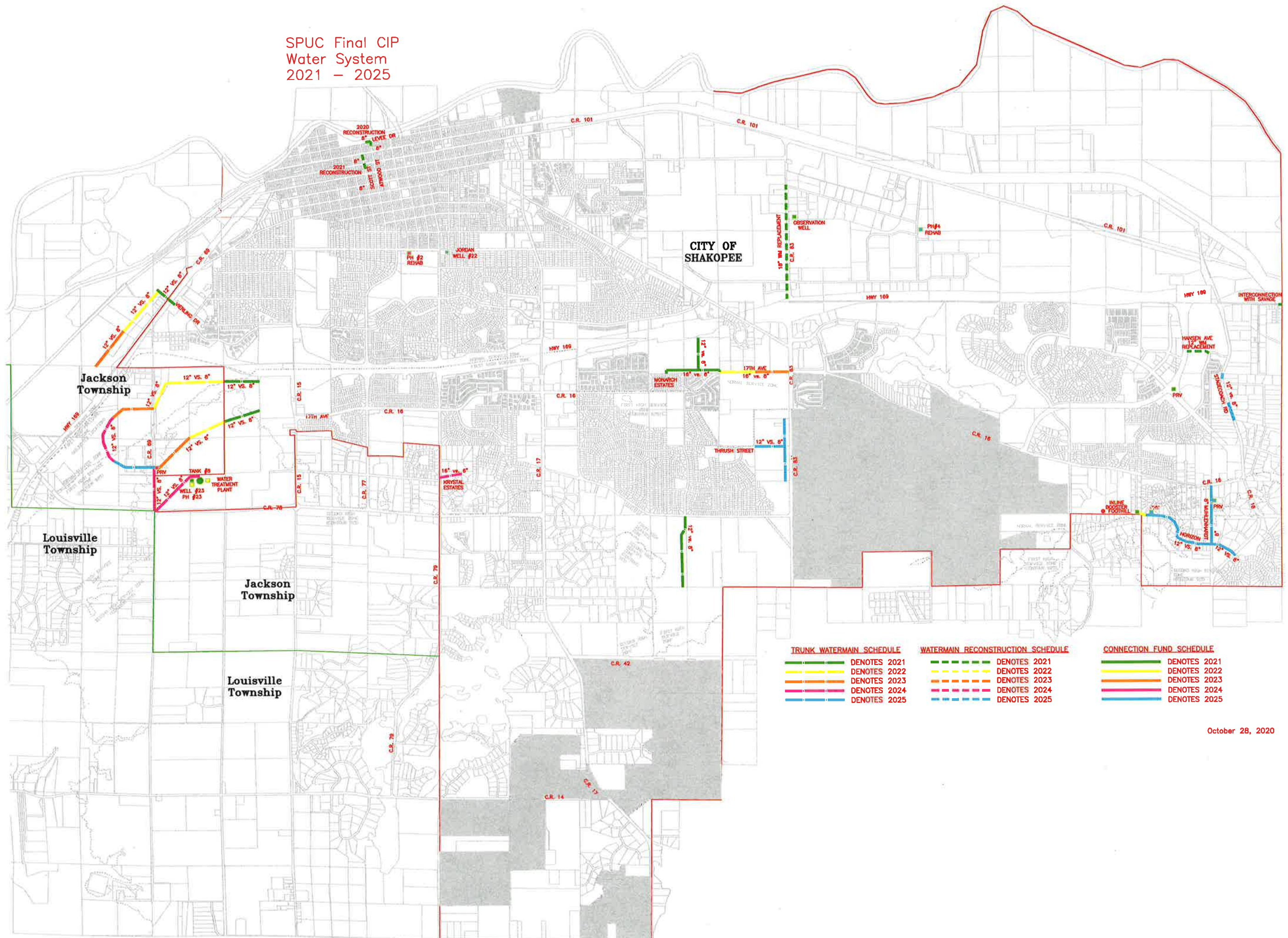
**Water Detail**

Item Description	Justification	2020					Total
		Carryover	2021	2022	2023	2024	
12" WM South of Valley View Road @ Independence 0.50 mile (Hauer) 1-HES	Development	-	105,340	-	-	-	105,340
16" WM East from Monarch Estates parallel to 17th Ave to CR 83 0.875 mile	Development	-	246,740	171,395	178,250	-	596,385
12" WM CR 16 from CR 15 west to CR 69 - 0.25 mile/segment 2-HES	Development/City Project/Scott County	-	52,675	57,200	59,500	-	169,375
12" WM West of Windermere parallel to Hwy 169 0.75 mile 1-HES	Development	-	52,675	112,472	-	-	165,147
12" WM Parallel to CR 69 South from Vierling Drive 0.75 mile NES	Development	-	-	57,200	59,500	-	116,700
12" WM West of CR 69 thru area B 1.0 miles 1-HES	Development	-	-	-	118,656	123,600	371,006
16" WM Krystal Addition to CR 79 (800 ft) NES	Development	-	-	-	-	88,572	88,572
12" WM West of Tank #8 Site thru area B to CR 69 0.25 mile	Development	-	-	-	-	61,900	61,900
	Development	-	-	-	-	-	-
	Development	-	-	-	-	-	-
12" WM CR 69 0.25 miles north of CR 78	Development	-	-	-	-	61,900	61,900
12" WM on Stagecoach Rd from Eagle Creek Preserve to Hansen Ave 0.25	Development	-	-	-	-	-	128,750
12" WM Thrush Street from CR 83 to 0.25 mile West 1- HES	Development	-	-	-	-	-	61,900
12" WM CR 83 from Thrush Street to 0.50 mile north and south 1-HES	Development	-	-	-	-	-	128,750
12" WM West of CR 69 thru area B 0.375 miles 2-HES	Development	-	-	-	-	-	128,750
12" WM Horizon Drive across CR 18 to Foothill Road 2-HES (1.0 mile) 2 HES	Development	-	-	-	-	-	243,360
8" WM on Muhlenhardt Rd 0.50 mile 1-HES to 2-HES	Development	-	-	-	-	-	90,376
Projects to be determined		-	100,000	-	-	-	100,000
<b>Total Over Sizing - Non-SPU Projects</b>		-	<b>687,780</b>	<b>398,267</b>	<b>415,906</b>	<b>335,972</b>	<b>910,636</b>
<b>Total Trunk Fund</b>		-	<b>712,780</b>	<b>423,267</b>	<b>440,906</b>	<b>360,972</b>	<b>2,873,561</b>
<b>Connection Fund</b>							
<b>Wells</b>							
Observation Wells @ Tank 3 and TBD	Department of Natural Resources	-	130,000	-	-	-	130,000
2-HES Jordan Well #23 @ Tank #8 Site	Development	-	641,000	-	-	-	641,000
<b>Total Wells</b>		-	<b>771,000</b>	-	-	-	<b>771,000</b>
<b>Water Treatment</b>							
NES Jordan Well #22 Submersible (Pump House No. 3 modifications)	Radium Remediation	-	25,000	730,000	-	-	755,000
WTP Filtration	Water Quality	-	-	-	-	10,584,394	10,584,394
<b>Total Water Treatment</b>		-	<b>25,000</b>	<b>730,000</b>	-	-	<b>10,584,394</b>
<b>Pump House Additions/Expansions</b>							
2-HES Pump House @ Tank #8 Site	Development	-	-	200,000	2,173,000	225,000	2,598,000
Pumphouse 2 Rehabilitation	Justification and Cost TBD	-	-	-	-	3,640,000	3,640,000
Pumphouse 4 Rehabilitation	Justification and Cost TBD	-	-	-	-	3,785,000	3,785,000
<b>Total Pump House Additions/Expansions</b>		-	-	<b>200,000</b>	<b>2,173,000</b>	<b>3,865,000</b>	<b>10,023,000</b>
<b>New Tanks and Transmission Water Main</b>							
2-HES District Storage (0.75 MG, Elevated Tank) @ South of Windermere	Development	754,925	1,973,751	-	-	-	2,728,676
<b>Total New Tanks and Transmission Water Main</b>		<b>754,925</b>	<b>1,973,751</b>	-	-	-	<b>2,728,676</b>
<b>Booster Stations</b>							
<b>Total Booster Stations</b>		-	-	-	-	-	-
<b>Auxiliary Facilities</b>							
Southbridge PRV Sites	Development	-	110,000	-	-	-	110,000
Inline Booster Station Site @ Foothill Road and Horizon Drive	Pressure Control	-	48,000	385,000	-	-	433,000
Normal Zone Elevated Tank Altitude Valves	Development	-	60,000	60,000	-	-	120,000
	Pressure Control	-	-	-	-	-	-

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: October 29, 2020  
Water Detail**

Item Description	Justification	2020 Carryover	2021	2022	2023	2024	2025	Total
Pressure Reducing Valve - 2-HES to 1-HES @ Horizon Drive City Trail East of	Development	-	-	-	-	-	27,040	27,040
Pressure Reducing Valve - 2-HES to 1-HES @ Muhlenhardt Rd	Development	-	-	-	-	-	27,040	27,040
Pressure Reducing Valve - 2-HES to 1-HES @ CR 69	Development	-	-	-	-	27,040	-	27,040
<b>Total Auxiliary Facilities</b>		-	<b>108,000</b>	<b>445,000</b>	-	<b>27,040</b>	<b>54,080</b>	<b>634,120</b>
<b>Total Connection Fund</b>		<b>754,925</b>	<b>2,877,751</b>	<b>1,375,000</b>	<b>2,173,000</b>	<b>3,892,040</b>	<b>14,423,474</b>	<b>25,496,190</b>
<b>Total Water</b>		<b>1,094,925</b>	<b>6,078,389</b>	<b>2,492,968</b>	<b>5,098,906</b>	<b>6,763,012</b>	<b>17,869,110</b>	<b>39,397,310</b>

SPUC Final CIP  
Water System  
2021 – 2025



TRUNK WATERMAIN SCHEDULE		WATERMAIN RECONSTRUCTION SCHEDULE		CONNECTION FUND SCHEDULE	
	DENOTES 2021		DENOTES 2021		DENOTES 2021
	DENOTES 2022		DENOTES 2022		DENOTES 2022
	DENOTES 2023		DENOTES 2023		DENOTES 2023
	DENOTES 2024		DENOTES 2024		DENOTES 2024
	DENOTES 2025		DENOTES 2025		DENOTES 2025

October 28, 2020

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: Larry Koshire, Interim Utilities Manager *Larry Koshire*  
FROM: Joseph D. Adams, Planning & Engineering Director *J. Adams*  
SUBJECT: Investment Policy Reveiw  
DATE: October 30, 2020

**ISSUE**

The Commission requested a review of the current Investment Policy.

**BACKGROUND**

Attached are the relative resolutions adopting Investment Policy over the past 21 years beginning in 1999 with Resolution #567 when the Commission had recently sold Revenue Bonds to the present with Resolution #1017 adopted in 2012 which last revised the Commission's Investment Policy.

Also attached is the referenced MN Statute 118A Deposit and Investment of Local Public Funds.

**DISCUSSION**

The Commission may choose to discuss updating the current policy to meet their investment objectives.

**REQUESTED ACTION**

Staff requests direction from the Commission for any further research of information desired before any actions are considered.



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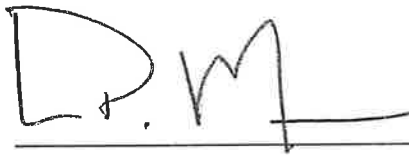
RESOLUTION #1012

A RESOLUTION ADOPTING A REVISED INVESTMENT POLICY

BE IT RESOLVED, the Shakopee Public Utilities Commission, in the meeting duly assembled on January 17, 2012 that the Shakopee Public Utilities Commission does adopt the Investment Policy dated January 17, 2012 as represented in Appendix "A" to this Resolution, which supersedes, Resolution #584, Appendix "A".

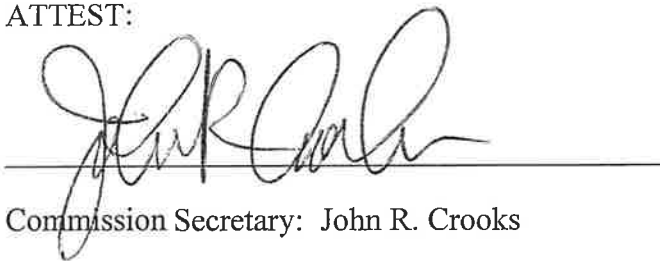
BE IT RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Adopted in adjourned regular session of the Shakopee Public Utilities Commission this 17<sup>th</sup> day of January, 2012.



Commission President: William P. Mars

ATTEST:



Commission Secretary: John R. Crooks



# SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

## SHAKOPEE PUBLIC UTILITIES INVESTMENT POLICY

As of January 17, 2012

Appendix A to Resolution #1012

### I. PURPOSE AND NEED FOR POLICY

It is the policy of the Shakopee Public Utilities Commission to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the Shakopee Public Utilities Commission and conforming to all state and local statutes governing the investment of public funds. The purpose of this Policy is to develop an overall program for cash investments, designed and managed with a high degree of professionalism, worthy of the public trust; to establish that appointed officials and employees are custodians of a portfolio which shall be subject to public review; to establish cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments, and broker representations.

### II. SCOPE

This Policy applies to the investment and deposit of all funds of the Shakopee Public Utilities Commission.

#### A. Pooling of Funds

Except for cash in certain restricted and special funds, the Shakopee Public Utilities Commission will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### III. OBJECTIVE

At all times, investments of the Shakopee Public Utilities Commission shall be in accordance with Minnesota Statutes Chapter 118A and amendments thereto. The primary objectives of the Shakopee Public Utilities Commission's investment activities shall be in the following order of priority:

#### A. Safety

Safety of principal is the foremost objective of the investment portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, interest rate risk, and custodial risk.



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

**Credit Risk:** Credit Risk is the risk of loss due to failure of the security issuer or backer. Thus, designated depositories shall have insurance through the FDIC (Federal Insurance) or the SIPC (Securities Investor Protection Corporation). To ensure safety, it is the policy of the Shakopee Public Utilities Commission that when considering an investment, all depositories under consideration be cross-checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the Shakopee Public Utilities Commission will approve all financial institutions, brokers, and advisers with which the Shakopee Public Utilities Commission will do business.

**Interest Rate Risk:** Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Shakopee Public Utilities Commission will minimize Interest Rate Risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Custodial Risk:** The Shakopee Public Utilities Commission will minimize deposit Custodial Risk, which is the risk of loss due to failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

### B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet projected disbursement requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Generally, investments shall have “laddered” maturities so that money becomes available on a regular schedule. Liquid funds will allow the Shakopee Public Utilities Commission to meet possible cash emergencies without being penalized on investments.

**Duration:** The duration of the fixed income portfolio shall remain within 10% of the stated benchmark. The maximum maturity of a holding that may be purchased for the portfolio may not exceed 5 years and no more than 10% of aggregate holdings within the portfolio may exceed the 3 - 5 year maturity level at any time.

### C. Yield

The investment portfolio shall be designed to manage the funds to maximize returns consistent with items A and B above and within the requirements set forth in this Policy. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal
- A security swap would improve the quality.
- Liquidity needs of the portfolio require that the security be sold.

#### IV. DELEGATION OF AUTHORITY

Responsibility for the investment program is hereby delegated from the Shakopee Public Utilities Commission to the Utilities Manager and/or the Director of Finance and Administration. Authority to conduct actual investment transactions may be delegated to the Utilities Manager, and/or the Director of Finance and Administration, who shall act in accordance with procedures as established with this investment policy. The authorized individuals, when acting in accordance with this Policy and exercising due diligence, shall not be held responsible for losses, provided that the losses are reported immediately and that appropriate action is taken to control further losses.

#### V. PRUDENCE

The standard of prudence to be used by investment officials shall be the “prudent investor”, and shall be applied in the context of managing the investments. All investment transactions shall be made in good faith with the degree of judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of their own affairs. This standard of prudence shall mean not for speculation, and with consideration of the probable safety of the capital as well as the probable investment return derived from assets.

#### VI. INTERNAL CONTROLS

Internal controls are designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Before the Shakopee Public Utilities Commission invests any surplus funds, competitive quotations shall be obtained. Written quotations from local financial institutions shall be obtained via fax, email or other form of written documentation, with all of them receiving the exact same rate request. Verbal quotations shall be received from all other brokers, along with a subsequent confirmation. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations will be requested for instruments that meet the maturity requirement. If no specific maturity is required, a yield analysis will be conducted to determine which maturities would be most advantageous. Quotations will be requested from financial institutions for various options with regard to term and investment type. The Shakopee Public Utilities Commission will accept the quotation, which provides the highest rate of return within the maturity required and within the limits of this Policy.



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

The Utilities Manager and/or Director of Finance and Administration will report periodically to the Shakopee Public Utilities Commission on the total of all funds invested and the total interest received on all securities year to date.

### VII. AUTHORIZED INVESTMENTS AND COLLATERALIZATION

All Shakopee Public Utilities Commission investments and deposits shall be those allowable by Minnesota Statutes Chapter 118A and amendments thereto. In accordance with Minnesota Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

State law defines the types of securities that a financial institution may pledge as collateral for public deposits. These securities include:

- United States Treasury Issues
- Issues of US Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the federal deposit insurance company or federal agency).

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times.

State law permits investment in the following types of securities:

- Federal Securities – Treasury bills, notes and bonds, as well as bonds and notes issued by or guaranteed by U.S. Government Agencies such as the Small Business Administration or GNMA, or by U.S. Government instrumentalities such as FNMA, Federal Home Loan Bank, or Federal Farm Credit Bank or FHLMC (Freddie Mac)
- State and Local Securities – Bonds and other debt instruments issued by cities, counties, states or other governmental units subject to rating requirements as defined under Minnesota Statutes 118A.
- Commercial Paper – Rated short term debt issued by U.S. corporations or their Canadian subsidiaries
- Guaranteed Investment Contracts
- Certificates of Deposit – Issued by U.S. Banks fully insured by FDIC
- Bankers’ Acceptances – Issued by U.S. Banks
- Money Market Mutual Funds – Subject to certain ratings
- Government Investment Pools, including the 4M Funds, the Liquid Asset Fund, MAGIC Fund, and MN Trust



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

### *Additional Portfolio Guidelines:*

- Bonds must be rated by at least by one Nationally Recognized Securities Rating Organization (“NRSRO”). If the downgrade of a single bond forces the holding below the lowest rating allowed for that security, the advisor will notify Shakopee Public Utilities within a reasonable timeframe, the holding will be discussed, and a decision made based on valuation by the Advisor whether to hold or sell the bond with consent of Shakopee Public Utilities.
- Individual holdings of obligors other than those backed by the U.S. Government, its agencies, or its instrumentalities are limited to 3% of the total market value of the portfolio at the time of purchase.
- Investment managers shall purchase or sell securities through firm(s) offering the best price and execution, unless otherwise directed by the Client.
- All fixed income investments will be U.S. dollar denominated.

An investment purchased by a public entity can only be held in safekeeping with:

- a Federal Reserve Bank,
- a United States bank with corporate trust powers,
- a primary reporting dealer to the Federal Reserve Bank of New York (primary reporting dealers),  
or
- a broker dealer having its principal executive office in Minnesota

### VIII. DIVERSIFICATION

The Shakopee Public Utilities Commission will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The Shakopee Public Utilities Commission will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.

### IX. REPORTING

#### A. Methods

Investment Advisors will provide monthly reporting on the status of the current investment portfolio and individual transaction executed over the last month. The report will include the following:

- Listing of individual securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities one-year duration that are not intended to be held until maturity



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investments by maturity date
- Percentage of the total portfolio which each type of investment represents
- The market value of the portfolio shall be calculated and issued monthly

### B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmark shall have a similar weighted average maturity as the portfolio.

***Stated Benchmark for Fixed Income Portfolio:*** Barclays Capital 0-3 Government Index (75%)/ Bank of America/Merrill Lynch 3 month T-Bill (25%)

***Stated Benchmark for Short Term Cash Portfolio:*** Barclays 3 Month T-Bill

### C. Marking to Market

The market value of the portfolio shall be calculated and updated in the financial reporting for Shakopee Public Utilities at least quarterly.

## X. CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

## XI. BROKER REPRESENTATIONS

Municipalities must obtain from their brokers certain representations regarding future investments. Pursuant to Minnesota Statutes 118A, the Shakopee Public Utilities Commission shall provide each broker with the Shakopee Public Utilities Commission’s investment policy, and the securities broker shall submit a certification annually to the Shakopee Public Utilities Commission stating that the officer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the Shakopee Public Utilities Commission. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the Shakopee Public Utilities Commission’s funds.

COPY

RESOLUTION #1017

A RESOLUTION ADOPTING A REVISED INVESTMENT POLICY

BE IT RESOLVED, the Shakopee Public Utilities Commission, in the meeting duly assembled on May 7, 2012 that the Shakopee Public Utilities Commission does adopt the Investment Policy dated May 7, 2012 as represented in Appendix "A" to this Resolution, which supersedes, Resolution #1012, Appendix "A".

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

Adopted in adjourned regular session of the Shakopee Public Utilities Commission this 7<sup>th</sup> day of May, 2012.



Commission President: Joseph Helkamp

ATTEST:



Commission Secretary: John R. Crooks





# SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

## SHAKOPEE PUBLIC UTILITIES INVESTMENT POLICY

As of May 7, 2012

Appendix A to Resolution #1017

### I. PURPOSE AND NEED FOR POLICY

It is the policy of the Shakopee Public Utilities Commission to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the Shakopee Public Utilities Commission and conforming to all state and local statutes governing the investment of public funds. The purpose of this Policy is to develop an overall program for cash investments, designed and managed with a high degree of professionalism, worthy of the public trust; to establish that appointed officials and employees are custodians of a portfolio which shall be subject to public review; to establish cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments, and broker representations.

### II. SCOPE

This Policy applies to the investment and deposit of all funds of the Shakopee Public Utilities Commission.

#### A. Pooling of Funds

Except for cash in certain restricted and special funds, the Shakopee Public Utilities Commission will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### III. OBJECTIVE

At all times, investments of the Shakopee Public Utilities Commission shall be in accordance with Minnesota Statutes Chapter 118A and amendments thereto. The primary objectives of the Shakopee Public Utilities Commission's investment activities shall be in the following order of priority:

#### A. Safety

Safety of principal is the foremost objective of the investment portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, interest rate risk, and custodial risk.



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

**Credit Risk:** Credit Risk is the risk of loss due to failure of the security issuer or backer. Thus, designated depositories shall have insurance through the FDIC (Federal Insurance) or the SIPC (Securities Investor Protection Corporation). To ensure safety, it is the policy of the Shakopee Public Utilities Commission that when considering an investment, all depositories under consideration be cross-checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the Shakopee Public Utilities Commission will approve all financial institutions, brokers, and advisers with which the Shakopee Public Utilities Commission will do business.

**Interest Rate Risk:** Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Shakopee Public Utilities Commission will minimize Interest Rate Risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Custodial Risk:** The Shakopee Public Utilities Commission will minimize deposit Custodial Risk, which is the risk of loss due to failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

### B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet projected disbursement requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Generally, investments shall have “laddered” maturities so that money becomes available on a regular schedule. Liquid funds will allow the Shakopee Public Utilities Commission to meet possible cash emergencies without being penalized on investments.

**Duration:** The duration of the fixed income portfolio shall remain within 10% of the stated benchmark. The maximum maturity of a holding that may be purchased for the portfolio may not exceed 5 years and no more than 10% of aggregate holdings within the portfolio may exceed the 3 - 5 year maturity level at any time.

### C. Yield

The investment portfolio shall be designed to manage the funds to maximize returns consistent with items A and B above and within the requirements set forth in this Policy. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal
- A security swap would improve the quality.
- Liquidity needs of the portfolio require that the security be sold.

### IV. DELEGATION OF AUTHORITY

Responsibility for the investment program is hereby delegated from the Shakopee Public Utilities Commission to the Utilities Manager and/or the Director of Finance and Administration. Authority to conduct actual investment transactions may be delegated to the Utilities Manager, and/or the Director of Finance and Administration, who shall act in accordance with procedures as established with this investment policy. The authorized individuals, when acting in accordance with this Policy and exercising due diligence, shall not be held responsible for losses, provided that the losses are reported immediately and that appropriate action is taken to control further losses.

### V. PRUDENCE

The standard of prudence to be used by investment officials shall be the “prudent investor”, and shall be applied in the context of managing the investments. All investment transactions shall be made in good faith with the degree of judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of their own affairs. This standard of prudence shall mean not for speculation, and with consideration of the probable safety of the capital as well as the probable investment return derived from assets.

### VI. INTERNAL CONTROLS

Internal controls are designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Before the Shakopee Public Utilities Commission invests any surplus funds, competitive quotations shall be obtained. Written quotations from local financial institutions shall be obtained via fax, email or other form of written documentation, with all of them receiving the exact same rate request. Verbal quotations shall be received from all other brokers, along with a subsequent confirmation. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations will be requested for instruments that meet the maturity requirement. If no specific maturity is required, a yield analysis will be conducted to determine which maturities would be most advantageous. Quotations will be requested from financial institutions for various options with regard to term and investment type. The Shakopee Public Utilities Commission will accept the quotation, which provides the highest rate of return within the maturity required and within the limits of this Policy.



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

The Utilities Manager and/or Director of Finance and Administration will report periodically to the Shakopee Public Utilities Commission on the total of all funds invested and the total interest received on all securities year to date.

### VII. AUTHORIZED INVESTMENTS AND COLLATERALIZATION

All Shakopee Public Utilities Commission investments and deposits shall be those allowable by Minnesota Statutes Chapter 118A and amendments thereto. In accordance with Minnesota Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

State law defines the types of securities that a financial institution may pledge as collateral for public deposits. These securities include:

- United States Treasury Issues
- Issues of US Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the federal deposit insurance company or federal agency).

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times.

State law permits investment in the following types of securities:

- Federal Securities – Treasury bills, notes and bonds, as well as bonds and notes issued by or guaranteed by U.S. Government Agencies such as the Small Business Administration or GNMA, or by U.S. Government instrumentalities such as FNMA, Federal Home Loan Bank, or Federal Farm Credit Bank or FHLMC (Freddie Mac)
- State and Local Securities – Bonds and other debt instruments issued by cities, counties, states or other governmental units subject to rating requirements as defined under Minnesota Statutes 118A.
- Commercial Paper – Rated short term debt issued by U.S. corporations or their Canadian subsidiaries
- Guaranteed Investment Contracts
- Certificates of Deposit – Issued by U.S. Banks fully insured by FDIC
- Bankers’ Acceptances – Issued by U.S. Banks
- Money Market Mutual Funds – Subject to certain ratings
- Government Investment Pools, including the 4M Funds, the Liquid Asset Fund, MAGIC Fund, and MN Trust



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

### *Additional Portfolio Guidelines:*

- Bonds must be rated by at least by one Nationally Recognized Securities Rating Organization (“NRSRO”). If the downgrade of a single bond forces the holding below the lowest rating allowed for that security, the advisor will notify Shakopee Public Utilities within a reasonable timeframe, the holding will be discussed, and a decision made based on valuation by the Advisor whether to hold or sell the bond with consent of Shakopee Public Utilities.
- Individual holdings of obligors other than those backed by the U.S. Government, its agencies, or its instrumentalities are limited to 3% of the total market value of the portfolio at the time of purchase.
- Investment managers shall purchase or sell securities through firm(s) offering the best price and execution, unless otherwise directed by the Client.
- All fixed income investments will be U.S. dollar denominated.

An investment purchased by a public entity can only be held in safekeeping with:

- a Federal Reserve Bank,
- a United States bank with corporate trust powers,
- a primary reporting dealer to the Federal Reserve Bank of New York (primary reporting dealers),  
or
- a broker dealer having its principal executive office in Minnesota

### VIII. DIVERSIFICATION

The Shakopee Public Utilities Commission will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The Shakopee Public Utilities Commission will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.

### IX. REPORTING

#### A. Methods

Investment Advisors will provide monthly reporting on the status of the current investment portfolio and individual transaction executed over the last month. The report will include the following:

- Listing of individual securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities one-year duration that are not intended to be held until maturity



## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investments by maturity date
- Percentage of the total portfolio which each type of investment represents
- The market value of the portfolio shall be calculated and issued monthly

### B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmark shall have a similar weighted average maturity as the portfolio.

***Stated Benchmark for Fixed Income Portfolio:*** Barclays Capital 0-3 Year Government Index

***Stated Benchmark for Short Term Cash Portfolio:*** Barclays 3 Month T-Bill

### C. Marking to Market

The market value of the portfolio shall be calculated and updated in the financial reporting for Shakopee Public Utilities at least quarterly.

## X. CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

## XI. BROKER REPRESENTATIONS

Municipalities must obtain from their brokers certain representations regarding future investments. Pursuant to Minnesota Statutes 118A, the Shakopee Public Utilities Commission shall provide each broker with the Shakopee Public Utilities Commission’s investment policy, and the securities broker shall submit a certification annually to the Shakopee Public Utilities Commission stating that the officer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the Shakopee Public Utilities Commission. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the Shakopee Public Utilities Commission’s funds.

**COPY**



## **SHAKOPEE PUBLIC UTILITIES COMMISSION**

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**“Lighting the Way - Yesterday, Today and Beyond”**

### **XII. APPROVAL OF INVESTMENT POLICY**

The investment policy shall be formally approved and adopted by the governing body of the Shakopee Public Utilities Commission.

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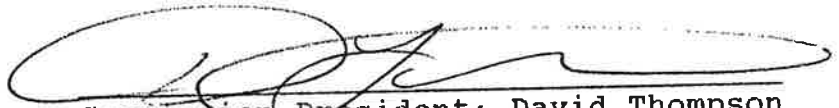
RESOLUTION #584

A RESOLUTION ADOPTING A STATEMENT  
OF INVESTMENT POLICY AND OBJECTIVES

BE IT RESOLVED, the Shakopee Public Utilities Commission, in meeting duly assembled on September that the Shakopee Public Utilities Commission does adopt the Statement of Investment Policy and Objectives dated September 15, 2000 as represented in Appendix "A" to this Resolution.

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

Adopted in adjourned regular session of the Shakopee Public Utilities Commission this 18th day of September, 2000.



Commission President: David Thompson

ATTEST:



Commission Secretary: Barbara Menden



**Shakopee Public Utilities Commission  
of the City of Shakopee, Minnesota  
Statement of Investment Policy and Objectives  
Dated September 15, 2000**

**COPY**

**I. PURPOSE**

The purpose of this policy is to set standards for the investment of Shakopee Public Utilities Commission (SPUC) assets.

**II. SCOPE**

This policy applies to the investment of the following funds of each of the Electric and Water divisions of the SPUC:

- Sinking and Interest Account
- Reserve Account-1993 Bonds
- Reserve Account-1999 Bonds
- Operating Account
- Capital Improvement Account
- Depreciation and Replacement Account

**III. GENERAL OBJECTIVES**

The primary objectives, in priority of order, of investment activities shall be safety, liquidity and yield.

**1. *Safety***

Safety of principal is the foremost objective of the investment policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

**2. *Liquidity***

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

**3. *Yield***

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- a.) A security with declining credit may be sold early to minimize loss of principal.
- b.) A security swap would improve the quality, yield or target duration in the portfolio.

- c.) Liquidity needs of the portfolio require that the security be sold.

#### IV. STANDARDS OF CARE

The standard of prudence to be used by the Investment Advisor shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment shall be made with judgement and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probably safety of their capital as well as the probable income to be desired.

#### V. SUITABLE AND AUTHORIZED INVESTMENTS

Consistent with State and Local Laws and bond fund resolution, the following investments will be permitted by this policy:

- a) Direct obligations of the Department of the Treasury of the United States;
- b) Obligations of any of the following federal agencies which represent full faith and credit of the United States, including:
  - Export-Import Bank
  - Farmers Home Administration
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration
  - Governmental National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development
  - Federal Housing Administration
- c) Bond, notes or other evidences of indebtedness rated "AAA" by Standards & Poor's Corporation and "Aaa" by Moody's Investor Service issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) with remaining maturities not exceeding three years;
- d) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.);
- e) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's and "P-1" by Moody's Investors Service and which matures not more than 270 days after the date of purchase;
- f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standards & Poor's Corporation;

- g) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (a) above;
- h) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
  - 1) which are rated based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's Corporation and Moody's Investor Service, Inc. or any successors thereto; or
  - 2) (aa) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) or (g) above, which escrow may be applied only to the payment of such principal of an interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instruction, as appropriate, and (bb) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate

**VI. MATURITY CONSTRAINTS**

Each of the accounts will be invested as appropriate to meet liquidity needs and may not exceed the following maximum maturity constraints for each of the Electric and Water divisions:

<i>Account</i>	<i>Maximum Maturity</i>
Sinking and Interest Fund	13 Months
Reserve Account-1993 Bonds	1 Year
Reserve Account-1999 Bonds	1 Year
Operating Account	3 Years
Capital Improvement Account	1 Year
Depreciation and Replacement Account	3 Years

**VII. REPORTING**

The Investment Advisor shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. The report will include the following:

- a) Listing of individual securities held at the end of the reporting period.
- b) Realized and unrealized gains or losses.
- c) Average weighted yield to maturity of portfolio.
- d) Listing of investments by maturity date by sector.
- e) Percentage of the total portfolio each investment represents.

I.) *Performance Standards*

Each portfolio will be measured against an appropriate benchmark set forth as follows: for each account restricted to a maximum maturity of 13 months or less the benchmark will be the Lehman 3 Month Treasury Bill index and for those accounts with a maximum maturity not to exceed three years the benchmark will be the Lehman 1-3 year U.S. Government Bond Index.

II.) *Marking to Market*

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value shall be issued at least quarterly.

COPY

## RESOLUTION #567

A RESOLUTION PROVIDING FOR THE ADMINISTRATION  
AND INVESTMENT OF THE PROCEEDS OF THE  
SERIES 1999 REVENUE BONDS

WHEREAS, The Commission has adopted a Capital Improvement Program, and

WHEREAS, the Commission has sold \$9,850,000 in Utility Revenue Bonds to finance the Capital Improvement Program, and


WHEREAS, The Commission has designated itself as the "Governing Body" of the Utility for all Utility matters, and

WHEREAS, The Commission has chosen to use certain other powers and the related authority under Chapter 453, the Power Agency Law including the authority to issue debt, own property, and manage funds of the Utility.

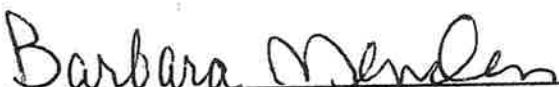
NOW, THEREFORE, BE IT RESOLVED, By the Shakopee Public Utilities Commission:

1. FWW Financial, acting as financial advisor to the Commission, is directed to supervise and guide the delivery of the bonds and the immediate investment of the proceeds with Miller Johnson and Kuehn.
2. Timothy Fahey is named investment Agent and Broker to the Commission.
3. The pay requests of Professionals: McGrann Shea Franzen Carnival Straughn and Lamb, Chtd., in the amount of \$29,000.00 and FWW Financial, Ltd. In the amount of \$64,008.00 and Moody's Investors Service in an amount up to \$9,850.00 are hereby approved and ordered paid from the bond proceeds.

Approved this 20th day of December, 1999.

  
Commission President: David Thompson

ATTEST:

  
Commission Secretary: Barbara Menden

## CHAPTER 118A

### DEPOSIT AND INVESTMENT OF LOCAL PUBLIC FUNDS

118A.01	DEFINITIONS.	118A.06	SAFEKEEPING; ACKNOWLEDGEMENTS.
118A.02	DEPOSITORIES; INVESTING: SALES, PROCEEDS, IMMUNITY.	118A.07	ADDITIONAL INVESTMENT AUTHORITY.
118A.03	WHEN AND WHAT COLLATERAL REQUIRED.	118A.08	NO SUPERSEDING EFFECT.
118A.04	INVESTMENTS.	118A.09	ADDITIONAL LONG-TERM EQUITY INVESTMENT AUTHORITY.
118A.05	CONTRACTS AND AGREEMENTS.		

#### 118A.01 DEFINITIONS.

Subdivision 1. **Application.** The definitions in this section apply to sections 118A.01 to 118A.06.

Subd. 2. **Government entity.** (a) "Government entity" means a county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, any other political subdivision, except an entity whose investment authority is specified under chapter 11A or 356A.

(b) For the purposes of sections 118A.02 and 118A.03 only, the term includes an American Indian tribal government entity located within a federally recognized American Indian reservation.

Subd. 3. **Financial institution.** "Financial institution" means a savings association, commercial bank, trust company, credit union, or industrial loan and thrift company.

Subd. 4. **Public funds.** "Public funds" means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity, unless otherwise restricted.

**History:** 1996 c 399 art 1 s 2; 1999 c 151 s 39

#### 118A.02 DEPOSITORIES; INVESTING: SALES, PROCEEDS, IMMUNITY.

Subdivision 1. **Designation; delegation.** (a) The governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions.

(b) The governing body may authorize the treasurer or chief financial officer to:

- (1) designate depositories of the funds;
- (2) make investments of funds under sections 118A.01 to 118A.06 or other applicable law; or
- (3) both designate depositories and make investments as provided in this subdivision.

Subd. 2. **Sale; proceeds; immunity, if loss.** (a) The treasurer or chief financial officer of a government entity may at any time sell obligations purchased pursuant to this section and the money received from such sale, and the interest and profits or loss on such investment shall be credited or charged, as the case may be, to the fund from which the investment was made.

(b) Neither such official nor government entity, nor any other official responsible for the custody of such funds, shall be personally liable for any loss sustained from the deposit or investment of funds in accordance with the provisions of sections 118A.04 and 118A.05.

**History:** 1996 c 399 art 1 s 3

**118A.03 WHEN AND WHAT COLLATERAL REQUIRED.**

Subdivision 1. **For deposits beyond insurance.** To the extent that funds on deposit at the close of the financial institution's banking day exceed available federal deposit insurance, the government entity shall require the financial institution to furnish collateral security or a corporate surety bond executed by a company authorized to do business in the state. For the purposes of this section, "banking day" has the meaning given in Federal Reserve Board Regulation CC, Code of Federal Regulations, title 12, section 229.2(f), and incorporates a financial institution's cutoff hour established under section 336.4-108.

Subd. 2. **In lieu of surety bond.** The following are the allowable forms of collateral in lieu of a corporate surety bond:

- (1) United States government Treasury bills, Treasury notes, Treasury bonds;
- (2) issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- (3) general obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- (4) general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- (5) irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- (6) time deposits that are fully insured by any federal agency.

Subd. 3. **Amount.** The total amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, except that where the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks, the amount of collateral shall be at least equal to the amount on deposit at the close of the financial institution's banking day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

Subd. 4. **Assignment.** Any collateral pledged shall be accompanied by a written assignment to the government entity from the financial institution. The written assignment shall recite that, upon default, the financial institution shall release to the government entity on demand, free of exchange or any other charges, the collateral pledged. Interest earned on assigned collateral will be remitted to the financial institution so long as it is not in default. The government entity may sell the collateral to recover the amount due. Any surplus from the sale of the collateral shall be payable to the financial institution, its assigns, or both.

Subd. 5. **Withdrawal of excess collateral.** A financial institution may withdraw excess collateral or substitute other collateral after giving written notice to the government entity and receiving confirmation. The authority to return any delivered and assigned collateral rests with the government entity.

Subd. 6. **Default.** For purposes of this section, default on the part of the financial institution includes, but is not limited to, failure to make interest payments when due, failure to promptly deliver upon demand all money on deposit, less any early withdrawal penalty that may be required in connection with the withdrawal of a time deposit, or closure of the depository. If a financial institution closes, all deposits shall be immediately

due and payable. It shall not be a default under this subdivision to require prior notice of withdrawal if such notice is required as a condition of withdrawal by applicable federal law or regulation.

Subd. 7. **Safekeeping.** All collateral shall be placed in safekeeping in a restricted account at a Federal Reserve bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection shall be approved by the government entity.

**History:** 1996 c 399 art 1 s 4; 2003 c 51 s 15,16; 2004 c 151 s 1,2; 2004 c 174 s 2; 2007 c 44 s 7; 2007 c 57 art 3 s 39; 2008 c 154 art 10 s 1; 2014 c 292 s 1

#### **118A.04 INVESTMENTS.**

Subdivision 1. **What may be invested.** Any public funds, not presently needed for other purposes or restricted for other purposes, may be invested in the manner and subject to the conditions provided for in this section.

Subd. 2. **United States securities.** Public funds may be invested in governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

Subd. 3. **State and local securities.** Funds may be invested in the following:

(1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;

(2) any security which is a revenue obligation of any state or local government which is rated "AA" or better by a national bond rating service;

(3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated "A" or better by a national bond rating agency; and

(4) any security which is an obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to section 126C.55.

Subd. 4. **Commercial papers.** Funds may be invested in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.

Subd. 5. **Time deposits.** Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks.

Subd. 6. **High-risk mortgage-backed securities.** For the purposes of this section and section 118A.05, "high-risk mortgage-backed securities" are:

(1) interest-only or principal-only mortgage-backed securities; and

(2) any mortgage derivative security that:

(i) has an expected average life greater than ten years;

(ii) has an expected average life that:



(A) will extend by more than four years as the result of an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or

(B) will shorten by more than six years as the result of an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or

(iii) will have an estimated change in price of more than 17 percent as the result of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

Subd. 7. **Temporary general obligation bonds.** Funds may be invested in general obligation temporary bonds of the same government entity issued under section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

Subd. 8. **Debt service funds.** Funds held in a debt service fund may be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold by the government entity at any time, but the money so received remains part of the fund until used for the purpose for which the fund was created. Any obligation held in a debt service fund from which it is payable may be canceled at any time unless otherwise provided in a resolution or other instrument securing obligations payable from the fund.

Subd. 9. **Broker; statement and receipt.** (a) For the purpose of this section and section 118A.05, the term "broker" means a broker-dealer, broker, or agent of a government entity, who transfers, purchases, sells, or obtains securities for, or on behalf of, a government entity.

(b) Prior to completing an initial transaction with a broker, a government entity shall provide annually to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota Statutes governing the investment of public funds.

(c) A broker must acknowledge annually receipt of the statement of investment restrictions in writing and agree to handle the government entity's account in accordance with these restrictions. A government entity may not enter into a transaction with a broker until the broker has provided this written agreement to the government entity.

(d) The state auditor shall prepare uniform notification forms which shall be used by the government entities and the brokers to meet the requirements of this subdivision.

**History:** 1996 c 399 art 1 s 5; 2013 c 143 art 12 s 1; 2014 c 292 s 2,3

#### 118A.05 CONTRACTS AND AGREEMENTS.

Subdivision 1. **May enter into.** In addition to other authority granted in sections 118A.01 to 118A.06, government entities may enter into contracts and agreements as follows.

Subd. 2. **Repurchase agreements.** Repurchase agreements consisting of collateral allowable in section 118A.04, and reverse repurchase agreements may be entered into with any of the following entities:

(1) a financial institution qualified as a "depository" of public funds of the government entity;

(2) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;

(3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or

(4) a securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.

Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in subdivision 3.

**Subd. 3. Securities lending agreements.** Securities lending agreements, including custody agreements, may be entered into with a financial institution meeting the qualifications of subdivision 2, clause (1) or (2), and having an office located in Minnesota. Securities lending transactions may be entered into with entities meeting the qualifications of subdivision 2 and the collateral for such transactions shall be restricted to the securities described in this section and section 118A.04.

**Subd. 4. Minnesota joint powers investment trust.** Government entities may enter into agreements or contracts for:

(1) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in this section, section 118A.04, and section 118A.07, subdivision 7;

(2) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in this section and section 118A.04;

(3) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or

(4) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months.

**Subd. 5. Guaranteed investment contracts.** Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short- and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Agreements or contracts for guaranteed investment contracts with a term of 18 months or less may be entered into regardless of the credit quality of the issuer's or guarantor's long-term unsecured debt, provided that the credit quality of the issuer's short-term unsecured debt is rated in the highest category by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

**History:** 1996 c 399 art 1 s 6; 1997 c 219 s 1; 2000 c 493 s 1; 2005 c 152 art 1 s 2; 2010 c 234 s 1; 2010 c 385 s 4; 2013 c 143 art 12 s 2; 2014 c 292 s 4

**118A.06 SAFEKEEPING; ACKNOWLEDGEMENTS.**

(a) Investments, contracts, and agreements may be held in safekeeping with:

(1) any Federal Reserve bank;

(2) any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased;

(3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or

(4) a securities broker-dealer, or an affiliate of it, that meets the following requirements:

(i) it is registered as a broker-dealer under chapter 80A or is exempt from the registration requirements;

(ii) it is regulated by the Securities and Exchange Commission; and

(iii) it maintains insurance through the Securities Investor Protection Corporation or excess insurance coverage in an amount equal to or greater than the value of the securities held.

(b) The government entity's ownership of all securities under paragraph (a) must be evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

**History:** 1996 c 399 art 1 s 7; 2010 c 234 s 2

**118A.07 ADDITIONAL INVESTMENT AUTHORITY.**

Subdivision 1. **Authority provided.** As used in this section, "governmental entity" means a city with a population in excess of 200,000, a county that contains a city of that size, or the Metropolitan Council. If a governmental entity meets the requirements of subdivisions 2 and 3, it may exercise additional investment authority under subdivisions 4, 5, and 6.

Subd. 2. **Written policies and procedures.** Prior to exercising any additional authority under subdivisions 4, 5, and 6, the governmental entity must have written investment policies and procedures governing the following:

(1) the use of or limitation on mutual bond funds or other securities authorized or permitted investments under law;

(2) specifications for and limitations on the use of derivatives;

(3) the final maturity of any individual security;

(4) the maximum average weighted life of the portfolio;

(5) the use of and limitations on reverse repurchase agreements;

(6) credit standards for financial institutions with which the governmental entity deals; and

(7) credit standards for investments made by the governmental entity.

Subd. 3. **Oversight process.** Prior to exercising any authority under subdivisions 4, 5, and 6, the governmental entity must establish an oversight process that provides for review of the governmental entity's

investment strategy and the composition of the financial portfolio. This process shall include one or more of the following:

- (1) audit reviews;
- (2) internal or external investment committee reviews; and
- (3) internal management control.

Additionally, the governing body of the governmental entity must, by resolution, authorize its treasurer to utilize the additional authorities under this section within their prescribed limits, and in conformance with the written limitations, policies, and procedures of the governmental entity.

If the governing body of a governmental entity exercises the authority provided in this section, the treasurer of the governmental entity must annually report to the governing body on the findings of the oversight process required under this subdivision. If the governing body intends to continue to exercise the authority provided in this section for the following calendar year, it must adopt a resolution affirming that intention by December 1.

**Subd. 4. Repurchase agreements.** A governmental entity may enter into repurchase agreements as authorized under section 118A.05, provided that the exclusion of mortgage-backed securities defined as "high-risk mortgage-backed securities" under section 118A.04, subdivision 6, shall not apply to repurchase agreements under this authority if the margin requirement is 101 percent or more.

**Subd. 5. Reverse repurchase agreements.** Notwithstanding the limitations contained in section 118A.05, subdivision 2, the governmental entity may enter into reverse repurchase agreements to:

- (1) meet cash flow needs; or
- (2) generate cash for investments, provided that the total securities owned shall be limited to an amount not to exceed 130 percent of the annual daily average of general investable monies for the fiscal year as disclosed in the most recently available audited financial report. Excluded from this limit are:
  - (i) securities with maturities of one year or less; and
  - (ii) securities that have been reversed to maturity.

There shall be no limit on the term of a reverse repurchase agreement. Reverse repurchase agreements shall not be included in computing the net debt of the governmental entity, and may be made without an election or public sale, and the interest payable thereon shall not be subject to the limitation in section 475.55. The interest shall not be deducted or excluded from gross income of the recipient for the purpose of state income, corporate franchise, or bank excise taxes, or if so provided by federal law, for the purpose of federal income tax.

**Subd. 6. Options and futures.** A governmental entity may enter into futures contracts, options on futures contracts, and option agreements to buy or sell securities authorized under law as legal investments for governmental entities, but only with respect to securities owned by the governmental entity, including securities that are the subject of reverse repurchase agreements under this section that expire at or before the due date of the option agreement.

**Subd. 7. Negotiable certificates of deposit.** A Minnesota joint powers investment trust may invest funds in negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or state-chartered bank, a federal or state savings and loan association,

or a state-licensed branch of a foreign bank, except that for obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent are rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations and for obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent are rated at least A or its equivalent by at least two nationally recognized statistical ratings organizations. Investments in these instruments shall not be subject to the collateralization requirements of section 118A.03.

**History:** 1996 c 399 art 1 s 8; 2014 c 292 s 5

#### **118A.08 NO SUPERSEDING EFFECT.**

Except as provided in Laws 1996, chapter 399, article 1, section 11, sections 118A.01 to 118A.06 shall not supersede any general or special law relating to the deposit and investment of public funds.

**History:** 1996 c 399 art 1 s 9

#### **118A.09 ADDITIONAL LONG-TERM EQUITY INVESTMENT AUTHORITY.**

Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:

- (1) a county or statutory or home rule charter city with a population of more than 100,000;
- (2) a county or statutory or home rule charter city which had its most recently issued general obligation bonds rated in the highest category by a national bond rating agency; or
- (3) a self-insurance pool listed in section 471.982, subdivision 3.

A county or statutory or home rule charter city with a population of 100,000 or less that is a qualifying government, but is subsequently rated less than the highest category by a national bond rating agency on a general obligation bond issue, may not invest additional funds under this section but may continue to manage funds previously invested under subdivision 2.

Subd. 2. **Additional investment authority.** Qualifying governments may invest the amount described in subdivision 3:

- (1) in index mutual funds based in the United States and indexed to a broad market United States equity index; or
- (2) with the Minnesota State Board of Investment subject to such terms and minimum amounts as may be adopted by the board. Index mutual fund investments must be made directly with the main sales office of the fund.

Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2 according to the limitations in this subdivision. A qualifying government under subdivision 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans authorized by the city council or county board, or long-term obligations of the qualifying government. Long-term obligations of the qualifying government include long-term capital plan reserves, funds held to offset long-term environmental exposure, other postemployment benefit liabilities, compensated absences, and other long-term obligations established by applicable accounting standards.

(b) Qualifying governments under subdivision 1, clause (1) or (2), may invest up to 15 percent of the sum of:

- (1) unassigned cash;

- (2) cash equivalents;
- (3) deposits; and
- (4) investments.

This calculation must be based on the qualifying government's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards. Once the amount invested reaches 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments, no further funds may be invested under this section; however, a qualifying government may continue to manage the funds previously invested under this section even if the total amount subsequently exceeds 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

(c) A qualified government under subdivision 1, clause (3), may invest up to the lesser of:

- (1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or
- (2) 25 percent of its net assets as reported on the pool's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards.

Subd. 4. **Approval.** Before investing pursuant to this section, the governing body of the qualifying government must adopt a resolution that includes the following statements:

- (1) the governing body understands that investments under subdivision 2 have a risk of loss;
- (2) the governing body understands the type of funds that are being invested and the specific investment itself; and
- (3) the governing body certifies that all funds designated for investment through the State Board of Investment meet the requirements of this section and the policies and procedures established by the State Board of Investment.

Subd. 5. **Public Employees Retirement Association to act as account administrator.** A qualifying government exercising authority under this section to invest amounts with the State Board of Investment shall establish an account with the Public Employees Retirement Association (PERA), which shall act as the account administrator.

Subd. 6. **Purpose of account.** The account established under subdivision 5 may only be used for the purposes provided under subdivision 3. PERA may rely on representations made by the qualifying government in exercising its duties as account administrator and has no duty to further verify qualifications, use, or intended use of the funds that are invested or withdrawn.

Subd. 7. **Account maintenance.** (a) A qualifying government may establish an account to be held under the supervision of PERA for the purposes of investing funds with the State Board of Investment under subdivision 2. PERA shall establish a separate account for each qualifying government. PERA may charge participating qualifying governments a fee for reasonable administrative costs. The amount of any fee charged by PERA is annually appropriated to the association from the account. PERA may establish other reasonable terms and conditions for creation and maintenance of these accounts.

(b) PERA must report to the qualifying government on the investment returns of invested funds and on all investment fees or costs incurred by the account.

Subd. 8. **Investment.** (a) The assets of an account shall be invested and held as required by this subdivision.

(b) PERA must certify all money in the accounts for which it is account administrator to the State Board of Investment for investment under section 11A.14, subject to the policies and procedures established by the State Board of Investment. Investment earnings must be credited to the account of the individual qualifying government.

(c) For accounts invested by the State Board of Investment, the investment restrictions shall be the same as those generally applicable to the State Board of Investment.

(d) A qualifying government may provide investment direction to PERA, subject to the policies and procedures established by the State Board of Investment.

Subd. 9. **Withdrawal of funds and termination of account.** (a) A government may withdraw some or all of its money or terminate the account.

(b) A government requesting withdrawal of money from an account created under this section must do so at a time and in the manner required by the executive director of PERA, subject to the policies and procedures established by the State Board of Investment.

**History:** *1Sp2017 c 4 art 2 s 27*



PO Box 470 • 255 Sarazi  
Shakopee, Minnesota 55379  
Main 952.445-1988 • Fax 952.445-7767  
www.shakopeeutilities.com

October 27, 2020

TO: Larry Koshire, Interim Utilities Manager *Larry Koshire*  
FROM: Sharon Walsh, Director of Customer Relations/Marketing *SNW*  
SUBJECT: Action Items from 10/19/20 Regular Meeting

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### Overview

The following provides a status update to action items requested at the 10/19/20 regular commission meeting.

1. Adding List of Resolutions to the SPU Website – a comprehensive, sequential list was posted on the website on Thursday, 10/22. A notation was added to inform visitors a searchable database is being developed and will be added to the website at a later date.
2. Meeting Packets/Agendas/Meetings – data going back to the start of 2016 was added to the website. (Previously it went back to 2017.) This was completed by Friday, 10/23.
3. Redirect of Website – IT has been informed of the need to redirect to a secured site (i.e., https vs http). This function will require 24-48 hours to re-propagate our site. Wednesday, 11/25 has been chosen as the date to implement this update. The website activity will be down due to the holiday and where we are in the monthly billing cycle. The site will be fully propagated before we resume business on 11/30.
4. Adding Financial Information to the SPU Website – the 2021 budget will be added when approved. 2019 actuals are already posted. A notation has been added to the Financials tab that directs visitors to the commission meeting packets for current year financial information.
5. Holiday Notifications on Social Media and Website – notifications have been created and are scheduled through 2021. Phones will continue to operate with “closed” holiday messages as usual.

### Action Required

No further action is required.