

MINUTES

OF THE

SHAKOPEE PUBLIC UTILITIES COMMISSION

September 21, 2020

(REGULAR MEETING)

1. Call to Order. President Amundson called the September 21, 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. Commissioner Brennan requested an addition to the minutes from September 3 stating her position that that the City finance and administration should provide interim leadership of Shakopee Public Utilities. With this addition, motion by Mocol, seconded by Meyer, to approve the minutes from September 3, 2020 and September 8, 2020. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.
4. Approval of Agenda. President Amundson requested that the Utilities Management item be moved after the Liaison Report. With this change, motion by Meyer, seconded by Fox, to approve the agenda. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.
5. Approval of Consent Business. The consent business consisted of items (8b) Monthly Dash Board; (11c) SPU Financials Posted on Website; (11d) Monthly Financial Results; and (11e) Dash Board – Metrics. Motion by Fox, seconded by Mocol, to approve the consent business. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.
6. Approval of Warrant List. Motion by Meyer, seconded by Brennan, to approve the warrant list as presented. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.
7. Liaison Report. Commissioner Brennan presented the liaison report. She provided an update as to the City's passing of a preliminary levy of \$21,017,800.
8. Utilities Management Agreement. President Amundson presented the proposed Utilities Management Services Agreement between SPU and Minnesota Municipal Utilities Association (MMUA). She noted that Special Counsel Korine Land represented SPU (and MMUA was represented by its staff) in negotiating the agreement. Because Attorney K. Brennan and her firm had a conflict of interest, due to their general representation of MMUA, she played no role in the agreement. Jack Kegel, Executive Director of MMUA noted that MMUA has been providing these services for 10-15 years. He provided additional information concerning the proposed agreement. Larry Koshire, the individual MMUA has proposed to work with SPU under the agreement, introduced himself and provided background information in terms of his prior roles as General Manager of Rochester Public Utilities (for 17 years before his retirement), as General

Manager of Muscatine Power and Water in Muscatine, Iowa, and in working with MMUA to provide utility management services to other communities. Motion by Meyer, seconded by Fox to approve the Agreement. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.

9. Water Report. Lon Schemel, Water Superintendent, presented the water report. He noted work on flushing the hydrants. Mr. Schemel also read a thank you note commending two employees of the water department for providing exceptional customer service in addressing a residential water issue.

The revised proposal from SEH for the Water Treatment Plant Feasibility Study (requested by staff to be re-labeled as the Comprehensive Evaluation for Municipal Water Treatment) was discussed. Commissioner Brennan suggested obtaining additional proposals. Joseph Adams, Interim Utilities Manager, explained that SPU had selected SEH as its designated planning consultant through an RFQ process. Mr. Adams also noted SEH's familiarity with SPU's system due to its past work. Commissioner Meyer noted that because the City had raised concerns about water quality, it created a sense of urgency. President Amundson commented that because water quality was a public issue, SPU should move forward with the qualified firm for public confidence. Commissioner Brennan noted that the results of the study would not be available before the election, and that she continued to recommend multiple proposals. Motion by Meyer, seconded by Amundson, to approve the SEH proposal for the Comprehensive Evaluation for Municipal Water Treatment. Ayes: Amundson, Mocol, Fox, Meyer. Nays: Brennan.

10. Electric Report. Mr. Drent, Electric Superintendent, presented the electric report. He described the three outages since the last Commission meeting, as well as current projects.

Mr. Adams presented the West Shakopee Substation Site Purchase Agreement. Commissioner Brennan proposed that this matter be tabled until mid-November. No other Commissioner spoke in favor of this approach. Mr. Adams described the need for a new substation in light of growth, including annexation from Jackson Township. He noted that a new substation is required, regardless of the governing board of the utilities. He noted the advantages of the proposed site, including access to transmission lines, physical connection factors, and the size of the parcel. Mr. Adams also described the appraisal and the funding parameters in the Commission-approved 2020 capital improvement plan. Motion by Meyer, seconded by Mocol, to approve the Purchase Agreement with R & J Breeggemann Family Limited Partnership, LP. Ayes: Amundson, Mocol, Fox, Meyer. Nays: Brennan.

Mr. Drent provided an update as to three apprentice-lineman-employees who are each expected to receive his journeyman certificate by the end of the year. Mr. Drent praised Tyler Hanson, Matt Kahle, and Jordan Schuettpelz for their hard work and dedication as employees. Motion by Fox, seconded by Mocol, that Mr. Hanson, Mr. Kahle, and Mr. Schuettpelz advance to journeyman when they have completed the required qualifications. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.

11. Policies/Purchasing. Mr. Adams provided an informational overview of SPU policies, in the form of resolutions, motions, consensus, and formal policies. He noted that the Commission has over 1200 resolutions. Mr. Adams described two significant resolutions that adopted policies,

namely the Water Policy Manual and the Electric Rates and Regulations. Mr. Adams also addressed the purchasing of vehicles, the statutes as to competitive bidding, the SPU budget approval process, and the controls within SPU in approving purchases. Discussion ensued as to whether the Commission wished to change its policies, such as creating one central policy. President Amundson noted that a comprehensive policy overhaul should wait until the result of the referendum. Commission Fox noted that SPU is also in the position of having an Interim Utilities Manager. Commissioner Mocol agreed. Commissioner Brennan agreed that the policies should be kept in place for now, and that any revisions would benefit from guidance from a Finance Director and Utilities Manager.

12. Cold Weather Rule/ COVID-19. Sharon Walsh, Marketing/Customer Relations Director, provided an update as to the Cold Weather Rule and COVID-19 procedures. Ms. Walsh noted that the actions that SPU took in March 2020 in response to the COVID-19 pandemic exceed the requirements of the Cold Weather Rule, including requesting, but not requiring, payment plans and not disconnecting a customers after the failure to pay. Ms. Walsh described how other municipal utilities in the area have addressed the lobby space. Commissioner Meyer asked Mr. Koshire to consider these COVID-19 issues and prepare a recommendation. Commissioner Mocol noted that the lobby could be opened by appointment only with staff. Commissioner Fox noted no hurry to reopen the lobby, and that he preferred a payment plan in good faith for overdue accounts. Commissioner Brennan noted that the State of Minnesota delinquent housing policy offers funding for overdue utility bills, and that the City lobby is open for certain purposes, such as permits and questions. Motion by Fox, seconded by Mocol to direct staff to consider COVID-19 issues and report back to the Commission. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.

13. Wages and Benefits Update. Commissioners Mocol and Fox provided an update as to preliminary discussions within the Wages and Benefits Working Group. They discussed employee morale, particularly in light of the COVID-19 pandemic, and the desire to maintain a 2.5% Cost of Living Adjustment for this year, and a potential decrease in health. Commissioner Mocol noted that City staff may be a helpful resource on certain projects, such as HR responsibilities and COVID-19 potential liabilities.

14. Adjourn. Motion by Mocol, seconded by Meyer, to adjourn to the October 5, 2020 regular meeting. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None.

  
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Joseph Adams, Interim Secretary