

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
January 19, 2021

Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz (as amended), the Commission is holding its regular meeting on January 19, 2021 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 126 992 2597
When Prompted for Password, enter #**

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.

2. **Communications**

3. **Consent Agenda**
 - C=> 3a) Approval January 4, 2021 Minutes
 - C=> 3b) Approval of Agenda
 - C=> 3c) January 7, 2021 Warrant List
Account Credit Request/Deposit Refunds (JM)
 - C=> 3d) January 19, 2021 Warrant List (JM)
 - C=> 3e) Water Dashboard (LS)
 - C=> 3f) MMPA December Meeting Updates (GD)

4. **Liaison Report** (JB)

5. **Utilities Manager Report**
 - 5a) Utilities Manger Report – Verbal (GD)

6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)
 - 6b) Resolution 2021-02 WCC Refund and Appeals (JA)

7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)
 - 7b) West Shakopee Substation (JA)
 - 7c) Resolution 2021-03 West Shakopee Substation (JA)
 - 7d) East Shakopee Substation Update (JA) *

8. **Reports: Human Resources**

9. **Reports: General**
 - 9a) 2021 Goals (GD)
 - 9b) Electric Vehicle Charging Station Update (JA)
 - 9c) SPU Support Update (SW)
 - 9d) LMCIT Training for Commissioners - Verbal (KB)

10. **Items for Future Agendas**

11. **Tentative Dates for Upcoming Meetings**

- Regular Meeting	--	February 1, 2021
- Mid Month Meeting	--	February 16, 2021 (Tuesday)
- Regular Meeting	--	March 1, 2021

12. **Adjourn to 02/01/2021** at the SPUC Service Center, 255 Sarazin Street

* A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subd. 3(c)(3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property.

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
Regular Meeting
January 4, 2021

1. Call to Order. President Amundson called the January 4, 2021 meeting of the Shakopee Public Utilities Commission to order at the SPU meeting room at 5:00 P.M.
2. Roll Call. President Amundson, Vice President Mocol, and Commissioner Brennan. Commissioner Meyer was absent. Commissioner Fox joined the meeting after the roll call.
3. Approval of Consent Agenda. Motion by Commissioner Brennan, seconded by Mocol, to approve the consent agenda, namely: December 21, 2020 Minutes, January 4, 2021 Agenda, January 4, 2021 Warrant List, Quarterly Nitrate Report, Resolution Numbering Memo, Professional Services Contract with Katama Technologies Inc. Commissioner Fox joined the meeting. Ayes: Amundson, Mocol, Brennan, and Fox. Nays: None. Motion carried.
4. Liaison Report. Commissioner Brennan noted that the Shakopee Community Center reopened, with a limited number of attendees.
5. Utilities Manager Report. Greg Drent, Interim Utilities Manager, provided an update on a number of pending projects. In addition to the conditional use permit, the West Shakopee Substation will require a re-zoning application for industrial use, which is underway. As to the Utilities Manager search, Commissioner Mocol gave an update of the informal working group's (President Amundson and Vice President Mocol) progress. Two companies, Baker Tilly US, LLP and HRExpertiseBP, provided proposals. Ms. Mocol outlined the strengths of each proposal, and recommended retaining Baker Tilly. Motion by Mocol, seconded by Fox, to engage Baker Tilly to assist in the recruiting and hiring process of the Utilities Manager. Ayes: Amundson, Mocol, Brennan, and Fox. Nays: none. Motion carried.
6. Water Report. Lon Schemel, Water Superintendent, provided an update, including the hiring of a new employee, Tony Brezina, as Water Meter Tech. Mr. Schemel noted that for 2020, water pumpage was 1.8 billion gallons, which is 2% above the plan, but only 83% of DNR authorized capacity. Mr. Schemel will examine the potential causes of the increase.

Joseph Adams, Planning and Engineering Director, provided additional information as to the Water Capacity Charge adopted by the Commission on December 7, 2020, including 2019 and 2020 projects for which a certificate of occupancy was not granted as of December 7, 2020. Applying the new rate to these pending projects would result in a refund of approximately \$306,607. The Commission discussed alternatives. Motion by Commissioner Mocol, seconded by Brennan, to direct staff to prepare a resolution (1) extending the water capacity charge changes

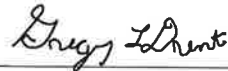
effective December 7, 2020 to pending 2019 and 2020 projects that had not yet received a certificate of occupancy, and (2) specifying the process for customers who do not qualify for the rate to petition for review. Ayes: Amundson, Mocol, Brennan, and Fox. Nays: none. Motion carried.

7. Electric Report. Mr. Drent, Interim Utilities Manager, described two weather-related outages on December 23, and provided an update on projects.

8. General. Mr. Drent presented Resolution #2021-01 Regulating Wage Ranges. Motion by Brennan, seconded by Fox, to adopt Resolution #2021-01, including the wage ranges for staff in Appendix A. Ayes: Amundson, Mocol, Brennan, and Fox. Nays: none. Motion carried.

9. Future Agenda Items. Commissioner Brennan asked staff to review electric vehicle grants through the State of Minnesota and work with City staff for a future agenda topic.

10. Adjourn. Motion by Mocol, seconded by Brennan, to adjourn to the January 19, 2021 regular meeting. Ayes: Amundson, Mocol, Brennan, and Fox. Nays: None. Motion carried.



Greg Drent, Commission Secretary

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SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
January 19, 2021

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 - C=> 3f) MMPA December Meeting Updates (GD)
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10. **Items for Future Agendas**

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12. **Adjourn to 02/01/2021 at the SPUC Service Center, 255 Sarazin Street**

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SHAKOPEE PUBLIC UTILITIES COMMISSION

Warrant List
Account Credit Request/Deposit Refunds
January 7, 2021

By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities

57442	Oda Abdissa	\$	9.16
57443	Yana Abibulaeva	\$	30.39
57444	Abdulkadir Ali	\$	57.95
57445	AMFPV White Pines LLC	\$	1,948.40
57446	Anderson Companies	\$	27,825.08
57447	Toby Anderson	\$	2.33
57448	Arbor Landing LLC	\$	57.59
57449	Doug L Ball	\$	16.65
57450	Kelsey Beerling	\$	48.79
57451	Robert & Lorie Beerling	\$	46.90
57452	Kelly Bellomy	\$	65.50
57453	Belynda Bennett	\$	70.35
57454	Denys & Liudmyla Bilenko	\$	131.65
57455	Blackstone 1 LLC	\$	70.59
57456	Donald C Boys	\$	20.29
57457	Brocks Flooring	\$	536.22
57458	Kelly Joan Brown	\$	66.76
57459	Tessa L Budreau	\$	1.28
57460	Jesus Camacho Rulz	\$	28.24
57461	Scott J Casanova	\$	96.17
57462	Ana P Chanta	\$	5.67
57463	Sumon & Sanhita Chatterjee	\$	20.22
57464	Theresa M Comes	\$	51.85
57465	Country Village Apartments	\$	2.22
57466	Gary W Davidson	\$	80.00
57467	Gerald De France	\$	28.16
57468	Olga & Roman Dyachenko	\$	22.22
57469	Gregory A Eisner	\$	1.80
57470	Fieldstone Family Homes	\$	58.66
57471	Gary Porter Estate	\$	8.20
57472	Goodwel Adventrues LLC	\$	2,163.03
57473	Alok Gupta	\$	30.00
57474	Jason Hahn	\$	9.32
57475	Feisal Adan Hassan	\$	44.74
57476	Dennis Hayes	\$	5.05
57477	Janice R Hennen	\$	38.18
57478	Robert J Howorka	\$	36.01
57479	Husky Construction Inc.	\$	13.64
57480	Brad R Jurnila	\$	18.00
57481	Kristy Charlene Kennedy	\$	11.34
57482	Manal Khalil	\$	58.18
57483	M&I Bank	\$	661.02
57484	Jane Mlell	\$	31.90
57485	Steven Moore	\$	26.54
57486	Rebecca Mullen	\$	7.95
57487	Janelle Mundt	\$	7.95
57488	Cassie Nelson	\$	33.47
57489	Russell Nleman	\$	21.49
57490	Nguyen Trung Pham	\$	11.10
57491	Rene Arturo Ramirez	\$	1.03
57492	Reflections Dance Academy	\$	154.35
57493	Yahaira Rodriguez, Diego Linares	\$	9.05
57494	Joseph Schieber	\$	17.13
57495	Victor Schwingler	\$	4.81
57496	Raven Seng	\$	4.19
57497	Shree Laxmi Inc. - Best Western	\$	109.20
57498	SMSC	\$	178.12
57499	Nary Sotelo	\$	403.05
57500	Debra K Sullivan	\$	5.30
57501	Christina Swanson, Andrew Jovaag	\$	2.57
57502	The Willows	\$	14.48
57503	Olga Tincovan	\$	37.62
57504	Urban Escapes	\$	41.28
57505	Aimable Uwimana	\$	167.99
57506	Alyssa Wahlstrom	\$	181.70
57507	Tamara & Michael Weispfenning	\$	70.35
57508	Chris D Welkle	\$	15.19
57509	Anne Wendroth	\$	44.29
57510	Jeffrey M Wickham	\$	80.43
57511	Jim & Ruby Winings	\$	38.13
57512	WOP Addison LLC	\$	12.27
57513	WOP Addison LLC	\$	12,033.90
57514	Void	\$	-
57515	Void	\$	-
57516	Void	\$	-
TOTAL			<u>48,263.63</u>


Interim Utilities Manager


Interim Director of Finance & Administration

Commission President

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

January 19, 2021

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:

57441	City of Shakopee	\$3,000.00
57524	Void	\$0.00
57525	AEM Financial Solutions, LLC	\$24,997.75
57526	AEM Workforce Solutions, LLC	\$192.50
57527	AGC Networks Inc.	\$5,369.82
57528	All Elements Inc.	\$1,050.00
57529	Apple Ford of Shakopee	\$219.89
57530	Arrow Ace Hardware	\$91.47
57531	Aspen Equipment Co.	\$218.74
57532	Associated Bag Company	\$64.69
57533	B & B Transformer Inc.	\$3,221.25
57534	B & L Truck Repair Inc.	\$4,381.65
57535	Kelly C Mulhern	\$4,159.00
57536	Robert Berndtson	\$140.78
57537	Border States Electric Supply	\$28,865.58
57538	CAP Agency	\$19,087.00
57539	Centerpoint Energy	\$2,373.99
57540	Cintas Corp. #754	\$54.40
57541	City of Prior Lake	\$3,637.50
57542	City of Shakopee	\$45,047.69
57543	City of Shakopee	\$431,211.58
57544	City of Shakopee	\$192,000.00
57545	City of Shakopee	\$1,435.00
57546	City of Shakopee	\$2,999.90
57547	Commonbond Communities	\$3,561.46
57548	Concrete Cutting & Coring Inc.	\$16.22
57549	Core & Main LP	\$14,333.60
57550	Customer Contact Services	\$198.76
57551	D.R. Horton	\$84.50
57552	D.R. Horton/Benedictine Health System	\$572.95
57553	D. R. Horton Inc.	\$1,058.75
57554	Doran Canterbury I, LLC	\$23,712.32
57555	Emergency Automotive Technologies I	\$237.08
57556	Enclave Development	\$3,920.27
57557	Ferguson Enterprises, LLC	\$143.97
57558	Franz Reprographics, Inc.	\$271.85
57559	Grant Friendshuh	\$109.95
57560	Further	\$3,427.77
57561	Future City Decorating Group Inc.	\$9,184.09
57562	Karen Garcia	\$125.00
57563	Gopher State One-Call	\$378.05
57564	Hawkins Inc.	\$3,815.00

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

January 19, 2021

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:

57565	Hennen's Auto Service, Inc.	\$87.08
57566	Innovative Office Solutions LLC	\$1,795.97
57567	Interstate Companies Inc.	\$1,220.40
57568	JT Services	\$765.09
57569	Locators & Supplies Inc.	\$272.79
57570	Loffler	\$793.21
57571	Michael & Gayle MacBride	\$100.00
57572	Midwest Safety Counselors, Inc.	\$254.93
57573	Minn Valley Testing Labs Inc.	\$36.00
57574	Minnesota Life	\$2,347.65
57575	Mitsubishi Electric Power Prod. Inc.	\$4,080.00
57576	MMPA c/o Avant Energy	\$2,340,048.00
57577	MMUA	\$3,026.00
57578	Labor and Industry	\$60.00
57579	MN Dept of Revenue	\$185,157.00
57580	MN DNR Waters	\$27,221.18
57581	MN Solar and More	\$79.00
57582	Mobile Health Services LLC	\$625.00
57583	MRA - The Management Association	\$50.00
57584	Gerry Neville	\$107.53
57585	Cindy Nickolay	\$134.56
57586	Northern States Power Co.	\$4,175.42
57587	OPUS Development Company LLC	\$3,783.61
57588	Oracle American Inc.	\$33,246.80
57589	Parrott Contracting, Inc.	\$5,220.00
57590	Dan Pierre	\$69.78
57591	Quality Forklift Sales & Service	\$1,057.38
57592	Sharon Raines	\$42.32
57593	PowerPlan	\$3,472.37
57594	RDO-Vermeer LLC	\$6,474.00
57595	Shakopee Public Schools	\$2,109.76
57596	Shakopee Veterinary Clinic	\$1,670.93
57597	Short Elliott Hendrickson Inc.	\$2,397.30
57598	Michael Skoug	\$11.98
57599	Southwest News Media	\$484.04
57600	Three River Park District	\$26.49
57601	Gregory Triplett	\$58.65
57602	Twin City Garage Door. Co.	\$470.75
57603	United Properties	\$2,686.47
57604	Power Line Supply Company	\$1,565.68
57605	Verizon Connect NWF Inc.	\$498.70
57606	Verizon Wireless	\$1,449.43
57607	Jamie Von Bank	\$150.00

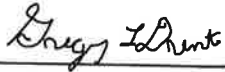
SHAKOPEE PUBLIC UTILITIES COMMISSION

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January 19, 2021

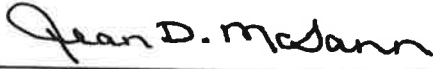
By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

57608	Voson Plumbing Inc.	\$44.00
57609	Michael Vourlos	\$40.48
57610	Wesco Receivables Corp	\$2,416.19
57611	Xcel Energy	\$2,831.73
57612	Edward Zambrano	\$42.81
57613	Ziegler Inc.	\$39.31
TOTAL		<u>\$3,483,769.54</u>



Interim Commission Secretary

Commission President



Interim Director of Finance & Administration

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

January 19, 2021

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57441	City of Shakopee	\$3,000.00	West Shakopee Sub. Site, Rezoning - WO#2377
57524	Void	\$0.00	error with printing
57525	AEM Financial Solutions, LLC	\$24,997.75	Dec. accounting, budgeting, Dir. Of Finance, change order reporting
57526	AEM Workforce Solutions, LLC	\$192.50	HR Consulting - December
57527	AGC Networks Inc.	\$5,369.82	ARC Guardian Support 1/21/21-1/20/22
57528	All Elements Inc.	\$1,050.00	Semiannual roof inspection per maintenance agreement
57529	Apple Ford of Shakopee	\$219.89	Water dept. Trk #650 Tire work
57530	Arrow Ace Hardware	\$91.47	Wood phil, nozzle, cable ties, ball valve
57531	Aspen Equipment Co.	\$218.74	Headlight - Elec. Dept.
57532	Associated Bag Company	\$64.69	Door bags for Meter readers
57533	B & B Transformer Inc.	\$3,221.25	Repair switch 16KV
57534	B & L Truck Repair Inc.	\$4,381.65	DOT for Elec. & Water
57535	Kelly C Mulhern	\$4,159.00	T-Mobile Anchor Upgrade, Tower 4 - WO#2449
57536	Robert Berndtson	\$140.78	Mileage reimb.
57537	Border States Electric Supply	\$28,865.58	Cable
57538	CAP Agency	\$19,087.00	Refrig, Central A/C, Freezer, Dehumid - Program Support
57539	Centerpoint Energy	\$2,373.99	Dec. usage for 10th Ave. & SPUC bldg.
57540	Cintas Corp. #754	\$54.40	Red Shop towels
57541	City of Prior Lake	\$3,637.50	4th Qtr. Franchise Fee for 2020
57542	City of Shakopee	\$45,047.69	\$12420.00 - WO#2448 - Reimb. For 2020 Bituminous Overlay, \$27138.00 WO#2448-Reimb. For 2019 Pavement Mill & Overlay, \$1974.00 WO#2448 - 2020 Full-Depth Pavement Reconstruction-\$3515.68 - Dec. Fuel usage
57543	City of Shakopee	\$431,211.58	Dec. SW-\$330,538.62 and SD-\$100,672.96
57544	City of Shakopee	\$192,000.00	Jan. Transfer Fee
57545	City of Shakopee	\$1,435.00	December R.O.W. permits - \$150.00 to Water, \$310.00 to WO#2386, \$175.00 - 596.00 and the remainder \$800.00 to 594.00.
57546	City of Shakopee	\$2,999.90	Storm drainage/ SPU property 1st Qtr.
57547	Commonbond Communities	\$3,561.46	Refund on WO#2135 Windermere East 2nd Addition - The Willows Apt.
57548	Concrete Cutting & Coring Inc.	\$16.22	Wedge - Elec. Dept.
57549	Core & Main LP	\$14,333.60	Meters, gaskets, bolts & Nuts - WO#2345
57550	Customer Contact Services	\$198.76	Answering service 1/12-2/8/21
57551	D.R. Horton	\$84.50	Refund on WO #2335 Mount Olive Church
57552	D.R. Horton/Benedictine Health System	\$572.95	Refund on WO#2137 Windermere Benedictine Health System
57553	D. R. Horton Inc.	\$1,058.75	Refund for WO#2260 Windermere South

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57554	Doran Canterbury I, LLC	\$23,712.32	Refund on WO#2139 Canterbury Village
57555	Emergency Automotive Technologies I	\$237.08	Horizontal Mount
57556	Enclave Development	\$3,920.27	Bill out for WO#2185-Enclave development
57557	Ferguson Enterprises, LLC	\$143.97	Gate Valves
57558	Franz Reprographics, Inc.	\$271.85	Ink toner & Paper - for reserves
57559	Grant Friendshuh	\$109.95	Safety Boot Reimbursement
57560	Further	\$3,427.77	Flex dental and dependent reimb.
57561	Future City Decorating Group Inc.	\$9,184.09	Mobile generator for power access and CIP - Line 159 - 2020 Budget Book - building
57562	Karen Garcia	\$125.00	2020 Star Clothes Washer rebate
57563	Gopher State One-Call	\$378.05	Dec. locates and \$50.00 Annual Facility Op. Fee
57564	Hawkins Inc.	\$3,815.00	Rota Meters, Chlorine Cylinder
57565	Hennen's Auto Service, Inc.	\$87.08	Elec. Dept. Trk #627 Oil change
57566	Innovative Office Solutions LLC	\$1,795.97	Office Supplies
57567	Interstate Companies Inc.	\$1,220.40	Water dept. inspection, inspection of generator
57568	JT Services	\$765.09	LED lamps for City of Shakopee
57569	Locators & Supplies Inc.	\$272.79	Blue marking paint
57570	Loffler	\$793.21	Copier machine contract for 1st Qtr.
57571	Michael & Gayle MacBride	\$100.00	2020 Water sense toilet rebate
57572	Midwest Safety Counselors, Inc.	\$254.93	Max lite ear plugs
57573	Minn Valley Testing Labs Inc.	\$36.00	Manganese
57574	Minnesota Life	\$2,347.65	Nov. & Dec. life ins. Premiums
57575	Mitsubishi Electric Power Prod. Inc.	\$4,080.00	Silver MTE contract 12/6/20-12/5/2021 - UPS system
57576	MMPA c/o Avant Energy	\$2,340,048.00	Dec. power bill
57577	MMUA	\$3,026.00	\$1510.00 Firstline Supv. for M.G. & J.V., \$616.00-Northwest lineman college module 4 for G.F. and \$900 for M.V. Leadership academy
57578	Labor and Industry	\$60.00	Pressure vessels for Elec. Dept.
57579	MN Dept of Revenue	\$185,157.00	Dec. Sales & Use Tax
57580	MN DNR Waters	\$27,221.18	Water Permit - Permit #1980-6205
57581	MN Solar and More	\$79.00	WO#2383 - Bill out for Eagle Creek and Upsize transformer
57582	Mobile Health Services LLC	\$625.00	2021 Annual Hearing testing
57583	MRA - The Management Association	\$50.00	Background check for A.B.
57584	Gerry Neville	\$107.53	Mileage reimb.
57585	Cindy Nickolay	\$134.56	Mileage reimb.
57586	Northern States Power Co.	\$4,175.42	Dec. power bill
57587	OPUS Development Company LLC	\$3,783.61	Refund on WO#2388 Opus Vierling Ind.
57588	Oracle American Inc.	\$33,246.80	4th Qtr. Channel fee printing & Mail
57589	Parrott Contracting, Inc.	\$5,220.00	WO#2450 - \$2720.00 Watermain repair on Shakopee Ave., WO#2445 - \$2500.00 - Repair hydrant hit by truck - Vierling Dr. E.
57590	Dan Pierre	\$69.78	SSD Drive replacement for FINDIR laptop
57591	Quality Forklift Sales & Service	\$1,057.38	Starter issue - Elec. Dept.
57592	Sharon Raines	\$42.32	Mileage reimb.
57593	PowerPlan	\$3,472.37	Govt. transactions - Elec. Dept.

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January 19, 2021

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:

57594	RDO-Vermeer LLC	\$6,474.00	New blade
57595	Shakopee Public Schools	\$2,109.76	Refund on WO#2337 Sweeney Elem. School for \$1516.54 & WO#2338 East Jr. High \$593.22
57596	Shakopee Veterinary Clinic	\$1,670.93	Refund on WO#2209 Shakopee Vet Clinic
57597	Short Elliott Hendrickson Inc.	\$2,397.30	Hanson Blvd. WM CIPP WO#2356
57598	Michael Skoug	\$11.98	Reducers hoses on new wash
57599	Southwest News Media	\$484.04	December Legals
57600	Three River Park District	\$26.49	Refund for WO#2303 - The Landing Primary Service to SPU
57601	Gregory Triplett	\$58.65	Mileage reimb.
57602	Twin City Garage Door. Co.	\$470.75	Bad clutch on Door #13
57603	United Properties	\$2,686.47	WO#2169 Bill out for Canterbury Business Park North WO#2169 Fuse and fuse replacement for
57604	Power Line Supply Company	\$1,565.68	inventory
57605	Verizon Connect NWF Inc.	\$498.70	Dec. service for vehicles
57606	Verizon Wireless	\$1,449.43	Nov. & Dec. 2020 cell phones and ipads
57607	Jamie Von Bank	\$150.00	Safety Boot Reimbursement
57608	Voson Plumbing Inc.	\$44.00	Hydrant meter final bill/refund
57609	Michael Vourlos	\$40.48	Mileage reimb.
57610	Wesco Receivables Corp	\$2,416.19	Wipes, Street lights
57611	Xcel Energy	\$2,831.73	Dec. charge for Amberglen and Valley Park Dr.
57612	Edward Zambrano	\$42.81	COVID19 - Disposable fee masks - Reimbursement
57613	Ziegler Inc.	\$39.31	Cap Fuel - Elec. Dept.
	TOTAL	<u>\$3,483,769.54</u>	

Interim Commission Secretary

Commission President

Interim Director of Finance & Administration

Monthly Water Dashboard

As of: **December 2020** **Shakopee Public Utilities Commission**

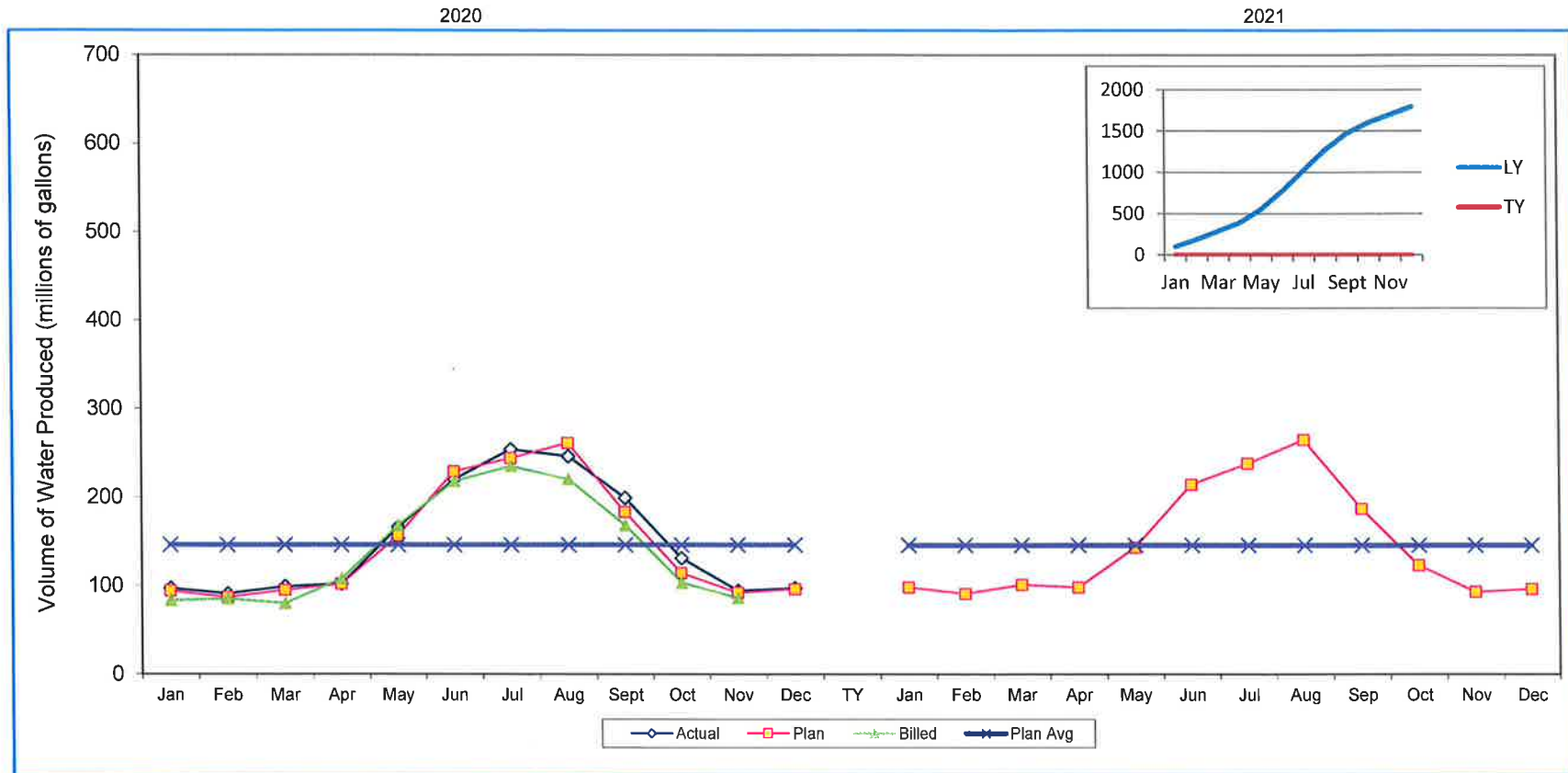
ALL VALUES IN MILLIONS OF GALLONS

Element/Measure Water Pumped/Metered

Averages

2018	153
2019	139
2020	150

Last 6 months actuals	254	246	199	131	94	97
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LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Actual	97	91	99	102	166	220	254	246	199	131	94	97													
Plan	94	87	95	102	156	229	244	261	183	114	92	96		98	91	101	98	143	214	238	265	187	123	93	96
YTD % *																									
Billed	83	85	80	108	168	218	235	220	168	103	86														

* Actual gallons pumped vs. Plan



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

To: SPU Commissioners

From: Greg Drent, Interim Utilities Manager 

Date: January 19, 2020

Subject: MMPA December Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on December 22, 2020, by WebEx.

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

The Board approved rates for 2021. The 2021 rates are the same as the 2020 rates – no increase in rate levels.

There was a decrease of four customers participating in MMPA's residential Clean Energy Choice program from October to November. Customer penetration of the program for residential customers remains at 3.6%.

The following officers were elected for 2021: Matt Podhradsky – Chairman, Keith Mykleseth – Vice Chairman, Joseph Steffel – Treasurer, Brian Frandle – Secretary.



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TO: Greg Drent, Interim Utilities Manager *GD*
FROM: Joseph D. Adams, Planning & Engineering Director *JDA*
SUBJECT: Resolution 2021-02 A Resolution Addressing Refunding of Past Water Capacity Charges FKA Water Connection Charges Due to the Recent Reduction in the WCC Rates Policy Resolution
DATE: January 14, 2021

ISSUE

The Commission directed staff to prepare a resolution adopting a Water Capacity Charge (WCC) Refund policy and appeals process.

BACKGROUND

The Commission accepted recommendations from Ehler's Public Finance Advisors' Jessica Cook to lower the WCC rates on December 7, 2020.

DISCUSSION

Staff prepared the resolution following Commission guidance to use as the criteria for refund eligibility being whether or not the building project has received a Certificate of Occupancy at the time the Commission adopted the new lower rates.

The resolution was reviewed by Commission attorney Kathleen Brennan for content and clarity.

REQUESTED ACTION

Staff requests the Commission adopt Resolution #2021-02.

RESOLUTION #2021-02

A RESOLUTION ADDRESSING REFUNDING OF PAST WATER CAPACITY CHARGES
DUE TO THE RECENT REDUCTION IN THE WCC
TO CUSTOMERS MEETING CERTAIN CRITERIA

WHEREAS, the Shakopee Public Utilities Commission operates and maintains the municipal water system of the City of Shakopee, such system consisting of a blended complex of water production, treatment, storage, and delivery facilities interconnected across multiple service districts or pressure zones via a network of trunk and lateral water mains, and

WHEREAS, the water capacity charge (“WCC”) is a component of water availability charges, and

WHEREAS, the Commission reduced the WCC on December 7, 2020 by Resolution #1285 (the “Current Charge”) based on a report by Ehlers Public Finance Advisors dated December 3, 2020, and

WHEREAS, the Shakopee Public Utilities Commission determines a refund policy should be adopted for those building projects that had not yet received a final Certificate of Occupancy from the City of Shakopee as of December 7, 2020.

NOW THEREFORE, BE IT RESOLVED that building permit applicants from 2019 and 2020 that had not yet received a final Certificate of Occupancy as of December 7, 2020 shall receive a WCC refund in an amount equal to the difference between the Current Charge and the WCC collected for that project in 2019 and/or 2020, as applicable.

BE IT FURTHER RESOLVED, that any party aggrieved by this refund policy shall have the right to petition the Shakopee Public Utilities Commission by submitting a written request to the Utilities Manager detailing the underlying facts of their situation and the reasoning for their request for a refund, and any supporting materials, no later than 90 days from the date of this resolution.

BE IT FURTHER RESOLVED, that all such appeals shall then be submitted to the Shakopee Public Utilities Commission for final determination in its sole discretion. The determination may include no refund, a partial refund, or a refund in whole.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 19th day of January, 2021.

Commission President: Debra Amundson

ATTEST:

Vice President: Kathi Mocol



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TO: Greg Drent, Interim Utilities Manager *GAD*
FROM: Joseph D. Adams, Planning & Engineering Director *JDA*
SUBJECT: West Shakopee Substation
DATE: January 14, 2021

ISSUE

The due diligence process continues to move forward and a number of items bear updating.

BACKGROUND

The Commission previously authorized the execution of a purchase agreement for the proposed site.

Transmission provider Xcel Energy has verified that the proposed transmission line interconnection will have the capacity to serve the projected load at the selected location.

SPU staff submitted an application for a Conditional Use Permit (CUP) with the City of Shakopee, who had annexed the parent parcel into the city from Jackson township.

Leidos is currently performing a Phase 1 Environmental Review of the site.

DISCUSSION

City staff advised us that a rezoning application was also necessary to be in compliance with their requirements. The parcel has to be rezoned to Light Industrial to host an electrical substation. Staff worked with Kevin Favero and the sellers to submit the rezoning application.

This necessitated pushing back the public hearing for the CUP to Thursday February 4th. Now the Planning Commission will consider the rezoning request and then acting as the Board of Adjustment and Appeals will hold the CUP public hearing on that same date and take action on the CUP. The Planning Commission will then forward their rezoning recommendation to the City Council, who will receive it at their February 16th meeting for action.



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Staff did host a virtual neighborhood meeting via WebEx online on Monday December 28th from 6:00 pm to 7:30 pm. Only one person logged in during that time period and that person stated she was there to hear what others were thinking of the project. A summary of the meeting is attached.

Subsequent to that meeting another nearby resident called to discuss the proposed project and asked questions.

The sellers have requested a correction to their legal name be adopted by an amendment to the purchase agreement. Both the executed purchase agreement and the proposed amendment are attached for Commission review.

At this point it would be appropriate for the Commission to adopt the amendment to the purchase agreement by a resolution that also authorizes completing the purchase.

REQUESTED ACTION

Staff requests the Commission adopt Resolution 2021-03 Resolution Approving Amendment to Purchase Agreement and All Documents Necessary to Carry Out Purchase Agreement and Completion of Closing Under Purchase Agreement.



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TO: Shakopee Community Development Department
FROM: Joseph D. Adams, Planning & Engineering Director
SUBJECT: Neighborhood Meeting re: SPU's Proposed West Shakopee Substation
DATE: January 4, 2021

The neighborhood meeting was held via WebEx as notified by list provided by city. The meeting began at 6:00 pm and was held open until 7:30 pm. Attending the meeting was myself and SPU's engineering consultant Kevin Favero of Leidos. The only other party to attend was a Ms. Kathy Theis address 23558 Newport Avenue, Prior Lake 55372, representing the Bauer Family Farm members. Ms. Theis phone number is 952-215-9526. Ms. Theis listened to our description of the project and then stated she had no questions, comments or concerns and just wanted to hear from others. Since there were no other parties attending the online meeting, she logged off. No other parties logged in and the neighborhood meeting was ended at 7:30 pm as planned.

The above statement is an accurate representation of the events and discussion during the neighborhood meeting held online via WebEx on Monday, December 28, 2020, from 6:00 to 7:30 pm.

Joseph D. Adams
Planning & Engineering Director

STATE OF MINNESOTA)
) ss
COUNTY OF SCOTT)

The foregoing instrument was acknowledged before me this 4 day of January, 2021, by Joseph D. Adams, the Planning & Engineering Director of the Shakopee Public Utilities Commission, a municipal utility commission under the laws of Minnesota, by and on behalf of said utilities commission.



Cynthia Rae Menke
Notary Public Scott County, MN.
My Commission expires January 31, 2025



PURCHASE AGREEMENT

DATE: September 25 2020

BETWEEN: **R & J BREEGGEMANN FAMILY LIMITED PARTNERSHIP, LP,**
a Minnesota limited partnership ("Seller")

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

FOR VALUABLE CONSIDERATION, Seller and Buyer agree as follows:

I. SALE AND PURCHASE

- 1.1 **Sale of Property.** Subject to the terms and conditions of this Purchase Agreement (this "Agreement"), Seller will sell and convey to Buyer, and Buyer will purchase and accept from Seller, the parcel of real property described in Exhibit A, including that portion of the parcel subject to the right of way for Colburn Drive West, together with all improvements thereon and all rights, privileges, easements, licenses, appurtenances and hereditaments relating thereto (collectively, the "Property").
- 1.2 **Closing.** The closing of the sale and purchase of the Property ("Closing") will occur thirty (30) days after the expiration of the Due Diligence Period under Article IV of this Agreement, but in any event and notwithstanding any other provision in this Agreement no later than three hundred thirty (330) days after the date of this Agreement, at 10:00 a.m. local time in the offices of the Title Company identified in Section 3.1 or at such other time or place as Buyer and Seller may agree. Irrespective of the foregoing provisions regarding the occurrence of Closing, Buyer shall use reasonable, good faith efforts to cause the Closing to occur as soon as reasonably possible.

II. PURCHASE PRICE

- 2.1 **Calculation of Purchase Price.** The "Purchase Price" shall mean an amount calculated based on the area contained in the Property as shown on the Survey described in Section 3.2. The Purchase Price shall be calculated based on a rate of Three and No/100 Dollars (\$3.00) per square foot. For illustration purposes only, if the Survey shows that, following the final configuration of the Property as agreed upon by the parties, the Property contains 2.46 acres, the Purchase Price would be Three Hundred Twenty-One Thousand Four Hundred Seventy-Two and 80/100 Dollars (\$321,472.80). Notwithstanding the foregoing, the Purchase Price shall not include an amount calculated based on the area contained in the right of way for Colburn Drive West.
- 2.2 **Payment of Purchase Price.** The Purchase Price for the Property will be paid in the following manner:

- (a) \$7,500.00, by Buyer depositing with the Title Company such amount in cash upon execution of this Agreement as earnest money; and
 - (b) the remainder of the Purchase Price, by Buyer paying such amount to Seller in cash at Closing.
- 2.3 Method of Payment. All cash payments by Buyer will be in U.S. Dollars and in the form of wire transfers, certified checks or other immediately available funds acceptable to Seller.
- 2.4 Application of Earnest Money. Any earnest money deposited by Buyer under Section 2.1 will be deposited with the Title Company. The Title Company will be instructed to hold the earnest money in its trust account, and invest the earnest money in certificates issued by and time deposits in national banking associations or nationally chartered savings and loan associations, in securities issued or guaranteed by the United States Government, in money market funds the underlying assets of which consist of the above-described certificates or securities, or in such other investments as may from time to time be approved in writing by Buyer and Seller. All interest earned on the earnest money will be considered as additional earnest money, to be held and invested by the Title Company in the same manner as the earnest money originally deposited. If Closing does not occur pursuant to the termination of this Agreement by Buyer pursuant to the terms hereof or because of a default by Seller under this Agreement, the earnest money deposited under this Agreement and any interest earned thereon will be returned to Buyer. If Closing does not occur because of a default by Buyer under this Agreement, such earnest money will be paid to Seller as liquidated damages. If Closing occurs, such earnest money will be paid to Seller as a part of the Purchase Price. Buyer will bear any risk of loss with regard to any earnest money deposited with the Title Company or any interest earned thereon.

III. TITLE

- 3.1 Title Commitment. Within fifteen (15) days of the date of this Agreement, Seller will order, for furnishing to Buyer as soon as reasonably possible, a commitment for an owner's policy of title insurance (ALTA Form 06/17/06) covering the Property (the "Commitment"), issued by Old Republic National Title Insurance Company through Scott County Abstract and Title, Inc., or such other title insurer as may be acceptable to Buyer (the "Title Company"), with standard exceptions for mechanic's liens, survey and parties in possession deleted, with searches for special assessments and with an amount of coverage equal to the Purchase Price. The Commitment will include a copy of each instrument listed as an exception to title or referred to therein. The service charge for the Commitment will be paid by Seller, but the premium for any policy issued pursuant to such Commitment will be paid by Buyer.
- 3.2 Survey. Within fifteen (15) days of the date of this Agreement, Seller will order, and thereafter furnish to Buyer at Buyer's expense, an "as-built" survey of the Property made by a registered land surveyor and certified to Buyer, the Title Company and the title insurer, showing the location of all easements, buildings, improvements, and encroachments and conforming to the current standard detail requirements established by the American Land Title Association and the National Society for Professional Surveyors (the "Survey"). The

parties agree the Survey shall be prepared by Loucks pursuant to the Survey Proposal attached hereto as Exhibit C and Buyer selects the ALTA/NSPS Land Title Survey option and shall inform Seller or Loucks if it desires the Topographic Survey option.

- 3.3 Examination of Title. Buyer will be allowed thirty (30) days after receipt of the Commitment and Survey for examination of title to the Property and making of objections. Objections will be made in writing or be deemed waived. If Buyer objects to matters that may be cured by the payment of a fixed sum of money by Seller, such objections may be cured by the payment of such fixed sum of money at the time of Closing.
- 3.4 Corrections to Title. If any objections to title to the Property are made as provided in Section 3.3, Seller will be allowed sixty (60) days in which to make title marketable. Pending correction of title, Closing will be postponed; but upon correction of title or waiver of the specified defects by Buyer, Closing will be held on the date scheduled for Closing under Section 1.2 or, if later, ten (10) days after the objections are cured or waived. If title is not made marketable or the objections are not waived by Buyer within sixty (60) days after the date Buyer gives written objection to title to the Property under Section 3.3, Buyer or Seller may terminate this Agreement, and the earnest money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.

IV. REVIEW OF THE PROPERTY

- 4.1 Documents. Within fifteen (15) days after the date of this Agreement, Seller will make available at its offices for review and copy by Buyer all leases, contracts, records, environmental and engineering studies, reports and tests, and other documents and surveys relating to the condition, suitability, and desirability of the Property that are in the possession of Seller or otherwise reasonably available to Seller (collectively, the "Documents"). Seller will not be responsible for the accuracy, completeness or sufficiency of the Documents and will have no obligation to copy or incur any costs for copying the Documents.
- 4.2 Due Diligence. Buyer will be allowed two hundred seventy (270) days after the date of this Agreement (the "Due Diligence Period") to review the Documents, inspect the Property, perform such inventories, observations, tests, and investigations as Buyer may reasonably deem appropriate, and otherwise satisfy itself regarding the condition, suitability, and desirability of the Property. If Buyer in its sole discretion is not satisfied with the Property, Buyer may on or before the expiration of the Due Diligence Period terminate this Agreement by giving written notice to Seller. Upon such termination, the earnest money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.
- 4.3 Environmental Inspection. Buyer may provide its environmental consultant with a copy of any environmental report included in the Documents made available by Seller, and pursuant to Section 9.2 may at its cost conduct additional investigations of the environmental condition of the Property. If Buyer conducts a Phase I environmental investigation and such report contains a recommendation for a Phase II investigation, Buyer will have the option of

terminating this Agreement or ordering at Seller's cost a Phase II investigation. If a Phase II investigation is ordered, the Due Diligence Period will be extended by an additional sixty (60) days for investigation and submittal of such report. Buyer will provide Seller with a copy of its Phase I and Phase II environmental reports upon completion.

- 4.4 Cooperation. Seller, at no cost to Seller except as set forth in Section 7.1, will cooperate with Buyer in making all necessary filings, petitions, and submissions required by Buyer to obtain the necessary governmental approvals for Buyer's planned use of the Property. Seller will take no action, either personally or in connection with a related entity, that would be inconsistent with or in contravention of its obligations to cooperate hereunder.

V. CONDITIONS TO CLOSING

- 5.1 Seller Conditions. The obligation of Seller to sell the Property under this Agreement is subject to the reasonable satisfaction of Seller that:
- (a) the representations and warranties of Buyer contained in Section 8.2 are true and correct in all material respects as of Closing;
 - (b) Buyer has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by it prior to or on Closing;
 - (c) Seller has received a certificate or certificates dated the day of Closing and signed by a responsible officer of Buyer certifying as to the matters set forth in items (a) and (b) of this Section;
 - (d) no action or proceeding has been instituted or threatened by any third party unaffiliated with Seller to enjoin or delay purchase or obtain material damages from Seller with respect to the purchase which Seller in good faith believes presents a significant risk of succeeding; and
 - (e) Buyer has delivered to Seller all of the items required to be delivered to Seller pursuant to Section 6.1.
- 5.2 Buyer Conditions. The obligation of Buyer to purchase the Property under this Agreement is subject to the reasonable satisfaction of Buyer that:
- (a) the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of Closing;
 - (b) Seller has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by it prior to or at Closing;

- (c) Buyer has received a certificate or certificates dated the day of Closing and signed by a responsible general partner of Seller certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) it is satisfied with the Property in its sole judgment and has determined that it can proceed with its planned use of the Property without significant additional expense and that the same is economically feasible;
- (e) it has obtained the approval of the Township of Jackson and any and all relevant governmental authorities and other bodies and persons for all required rezoning, permits, licenses, variances, site plan reviews, and other approvals necessary for Buyer's planned use of the Property, including, but not limited to, transmission access approvals from Xcel Energy and the Midwest Independent System Operator (MISO);
- (f) Seller has caused Scott County Property ID: 06.914015.0 to be subdivided such that a resulting lot consists of all of the Property and only the Property, at Seller's sole cost and expense, and with Buyer's approval of all application materials in connection with said subdivision prior to their submission to the Scott County Planning and Zoning Department; provided, however, that Buyer shall be responsible at its cost and expense for any subsequent subdivision or platting that may be required for Buyer's use of the Property;
- (g) Seller has terminated all existing leases on the Property prior to Closing so that Seller can deliver the Property to Buyer free of all claims for lease termination and tenant relocation expenses. Notwithstanding the foregoing, in the year of Closing, at Buyer's option, either (i) Seller shall retain all right, title and interest in and to all crops growing on the Property and all proceeds therefrom, or (ii) Buyer shall pay Two Thousand and No/100 Dollars (\$2,000.00) 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;
- (h) no action or proceeding has been instituted or threatened by any third party unaffiliated with Buyer to enjoin or delay purchase or obtain material damages from Buyer with respect to the purchase which Buyer in good faith believes presents a significant risk of succeeding;
- (i) as of two (2) days before and as of Closing, Seller has removed from the Property any and all containers of motor oil, paint, solvents, petroleum products, all motor vehicle tires and batteries, and all hazardous substances, pollutants, and environmental contaminants from the Property, except those related to use of the Property for agricultural purposes; and
- (j) Seller has delivered to Buyer all of the items required to be delivered to Buyer pursuant to Section 6.2.

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

- (a) waive the condition and proceed with Closing;
- (b) delay Closing for up to thirty (30) days to allow the condition to be satisfied; or
- (c) terminate this Agreement.

If this Agreement is so terminated, the earnest money and any interest thereon will be applied as set out in Section 2.4 and neither Seller nor Buyer will have the right to specific performance or damages for default of this Agreement.

VI. CLOSING

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

- (a) the portion of the Purchase Price specified in Section 2.1;
- (b) a certificate or certificates dated the day of Closing and signed by a responsible officer of Buyer certifying as to the matters set forth in Section 5.1(a) and (b) of this Agreement;
- (c) a resolution of the board of commissioners of Buyer authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by the secretary of Buyer;
- (d) a notice of the option exercised by Buyer pursuant to the terms of Section 5.2(g) of this Agreement, and payment accordingly, if applicable; and
- (e) any other items required by this Agreement or reasonably required by the Title Company.

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

- (a) a certificate or certificates dated the day of Closing and signed by a responsible general partner of Seller certifying as to the matters set forth in Section 5.2(a) and (b) of this Agreement;
- (b) a warranty deed duly executed by Seller conveying the Property to Buyer;
- (c) termination agreements for all existing leases, written and oral, on the Property;
- (d) an affidavit satisfactory to Buyer that Seller is not a foreign person under Section 1445 of the United States Internal Revenue Code;
- (e) a well disclosure statement as required under Minnesota Statutes section 103I.235, if appropriate disclaimer language is not contained in the deed delivered at Closing;

- (f) an affidavit satisfactory to Buyer that at Closing there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against Seller, no labor, services, materials, or machinery furnished to the Property for which mechanics' liens could be filed, and no unrecorded interests in the Property which have not been fully disclosed to Buyer;
 - (g) a resolution of the general partners of Seller authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by a partner of Seller; and
 - (h) any other items required by this Agreement or reasonably required by the Title Company.
-

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

VII. CLOSING COSTS AND PRORATIONS

- 7.1 Closing Costs. Buyer and Seller will each be responsible for its legal, accounting and other expenses associated with the transaction contemplated by this Agreement up to and including the date final adjustments are made pursuant to this Agreement. However, if Buyer or Seller defaults under this Agreement, it will be responsible for all reasonable expenses (including attorneys' fees) incurred by the other in enforcing any rights and remedies under this Agreement. Seller will be responsible for any document recording fees required for correction of title and any state deed tax required in connection with the transaction. Buyer will pay all other document recording fees, fees associated with the transfer or obtaining of licenses and permits required to operate the Property, mortgage registry taxes, and any sales or use taxes required in connection with the transaction. Seller and Buyer will each pay half of the closing fee and any escrow fees imposed by the Title Company, title insurer or its closing agent in connection with this transaction.
- 7.2 Taxes and Assessments. Real estate taxes and installments of special assessments with respect to the Property due and payable in the year in which Closing occurs will be prorated as of Closing 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.
- 7.3 Income and Expenses. Except as set out in Section 7.2, rents (including without limitation payments for operating costs and percentage rent) and all other income and operating expenses relating to the Property, 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) herein, 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) herein, 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.

- 7.4 Estimates. If any amount to be apportioned under Section 7.3 cannot be calculated with precision because any item included in such calculation is not then known, such calculation will be made on the basis of reasonable estimates of Seller of the items in question. Promptly after any such item becomes known to either party, such party will so notify the other and will include in such notice the amount of any required adjustment. If such adjustment requires an additional payment by Buyer to Seller, Buyer will make such payment to Seller simultaneously with its giving or within twenty (20) days of its receipt of such notice, as the case may be. If such adjustment requires a refund by Seller to Buyer, Seller will make such refund simultaneously with its giving or within twenty (20) days after its receipt of such notice, as the case may be.

VIII. WARRANTIES AND REPRESENTATIONS

- 8.1 Seller Warranties. Seller warrants and represents to Buyer that:
- (a) no brokerage commission or other compensation is due and unpaid in connection with any lease, tenancy or occupancy of the Property or any renewal thereof;
 - (b) Seller has not received any notice and is not aware of a violation of any building codes, fire codes, health codes, zoning codes, environmental laws, or other laws and regulations affecting the Property or the use thereof;
 - (c) Seller has not received any notice of a condemnation, environmental, zoning or other regulation or proceeding being instituted or planned which would detrimentally affect the use and operation of the Property for its intended purpose;
 - (d) Seller has not received any notice of hearing of a public improvement project from any governmental assessing authority, the costs of which may be assessed against the Property, other than the stated intention of the City of Shakopee to annex the Property;
 - (e) Seller does not know of any wells on the Property, except as may otherwise be disclosed in the Documents (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 103I.235);

- (f) Seller does not know of any individual sewage treatment systems on the Property or serving the Property, except as may otherwise be disclosed in the Documents (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 115.55);
- (g) Seller does not know of any underground or aboveground storage tanks currently on the Property, or any underground or aboveground storage tanks formerly on the Property that had a release for which no corrective action was taken, except as may otherwise be disclosed in the Documents or affidavit filed of record (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 116.48);

- (h) the Property has been and is currently used for agricultural purposes in the growing of crops and farm chemicals have been applied on the Property consistent with such agricultural purposes;
- (i) Seller has removed, or will remove prior to Closing, all personal property, any and all containers of motor oil, paint, solvents, petroleum products, all motor vehicle tires and batteries, and all hazardous substances, pollutants, and environmental contaminants from the Property, including but not limited to any such hazardous substances, pollutants, and environmental contaminants identified in any environmental assessment of the Property, except those related to use of the Property for agricultural purposes;
- (j) to the best of Seller's knowledge, no methamphetamine production has occurred on the Property;
- (k) Seller is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite power and authority to carry out its business as conducted, to execute and deliver this Agreement and the documents entered into pursuant hereto, and to carry out its obligations under this Agreement and such documents;
- (l) this Agreement has been duly authorized, executed and delivered on behalf of Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms;
- (m) the execution, delivery and performance of this Agreement by Seller will not result in a breach or violation of Seller or constitute a default by Seller under any agreement, instrument or order to which Seller is a party or by which Seller is bound; and
- (n) Seller is not aware of any action, proceeding or investigation pending or threatened which might materially adversely affect the Property or the ability of Seller to perform its obligations under this Agreement.

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

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

IX. OPERATIONS PRIOR TO CLOSING

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

X. CASUALTY AND CONDEMNATION

- 10.1 Notice of Damage or Taking. Seller will give Buyer prompt notice of any fire or other casualty occurring between the date of this Agreement and Closing which involves damage to the Property and of any actual or threatened taking in condemnation affecting the Property of which Seller has knowledge.

10.2 Option to Terminate. If prior to Closing:

- (a) the Property sustains damage by fire or other casualty in an amount greater than 10% of the Purchase Price under this Agreement;
- (b) the Property is taken in condemnation or by transfer in lieu of condemnation; or
- (c) condemnation proceedings are commenced against the Property,

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

10.3 Affect on Closing. If Buyer is not entitled to or does not timely make the election provided for in Section 10.2, this Agreement and the obligations of Seller and Buyer under this Agreement will remain in full force and effect except that:

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

XI. GENERAL

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

- (a) if to Seller: R & J BREEGGEMANN FAMILY LIMITED
PARTNERSHIP, LP
12355 Old Brickyard Road
Shakopee, MN 55379
Attention: Steven Breeggemann

with copies to: Streeter Companies
6900 Winnetka Circle
Brooklyn Park, MN 55428
Attention: Ken Streeter

and Moss & Barnett
150 South Fifth Street
Suite 1200
Minneapolis, MN 55402
Attention: David S. Johnson

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

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

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

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

- 11.2 Broker Commissions. Buyer and Seller each represents that no salesperson, broker, or agent has been retained by it in connection with this transaction other than Streeter Companies ("Seller's Broker"). Seller is responsible for payment of the commission of Seller's Broker as and to the extent of its listing agreement with Seller's Broker. Except as so specified, Buyer and Seller each indemnifies the other from any real estate or other sales commissions arising out of any claim of any salesperson, broker or agent acting or claiming to have acted on behalf of the indemnifying party in connection with this transaction.
- 11.3 Entire Agreement. This Agreement embodies the entire agreement and understanding between Buyer and Seller relating to the transactions contemplated by this Agreement and may not be amended, waived or discharged except by an instrument in writing executed by the party against whom enforcement of such amendment, waiver or discharge is sought. No warranties or representations have been given by either party to the other which are not fully embodied in this Agreement. If any term or provision of this Agreement is invalid or unenforceable, the remainder of this Agreement will not be affected and will remain in full force and effect.

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

[The remainder of this page is intentionally left blank]

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

SELLER:


R & J BREEGGEMANN FAMILY LIMITED PARTNERSHIP, LP,
a Minnesota limited partnership

By: 
Steven R. Breeggemann
Its: General Partner

By: 
Edwin C. Breeggemann
Its: General Partner

BUYER:

SHAKOPEE PUBLIC UTILITIES COMMISSION,
a Minnesota municipal utility commission

By: 
Debra Amundson
Its: President

By: 

Its: Interim Utilities Manager

EXHIBIT A

Legal Description

[Property located in the western portion of Scott County Property ID: 06.914015.0, along the west side of County Road 69. Subject to confirmation by Buyer based on receipt and review of the Survey and Commitment.]

EXHIBIT B

Disclosures for Sale of Non-Residential Property

A. WELL DISCLOSURE. Pursuant to Minnesota Statutes Section 103I.235 *[check one of the following:]*

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

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

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

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

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

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

C. HAZARDOUS SUBSTANCES, PETROLEUM PRODUCTS, AND UNDERGROUND STORAGE TANK DISCLOSURE. Pursuant to Minnesota Statutes Sections 115B.16 and 116.48, Seller knows of no hazardous substances or petroleum products having been placed, stored, or released

from or on the Property by any person in violation of any law, nor of any underground or aboveground storage tanks having been located on the Property at any time, except as follows:

NONE

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

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

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

NONE

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

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

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

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

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

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

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

- Well Disclosure Statement (M.S.B.A. Real Property Form No. 21)
- Disclosure of Sewage Treatment System (M.S.B.A. Real Property Form No. 14)
- Independent Sewage Treatment Compliance Report

- Addendum to Purchase Agreement: Wetlands, Shoreland and Flood Plain Disclosure (M.S.B.A. Real Property Form No. 8)
- Methamphetamine Disclosure Statement (M.S.B.A. Real Property Form No. 22)
- Addendum to Purchase Agreement: Tenants and Parties in Possession (M.S.B.A. Real Property Form No. 20)

EXHIBIT C

Survey Proposal

July 9, 2020



Mr. Ken Streeter
Streeter Companies
ken@streetercompanies.com

RE: Proposal for Professional Surveying Services
Site in Shakopee PID: 069140150
Loucks Proposal No. P20354.00

Dear Mr. Streeter,

Thank you for your interest in a proposal to provide professional surveying services for the parcel depicted in the attachment. This parcel is a part of a larger parcel. We are proposing to provide surveying services for the approximately 3 acres shown. The site is PID # 069140150.

Loucks considers this document a contract for the work described below. We will begin our work on receipt of this signed document. Therefore, if there are any items that do not meet your needs, please let us know and we will make the necessary adjustments before we begin.

SCOPE OF SERVICES

We propose to provide the following surveying services:

1.1 Boundary Survey

From the legal description and title insurance commitment provided to us by you, we will perform a boundary survey of the site shown on the attached exhibit, including the following:

- a. Perimeter boundary of the property involved.
- b. Monumentation of the boundary corners.
- c. Lines of possession and improvements along the boundary lines.
- d. Location of visible surface features, such as buildings, drives and fences.
- e. Square footage of the total property.
- f. Easements of record as listed in the title insurance commitment.

1.2 Topographic Survey (Option)

We will perform a topographic survey of the site shown on the attached exhibit and approximately 25 feet surrounding, including:

- a. One-foot contours of the site.
- b. Spot elevations on significant structures and features.
- c. Location and elevation of tops of castings and inverts of observable sanitary and storm sewer appurtenances, i.e. manholes, catch basins, flared ends, OCS's.

1.3 ALTA/NSPS Land Title Survey (Option)

From a title insurance commitment and zoning letter provided to us by you, we will perform a survey that will meet the February 23, 2016 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.

This survey will include, but will not be limited to, the following items:

- a. Perimeter boundary of the property involved.
- b. Evidence of found and placed monuments.

- c. Abutting rights of ways and evidence of access to public ways.
- d. Lines of possession and improvements along the boundary lines.
- e. Location of visible surface features, such as buildings, drives, utilities and fences.
- f. Square footage of the total property
- g. Portrayal of underground utilities on the site based upon a Gopher State One Call request, and mapping provided by utility operators.
- h. Easements either observed or as evidenced by recorded documents cited in the title insurance commitment.

NOTE: In regard to the Table A, Item 6(a) listed in the paragraph above, the information required to be provided in a zoning letter, to be obtained from the city, is the following: current zoning classification; setback requirements; building height and floor space area restrictions; and parking requirements.

In regard to the Table A, Item 11: utilities will be shown based on observed evidence, plans that are obtained from an 811 map request from utility companies, the City, and the owner, as well as on the ground markings based on an 811 utility locate request. The client should be aware that it is not unforeseen that the 811 locate request will be ignored or not performed in the required timeframe (4 days) and the surveyor may not be able to obtain some of the utility plans. Loucks can only aid in identifying the approximate location of underground utilities due to the occasional absence of complete and accurate plans. Loucks does not warrant nor does it guarantee that utilities will be discovered or located at the location marked on the survey. In any event, lacking excavation, the underground utility information shown on the survey will be approximate and sometimes incomplete. If that is deemed unacceptable, the site will need to be excavated and/or a private utility locate ordered, both for an additional fee. Client agrees that it shall have no claim against Loucks and further agrees to defend, indemnify, and hold Loucks harmless from and against any and all such liability, loss, cost or damages due to utility locations.

TIMING

We will commence our preparation and research into mapping and records upon your authorization to proceed. We anticipate completing the survey within 3 weeks of notice to proceed. We will need to receive the title commitment and zoning letter 5 days prior to completion date to maintain this schedule.

COMPENSATION

Compensation for those items described in the Scope of Services above will be for the following amount:

Activity	Fee
1. Boundary Survey	\$3,900
2. Topographic Survey (option)	\$2,900
3. ALTA/NSPS Land Title Survey (option)	\$1,000
<p>a. It appears that the land is being farmed. The optional fee shown on this proposal is for the Topographic Survey is for completing the field work without any crops on the site. If there are grown crops on the site, additional services will apply.</p>	

- b. Additional work due to an insufficient number of property corner monuments found during the survey field work, resolution of conflicting descriptions with ad joiners, multiple title commitments, non-survey able or defective title descriptions and/or property disputes will be billed as additional services. The client will be consulted prior to proceeding with any additional services.
- c. If the project site is significantly different from the previous survey or aerial map attached to this proposal, additional services will apply. The client will be consulted prior to proceeding with any additional services.
- d. Reimbursable expenses such as mileage and delivery service will be billed above and beyond the lump sum or unit prices quoted above.
- e. Invoices will be sent once a month based on the percentage of work completed and/or additional services performed through the date of billing. Payments on invoices are due upon receipt. Account balances over 30 days will be charged a late charge of 1.1% per month.

CLOSURE

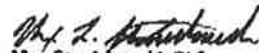
Only the services listed above in the Scope of Services are included in this proposal. If additional services are required, they shall be provided in accordance with the attached hourly rate fee schedule. Loucks appreciates the opportunity to present this proposal to you. It is being provided via email for you to sign and return via email as written authorization to proceed.

Attached to this proposal are Loucks' General Conditions and Hourly Rate Fee Schedule, which are part of this agreement. By signing this contract, you are agreeing that they have been read, understood and accepted. We would appreciate the opportunity to personally discuss this proposal/contract with you at your earliest convenience.

This proposal is valid for a period of 30 days from the date of this proposal.

Sincerely,
LOUCKS


Vicki VanDell, PE
Associate Civil Engineer


Max Stanislawski, PLS
Director of Surveying

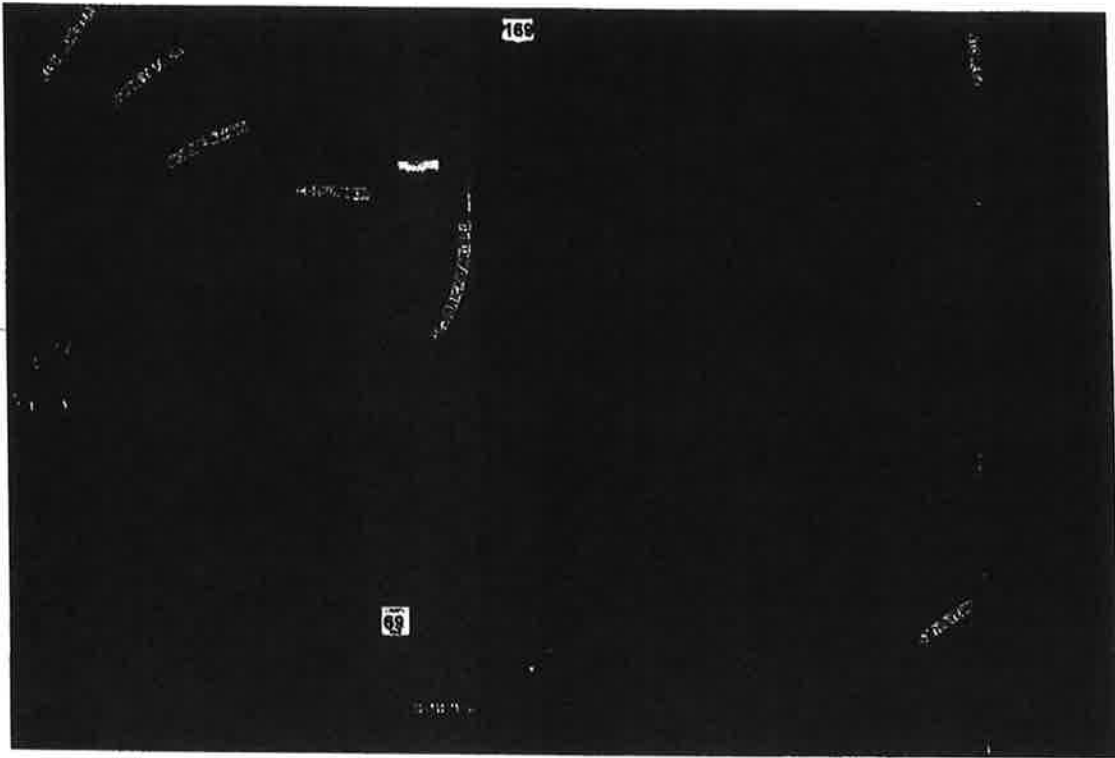
End. Loucks' General Conditions
Loucks' Hourly Rate Fee Schedule

Authorization to Proceed:

By: _____ Date: _____


Loucks is an Equal Opportunity Employer.

Scott County



The County of Scott, Iowa, as shown on this map, is a political subdivision of the State of Iowa, and is not a municipality. The County of Scott, Iowa, is a political subdivision of the State of Iowa, and is not a municipality. The County of Scott, Iowa, is a political subdivision of the State of Iowa, and is not a municipality.


Date: 7/7/2020

1 in = 752 ft


HOURLY RATE FEE SCHEDULE

Effective January 1, 2020



Services performed on an hourly basis will be invoiced based on actual hours worked in accordance with the following itemized staffing descriptions. Reimbursable external expenses including, but not limited to, sub-consultants, duplication, messenger service, travel, postage and expendable field supplies will be billed to the client at the actual rate, plus 10%.

DISCIPLINE	JOB CLASSIFICATION	HOURLY RATE
Planning	Senior Planner	\$198
	Planner.....	146
Landscape Architecture	Principal Landscape Architect	205
	Senior Landscape Architect.....	177
	Landscape Architect.....	146
	Site Design Technician	130
Engineering	Principal Engineer.....	212
	Associate Engineer.....	195
	Senior Project Engineer Manager	190
	Project Engineer Manager.....	170
	Engineer In Training (EIT).....	141
	Senior Engineering Technician.....	133
	Engineering Technician	112
	Senior Construction Representative	143
	Construction Representative.....	107
Surveying	Principal Surveyor.....	212
	Senior Surveyor	186
	Project Surveyor	141
	Land Surveyor in Training.....	136
	Senior Survey Technician.....	138
	Survey Technician	115
	Survey Crew Chief.....	133
	Field Survey Technician	105
	Two Person Survey Crew*.....	238
	One Person Survey Crew*.....	175
	*For Projects Requiring Certified Health & Safety Training Add Per Employee	59
Scanning	3D Imaging Crew Chief with Scanner	298
	3D Imaging Technician	160
Graphics	Graphic Designer.....	135
	Graphic Artist	118
Administration	Administration Assistance (Clerical)	100
Reimbursable Expenses	Mileage	per mile 0.58
	Mylar Film	each 28.00
	Plan Size Photocopies Blueprints	each 2.50
	Photocopies - Black & White (8 ½ x 11).....	each 0.10
	Photocopies - Color (8 ½ x 11).....	each 0.50
	Photocopies - Black & White (11 x 17).....	each 0.15
Photocopies - Color (11 x 17).....	each 1.00	

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GENERAL CONDITIONS



1.0 CLIENT RESPONSIBILITY

- 1.1. The CLIENT shall provide or make available all existing data that could possibly have a bearing on the decisions or recommendations made by Loucks including:
 - 1.1.1. The CLIENT shall provide a copy of an Abstract or Title commitment for the parcel within seven (7) days of agreement date.
 - 1.1.2. The CLIENT shall provide a copy of all staff reports, meeting minutes and pertinent correspondence as they become available. This information shall be furnished as expeditiously as necessary for the orderly progress of Loucks services and of the work.
 - 1.1.3. The CLIENT shall provide, as requested, information regarding requirements for the Project that shall set forth the CLIENT's design objectives, constraints and criteria, including building area, building types and site requirements.
 - 1.1.4. The CLIENT shall examine the documents prepared by Loucks and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of Loucks services.
 - 1.1.5. The CLIENT shall furnish reports and professional recommendations and other services of soil engineers or other consultants when such services are deemed necessary by Loucks. Consultants hired by the CLIENT shall carry liability, errors and omission and other pertinent insurance. The services may include test borings, test pits, soil bearing values, percolation tests, air and water pollution tests, ground corrosion and resistivity tests, etc.
 - 1.1.6. Loucks shall receive copies of all soil borings, compaction tests and reports.
- 1.2. If the CLIENT observes or otherwise becomes aware of any fault or defect in the Project or non conformance with the Construction Documents, prompt written notice thereof shall be given by the CLIENT to Loucks.
- 1.3. The CLIENT shall provide for Loucks right to enter from time to time property owned by the CLIENT and/or others in order for Loucks to fulfill the Scope of Services indicated herein. The CLIENT understands that use of equipment may unavoidably cause some damage, the correction of which is not part of this agreement.

2.0 PAYMENT TO LOUCKS

- 2.1. Invoices will be submitted to the CLIENT from time to time, generally monthly but no more frequently than every two weeks and shall be due and payable within thirty (30) calendar days of the invoice date.
- 2.2. If the CLIENT objects to all or any portion of an invoice, the CLIENT shall so notify Loucks in writing within thirty (30) calendar days of the invoice date, identify the cause of disagreement and pay when due that portion of the invoice, if any, not in dispute. The CLIENT forfeits his objection by failure to respond within thirty (30) days. Loucks and CLIENT shall strive to resolve disputed amounts within 45 days. If the dispute cannot be resolved, either party has the right to suspend or terminate this agreement.
- 2.3. The CLIENT shall pay an additional carrying charge of one (1.0) percent of the invoice amount per month for any payment received by Loucks more than thirty (30) calendar days from the date of the invoice, excepting any portions of the invoice amount in dispute and resolved in favor of the CLIENT.
 - 2.3.1. Payment thereafter shall first be applied to the carrying charges and then to the principal unpaid amount.
 - 2.3.2. Application of the additional carrying charge indicated above as a consequence of the CLIENT's late payments does not constitute any willingness on Loucks part to finance the CLIENT's operation, and no such willingness should be inferred.
- 2.4. Payment of invoices is in no case subject to unilateral discounting or setoffs by the CLIENT.
- 2.5. If the CLIENT fails to pay undisputed invoiced amounts within sixty (60) calendar days of the date of the invoice, Loucks may at any time, without waiving any other claims against the CLIENT and without thereby incurring any liability to the CLIENT, suspend or terminate this agreement.

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www.loucksinc.com | 7200 Hamlock Lane, Suite 300, Maple Grove, MN 55369 | 763.434.5305

2.6. (a) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.

(b) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

2.7. In the event that litigation is required to collect undisputed invoiced amounts, Loucks shall be reimbursed by the CLIENT for Loucks legal costs in addition to whatever other judgment or settlement sums, if any, may be due. Such legal costs shall include, but not be limited to, reasonable attorney's fees, court costs, expert witness fees and other documented expenses, as well as the value of time spent by Loucks in researching the issues in question, discussing matters with attorneys and others, preparing for depositions, responding to interrogatories and so on. The value of time spent and the expenses incurred shall be based on Loucks prevailing fee schedule and expense reimbursement policy relative to the recovery of direct project costs. The same considerations apply to the prevailing party, either the CLIENT or Loucks, when litigation or arbitration is needed to resolve properly noticed disputed invoiced amounts.

3.0 ADDITIONAL SERVICES AND/OR EXCLUDED SERVICES

3.1. Unless specifically included in the Scope of Services, the following services are not included in this agreement. They shall be provided if agreed to in writing by the CLIENT and Loucks. In general, tasks not specified within the Scope of Services will be prepared in accordance with the prevailing hourly fee schedule.

3.2. Revisions to plans that are requested by the CLIENT, the CLIENT's architect or representative or required by the city, its consultants, watershed, county surveyor, DNR, Corps of Engineers, or other regulatory agency if it is not clearly demonstrated that the cause for change is an error or omission on Loucks behalf.

3.3. The CLIENT shall also pay all Reimbursable Charges and other costs directly attributable to termination or suspension for which Loucks is not otherwise compensated.

3.4. If the services covered by the Agreement have not been completed within eighteen (18) months of the date of this Agreement, through no fault of Loucks, the amount of compensation shall be equitably adjusted using the prevailing hourly fee schedule.

3.5. If the CLIENT requests a task be completed in a time frame which requires Loucks employees to work beyond 8 hours per working day (Monday through Friday), and it is solely based on the CLIENT's request and not Loucks integral workload, Loucks may negotiate additional compensation for fast tracking a specific task.

3.6. In that it would be unfair for Loucks to be exposed to liability for his or her failure to perform a service the CLIENT has instructed Loucks not to perform, due to the CLIENT's preference or desire to obtain such service from another source, the CLIENT hereby waives any claim against LOUCKS and agrees to defend, indemnify and hold LOUCKS harmless from any claim or liability for injury or loss allegedly arising from Loucks failure to perform a service the CLIENT has instructed Loucks to not perform. The CLIENT further agrees to compensate Loucks for any time spent or expenses incurred by Loucks in defense of any such claim, in accordance with Loucks prevailing fee schedule and expense reimbursement policy.

3.7. The CLIENT has relied on Loucks judgment in establishing the work scope and fee for this project, given the project's nature and risks. The CLIENT shall therefore rely on Loucks judgment as to the continued adequacy of this agreement in light of occurrences or discoveries that were not originally contemplated by or known to Loucks. Should Loucks call for contract re negotiation, Loucks shall identify the changed conditions which in Loucks judgment makes such re negotiation necessary, and Loucks and the CLIENT shall promptly and in good faith enter into re negotiation of this agreement to help permit Loucks to continue to meet the CLIENT's needs. If re negotiated terms cannot be agreed to, the CLIENT agrees that Loucks has an absolute right to terminate this AGREEMENT.

4.0 REIMBURSABLE EXPENSES

4.1. In addition to the Compensation for Basic and Additional Services, the following Reimbursable Charges are due to Loucks from the CLIENT, for reasonable charges incurred or established by Loucks in the interest of the Project:

4.2. Transportation in connection with the Project, out-of-town travel, long-distance communications, blueprints, reproductions, copies, deliveries performed by Loucks or outside delivery services, and fees paid for securing approval by authorities having jurisdiction over the Project.

4.3. The plat check fee and the cost of the plat mylars are reimbursable expenses to be paid by the CLIENT.

5.0 OPINION OF PROBABLE CONSTRUCTION COSTS

5.1. If contained in the Scope of Services or if requested as an additional service, Loucks shall submit to the CLIENT an opinion of the probable cost required to construct work recommended, designed, or specified by Loucks. Loucks is not a construction cost estimator or construction contractor, nor should Loucks rendering an opinion of probable construction costs be considered equivalent to the nature and extent of service that a construction cost estimator or construction contractor would provide. Loucks opinion will be based solely upon his or her own experience with construction. This requires Loucks to make a number of assumptions as to actual conditions that will be encountered on site; the specific decisions of other design professions engaged; the means and methods of construction the contractor will employ; the cost and extent of labor, equipment and materials the CONTRACTOR will employ; CONTRACTOR's techniques in determining prices and market conditions at the time, and other factors over which Loucks has no control. Given the assumptions that must be made, Loucks cannot guarantee the accuracy of his or her opinions of cost, and – in recognition of that fact – the CLIENT waives any claim against Loucks relative to the accuracy of Loucks opinion of probable construction cost.

6.0 CONSTRUCTION MANAGEMENT, OBSERVATION ANTI TESTING

6.1. Loucks shall render Construction Document interpretations necessary for the property execution or progress of those portions of the Work designed by Loucks with reasonable promptness.

6.2. Loucks will provide periodic observation of grading, utility and street construction activities as specified in under the SCOPE OF SERVICES.

6.3. Loucks will verify field measured quantities for payment to the construction contractor as specified under the SCOPE OF SERVICES.

7.0 SHOP DRAWING REVIEW

7.1. Loucks shall timely review and take appropriate action upon the construction contractor's submittals of Shop Drawings, Products Data and Samples. Such action shall be taken with reasonable promptness to insure job progress. Loucks review of a specific item shall not pass design responsibility for that item to Loucks when the design aspects are the responsibility of other designers. Instead this review would be to verify conformance of that specific item as a component within an entire assembly.

8.0 CONSTRUCTION STAKING

8.1. Loucks shall be notified at least two (2) working days prior to the time that the construction stakes are required. No additional compensation shall be allowed for any claims of crews being held up because of lack of line and grade stakes. If Loucks survey crew arrives at the site to perform construction staking at a specified date and time as requested, but the scheduled work cannot be performed due to circumstances beyond Loucks control, the waiting and/or travel time will be considered additional services.

8.2. After any part of the staking has been completed, the CLIENT and/or contractor shall be responsible for the proper execution of the work such lines and grades and all stakes or other marks given shall be protected and preserved until the work is completed and checked. Restaking shall be considered as an additional service, less it is to correct an error in the original staking.

8.3. The CLIENT and/or contractor shall assist Loucks in staking utility lines by exposing potentially conflicting utility lines for determination of line elevation and location.

8.4. If Loucks is not retained to perform construction observation, the client or his representative shall review the construction staking and/or cut sheets for general conformity to the plans and immediately report any obvious discrepancies to Loucks. If work is performed after knowing a possible staking error exists, it will be at the sole responsibility of the CLIENT or Contractor.

8.5. The cost of resetting lost irons will be invoiced to the CLIENT at Loucks' standard hourly rates.

8.6. Loucks shall be held harmless by the CLIENT for any losses resulting from houses that are staked by other surveyors prior to installation of lot corners.

9.0 JOB SAFETY

- 9.1. Insofar as job site safety is concerned, Loucks is responsible for his or her own and his or her employee's activities on the jobsite, but this shall not be construed to relieve the CLIENT or any construction contractors from their responsibilities for maintaining a safe job site. Neither the professional activities of Loucks nor the presence of Loucks or his or her employees and subcontractors, shall be construed to imply Loucks has any responsibility for methods of work performance, superintendent, sequencing of construction, or safety in, on or about the job site. The CLIENT agrees that the Construction Contractor is solely responsible for job site safety, and warrants that this intent shall be made evident in the CLIENT's agreement with the Construction Contractor. The CLIENT also warrants that Loucks shall be made an additional insured under the Construction Contractor's general liability insurance policy.

10.0 RECORD DRAWINGS

- 10.1. Upon completion of the work, Loucks shall compile for and deliver to the CLIENT, a complete set of record documents using information furnished to Loucks by the construction contractor and as measured by the field representatives. This set of documents shall consist of the original plan sheets altered by striking out original elevation or distance and writing the record information.
- 10.2. In that the record drawings are based partially on information provided by others, Loucks cannot and does not warrant their accuracy beyond that which Loucks is directly responsible.
- 10.3. A reproducible set of the record drawings will be provided for the City's use and the originals retained in Loucks files for future use.

11.0 STANDARD OF PRACTICE

- 11.1. Services performed by Loucks under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, expressed or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report opinion, document or otherwise.

12.0 TERMINATION OF AGREEMENT AND/OR SUSPENSION OF WORK

- 12.1. This Agreement may be terminated by either party upon seven days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination.
- 12.2. This Agreement may be terminated by the CLIENT upon at least seven days written notice to Loucks in the event that the project is permanently abandoned.
- 12.3. The CLIENT may instruct Loucks to temporarily stop work on the project by giving written notice.
- 12.4. The CLIENT shall pay all costs associated with the suspension or termination of work, including demobilization, modifying schedules, reassigning personnel, etc.

13.0 MISCELLANEOUS PROVISIONS

- 13.1. This Agreement shall be governed by Minnesota Law.
- 13.2. The CLIENT and Loucks waive all rights against each other and against Loucks, agents and employees of the other for damages during construction covered by any property insurance. The CLIENT and Loucks each shall require appropriate similar waivers from their contractors, consultants and agents. Where any property insurance policy requires an endorsement to permit waiver of subrogation, the CLIENT shall obtain such endorsement.
- 13.3. Loucks shall remain the owners of all plans, designs and papers related to the above referenced project. In the event of any nonpayment of invoices, Loucks shall be under no obligation to deliver any such plans, designs or other papers to you, and shall have no liability to you for its retention of such plans unless full and prompt payment is made.

14.0 INDEMNIFICATION

- 14.1. The CLIENT shall indemnify and hold harmless Loucks, from claims resulting from the performance of the work; provided that any such claim, damage, loss or expense (a) is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (even to Work itself) including loss of use or resulting therefrom, and (b) is caused in whole

or in part by a negligent act or omission of the CLIENT, anyone directly or indirectly employed by him, or anyone for whose acts he may be liable. Such obligation shall be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.

- 14.2. Loucks shall indemnify and hold harmless Client from claims resulting from the Work performed provided that any such claim, damage, loss or expense is caused in whole or in part by a negligent act or omission of Loucks.

15.0 ASSIGNMENT

- 15.1. The CLIENT and Loucks, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the CLIENT nor Loucks shall assign, sublet or transfer any interest in this Agreement without the written consent of the other.

16.0 EXTENT OF AGREEMENT

- 16.1. This Agreement comprises a final and complete repository of understanding between the CLIENT and Loucks. It supersedes all prior or contemporaneous communications representations or agreements whether oral or written, relating to the subject matter of this agreement. Each party has advised the other to read this document thoroughly before accepting it, to help assure it accurately conveys meaning and intent. Acceptance of this agreement as provided for below signifies that each party has read the documents thoroughly and has had any questions or concerns completely explained by independent counsel and is satisfied. The CLIENT and CONSULTANT agree that modifications to this Agreement shall not be binding unless made in writing and signed by an authorized representative of each party.
- 16.2. Any notice given hereunder shall be deemed served when hand-delivered in writing to an officer or other duly appointed representative of the party to whom the notice is directed, or if sent by registered or certified mail to the business address identified at the end of this agreement.

17.0 AFFIRMATIVE ACTION

- 17.1. Loucks certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363.074.

AMENDMENT TO PURCHASE AGREEMENT

This Amendment to Purchase Agreement (this “Amendment”) is made effective as of _____, 2021, by and between R&J Breeggemann Family Partnership, LP, a Minnesota limited partnership (“Seller”), and Shakopee Public Utilities Commission, a Minnesota municipal utility commission (“Buyer”).

RECITALS

- A. Seller and Buyer are parties to that certain Purchase Agreement dated September 25, 2020 (the “Purchase Agreement”).
- B. The Purchase Agreement identifies the selling party as R&J Breeggemann Family Limited Partnership, LP, a Minnesota limited partnership. The form of the Seller’s name was in error due to a mistake committed by the Office of the Minnesota Secretary of State. That mistake has now been corrected by the Office of the Minnesota Secretary of State, recognizing that the correct version of the Seller’s name is “R&J Breeggemann Family Partnership, LP.”
- C. Seller and Buyer wish to amend the Purchase Agreement to reflect the correct form of the Seller’s name.

AGREEMENT

Seller and Buyer hereby amend the Purchase Agreement as follows:

1. Name of Seller. Seller and Buyer hereby agree that the name of the Seller, for all purposes in the Purchase Agreement and the transaction contemplated by the Purchase Agreement, shall be and is “R&J Breeggemann Family Partnership, LP, a Minnesota limited partnership.”
2. Section 5.2(e). Section 5.2(e) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:
 - (e) it has obtained the approval of the City of Shakopee and any and all relevant governmental authorities and other bodies and persons for all required rezoning, permits, licenses, variances, site plan reviews, and other approvals necessary for Buyer’s planned use of the Property, including, but not limited to, transmission access approvals from Xcel Energy and the Midcontinent Independent System Operator (MISO);
3. Continuing Effect. Subject to the amendment contained herein, the terms of the Purchase Agreement shall continue in full force and effect, and Seller and Buyer reaffirm the same.
4. Counterpart Signatures. This Amendment may be executed in counterparts, each of which when executed is considered an original, but all of which together shall constitute one instrument. This Amendment may be delivered by email and the

parties agree to accept and be bound by facsimile and/or email and/or electronic signatures

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

R&J BREEGGEMANN FAMILY
PARTNERSHIP, LP, a Minnesota limited
partnership

By: _____

Steven R. Breeggemann
Its: General Partner

By: _____

Edwin C. Breeggemann
Its: General Partner

SHAKOPEE PUBLIC UTILITIES
COMMISSION, a Minnesota municipal
utility commission

By: _____

Debra Amundson
Its: President

By: _____

Greg Drent
Its: Interim Utilities Manager

[Signature page to Amendment to Purchase Agreement]

RESOLUTION #2021-03

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

WHEREAS, the Shakopee Public Utilities Commission, a municipal utility commission organized under Minnesota law (the "Commission"), entered into that certain Purchase Agreement with R & J Breeggemann Family Limited Partnership, LP, a Minnesota limited partnership (the "Seller"), dated September 25, 2020 (the "Purchase Agreement") to purchase a parcel of real property described in Exhibit A to the Purchase Agreement (the "Property"); and

WHEREAS, the Seller's name was in error due to a mistake committed by the Office of the Minnesota Secretary of State, which has now been corrected and recognizing that the correct version of the Seller's name is "R & J Breeggemann Family Partnership, LP"; and

WHEREAS, other revisions are needed to the Purchase Agreement based on the Property being annexed to the City of Shakopee; and

WHEREAS, an Amendment to Purchase Agreement, a copy of which is on file with the Commission, has been prepared (the "Amendment") to make such revisions; and

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

WHEREAS, the Commission has determined that it is appropriate to (i) execute, accept and deliver the Amendment, (ii) finalize and close the transaction contemplated by the Purchase Agreement and (iii) execute, accept and deliver such documents as are necessary to purchase the Property and carry out the transaction.

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

1. That the Commission hereby ratifies, confirms, authorizes and approves the execution of the Amendment and the transaction contemplated by the Purchase Agreement and Amendment.
2. That the Commission hereby ratifies, confirms, authorizes and approves finalizing and closing the transaction contemplated by the Purchase Agreement and Amendment.
3. That the Commission hereby ratifies, confirms, authorizes and approves, and directs the President or the Utilities Manager of the Commission to finalize, accept and/or deliver in the name and on behalf of the Commission, the Amendment and all documents, affidavits and certificates in such form and on such terms and conditions as deemed necessary or appropriate in connection with the Purchase Agreement and Amendment for the purchase of the Property,

including all closing documents and other documents as may be required to complete the transactions contemplated by the Purchase Agreement and Amendment.

4. That the President or the Utilities Manager of the Commission is hereby authorized, empowered and directed to make such changes to the foregoing documents, affidavits and certificates and any other closing documents necessary to carry out the transactions contemplated by the Purchase Agreement as the President or the Utilities Manager of the Commission deems reasonable and necessary.
5. That the President or Utilities Manager of the Commission are authorized, empowered and directed to do all other acts and things as are deemed necessary or desirable in their discretion to effectuate the purchase.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 19th day of January, 2021.

Commission President: Debra Amundson

ATTEST:

Vice President: Kathi Mocol



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TO: Greg Drent, Interim Utilities Manager *GD*
FROM: Joseph D. Adams, Planning & Engineering Director *JDA*
SUBJECT: East Shakopee Substation Site
DATE: January 14, 2021

ISSUE

Staff has received additional information to share with the Commission and seeks direction.

BACKGROUND

The site of the former Forterra Precast Pipe, also known as the Cretex site, was purchased by Mr. Steve Hentges in 2019. Mr. Hentges is clearing the site and re-developing it as the Hentges Industrial Park. SPU staff had preliminary discussions in 2019-20 with Mr. Hentges and his representatives inquiring if there would be a site available to purchase for a future SPU electric substation? Those discussions led to two different parcels within two different development concepts plans being appraised at values that the developer has rejected as insufficient.

A pause in our discussions has been in place for the past few months as the developer reworked their plans after city review and input. The developer then wanted to wait for more detailed development infrastructure costs before setting pricing. And the Commission decided to focus on other issues during this time period.

DISCUSSION

The developer has now determined the precise location of the available parcel that it would be willing to sell to the Commission for an electric substation and the price that they are seeking.

A copy of the "Letter of Intent" from the developer's representative summarizing the offer to sell is attached. Staff requested Patchin Messner Valuation Counselors update their previous reports for the changed market conditions from elapsed time and the newly defined precise location offered for sale to provide the Commission a better idea of what the parcel's value is in today's real estate market.





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At this point Mr. Hentges would like to know if the Commission desires the offered site and if it accepts the terms outlined in the letter of intent.

Given the gap between the owner's offer to sell value and the latest appraisal valuation, staff is recommending the Commission consider having one or two of its members to participate in the final negotiations to see if we can conclude a deal that both parties will accept. The Commission may choose to discuss the figures in a closed session.

REQUESTED ACTION

Staff requests the Commission provide direction to staff on how to proceed in pursuing an agreement. If the Commission desires to discuss this matter in closed session, it should make a motion to go into closed session to develop an offer or counteroffer for the purchase of real property at 7070 Cretex Drive, Shakopee, under Minnesota Statutes, Section 13D.05, subd. 3.



3500 American Blvd W
Suite 200
Minneapolis, MN 55431
Tel +1 952 831 1000
cushmanwakefield.com

December 10, 2020

Joseph Adams
Shakopee Public Utilities Commission
255 Sarazin St.
Shakopee, MN 55379

jadams@shakopeeutilities.com

Re: Term Sheet to Sell Land in Shakopee, MN

Dear Joe:

We are pleased to provide the following terms to sell the below noted property in the city of Shakopee, Minnesota.

TERM SHEET

Seller:	Cretex Industrial Park L.L.C. ("Owner") c/o Steve Hentges
Buyer:	Shakopee Public Utilities Commission ("Buyer")
Property/Site:	7070 Cretex Drive, Shakopee, MN Approximately 4.61 acres (200,812sf) deeded as shown on Exhibit A. The area shall be conveyed as is. Utilities (sewer, water, storm sewer) shall be stubbed to the property line. Seller shall provide a final plat to the Buyer in a configuration generally similar to that attached in the Exhibit A.
Purchase Price:	\$9.00 per square foot or \$ 1,807,308.
Property Contract:	The terms, conditions and details of the purchase shall be contained in a Purchase and Sale Agreement (PSA) to be prepared by Buyer within 5 days following the signing of this Letter of Intent.
Earnest Money:	Upon execution of a mutually acceptable Purchase and Sale Agreement (PSA), Buyer will deposit with a mutually agreeable title company, \$50,000. The Earnest Money will be applicable to the Purchase Price at Closing and shall be fully refundable during the Due Diligence Period.
Due Diligence/ Contingency:	The "Due Diligence Period" for the purposes of the PSA shall be defined as the one hundred twenty (120) calendar day period immediately following Purchase Sale Agreement execution. The Seller shall provide Buyer, at Seller's expense, no later than five (5) business days after earnest money deposit with the Preliminary Title Report and Commitment for Title Insurance (the "Title Report"), and any materials Seller has available relative to the Property. Buyer shall have the right to conduct its own investigation of matters deemed appropriate by Buyer for its purchase,

development and use of the Property. Buyer shall be responsible for any damage caused or liability arising as a result thereof.

The PSA shall provide for the Due Diligence Period and that the Buyer, at its election, shall have the right to cancel the PSA and escrow by giving notice in writing of such election to Escrow Agent. In the event Buyer elects to cancel the PSA during the Due Diligence Period all Earnest Money shall be immediately refunded to Buyer.

Seller agrees to provide access to all readily available materials in Seller's possession relating to the Physical Condition of the property:

- a) Phase I Environmental Audit, Topographical survey and ALTA Survey;
- b) Copies of site plans and engineering reports previously completed for the Property;
- c) Any other relevant information in seller's immediately available possession reasonably requested by Buyer.

**Closing and
Consummation of Sale
and Purchase:**

The sale and purchase by Buyer and close of Escrow shall occur on or before thirty (30) days after the expiration of the Due Diligence Period, provided Seller and Buyer have each fulfilled the performance required of each party under the terms of the PSA and Escrow, including all conditions set forth in herein.

Possession:

Buyer shall take possession of the property upon Closing.

Prorations and Charges:

The PSA shall provide that all property taxes shall be prorated to the Close of Escrow.

Non-Binding:

Seller, Buyer and brokers shall each have no obligation or liability relating to this document or to any verbal or written negotiations, discussions or correspondence. All parties shall expressly have full right to cease discussions/negotiations at any time and for any reason prior to full PSA execution.

Delivery Condition:

Seller shall deliver the property as-is. Deeded access shall be provided by Seller to the perimeter of the site.

Existing Power Line:

Buyer agrees to bury existing power lines (currently east of existing gas easement) in future utility easement. Current easement to be released.

Roadway/Utilities:

Buyer to pay for 10% of the round about and access road which are "off site". This cost shall not exceed \$150,000.

If the terms of this summary are acceptable, please sign in the space provided below.

Sincerely,



Jon Rausch
Cushman & Wakefield
612-685-8288
jon.rausch@cushwake.com

AGREED & ACCEPTED: SELLER
Cretex Industrial Park L.L.C.

AGREED & ACCEPTED: BUYER
Shakopee Public Utility Commission

By: _____

By: _____

Its: _____

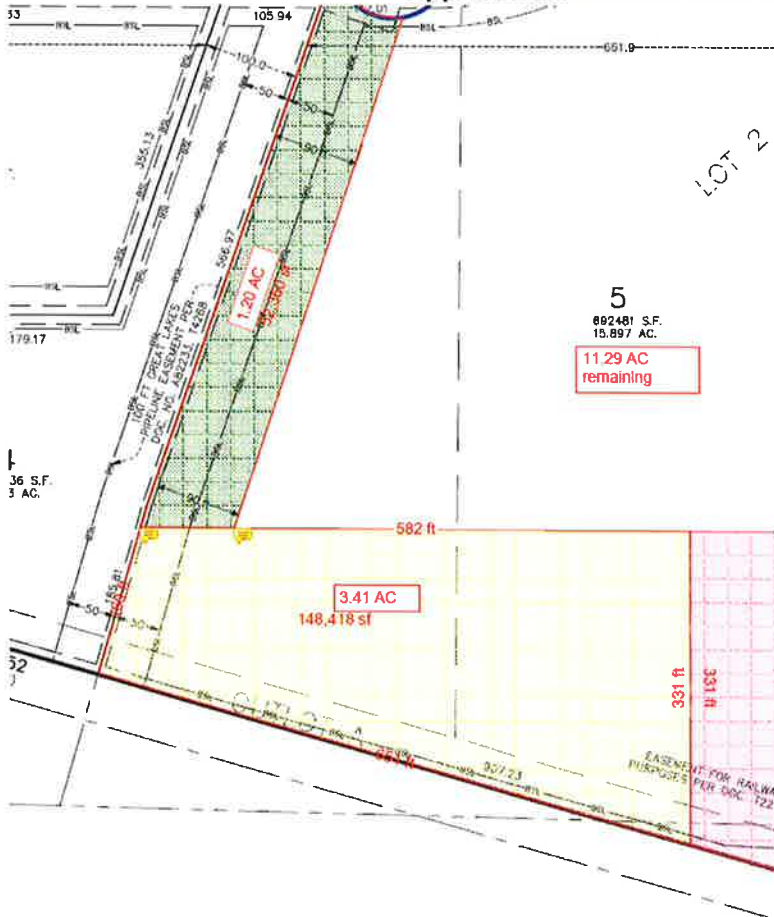
Its: _____

Date: _____

Date: _____

Exhibit A

Approximate area not fewer than 4 acres





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DATE: January 13, 2021
 TO: SPU Commissioners
 FROM: Greg Drent, Interim Utilities Manager *GD*
 Subject: Goals 2021

It is that time of year for the commission to set 2021 goals and look back at 2020 goals to see where we have been and where we are going. Below are the 2020 goals that were approved by the commission during the June 1, 2020 commission meeting.

2020 Goals / Objectives

To preserve, cultivate and advance the existing reputation of the Shakopee Utilities Commission in our community and service areas; with all customer.

1. Examine Financial Relief for SPU Customers Struggling with Issues Related to COVID-19
 Ongoing
2. Conduct a Legal Review of All Rules and Regulations that is Required for Compliance by SPU
 Had LMC Training and will be in 2021 goals under financial management policy review
3. Examine Internal Controls within SPU AEM
4. Conduct a Banking Analysis for SPU AEM
5. Conduct a Water Treatment Plant Feasibility Study by September ongoing and next report
 will be in February from SEH

To continue our commitment to all Shakopee Public Utilities employees

To be properly positioned in adapting changes, both short and long term, in the Water and Electric industries and therefore continually evolve the present Shakopee Public Utilities business model in a direction that most positively serves our community and service areas

6. Examine Lowering SPU Fees and Charges Dec 2020
7. Set Up Quarterly Economic Development Meetings with Representatives of the Commission, City Council, Developers and Planning Staff from SPU and the City Nothing was done on this will be in 2021 goals
8. Develop a Plan for Joint Economic Development Efforts with the City MMPA large user rate Dec 2020 and WCC reduction. Will be in 2021 goals



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As we reflect on what was done in 2020, we now need to look at 2021 and where the commission wants the SPU staff to focus their efforts moving forward. I sent out an email on December 31, 2020, to get your input for some topics that we should talk about during goal setting process. Below are most of the topics that you sent me. I was able to combined some items to get to a manageable set of goals for 2021.

2021 Goals

1. Utilities Manager Search **Baker Tilly January- April**
2. Territory Acquisition **McGrann Shea 2021-and as City limits increases**
3. Organizational Structure **HRExpertiseBP and AEM January - August**
 - a. Finance department (Investment policy, Banking Analysis, HR)
 - b. Update organizational chart
 - c. Shared Services
 - d. Update Job descriptions
 - e. Finalize Compensation and Classification
 - f. Financial Management Policy Review
 - i. Internal control
 - ii. Employee Handbook
4. Working together with City **Ongoing**
 - a. Joint meetings
 - b. Contribution to City
 - c. Economic Development involvement
 - d. EV Charging stations
 - e. Utilities Manager periodically give updates at City Council meetings
5. Electric Rate Comparison **McGrann Shea 2021**
 - a. Electric Vehicle Charging (EV) Rate
 - b. Solar Access Rate
 - c. Residential TOU Rate
6. Advanced Metering Infrastructure (AMI) **Katama 2021-2023**

Topic that should be considered but are not part of the commissions goals
Add public input to commission agenda, digitize resolutions searchable database, Solar panels on city/SPU buildings, Solar wind on water towers, Process for onboarding new commissioners, Staff input in commission meeting, Lowering WCC charges, Water treatment and or softening,

Recommendation:

Give staff recommendation on changes to the 2021 goals and bring it back at the next commission meeting or approve the 2021 goals as presented





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TO: Greg Drent, Interim Utilities Manager *GAD*
 FROM: Joseph D. Adams, Planning & Engineering Director *JDA*
 SUBJECT: Electric Vehicle Charging Stations
 DATE: January 14, 2021

ISSUE

Staff wishes to update the Commission on recent discussions with the city.

BACKGROUND

Electric vehicles are becoming more and more prevalent in society as battery technology advances and mandates for zero emission transportation modes are adopted.

DISCUSSION

Staff held a virtual meeting with Shakopee's Director of Planning & Development Michael Kerski and members of his staff Joy Sutton and Andrew Boucher on January 7th. The city is applying to two grant programs that would provide funding for EV charging stations in the city.

The city desires to acquire an EV and have charging stations for it located at City Hall and at the Community Center. The city also desires to have public stations installed downtown in the 2nd Avenue parking lot.

Partnering with SPU will strengthen the city's applications. One way that could be realized is for the electricity source for the charging stations to be from renewable sources. Staff will work with our wholesale energy provider to enable that to be the case and staff will work within a planned overall electric rate study to develop an EV charging rate that can be made available to all customers. The Commission may also consider donating SPU labor and equipment as necessary to position the electric service points in the preferred locations.

REQUESTED ACTION

This is an informational item and no action is necessary at this time.





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January 15, 2021

TO: Greg Drent, Interim Utilities Manager *GD*
 FROM: Sharon Walsh, Director of Customer Relations/Marketing *SW*
 SUBJECT: SPU Support – COVID Relief Fund Update

Overview

SPU Support launched on December 3, 2020. Response has been slow and limited. As of this update, 17 customers have applied and 6 have been approved, for a total of \$1,131.00 relief dollars applied. The outstanding balances of these seventeen accounts (after relief has been applied where applicable) is just over \$11,000.

The reason for low approval is customers are either not submitting any documentation or the documentation is not what is required for proof of hardship. These customers have not been responding to communications for the correct documentation. Per the CAP Agency, based on EAP (Energy Assistance Program), about 80% of people do not provide proper documentation. With follow up and time approximately 75% will eventually submit the required documentation, but 25% never do.

The SPU Support program launched on our website and SPU's facebook page. To increase customer reach the December billing stub included a statement promoting SPU Support.

The lack of participation could be due to the time of year (holidays), program unawareness or stigma associated with assistance. Another factor could be the fact there are currently no penalties or consequences imposed for not paying utility bills.

Action Required

Staff is recommending further promotion of SPU Support and direct contact with residential customers who have large outstanding balances and/or who have not made payments nor attempts to setup payment arrangements for multiple months. Staff is also looking for discussion/direction on future plans for delinquent status accounts.