

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
March 15, 2021

Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz (as amended), the Commission is holding its regular meeting on March 15, 2021 at 5:00 pm 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 126 074 1027
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) March 1, 2021 Minutes
 - C=> 3b) March 15, 2021 Agenda
 - C=> 3c) March 11, 2021 Warrant List
Account Credit Request/Deposit Refunds (JM)
 - C=> 3d) March 15, 2021 Warrant List (JM)
 - C=> 3e) SPU changing from WebEx to Zoom (GD)
 - C=> 3f) Water Dashboard (LS)
 - C=> 3g) MMPA February Meeting Update (GD)
 - C=> 3h) West Shakopee Substation Update (JA)

4. **Liaison Report** (JB)

5. **General Manager Report**
 - 5a) General Manager Update - Verbal (GD)

6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)

7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)

8. **Reports: Human Resources**

9. **Reports: General**

- 9a) Employee Survey Presentation (GD)
- 9b) Resolution #2021-04 – Recognition of Service for Deb Amundson (GD)
- 9c) Resolution #2021-05 – Recognition of Service for Mathew Meyer (GD)
- 9d) Recommended Transitions from COVID Protocol to Standard Process (SW)
- 9e) Investment Advisor Recommendation (JM)
- 9f) Financial Management Process Evaluation and HR Policies and Practices Assessment (JM)

10. **Items for Future Agendas**

11. **Tentative Dates for Upcoming Meetings**

- Regular Meeting -- April 5, 2021
- Mid Month Meeting -- April 19, 2021
- Regular Meeting -- May 3, 2021
- Mid Month Meeting -- May 17, 2021

12. **Adjourn to April 5, 2021 at the SPUC Service Center, 255 Sarazin Street**

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
Regular Meeting
March 1, 2021

1. Call to Order. President Amundson called the March 1, 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, Commissioner Brennan, Commissioner Fox, and Commissioner Meyer were present.
3. Approval of Consent Agenda. Motion by Commissioner Fox, seconded by Mocol, to approve the consent agenda, namely: February 16, 2021 Minutes, March 1, 2021 Agenda, March 1, 2021 Warrant List, Water Capacity Charge (WCC) Fee Refunds, and 2021 MMPA Transmission Transformed Rate. Ayes: Amundson, Mocol, Brennan, Fox, and Meyer. Nays: None. Motion carried.
4. Liaison Report. Commissioner Brennan noted that the City Council approved the 2021 Street and Utilities Reconstruction Project on 1st Avenue between Atwood and Fuller and Scott Avenue and 1st and 2nd.
5. General Manager Report. Greg Drent, Interim General Manager, noted that the City Council on March 2, 2021 will appoint two new Commissioners. Mr. Drent also provided an update on the Investment Advisor selection process. The informal working group interviewed three candidates and plans to make a recommendation to the Commission at the next meeting. The electric department employees began the process of considering a union; Mr. Drent is consulting with an attorney who specialized in labor-management practices, Richard Pins. The results of the employee survey will be presented at the next meeting. The West Shakopee Substation site rezoning petition will be presented to the City Council at its March 2nd meeting.
6. Water Report. Lon Schemel, Water Superintendent, noted that the water department is working with Shakopee Fire Safety to identify private fire hydrants. SPU does not flush or maintain private hydrants. SPU has launched the customer survey concerning enhanced water treatment options, on the SPU website and social media, and with a link in bills. Customers are encouraged to complete the survey through the end of March.
7. Electric Report. Brad Carlson, Assistant Electric Superintendent, noted two outages since the last Commission meeting. He also gave an update on electric projects.
8. General. Greg Johnson and Pat Corrigan from Katama Technologies, Inc. presented Phase 1 of the Advanced Metering Infrastructure project and proposed next steps.

Motion by Commissioner Brennan, seconded by Commissioner Meyer, to approve Katama Technologies, Inc. to proceed with Phase 2 and Phase 3 as set forth in the existing agreement. Ayes: Amundson, Mocol, Brennan, Fox, and Meyer. Nays: None. Motion carried.

Sharon Walsh, Director of Customer Relation/Marketing discussed the impact of COVID-19 policies, including suspending disconnections, fees for late payments, and fees for on-line payments. Ms. Walsh noted a significant increase in past-due balances for a subgroup of customers. She also noted the lower-than-expected participation in the SPU Support Fund, with 17 approved payments to date in the total amount of \$3,629. After discussion, Ms. Walsh will extend and further advertise the SPU Support Fund, seek input from MMUA as to practices by other utilities, and prepare policy recommendations for Commission review and approval.

Mr. Drent provided an overview of the request for SPU to participate in the 2021 Flower Baskets project to hang flowers from street lights in downtown Shakopee. He noted that SPU maintains street lights. The proposed project would be performed by both SPU and the City of Shakopee. Vice President Mocol moved that the Commission find that the project assists in the marketing of utility services, arises from the maintenance of street lights, find that the project supports a public purpose designed to benefit the community as a whole, and direct staff to work with the City. Commissioner Fox seconded the motion. Ayes: Amundson, Mocol, Brennan, Fox, and Meyer. Nays: None. Motion carried.

Mr. Drent presented the potential purchase of an electric vehicle for SPU, as an alternative for previously-approved CIP funds. He noted that the purchase would replace a monthly car allowance for the general manager. Mr. Drent also discussed the opportunity to provide further information to customers concerning electric vehicles. Motion by Vice President Mocol, seconded by Commissioner Brennan, to modify the 2021 CIP Budget to include the purchase of an electric vehicle. Ayes: Amundson, Mocol, Brennan, Fox, and Meyer. Nays: None. Motion carried.

9. Adjourn. Motion by Commissioner Meyer, seconded by Commissioner Fox, to adjourn to the March 15, 2021 regular meeting. Ayes: Amundson, Mocol, Brennan, Fox, and Meyer. Nays: None. Motion carried.



Greg Drent, Commission Secretary

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
March 15, 2021

Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz (as amended), the Commission is holding its regular meeting on March 15, 2021 at 5:00 pm 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 126 074 1027
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) March 1, 2021 Minutes
 - C=> 3b) March 15, 2021 Agenda
 - C=> 3c) March 11, 2021 Warrant List
Account Credit Request/Deposit Refunds (JM)
 - C=> 3d) March 15, 2021 Warrant List (JM)
 - C=> 3e) SPU changing from WebEx to Zoom (GD)
 - C=> 3f) Water Dashboard (LS)
 - C=> 3g) MMPA February Meeting Update (GD)
 - C=> 3h) West Shakopee Substation Update (JA)

4. **Liaison Report** (JB)

5. **General Manager Report**
 - 5a) General Manager Update - Verbal (GD)

6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)

7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)

8. **Reports: Human Resources**

9. **Reports: General**

- 9a) Employee Survey Presentation (GD)
- 9b) Resolution #2021-04 – Recognition of Service for Deb Amundson (GD)
- 9c) Resolution #2021-05 – Recognition of Service for Mathew Meyer (GD)
- 9d) Recommended Transitions from COVID Protocol to Standard Process (SW)
- 9e) Investment Advisor Recommendation (JM)
- 9f) Financial Management Process Evaluation and HR Policies and Practices Assessment (JM)

10. **Items for Future Agendas**

11. **Tentative Dates for Upcoming Meetings**

- Regular Meeting -- April 5, 2021
- Mid Month Meeting -- April 19, 2021
- Regular Meeting -- May 3, 2021
- Mid Month Meeting -- May 17, 2021

12. **Adjourn to April 5, 2021 at the SPUC Service Center, 255 Sarazin Street**

SHAKOPEE PUBLIC UTILITIES COMMISSION

Warrant List
Account Credit Request/Deposit Refunds
March 11, 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

57961	A to Z Rentals 1 LLC	\$	44.76
57962	Luuley Abdi	\$	71.54
57963	Ricardo C Aguila	\$	19.98
57964	Hoodo Ali	\$	21.92
57965	Matthew Austin	\$	74.94
57966	Muriel Banard	\$	56.42
57967	Brakemeier Properties	\$	86.78
57968	Bob & Robin Chance	\$	5.22
57969	Country Village Apartments	\$	15.17
57970	Michael A Danna	\$	49.05
57971	Distinctive Design Build LLC	\$	40.37
57972	Void	\$	-
57973	Electrical Production Services	\$	49.74
57974	Eugene Engrav	\$	227.53
57975	Evergreen Heights Townhomes	\$	61.27
57976	F & B Construction	\$	16.55
57977	Tyler Falkum	\$	36.16
57978	Delene Fettig	\$	25.55
57979	Gage & Gage Inc.	\$	54.82
57980	Joe & Diane Garbina	\$	75.07
57981	Void	\$	-
57982	Tabitha Hoffman	\$	58.41
57983	Home Squad LLC	\$	34.75
57984	Huntington Park Apartments	\$	12.10
57985	Inna Iacuin	\$	17.27
57986	Void	\$	-
57987	Susan Jacobs	\$	8.50
57988	Joseph Jarvis	\$	43.42
57989	Void	\$	-
57990	Just Plane Cents LLC	\$	10.60
57991	John Kennealy	\$	38.61
57992	Nina Khindogina & Anastasiya Yelesina	\$	188.95
57993	Ana Gabriela Gallardo Lainez	\$	16.66
57994	Todd Lampi	\$	49.79
57995	Link Construction	\$	40.60
57996	Ryan Link	\$	60.00
57997	Void	\$	-
57998	Brent & Jericho Massmann	\$	71.63
57999	Ibrahim Maxamed	\$	44.08
58000	Joseph & Cristy Mayo	\$	13.67
58001	Judith Mueller	\$	29.05
58002	Joe Angel Munguia & Kimberlee Ann Beckrich	\$	67.43
58003	Najma Abdulahi Muse	\$	52.46
58004	Jacob Music	\$	13.13
58005	Nomad Technologies Inc.	\$	539.57
58006	Void	\$	-
58007	Northridge Court Apt's	\$	14.82
58008	Charles Paulzine	\$	26.73
58009	Christopher Pint	\$	9.84
58010	Pulte Homes of MN	\$	86.43
58011	Colton Rice	\$	36.40
58012	Oscar Juan Rodriguez	\$	10.22
58013	Void	\$	-
58014	Robert M Schneider	\$	86.68
58015	Lama Sesay & Princess Gobah	\$	52.62
58016	Shaughnessy Construction	\$	34.13
58017	Joni & Steven Shogren	\$	103.30
58018	Susan A Solander	\$	92.80
58019	Southbridge 2009 I LLC	\$	29.32
58020	Erin Spoden	\$	5.02
58021	Wendy M Strand	\$	52.52
58022	Vasily Syulyukov	\$	21.07
58023	Lucas Szok	\$	32.10
58024	Brian & Carrie Unze	\$	35.49
58025	Keshavan Venkataraman	\$	64.72
58026	Lori Voss	\$	61.42
58027	Waverly Place Apartments LLC	\$	1.12
58028	Vanessa Williams	\$	55.57
58029	David Wyman	\$	57.47
58031	Julie Lynn & Mark R Cheney	\$	54.99
58032	Jeanne Dolan	\$	58.90
58033	Angela Graf	\$	36.68
58034	Judy A Iverson	\$	34.48
58035	David C Jensen	\$	177.69
58036	Kevin Manzanaras	\$	63.33
58037	Taylor North & Adam Stommes	\$	40.77
58038	Mike W & Tammy M Romine	\$	27.84
TOTAL			\$ 3,907.99


Interim General Manager


Interim Director of Finance & Administration

Commission President

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 15, 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:

57865	U.S. Postal Service	\$388.00
57873	AEM Financial Solutions, LLC	\$33,531.25
57874	AEM Workforce Solutions, LLC	\$2,300.00
57875	Amaril Uniform Co.	\$3,892.09
57876	Sherri Anderson	\$300.00
57877	Arrow Ace Hardware	\$69.72
57878	B & B Transformer Inc.	\$10,436.85
57879	Robert Berndtson	\$146.16
57880	Ravinder Bollena	\$175.00
57881	Mitchell Boogren	\$175.00
57882	Tara Breeggemann	\$125.00
57883	Mary Breimhorst	\$150.00
57884	Canterbury Park	\$9,438.30
57885	Brad Carlson	\$38.16
57886	CDW Government LLC	\$1,233.60
57887	Choice Electric Inc.	\$716.65
57888	Cintas Corp. #754	\$635.73
57889	City of Shakopee	\$3,075.86
57890	City of Shakopee	\$423,796.00
57891	City of Shakopee	\$80.00
57892	Bruce & Candi Clausen	\$175.00
57893	Core & Main LP	\$13,084.83
57894	CSK Auto	\$110.12
57895	Customer Contact Services	\$244.69
57896	Delta Dental Plan of MN	\$5,484.48
57897	DGR Engineering	\$1,162.50
57898	DSI/LSI	\$260.33
57899	Diversified Inspections/Independent Testing Labs, Inc.	\$2,873.45
57900	Greg Drent	\$58.62
57901	Cooper Power Systems	\$116,132.28
57902	Daniel Fahey	\$100.00
57903	Fire Safety USA	\$1,635.00
57904	FS3 Inc	\$2,468.19
57905	Further	\$860.00
57906	Global Communications Wiring and Services, LLC	\$40.00
57907	Gopher State One-Call	\$201.15
57908	Greystone Construction Co.	\$2,620.14
57909	Hawkins Inc.	\$1,726.67
57910	HealthPartners	\$80,726.50
57911	Hercules Industries Inc.	\$1,404.99
57912	Matthew Hoppenstedt	\$125.00
57913	HRExpertiseBP LLC	\$9,825.00

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 15, 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:

57914	Innovative Office Solutions LLC	\$2,204.82
57915	Integrated Process Solutions Inc.	\$17,500.00
57916	Interstate Companies Inc.	\$450.62
57917	Irby - Stuart C Irby Co.	\$6,258.89
57918	Stuart C Irby Co.	\$1,937.05
57919	Jeff Jensen	\$125.00
57920	Katama Technologies, Inc.	\$13,233.34
57921	JT Services	\$419.67
57922	Lawrence & Susan Kohanek	\$125.00
57923	Brad Lantz	\$125.00
57924	Malyadri Mamidala	\$175.00
57925	Master Mechanical Ind.	\$810.00
57926	McGrann Shea Carnival Straughn & Lamb, Chartered	\$7,330.51
57927	Milsoft Utility Solutions, Inc.	\$26,969.91
57928	Minn Dept. of Commerce	\$9,658.56
57929	Minn Valley Testing Labs Inc.	\$2,221.00
57930	Minnesota Life	\$1,633.15
57931	MMPA c/o Avant Energy	\$2,444,784.09
57932	MMUA	\$1,395.00
57933	Matthew R Moretter	\$200.00
57934	NCPERS Group Life Ins.	\$176.00
57935	Denise Nelson	\$385.59
57936	Gerry Neville	\$132.72
57937	Hoang Ngo	\$189.89
57938	Cindy Nickolay	\$22.96
57939	Northern States Power Co.	\$5,849.56
57940	PLIC - SBD Grand Island	\$3,365.48
57941	Patchin Messner & Dodd	\$3,692.06
57942	Pitney Bowes Inc.	\$1,214.52
57943	Stephen Plonski	\$125.00
57944	Ashish Ramachandran	\$125.00
57945	RDO - Vermeer LLC	\$754.68
57946	William Rein	\$125.00
57947	RESCO	\$5,050.55
57948	Sambatek	\$5,796.50
57949	Sherwin Williams	\$77.59
57950	Short Elliott Hendrickson Inc.	\$26,320.73
57951	Southwest News Media	\$406.88
57952	Gregory Triplett	\$124.88
57953	Johnson Controls Fire Protection	\$2,209.74
57954	Verizon Connect NWF Inc.	\$498.70
57955	Verizon Wireless	\$1,452.00
57956	Huy Vu	\$50.00

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 15, 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:

57957	John & Ann Walker	\$125.00
57958	Water Conservation Service Inc.	\$490.60
57959	Welcome Oil Co.	\$2,827.18
57960	XCEL Energy	\$2,198.50
58030	MN Dept of Revenue	\$200,864.00
TOTAL		<u>\$3,534,230.23</u>


Interim Commission Secretary

Commission President


Interim Director of Finance & Administration

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 15, 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:

57865	U.S. Postal Service	\$388.00	New PO Box - 1 year rental
57873	AEM Financial Solutions, LLC	\$33,531.25	Project AEM - cash investments, finance director
57874	AEM Workforce Solutions, LLC	\$2,300.00	AEM Engage HR Development Series
57875	Amaril Uniform Co.	\$3,892.09	New FR clothing for Elec. & Water dept.
57876	Sherri Anderson	\$300.00	Consulting services for Feb.
57877	Arrow Ace Hardware	\$69.72	Elec. & Water - enamel, push broom, sponge, pail, drop cloth, masking paper, clamp.
57878	B & B Transformer Inc.	\$10,436.85	Repair 2 regulators & 1 Rvac
57879	Robert Berndtson	\$146.16	Mileage reimbursement
57880	Ravinder Bollena	\$175.00	2021 Res. Rebate and Star clothes washer
57881	Mitchell Boogren	\$175.00	2021 Res. Rebate and Star clothes washer
57882	Tara Breeggemann	\$125.00	2021 Star Clothes washer rebate
57883	Mary Breimhorst	\$150.00	2021 Residential rebate
57884	Canterbury Park	\$9,438.30	Refund on WO#2381 Canterbury Park 9th Addition - UG - 2020
57885	Brad Carlson	\$38.16	Reimbursement for lunchroom #2, plates, forks and bowls.
57886	CDW Government LLC	\$1,233.60	Laptop & accessories for GD
57887	Choice Electric Inc.	\$716.65	Install O.I.T. cabinet pumphouse #6 - WO#-2457
57888	Cintas Corp. #754	\$635.73	Replenish first aid kits in the lunchrooms
57889	City of Shakopee	\$3,075.86	Feb. Fuel usage
57890	City of Shakopee	\$423,796.00	Feb. SW (\$325,833.95) & SD (\$97,962.05)
57891	City of Shakopee	\$80.00	Feb. R.O.W. permits
57892	Bruce & Candi Clausen	\$175.00	2021 Res. Rebate and Star clothes washer
57893	Core & Main LP	\$13,084.83	WO#2451 - Hydrant meters and Omni Meters
57894	CSK Auto	\$110.12	Oil, air, fuel filters
57895	Customer Contact Services	\$244.69	Answering service from 3/9-4/5/21
57896	Delta Dental Plan of MN	\$5,484.48	Feb. Dental premiums
57897	DGR Engineering	\$1,162.50	Prof. service thru 1/31/21
57898	DSI/LSI	\$260.33	March garbage service
57899	Diversified Inspections/Independent Testing Labs, Inc	\$2,873.45	Safety Inspections on Elec. & 2 Water dept. truck.
57900	Greg Drent	\$58.62	Meal reimb. Interview & council meeting presentation review
57901	Cooper Power Systems	\$116,132.28	\$105,905.19 - Pad mounted regulators with mineral oil , also\$10,227.09 - Lic. Software 1/1-12/31/2021
57902	Daniel Fahey	\$100.00	2021 Water sense toilet rebate
57903	Fire Safety USA	\$1,635.00	Hydrant gate valve - water dept.
57904	FS3 Inc	\$2,468.19	Ground tent
57905	Further	\$860.00	Flex dental and dependent care reimb.
57906	Global Communications Wiring and Services, LLC	\$40.00	Trouble shoot & repair voice jack
57907	Gopher State One-Call	\$201.15	Feb. locates

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 15, 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:

57908	Greystone Construction Co.	\$2,620.14	Refund on WO#2431-Greystone corporate office - Canterbury SW Development - 2020 charge year
57909	Hawkins Inc.	\$1,726.67	Chlorine cylinder, bleeder valves for fluoride pumps
57910	HealthPartners	\$80,726.50	Feb. health insurance premiums
57911	Hercules Industries Inc.	\$1,404.99	Padlock with brass shackle
57912	Matthew Hoppenstedt	\$125.00	2021 Star Clothes washer rebate
57913	HRExpertiseBP LLC	\$9,825.00	HR Consulting
57914	Innovative Office Solutions LLC	\$2,204.82	Office supplies, - 2 stand up desks
57915	Integrated Process Solutions Inc.	\$17,500.00	Contract - WO#2457 - Lot equipment - Water dept.
57916	Interstate Companies Inc.	\$450.62	Field generator - water dept.
57917	Irby - Stuart C Irby Co.	\$6,258.89	Bolts, connector, ground rods, socket meter 3 phase terminal, Fuse fitall - all to restock inventory
57918	Stuart C Irby Co.	\$1,937.05	Hard hats for Elec. & Water dept.
57919	Jeff Jensen	\$125.00	2021 Star Clothes washer rebate
57920	Katama Technologies, Inc.	\$13,233.34	AMI project - WO#2472
57921	JT Services	\$419.67	Self laminating tags - UG identification
57922	Lawrence & Susan Kohanek	\$125.00	2021 Star Clothes washer rebate
57923	Brad Lantz	\$125.00	2021 Star Clothes washer rebate
57924	Malyadri Mamidala	\$175.00	2021 Res. Rebate and Star clothes washer
57925	Master Mechanical Ind.	\$810.00	Winter preventative maintenance
57926	McGrann Shea Carnival Straughn & Lamb, Chartered	\$7,330.51	\$380.51 - WO# 2377-West Sub. - \$6950. - Municipal and Regulatory Matters
57927	Milsoft Utility Solutions, Inc.	\$26,969.91	CIS, FMS, WMS, Itron interface support. 3/21-2/22
57928	Minn Dept. of Commerce	\$9,658.56	4th Qtr. Fiscal year indirect assessment
57929	Minn Valley Testing Labs Inc.	\$2,221.00	Coliform, Nitrate, Nitrite, Sodium, Iron, Mag, Copper - Testing
57930	Minnesota Life	\$1,633.15	Feb. Life ins. Premiums
57931	MMPA c/o Avant Energy	\$2,444,784.09	Feb. Power bill
57932	MMUA	\$1,395.00	2021 UG School for MK, BG and CS
57933	Matthew R Moretter	\$200.00	2021 Irrigation Controllers rebate
57934	NCPERS Group Life Ins.	\$176.00	March life ins.
57935	Denise Nelson	\$385.59	Reimbursement for Notary stamp, registration and leadership working lunches
57936	Gerry Neville	\$132.72	Mileage reimbursement
57937	Hoang Ngo	\$189.89	2021 Irrigation Controllers rebate
57938	Cindy Nickolay	\$22.96	Mileage reimbursement
57939	Northern States Power Co.	\$5,849.56	Feb. Power bill
57940	PLIC - SBD Grand Island	\$3,365.48	March L.T.D. premiums
57941	Patchin Messner & Dodd	\$3,692.06	Acres of Ind. Land Southern Part Cretex Site - WO#2376

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 15, 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:

57942	Pitney Bowes Inc.	\$1,214.52	Lease for 1st Qtr. Postage machine
57943	Stephen Plonski	\$125.00	2021 Star Clothes washer rebate
57944	Ashish Ramachandran	\$125.00	2021 Star Clothes washer rebate
57945	RDO - Vermeer LLC	\$754.68	Antifreeze for Vac-Tron
57946	William Rein	\$125.00	2021 Star Clothes washer rebate
57947	RESCO	\$5,050.55	Clamp hot line, socket meter, fuse bay, lug compression - inventory restock
57948	Sambatek	\$5,796.50	#2794.50 - WO#2041 - Windermere Booster station/Pump house, \$386.00 - WO#2259 - Elevated water tank #8, - \$2616.00 General Services
57949	Sherwin Williams	\$77.59	Paint and recycle paint for water dept.
57950	Short Elliott Hendrickson Inc.	\$26,320.73	WO#2432 - \$17484.22 - Feasibility Study for Water dept., - WO#2356 \$8836.51 - Hanson Blvd. WM CIPP
57951	Southwest News Media	\$406.88	February Legals
57952	Gregory Triplett	\$124.88	Mileage reimbursement
57953	Johnson Controls Fire Protection	\$2,209.74	Contract 4/1/21-3/31/2026
57954	Verizon Connect NWF Inc.	\$498.70	Feb. Vehicle service for all dept.
57955	Verizon Wireless	\$1,452.00	Cell phone and tablets for 1/24-2/23/2021
57956	Huy Vu	\$50.00	2021 Water sense toilet rebate
57957	John & Ann Walker	\$125.00	2021 Star Clothes washer rebate
57958	Water Conservation Service Inc.	\$490.60	Leak locate Valley Creek Road
57959	Welcome Oil Co.	\$2,827.18	55 gal drum mobil for Elec. Dept.
57960	XCEL Energy	\$2,198.50	Feb. gas usage for Amberglen & Valley Park Dr.
58030	MN Dept of Revenue	\$200,864.00	Feb. Sales & Use Tax.
	TOTAL	<u>\$3,534,230.23</u>	


Interim Commission Secretary

Commission President

Interim Director of Finance & Administration



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

DATE: March 11, 2021
TO: SPU Commissioners
FROM: Greg Drent, Interim General Manager 
Subject: WebEx to Zoom Meetings

On March 30th 2021, the WebEx Account for SPU will be closed. We have switched over to Zoom Meetings and Denise Nelson will be sending a Zoom invite to everyone for the commission meetings for the rest of 2021.

WebEx has served us well over the last year but does not work well with Windows 10 and has caused some computers to crash while launching a meeting. Zoom also gives us some enhanced features with breakout rooms for closed meeting and better quality picture. We look forward to the change.

Monthly Water Dashboard

As of: February 2021 Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

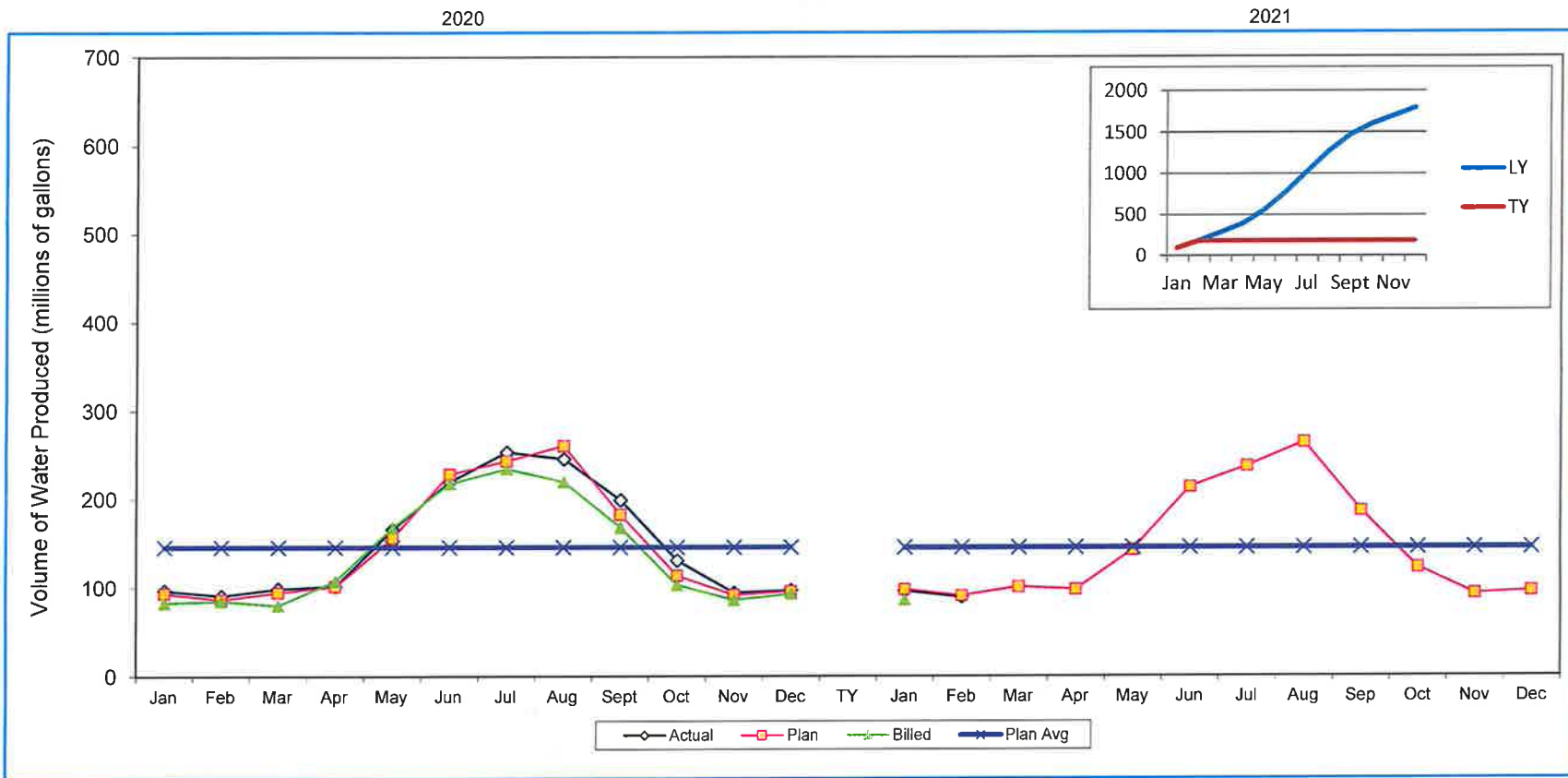
Element/Measure

Water Pumped/Metered

Averages

2018	153
2019	139
2020	150

Last 6 months actuals	199	131	94	97	96	89
-----------------------	-----	-----	----	----	----	----




LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Actual	97	91	99	102	166	220	254	246	199	131	94	97		96	89											
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 % *														98%	98%											
Billed	83	85	80	108	168	218	235	220	168	103	86	93		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 General Manager 
Date: March 12, 2021
Subject: MMPA February Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on February 23, 2021, via WebEx.

The Board discussed recent energy market activity related to the extreme cold weather. A statement from MMPA on this is attached.

The Board discussed the status of the renewable projects the Agency is pursuing.

The Board approved an updated transmission transformed retail tariff for MMPA members. The Agency recommended that all members adopt this tariff.

There was an increase of 11 customers participating in MMPA's residential Clean Energy Choice program from December to January. Customer penetration of the program for residential customers remains at 3.6%.



220 South Sixth Street Suite 1300 Minneapolis, MN 55402
tel. 612.349.6868 fax. 612.349.6108 www.mmpa.org

February 26, 2021


Statement Regarding Recent Energy Markets

We are pleased to report that MMPA experienced no service interruptions to its members during the events of the past few weeks caused by cold temperatures, snow, and ice. However, we have experienced significantly higher than budgeted energy costs for the month of February. We expect the rate impact of this event to be limited, in part because of the performance of the generating resources in our portfolio. As always, we remain committed to our mission of providing reliable, competitively-priced power to our members and to creating value for the Agency and its members.



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

TO: Greg Drent, Interim Utilities Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: West Shakopee Substation Update

DATE: March 10, 2021

ISSUE

The due diligence process has been completed and it is now time to move forward to complete the purchase of the site.

BACKGROUND

The Commission previously authorized the execution of a purchase agreement and an amendment to the 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 filed for Annexation of the parent parcel into the city from Jackson Township.

Staff hosted a virtual neighborhood meeting via WebEx online on Monday December 28th.

Staff also submitted an application to the city to Rezone the site to Light Industrial.

Leidos has completed a Phase 1 Environmental Review of the site and nothing of concern was found.

The Board of Adjustment and Appeals approved the CUP, subject to conditions including that the rezoning request be approved by the City Council.

The State of Minnesota approved the city's annexation of 250 acres of Jackson township, including the subject site.



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

The City of Shakopee approved the minor subdivision of the parent parcel to create the subject parcel as a legally separate parcel so it can be sold to SPU.

The City Council also approved the rezoning to light industrial thus completing the approval of the CUP.

DISCUSSION

All of the conditions have been met to proceed to complete the purchase of the property and a closing is now scheduled for March 31, 2021.

Kevin Favero of Leidos has submitted the attached milestone schedule as we move forward into the design and construction phases of the project.

REQUESTED ACTION

No action is required at this time; this is an informational item.

**Preliminary Project Milestone Schedule for SPU West Shakopee Substation
October 2022 In-Service Date**

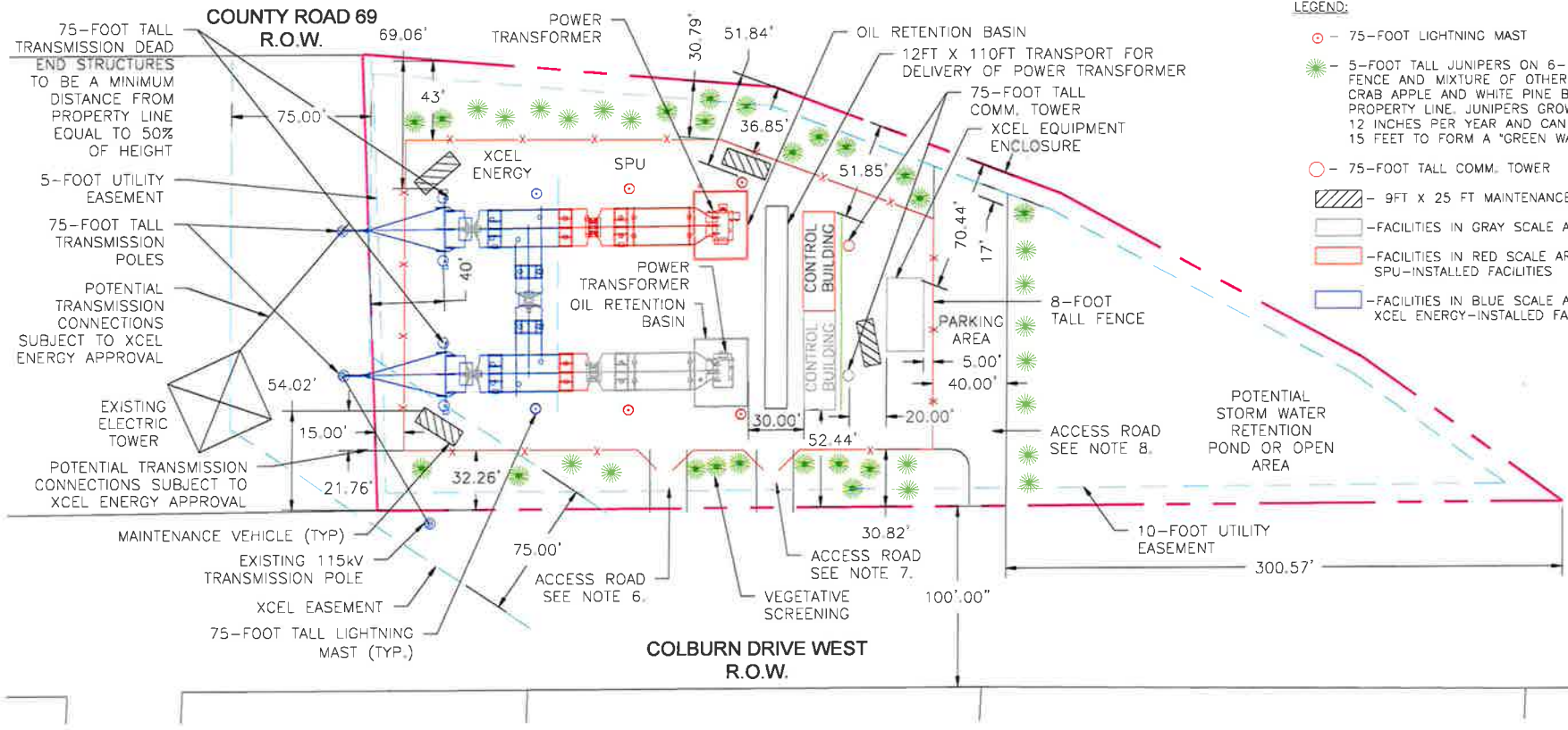
Activity	Start Date	Finish Date
Construction Contract with Xcel Energy	April 2021	April 2021
Kick-Off Design Meeting	April 2021	April 2021
Prepare Transformer Specs	April 2021	May 2021
Requisition Transformer	June 2021	Aug 2021
Prepare Substation Plan and Elevation Drawings	June 2021	July 2021
Prepare Schematic Diagrams and Switchgear and 115 kV Breaker Specs	June 2021	July 2021
Site Civil Drawings	June 2021	July 2021
Foundations/Oil Containment Design	June 2021	July 2021
Substation and Exit Circuit Duct Bank Design	June 2021	July 2021
Prepare Construction Drawings and Specs	June 2021	Aug 2021
Requisition Switchgear and 115 kV Breaker	Aug 2021	Sept 2021
Requisition Construction Services (Substation and Exit Circuit Duct Bank)	Sept 2021	Nov 2021
Prepare Landscaping Design	Sept 2021	Sept 2021
Requisition Landscaping Services	Oct 2021	Nov 2021
Prepare Testing/Commissioning Specs	Nov 2021	Nov 2021
Requisition Testing/Commissioning	Dec 2021	Dec 2021
Begin Construction	March 2022	
Substation Site Preparation	April 2022	April 2022
Install Foundations	May 2022	June 2022
Install Substation Conduits and Duct Banks	June 2022	July 2022
Erect Structures	July 2022	Aug 2021
Install Equipment (Transformer, Breaker, and Switchgear)	Aug 2022	Sept 2022
Install Control Wiring and Exit Circuits	Sept 2022	Sept 2022
Install Landscaping	Sept 2022	Sept 2022
Test, Commission, and Energize	Oct 2022	Oct 2022

NOTES:

1. ALL DIMENSIONS ARE APPROXIMATE.
2. HEIGHT OF CONTROL BUILDINGS AND XCEL EQUIPMENT ENCLOSURE WILL BE APPROXIMATELY 13 FEET.
3. HEIGHT OF POWER TRANSFORMERS (INCLUDING BUSHINGS) AND HORIZONTAL BUSES WILL BE APPROXIMATELY 22 FEET.
4. SECURITY LIGHTING WILL BE INSTALLED OVER THE DOORS OF THE CONTROL BUILDING AND XCEL EQUIPMENT ENCLOSURE. EMERGENCY LIGHTING WILL BE INSTALLED TO ILLUMINATE DEAD-END STRUCTURES, HORIZONTAL BUSES, AND POWER TRANSFORMERS TO BE USED ONLY DURING EMERGENCIES.
5. OIL RETENTION BASINS WILL BE INSTALLED AROUND THE POWER TRANSFORMERS TO CONTAIN ANY OIL LEAKS.
6. NORTH ACCESS ROAD IS FOR DELIVERY OF SPARE POWER TRANSFORMER DURING EMERGENCY OUTAGE.
7. CENTER ACCESS ROAD IS MAINLY FOR DELIVERY OF LARGE EQUIPMENT DURING CONSTRUCTION.
8. SOUTH ACCESS ROAD IS FOR ACCESS TO PARKING AREA.

LEGEND:

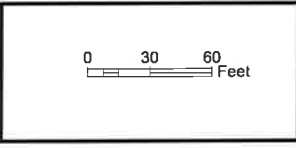
- 75-FOOT LIGHTNING MAST
- 5-FOOT TALL JUNIPERS ON 6-FOOT CENTERS ALONG FENCE AND MIXTURE OF OTHER TREES SUCH AS CRAB APPLE AND WHITE PINE BETWEEN JUNIPERS AND PROPERTY LINE. JUNIPERS GROW ABOUT 6 INCHES TO 12 INCHES PER YEAR AND CAN GET TO A HEIGHT OF 15 FEET TO FORM A "GREEN WALL."
- 75-FOOT TALL COMM. TOWER
- 9FT X 25 FT MAINTENANCE VEHICLE
- FACILITIES IN GRAY SCALE ARE FUTURE
- FACILITIES IN RED SCALE ARE PROPOSED SPU-INSTALLED FACILITIES
- FACILITIES IN BLUE SCALE ARE PROPOSED XCEL ENERGY-INSTALLED FACILITIES



PLOT WILL MAKE LAYOUT 01/27/2021 10:36 AM WILL MAKE FILE D:\PROJECTS\SHAKOPEE\PHASE1\CONCEPTUAL\PHASE1_SPU2008.DWG LAYOUT

DESIGNED	KTF			
DRAWN	ADW			
REV	DATE	CHKD	APPD	REVISION DESCRIPTION
A	03-05-21	TGP	KTF	PRELIMINARY

PRELIMINARY



Leidos Engineering
131 Saundersville Rd., Suite 300
Hendersonville, TN 37075
(615) 431-3200

SHAKOPEE PUBLIC UTILITIES


PROPOSED WEST SHAKOPEE SUBSTATION
PHASE 1 CONCEPTUAL LAYOUT

2021-03-05

PROJECT NUMBER	2008.A
SHEET	1 OF 1
DRAWING NUMBER	



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

DATE: March 11, 2021
TO: SPU Commissioners
FROM: Greg Drent, Interim General Manager 
Subject: Leadership Development, Employee Survey and Organizational Structure

Update on Leadership Development, Employee Survey and Organizational Structure:

SPU is working with Debra England (HRExpertiseBP) to assist us in Leadership development, employee survey and organizational structure. These topics are very important to SPU as we are so busy on getting projects done that we have not taken a step back to see what we need to be better at.

One of the first steps in leadership development is understanding what the employees think about how SPU is doing. We took an employee survey to understand what things are working well and what changes would help the organization. We also wanted to find out what the employees thought about SPU benefits. When Debra and I discussed this process she had a couple of comments to me

1. The survey will be confidential and managers would only see aggregated data
2. If you don't plan on changing don't do the survey

I agreed on the process and directed Debra to start the employee survey. Debra conducted the survey on January 28th and has presented the report to the leadership team. Debra also came back to SPU on February 17th and gave a report to the employees.

Debra England will be on the webex to report on the employee survey.

At the next Commission meeting, we will report on Organizational Structure; Leadership Development training in ongoing and we will continue with this going forward.

RESOLUTION #2021-04

A RESOLUTION IN RECOGNITION OF PUBLIC SERVICE

Deb Amundson

WHEREAS, Deb Amundson, throughout her tenure as commissioner of the Shakopee Public Utilities always applied her best efforts toward the professional operation of the Shakopee Public Utilities Commission, and

WHEREAS, Mrs. Amundson consistently performed her duties in a diligent, conscientious, and civic minded manner,

THEREFORE BE IT RESOLVED, that the Commission expresses its appreciation and that of the people of Shakopee to Mrs. Amundson for her six years of dedicated service.

BE IT FURTHER RESOLVED, by the Shakopee Public Utilities Commission that this resolution be adopted as a tribute to those years of faithful service of Deb Amundson and that a copy of the resolution be retained as a permanent testimony to the action.

Adopted in regular session of the Shakopee Public Utilities Commission, this 15th day of March, 2021.

Commission Vice President: Kathi Mocol

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION #2021-05

A RESOLUTION IN RECOGNITION OF PUBLIC SERVICE

Mathew Meyer

WHEREAS, Mathew Meyer, throughout his tenure as commissioner of the Shakopee Public Utilities always applied his best efforts toward the professional operation of the Shakopee Public Utilities Commission, and

WHEREAS, Mr. Meyer consistently performed his duties in a diligent, conscientious, and civic minded manner,

THEREFORE BE IT RESOLVED, that the Commission expresses its appreciation and that of the people of Shakopee to Mr. Meyer for his three years of dedicated service.

BE IT FURTHER RESOLVED, by the Shakopee Public Utilities Commission that this resolution be adopted as a tribute to those years of faithful service of Mathew Meyer and that a copy of the resolution be retained as a permanent testimony to the action.

Adopted in regular session of the Shakopee Public Utilities Commission, this 15th day of March, 2021.

Commission Vice President: Kathi Mocol

ATTEST:

Commission Secretary: Greg Drent



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

March 11, 2021

TO: Greg Drent, Interim General Manager *GD*

FROM: Sharon Walsh, Director of Customer Relations and Marketing *SNW*

SUBJECT: Recommended Transitions from COVID Protocol to Standard Process

Overview

At the 3/1/21 commission meeting, following a review of the increasing financial impacts of current COVID protocol, the Commission directed staff to assess the situation and return with recommendations to transition from COVID protocol to standard operating processes. In addition to financial implications to SPU, this assessment was to include the impact on SPU customers, our role in assisting them through this transition and the timing of the transition.

Staff presents the following recommendations:

Penalties – staff recommends delaying the reinstatement of penalties through Q2, at a minimum. This can be reviewed again in Q3.

Credit Card Convenience Fees – staff recommends delaying the reinstatement of convenience fees through Q2, at a minimum. The benefits of online payments are twofold – both customers and SPU realize advantages with this payment method. To reduce the overall financial impact, staff will review/negotiate current fee structure.

Collection Activity – “Collection” Notices were converted to “Courtesy” Notices in March 2020 with no message of disconnection or interruption in service. Staff recommends introducing new verbiage over the next two months to provide our customers with advance notice of upcoming modifications to our current COVID protocol, ultimately returning to collection notices over the course of several months. NOTE: We will be beyond the Cold Weather Rule (CWR) state requirements before any disconnection language is utilized.

- March letters – introduce the concept of returning to more normal processes and the need to establish payment plans.
- April letters – reinforce this same message while introducing “interruption in service” verbiage.
- May letters – standard verbiage indicating the need for full payments or payment plans to avoid interruption in service.



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

Disconnection of Service –

This process would begin in June, following the May collection notice.

Payment Plans –

Payment plans are going to be key to a successful transition out of the delinquency situation we are in. Returning to “standard” processes will not result in payments and will most likely discourage/frustrate our customer base. Therefore, staff recommends the following customized approach to payment plans.

1. Incorporate projected, upcoming bills into payment plans.
 - a. Under pre-COVID procedures, we would require customers to pay current balances in addition to the past due balances setup in payment plans; however, we did not have a way to *enforce* this requirement.
 - b. Incorporating future bills into the payment plan will get customers to a net zero status, which is the goal for everyone.
 - c. There is a need to change the mentality that payment plans are only for past due balances. Payment plans should be designed to get customers current at an agreed upon time and in a method that is mutually feasible.
2. Structure payment plans based on balance amounts (factoring in past due and upcoming charges).
 - a. \$30-\$200 balances – two month plans
 - b. \$201-\$500 balances – six month plans
 - c. \$501 and greater – twelve month plans

Customer Communications -

1. Courtesy/Collection Notices – targeted to those specific customers who are delinquent
2. Bill Insert (April) – communicates to entire audience; general notifications of impending adjustments to our process/end of COVID.
3. Customized/Multi-tier Plan for Large Balance Customers – this will include personalized letters requesting contact with SPU to setup payment plans. Failure to respond will result in staff phone calls to these customers. Over the course of two months, failure to respond/take action will result in disconnection of service.
 - a. Reconnection – billing supervisor/director of customer relations will work with customer to get reconnected under special considerations or payment plans.

Collections – return to utilizing a third party collection agency to assist in the collection of delinquent accounts.

Action Required

Staff is requesting approval to proceed with recommendations as stated.





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

DATE: March 10, 2021
TO: Greg Drent, Interim General Manager *GD*
FROM: Jean McGann, Consulting Finance Director *JM*
SUBJECT: Consideration of Investment Manager

Background

On January 19, 2021, Shakopee Public Utilities issued an RFP for Investment Management Services. The request for proposal was posted on the League of Minnesota Cities website, Shakopee Public Utilities website and direct emails to six potential vendors. Proposals were due by 3:00 PM on February 5, 2021. The interest in Investment Managements was high and resulted in receiving ten proposals.

On February 19, 2021 an informal working group interviewed three potential Investment Management Firms. Members of the informal working group are as follows;

Brenda Davitt, AEM Financial Solutions
 Greg Drent, Interim General Manager Shakopee Public Utilities
 Jean McGann, Consulting Finance Director; AEM Financial Solutions
 Kathi Mocol, Vice-President Shakopee Public Utilities Commissioner
 Kayden Fox, Shakopee Public Utilities Commissioner

The informal working group interviewed the following Investment Management Firms;

- PFM Asset Management LLC
- RBC Global Asset Management, Inc.
- Securian Asset Management, Inc.

After conducting interviews the informal working group concluded the following:

- All Investment Management Firms interviewed are qualified and would work well with Shakopee Public Utilities
- While fees vary for each of the Firms interviewed, the differences were minimal
- Each of the Firms take a different strategic approach
- All Firms would assist with the updating of the Investment Policy
- Cash flow forecasting collaboration was most prevalent with PFM Asset Management
- PFM has an agreement with US Bank Safekeeping for lower prices



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

The informal working group unanimously feels that PFM Asset Management will provide the most assistance in managing the investments, collaborating on cash flow forecasting and providing a high level of customer service.

Recommendation

The informal working group recommends PFM Asset Management as the Investment Management Firm for Shakopee Public Utilities. If the Commission agrees, the Interim General Manager will sign off on the attached agreement for services. This agreement has been reviewed by the attorney.

After the agreement is signed, Shakopee Public Utilities will start the process of transitioning funds to PFM Asset Management. Once this is complete the next steps are:

- Update the Investment Policy and bring to the Commission for approval
- Collaborate on cash flow forecasting
- PFM Asset Management will attend a Commission meeting to introduce their Firm and provide a high level training on investments

INVESTMENT ADVISORY AGREEMENT

THIS AGREEMENT, entered into as of the 15th day of March, 2021, by and between SHAKOPEE PUBLIC UTILITIES COMMISSION, a Minnesota municipal utilities commission (hereinafter the "Client"), and PFM ASSET MANAGEMENT LLC, a Delaware limited liability company with an office in Minneapolis, Minnesota (hereinafter the "Advisor").

W I T N E S S E T H

WHEREAS, the Client has funds available for investment purposes (the "Initial Funds") for which it intends to conduct an investment program; and

WHEREAS, the Client desires to avail itself of the experience, sources of information, advice, assistance and facilities available to the Advisor; to have the Advisor undertake certain duties and responsibilities; and to perform certain services as investment advisor on behalf of the Client, as provided herein; and

WHEREAS, the Advisor is willing to provide such services on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto, intending to be legally bound, agreed as follows:

1. SERVICES OF ADVISOR.

The Client hereby engages the Advisor to serve as investment advisor under the terms of this Agreement with respect to the Initial Funds and such other funds as the Client may from time to time assign by written notice to the Advisor (collectively the "Managed Funds"), and the Advisor accepts the relationship of trust and confidence established with the Client by this Agreement. The Advisor shall have full discretionary authority as agent, and attorney-in-fact, but only with respect to the Managed Funds and to the extent required to perform the services in this Agreement, subject to Minnesota Statutes, Chapter 118A, as may be amended (the "Permitted Investments Law"), and the Client's written investment objectives and restrictions. In connection therewith, the Advisor will provide investment research and supervision of the Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets. The Advisor shall continuously monitor investment opportunities and

evaluate investments of the Managed Funds. The Advisor shall furnish the Client with statistical information and reports with respect to investments of the Managed Funds, on a regular basis, to allow the Client to evaluate investment performance, and provide such additional information concerning the Managed Funds and the Advisor's services as the Client may reasonably request. The Advisor shall place all orders for the purchase, sale, loan or exchange of portfolio securities for the Client's account with brokers or dealers recommended by the Advisor and/or the Client, and to that end the Advisor is authorized as agent of the Client to give instructions to the custodian designated by the Client (the "Custodian") as to deliveries of securities and payments of cash for the account of the Client. In connection with the selection of such brokers and dealers and the placing of such orders, the Advisor is directed to seek for the Client the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the Advisor by such brokers and dealers. The Custodian shall have custody of cash, securities and other assets of the Client. The Advisor shall not take possession of or act as custodian for the cash, securities or other assets of the Client and shall have no responsibility in connection therewith. Authorized investments shall include only those investments which are currently authorized by the state investment statutes and applicable covenants and as supplemented by such other written instructions as may from time to time be provided by the Client to the Advisor. The Advisor shall provide notice of any material changes in Advisor's investment outlook, portfolio strategy, and how such change may affect further investment results. The Advisor shall be entitled to rely upon the Client's written advice with respect to anticipated drawdowns of Managed Funds. The Advisor will observe the instructions of the Client with respect to broker/dealers who are approved to execute transactions involving the Managed Funds and in the absence of such instructions will engage broker/dealers which the Advisor reasonably believes to be reputable, qualified and financially sound. The Client may at any time add to or remove assets from the Managed Funds. Upon request, the Advisor certify to the Client that each security purchased for and held in the Managed Funds was in the course of the prior calendar year in compliance with the Permitted Investments Law. The Advisor shall provide notice to the Client of any material changes in Advisor ownership, organization structure, financial conditions, or senior staffing and management through delivery to the Client of an amended or otherwise updated Form ADV, Part 2A or Part 2B, as applicable.

2. COMPENSATION.

(a) For services provided by the Advisor pursuant to this Agreement, the Client shall pay the Advisor an annual fee, in monthly installments, based on the daily net assets under management according to the schedule below:

<u>Average Assets Under Management</u>	<u>Fees</u>
Initial \$25 million	12 basis points (0.12%)
Next \$25 million	8 basis points (0.08%)
Assets in excess of \$50 million	7 basis points (0.07%)

“Daily net assets” is defined to include the amortized value of securities, accrued interest and cash or any money market fund balance.

The minimum annual fee is \$25,000, to be applied in equal monthly installments.

(b) The Advisor will bill the Client monthly for services performed under this Agreement, said bill to include a statement indicating the basis upon which the fee was calculated. The Client shall pay to the Advisor the amount payable pursuant to this Agreement not later than on the 15th day of the month following the month during which the Advisor's statement was rendered.

(c) Assets invested by the Advisor under the terms of this Agreement may from time to time be invested in (i) a money market mutual fund managed by the Advisor or (ii) a local government investment pool managed by the Advisor (either, a “Pool”), or in individual securities. Average daily net assets subject to the fees described in this section shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the Advisor and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool. Before investing the Managed Funds in the Pool, the Advisor shall provide detailed information concerning the expenses of the Pool and the impact on the Client, if any, and receive written approval from an authorized representative of the Client.

(d) If and to the extent that the Client shall request the Advisor to render services other than those to be rendered by the Advisor hereunder, such additional services shall be compensated separately on terms to be agreed upon between the Advisor and the Client.

3. EXPENSES.

(a) The Advisor shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the Managed Funds.

(b) Except as expressly provided otherwise herein, the Client shall pay all of its own expenses including, without limitation, taxes, commissions, fees and expenses of the Client's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, and fees and expenses of the Custodian.

4. REGISTERED ADVISOR; DUTY OF CARE; RESPONSIBILITIES.

The Advisor hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940, as amended. The Advisor shall immediately notify the Client if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Advisor shall manage the Managed Funds with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of like investment activities with like aims. In performing the services under this Agreement, the Advisor shall comply with all applicable federal, state, and local laws and regulations. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which the Client may have under any federal securities laws. The Client hereby authorizes the Advisor to sign I.R.S. Form W-9 on behalf of the Client and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement. The Advisor shall be liable for any loss incurred by the Client arising from the Advisor's negligence, bad faith, malfeasance or misfeasance, a material breach of its covenants in this Agreement, or a violation of its duties and obligations under applicable law, on its part or on the part of any of its directors, officers, agents, or employees

5. ADVISOR'S OTHER CLIENTS.

The Client understands that the Advisor performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The Client agrees that the Advisor, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Managed Funds. The Advisor shall not have any obligation to purchase, sell or exchange any security for the Managed Funds solely by reason of the fact that the Advisor, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts. In analyzing investment opportunities, the Advisor shall not favor or disfavor any class of clients.

6. TERM.

This Agreement may be terminated by the Client in the event of any material breach of its terms immediately upon notice to the Advisor by certified mail, return receipt requested. This Agreement may be terminated by the Client at any time, on not less than thirty (30) days' written notice to the Advisor. The Advisor may terminate this Agreement immediately upon any material breach of its terms by the Client, or at any time after one year upon thirty (30) days' written notice to the Client.

7. FORCE MAJEURE.

The Advisor shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of the Advisor or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.

8. DISCIPLINARY ACTIONS.

The Advisor shall promptly give notice to the Client of the legal and disciplinary events required to be disclosed in an amendment to the Advisor's Form ADV, Part 2A. Such events shall include, but are not limited to, criminal actions in which the Advisor or a management person is the named subject of a criminal proceeding involving an investment-related business, false statements, fraud, bribery, perjury, wrongful taking of property, forgery, counterfeiting or extortion, or the Advisor or a management person was found by the Securities and Exchange Commission ("SEC") or any other agency or department of the United States to have caused its business to lose its authorization to do business or to have been involved in a violation of an investment-related statute or regulation. The Advisor shall provide notice to Client if the Advisor is found to have violated any state or federal securities law or regulation in any final and unappealable judgment in civil suit in any state or federal court, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.

9. INDEPENDENT CONTRACTOR.

The Advisor, its employees, officers and representatives shall not be deemed to be employees, agents (except as to the purchase or sale of securities described in Section 1), partners, servants, and/or joint ventures of the Client by virtue of this Agreement or any actions or services rendered under this Agreement.

10. BOOKS.

The Advisor shall maintain records of all transactions in the Managed Funds. The Advisor shall provide the Client with a monthly statement showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month. The statement shall be in the format and manner that is mutually agreed upon by the Advisor and the Client.

11. THE ADVISOR'S BROCHURE AND BROCHURE SUPPLEMENT.

The Advisor warrants that it has delivered to the Client prior to the execution of this Agreement the Advisor's current SEC Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The Client acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.

12. MODIFICATION.

This Agreement contains the entire understanding between the Client and the Advisor concerning the subject matter of this Agreement. Headings are provided for convenience and do not form part of the Agreement. This Agreement shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assigns. A party's failure to insist at any time on strict compliance with this Agreement or with any of the terms of the Agreement or any continued course of such conduct on its part will not constitute or be considered a waiver of any of its rights or privileges.

13. SUCCESSORS AND ASSIGNS.

The provisions of this Agreement shall be binding on the Advisor and its successors and assigns, provided, however, that the rights and obligations of the Advisor may not be assigned without the consent of the Client.

14. NOTICE.

Written notices required under this Agreement shall be sent by regular mail, certified mail, overnight delivery or courier, and shall be deemed given when received at the parties' respective addresses shown below. Either party must notify the other party in writing of a change in address.

Client's Address

Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379
Attn: General Manager

Advisor's Address

PFM Asset Management LLC
50 South Sixth Street
Suite 2250
Minneapolis, MN 55402
Attn: Brian Johnson

With copy to:

PFM Asset Management LLC
1735 Market Street
43rd Floor
Philadelphia, PA 19103
Attn: Controller

15. APPLICABLE LAW.

This Agreement shall be construed, enforced, and administered according to the laws of the State of Minnesota. The Advisor and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to filing a lawsuit.

16. EXECUTION AND SEVERABILITY.

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

[Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date set forth in the first paragraph of this Agreement.

PFM ASSET MANAGEMENT LLC

By: _____

Name: Timothy Sullivan

Title: Managing Director

**SHAKOPEE PUBLIC UTILITIES
COMMISSION**

By: _____

Name: Greg Drent

Title: Interim General Manager

February 5, 2021

Shakopee Public Utilities

Investment Management Services

Presented by:



pfm

PFM
Asset Management LLC

50 South 6th Street
Suite 2250
Minneapolis, MN 55402

612.338.3535
pfm.com



February 5, 2021

Ms. Jean McGann
Shakopee Public Utilities
Investment Management Services
jean.mcgann@aemfs.com

RE: Investment Management Services

Dear Ms. McGann,

PFM Asset Management LLC ("PFM") appreciates the opportunity to submit a proposal to provide Shakopee Public Utilities (the "Utilities") with our discretionary fixed income investment management advisory service for its investment portfolio. Our asset management business and its predecessors have been serving Minnesota clients since 1984 and has a thorough understanding of the laws regarding the investment of public funds in the state.

pfm

50 South 6th Street
Suite 2250
Minneapolis, MN 55402
612.338.3535

pfm.com

\$164.0B

TOTAL AUM

37

Professional Locations

40+ Years

Of Experience

Our approach is to provide the Utilities with a comprehensive discretionary solution, whereby our asset management team serves in a fiduciary capacity. PFM is unique among investment advisory firms in both our experience with and dedication to the public and not-for-profit sectors. As of December 31, 2020, we currently manage or advise on \$164.0 billion in assets, with \$104.5 billion being discretionary fixed income assets for public entities. In the state of Minnesota alone, we manage \$4.5 billion in public sector assets.

Timothy Sullivan, Managing Director, is an authorized representative of the firm whose signature is below. This proposal is good for 90 days from the date of submission.

We appreciate your consideration and we welcome the opportunity to discuss our proposal with you in further detail. Should you have any questions or need clarification, please contact Brian Johnson at 612.371.3750 or johnsonb@pfm.com or Danny Nelson at 612.371.3747 or nelsond@pfm.com.

Sincerely,

Timothy Sullivan
Managing Director

Brian Johnson
Director

Danny Nelson
Director



Executive Summary

PFM's asset management practice is a leading provider of independent investment advisory services to public entities and other institutional investors. We believe that the following characteristics of our approach distinguishes us from other firms:

- **Expertise with Public Utilities:** PFM has a robust utility practice that considers both sides of the balance sheet for our utility clients. We have extensive experience managing funds for public utilities and understand each utility has unique investment goals and objectives that revolves around cash flow needs.
- **Commitment to the Public Sector.** A key factor differentiating us from other investment advisors is our commitment to the public sector. Our primary focus has been the management of public funds as fiduciaries. We manage primarily high-quality, investment grade fixed income funds for the public sector. Our resources and tools are focused on evaluating those investments with the risk tolerances, investment horizons, and investment criteria that public funds investors, including the Utilities, are required to follow. PFM emphasizes safety and preservation of capital while developing forward-looking, long-term investment strategies that are all designed to weather different market cycles, as well as shorter tactical strategies that can take advantage of certain market cycles or anomalies for clients in Minnesota like the Utilities.
- **Fixed Income Portfolio Expertise.** As stated earlier, we manage \$104.5 billion in discretionary fixed income assets for our clients (as of December 31, 2020). Our significant experience managing short and intermediate-term fixed income accounts includes a 30+ person fixed-income trading desk that conducts an average of \$2 billion in trades per day (as of December 31, 2020). Our trading desk has broad market access to approximately 60 national and regional broker-dealers and uses sophisticated tools to identify and evaluate market opportunities.
- **Extensive Resources.** We employ more than 250 asset management professionals (as of December 31, 2020) dedicated to supporting our public sector clients. The Utilities will receive the full breadth of our investment management resources, including the fixed income capabilities of our trading desk and Portfolio Strategies Group, informative and detailed reporting from our Accounting Group and dedicated analyst team, responsive service from our Client Service Group, and coordinated systems maintained by our Investment Service and Compliance Groups to support efficient trade execution and risk management objectives.
- **Fiduciary Independence.** PFM was founded on the principle of providing sound, independent investment advice to the public sector. We are not brokers or dealers who profit from selling individual securities. Instead, we are an independent SEC-registered investment advisor, acting as a fiduciary on behalf of our clients. We believe our fully customized and comprehensive approach – where we carefully consider the Utilities' business, liability characteristics, investment needs, and goals and objectives – appropriately aligns with the Utilities' investment management needs.

We are very confident that we can implement an effective, transparent, and comprehensive investment strategy for the portfolio, managed in accordance with Minnesota state statutes. In addition, our Minneapolis-based team has a strong background in providing investment solutions to institutional clients in the state of Minnesota. We believe the above factors, addressed in greater detail in our proposal, summarize why we are best suited to assist in the management of your assets.



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

DATE: March 10, 2021
TO: Greg Drent, Interim General Manager *GD*
FROM: Jean McGann, Consulting Finance Director *JM*
SUBJECT: Financial Management Process Evaluation and HR Policies and Practices Assessment

Background

Shakopee Public Utilities entered into an agreement with AEM Financial Solutions to perform a Financial Management Process Evaluation and an HR Assessment. Both the process evaluation and assessment have been completed and the purpose of this report is to share the primary recommendations.

Financial Management Process Evaluation

The evaluation was completed through a series of interviews and discussions held remotely during the week of February 1 and on February 8, as well as a review of job descriptions and procedure documents. The focus of the evaluation has been the evaluation of financial management office functions, processes, procedures, and personnel responsibilities, with associated recommendations. The scope also included interviews and discussions with staff performing the financial functions for SPU. The goal of this evaluation is to maximize the efficiency, effectiveness, and control over the financial management processes.

The evaluation resulted in recommendations that focus on key areas such as fully leveraging technology available, eliminating redundancies, and increasing efficiencies. These recommendations are summarized in a series of charts in the full report.

Financial Management Process Evaluation – primary recommendations

Based on the existing technology, we recommend Shakopee Public Utilities undertake a full software evaluation to determine if the current software is the best option. The existing software does not support Fund accounting so there are a significant number of manual entries that must be completed each month to close the books. In addition, the software is two versions behind what is available, the reporting and budgeting modules have not been activated and the bank reconciliation can only be partially be completed within the system.

While some of the challenges with the existing software can be corrected by upgrading to the latest version available and activating the reporting and budgeting modules, these action steps will not significantly improve efficiencies and internal controls. The existing software operates on an AS400 platform and it is necessary to utilize green screens and spool files for some of the functions.



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

We understand the investigation and implementation of a new financial system is a large undertaking; however, based on the efficiencies, automation and internal controls that could be put in place we believe it would be well worth the effort. In addition, if a new financial system is procured, it should be completed integrate with the CIS system.

While the research of a new financial system is underway, we recommend implementing electronic storage of records and utilization of features in the existing financial system. That said, if a new financial system is to be procured, we do not recommend implementing additional modules to the existing financial system or pursuing an upgrade of the existing system.

HR Policies and Practices Assessment

A Human Resources (HR) analysis assesses the overall health of the HR function and identifies whether an organization's employment practices, or processes are adequate, effective, and compliant with state and federal regulations. The results obtained from this review help leadership to identify gaps in HR practices, which are then prioritized for attention in an effort to minimize lawsuits or regulatory violations, improve employee-management relations, increase employee productivity, and achieve and maintain competitiveness in key HR practice areas.

The scope of the HR function includes establishing and administering a host of policies and practices—many of which involve compliance implications—that significantly influence the productivity and profitability of the organization.

The objective of the analysis was to perform:

- A comprehensive review of the Organization's Human Resources framework and core functions which include Staffing, Compensation & Benefits, Employee Relations, Training & Development.
- A review of the overall Human Resources Organizational structure, responsibilities and practices
- An assessment regarding specific compliance with federal and state employment laws
- The identification of procedures and practices which if modified would result in improved operations and/or direct time and cost savings

HR Policies and Practices Assessment – primary recommendations

Based on our assessment the primary recommendations focus on automation, recruiting and the employee handbook. All recommendations can be reviewed in the full report.

Mission, Vision and Values - The SPU website provides some overall structure and focus for the organization. However, the organization and its employees would benefit from having a defined mission, vision, and shared values. This pulls the organization together and ensures that everyone is working toward the same thing, cooperatively through their individual roles. This would be a great opportunity to unite the organization's employees with the Board of Directors throughout the reorganization.

Automation - There is a significant amount of manual entry and recordkeeping on the administrative side of HR. Automation of these functions would create more efficiencies and internal controls.



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

Examples of areas where automation would improve efficiencies are: payroll processing and timekeeping, PTO, sick leave, overtime calculations and recruiting.

Recruiting - The overall structure and process for recruiting and onboarding is in great shape however; it is an extremely manual process. Candidates are all logged manually in a spreadsheet, and there is a lot of back and forth communication between HR and Hiring Managers to keep the process moving forward. Additionally, once a candidate is hired, the new hire paperwork is manual and must be entered into different systems. We recommend looking into an HRIS or Applicant Tracking System (ATS). There are many systems out there to fit a variety of needs, and they can automatically track information, move the process forward automatically, and automate new hire paperwork.

Employee handbook - The employee handbook was last updated in 2012, so I recommend revising it to make sure policies are current and being followed as written. Additionally, with so many changes and restructuring, a fresh handbook will help promote cohesion and consistency within the organization.

Request

We request the Commission consider the evaluation and procurement of a software system that integrates, financial, billing, payroll and human resources.