

MINUTES OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
OCTOBER 18, 2021  
Regular Meeting

1. Call to Order. President Mocol called the October 18, 2021 meeting of the Shakopee Public Utilities Commission to order at 5:01 pm. President Mocol, Vice President Fox, Commissioner Brennan, Commissioner Krieg, and Commissioner Letourneau were present.

2. Approval of Consent Agenda. Items (3g) and (3h) were removed from the Consent Agenda. Commissioner Brennan moved approval of the Consent Agenda: (3a) October 4, 2021 Minutes; (3b) October 18, 2021 Agenda; (3c) October 6, 2021 Warrant List, Account Credit Request/Deposit Refunds; (3d) October 18, 2021 Warrant List; (3e) Water Dashboard; (3f) COVID-19 Vaccination Incentive Program. Commissioner Letourneau seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

(3h) Auditor Recommendation. The informal working group discussed the interview process and the recommendation to engage CliftonLarsonAllen. Commissioner Letourneau moved, seconded by Vice President Fox, to engage CliftonLarsonAllen as SPU’s auditor. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

3. Liaison Report. Commissioner Brennan noted that she had nothing to report.

4. Public Comment Period. No public comments were offered.

5. General Manager Report. Greg Drent, General Manager, provided an update on current projects, including discussion on water filtration, a joint meeting with the City Council, discussions on the transfer of funds to the City, and 2022 – 2026 CIP preparation. Mr. Drent reported that the electric vehicle charger is in place at SPU. He also noted that ponding will likely be required for the SPU drive-up.

6. Water Report. Lon Schemel, Water Superintendent, noted that the flushing program is done and that it is the earliest date for completion. Mr. Schemel provided an update for Tank #8, that the logos are done and the insulation applied; the project is expected to be completed on schedule by December 10<sup>th</sup>. Mr. Schemel also reported that plastic pipe tracer specification has been completed.

Comprehensive Evaluation of Municipal Water Treatment for SPU. Mr. Schemel introduced Miles Jensen and Ryan Hansen from SEH, to present the Comprehensive Evaluation for Municipal Water Treatment. They explained that SPU currently meets all enforced water quality standards by the EPA and there are no concerns with operational practices. They discussed three alternatives if SPU wishes to plan for any future treatment needs: (1) Satellite Treatment;

(2) Central Treatment; and (3) Hybrid Arrangement. Mr. Hansen presented an overview and cost projections for each alternative. SEH recommended pursuing Option 3, the Hybrid Arrangement. The Commission discussed options and asked clarifying questions. Vice President Fox moved to accept the Comprehensive Evaluation for Municipal Water Treatment Report and to direct staff to incorporate costs in the SPU capital improvement plan. Commissioner Krieg seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

Resolution #2021-21 Approving Exchange Agreement. Joseph Adams, Director of Planning and Engineering, presented Resolution #2021-21. Commissioner Brennan moved, seconded by Vice President Fox, to adopt Resolution #2021-21 Approving Exchange Agreement and all Documents Necessary to Carry Out Exchange Agreement and Completion of Closing Under Exchange Agreement. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

West End - Lower Bluff Service Area. Mr. Adams explained that the City of Shakopee plans to extend a sanitary sewer force main and to construct a lift station to serve the newly annexed area of Jackson Township. He noted that the City has asked SPU to extend a trunk water main to serve this area. Mr. Adams described the proposal from Bolton & Menk, not to exceed \$37,250, to conduct a feasibility study and design of this water main. He also discussed funding options when, as here, the area to be crossed by the trunk water main is not ready for development, but there is development interest in nearby areas. Mr. Adams noted that the feasibility study will estimate the costs and funding sources. Commissioner Brennan moved to approve the proposal for engineering services from Bolton & Menk, in an amount not to exceed \$37,250. Commissioner Letourneau seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

7. Electric Report. Brad Carlson, Electric Superintendent, provided an update on projects, including electric vehicle chargers. He also described four outages since the last Commission meeting.

City of Prior Lake Franchise Fee. Kaela Brennan, attorney for SPU, described the background from 2006 when the City of Prior Lake first adopted a franchise, as well as the recent efforts to increase the franchise fee. Vice President Fox moved to approve sending correspondence to the City of Prior Lake to preserve SPU's position as to the franchise. Commissioner Krieg seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

Renewable Residential Options. Mr. Drent presented options for residential customers to purchase additional renewable energy as part of the 2022 budget process. After discussion, the Commission decided to keep the program as-is for 2022, to promote it to encourage greater participation, and to revisit the program towards the end of 2022.

8. Customer Service/Marketing Update. Sharon Walsh, Marketing/Customer Relations Director, noted that she met with one of SPU's key accounts who was interested in conservation and sustainability efforts. Ms. Walsh is working on the collections process, including the collections agency. She noted that SPU received its first counterfeit \$100 bill. Ms. Walsh explained that with the security camera, staff was able to identify the customer. She reported that the customer arranged alternative payment and that SPU has revised its procedures as to cash payments.

9. Electric Service Territory Discussions. Commissioner Brennan moved, seconded by Vice President Fox, that the Commission go into closed session under Minnesota Statutes, Section 13D.05, subdivision 3(c) to develop or consider offers for the purchase of electric service territory rights and facilities of Minnesota Valley Electric Cooperative. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried. Commissioner Brennan moved, seconded by Vice President Fox, to return to open session. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried. In open session, President Mocol noted that the Commissioners gave direction to staff to proceed with discussions with MVEC representatives.

10. Adjourn. Motion by Vice President Fox, seconded by Commissioner Letourneau, to adjourn to the November 1, 2021 meeting. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

  
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Greg Drent, Commission Secretary