

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
NOVEMBER 15, 2021
Regular Meeting

1. Call to Order. President Mocol called the November 15, 2021 meeting of the Shakopee Public Utilities Commission to order at 5:00 PM. President Mocol, Vice President Fox, Commissioner Brennan, Commissioner Krieg, and Commissioner Letourneau were present. President Mocol and Commissioner Brennan participated via interactive technology due to medical issues.
2. Approval of Consent Agenda. Vice President Fox moved approval of the Consent Agenda: (3a) November 1, 2021 Minutes; (3b) November 15, 2021 Agenda; (3c) November 4, 2021 Warrant List, Account Credit Request/Deposit Refunds; (3d) November 15, 2021 Warrant List; (3e) Water Dashboard; (3f) MMPA October Meeting Update; (3g) Resn #2021-22 - Designating an Official Means of Publication; (3h) Resn #2021-23 - Designation of Official Depositories of the Shakopee Public Utilities Commission Funds (3i) Resn #2021-24 - Allowing the Use of Facsimile Signature For Check Signing; (3j) September 30, 2021 Financial Report; (3k) 2022 Commission Dates; (3l) 2022 SPU Holidays. Commissioner Letourneau seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.
3. Liaison Report. Commissioner Brennan noted that the City Council will be discussing the American Rescue Plan.
4. Public Comment Period. No public comments were offered.
5. General Manager Report. Greg Drent, General Manager, provided an update on current projects, including electric service territory discussions with MVEC, discussions with the School District regarding potential locations for water treatment facilities, County Road 83 agreement amendment, billing software presentations, and meetings with City staff. Mr. Drent also noted that SPU has received its electric vehicle.
6. Water Report. Lon Schemel, Water Superintendent, reported that there is a slight delay at Tank #8 due to concrete issues. He noted that on Saturday, November 10, 2021 there was a break in a water main on Jefferson near Quincy. Mr. Schemel noted that SPU personnel arrived within the hour and the matter was resolved by 4 PM that afternoon.
7. Electric Report. Brad Carlson, Electric Superintendent, reported zero outages since the last Commission meeting. Mr. Carlson also provided an update on projects, including Summerland Addition underground work and Tank #8 underground electrical work.

8. Customer Service/Marketing Update. Sharon Walsh, Marketing/Customer Relations Director, reported that disconnects will be done this week. She noted that there are currently 602 people on the disconnect list, but she expects the number to decrease as payments are made. Ms. Walsh met with Frontier Energy to finalize this year's energy conservation numbers. On the marketing side, Ms. Walsh noted training with Vivid to improve SPU's website. She reminded Commissioners that the Holiday Fest is Saturday December 4, 2021 and SPU will have a standing float from 2:00-5:00 to provide customers information and answer questions.

9. West End – Lower Bluff Trunk Watermain Extension. Joseph Adams, Director of Planning and Engineering, provided an update on the feasibility determination by Bolton and Menk for this project. Commissioner Letourneau moved approval of the preparation of plans and specifications by Bolton and Menk under the Engineering Services agreement for the water main project and to proceed with advertising for bids in coordination with the City on the schedule described in the report. Vice President Fox seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

10. Preliminary Rate Study. Dave Berg, Dave Berg Consulting, LLC, presented the interim report for the Water and Electric Cost of Service and Rate Design Study. For electric rates, Mr. Berg discussed a potential 1% increase per year. After discussion by the Commission, the consensus was to further consider seasonal rates, electric vehicle rates (nighttime and daytime), a large residential rate, and refinements to the power cost adjustment. For water rates, Mr. Berg discussed a potential 5% increase in per year. Mr. Berg plans to present rate proposals at the next Commission meeting.

11. 2022 Preliminary Budget and Cash Flow. Jean McGann, AEM, presented an overview of the 2022 SPU budget. She noted that the final budget will be brought back to the next Commission meeting for approval.

12. Pilot Update and Proposed Framework. Mr. Drent provided an update of the Transfer/Payment in Lieu of Taxes (PILOT) discussions by the informal working group of SPU and City representatives. He described the proposed framework of a transfer of 5.5% of "gross defined sales" for water and electric less bad debt (excluding relocation underground, water reconstruction, conversation, water division pumping, penalties, and hydrant sales) to the City's general fund and .5% transfer for economic development in SPU's assigned service territory. Commissioner Krieg suggested a formal process to resolve any issues between the City and the Commission under this agreement. It was discussed how to encourage communication and resolution efforts between the parties and to avoid a City Council-initiated referendum. The Commission also discussed a potential transfer to the general fund of 5.25% and .75% for economic development. Mr. Drent noted that he will continue to work with the informal working group on a draft agreement for Commission review and approval.

13. Adjourn. Motion by Vice President Fox, seconded by Commissioner Letourneau, to adjourn to the December 6, 2021 meeting. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.



Greg Drent, Commission Secretary