

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
July 18, 2022
Regular Meeting

1. Call to Order. President Mocol called the July 18, 2022, meeting of the Shakopee Public Utilities Commission to order at 5:00 PM. President Mocol, Vice President Krieg, Commissioner Brennan, Commissioner Fox, and Commissioner Letourneau were present.
2. Approval of Consent Agenda. Commissioner Fox moved approval of the consent agenda: (3a) June 20, 2022 Minutes; (3b) July 18, 2022 Agenda; (3c) July 7, 2022 Warrant List, Account Credit Request/Deposit Refunds; (3d) July 5, 2022 Warrant List; (3e) July 18, 2022 Warrant List; (3f) Water Dashboard; (3g) Nitrate Results; (3h) Annual Elections for 2022 -2023 Insurance Policy; (3i) MMPA June Meeting Update; (3j) Res#2022-17 Resolution Setting the Amount of the Trunk Water Charges, Approving of its Collection and Authorizing Water Service to Certain Property Described as: Whispering Waters 2nd Addition; (3k) Res#2022-18 Resolution Approving the Estimated Cost of Pipe Oversizing on the Watermain Project: Whispering Waters 2nd Addition; (3l) AMI – Bid Process Update; (3m) MMPA Transmission Transformer Services Rate. Commissioner Letourneau seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.
3. Liaison Report. Commissioner Brennan noted that the City Council meeting was cancelled so she had no updates.
4. Public Comment Period. No public comments were offered.
5. General Manager Report. Greg Drent, General Manager, noted that in the MPUC proceeding to update the official service territory maps, the Department of Commerce issued information requests seeking additional background material; SPU worked with MVEC to respond to these requests. Mr. Drent noted on-going discussions with Shakopee Schools on their solar project, as well as with an electrician as to options for partnerships. He reported that SPU has one employee retirement and another later this year; SPU leadership is exploring future staffing needs. Mr. Drent noted that water treatment planning continues with SEH, along with water tower design work with Barr Engineering. Mr. Drent also reported on pending projects, including potential water usage and compressed natural gas facility at Hentges Industrial Park, Canterbury irrigation, Inland Development groundbreaking, and initial SPU budget planning.
6. Water Report. Lon Schemel, Water Superintendent, reported that hydrant painting has been completed for 2022. He also reported that construction on Well 23 is down to 277 feet, with an intended depth of 410 feet, and that test pumping is expected in August. Mr. Schemel noted that SPU is working with DR Horton on where to pump this testing water, to help fill its ponds.

Mr. Schemel reported that June pumpage averaged 8.8 million gallons/day, with 11.1 million gallons on hot days; average pumpage for July 2022 to date is 10.2 million gallons/day. He noted that the peak record was 16.2 million gallons/day. Mr. Schemel then shared images of a design of Pumphouse 23, presenting the features of the building and site layout.

7. Electric Report. Brad Carlson, Electric Superintendent, provided project updates, including Jefferson Court, Valley Crest 1st Addition, Whispering Waters 1st Addition, Blue Lake Circuit 22 repairs, Blue Lake 52 repairs, Canterbury Pond pump, SMSC service, and replacing a battery bank in Dean Lake. Mr. Carlson also reported that MVEC and SPU crews performed field audit inventories last week of facilities for the transfer of service territory. He noted that the inventory is expected to be completed tomorrow. Mr. Carlson reported that over the last month since the last Commission meeting, 12 outages occurred; they were short-term and generally with a small number of affected customers.

8. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, reported that she conducted a mid-year review of the Conservation Improvement Program with Frontier Energy that was favorable. She noted that the new CIP plan must be done by August and that it will encompass a three-year period. Ms. Walsh noted that Katama has provided summary information on the AMI bids and she will discuss it with the leadership team. She reported that SPU has received 60% of the data consent forms from the Prior Lake customers involved in the service territory transfer. She noted that the second Rhythm on the Rails event is next week. Ms. Walsh explained that she is working on communications as to load shedding and will work with Mr. Carlson and key electric accounts. She also noted that building signage for the SPU service center is underway, following the building renovation.

9. June 2022 Financial Reports & Accounts Receivable Aging. Kelley Willemsen, Director of Finance and Administration, presented the June 2022 financial report. She explained that the unfavorable budget to actual is due to water and electric revenues that are currently lower than budget, which should stabilize with the higher revenue summer months. She noted a decrease in kilowatt hours from last year because construction projects have slowed. Ms. Willemsen also noted an increase in gas expenses of \$14,666. She noted that SPU's Investment Advisors, PFM, plan to present in September. Commissioner Brennan moved to accept the June 2022 Financial Report & Accounts Receivable Aging; Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.

10. 2021 Year In Review. Mr. Drent presented the proposed 2021 Year In Review, which Ms. Walsh took the lead on preparing, that is planned to be mailed to all SPU customers. Vice President Krieg moved to approve the 2021 Year In Review and send to SPU Customers. Commissioner Letourneau seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.

11. Lateral Watermain Equivalent Charge – Interest Options. Mr. Drent and Ms. Willemsen presented two options for indexing: (1) the US Department of Treasury long-term composite, and (2) the Minnesota Department of Commerce utility deposit interest rates. They explained that these methods are based upon the cost of money, after conferring with Ms. McGann. The Commission discussed the potential change in ownership of the applicable properties, and notice of the connection costs. Commissioner Fox moved to adopt the US Department of Treasury long-term composite indexing method, with an effective date in January 2023, and to direct staff to communicate with affected property owners in 2022 about the upcoming fee. Vice President Krieg seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.

12. Water and Electric Projects Updates. Joseph Adams, Director of Planning and Engineering, introduced Martin Drouillard, Engineering Supervisor, to present the current projects. Mr. Drouillard presented the pending City, County, developer, and SPU capital improvement plan water and electric projects.

13. Adjourn. Motion by Commissioner Fox, seconded by Vice President Krieg, to adjourn to the August 1, 2022, meeting. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.



Greg Drent, Commission Secretary