

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
October 3, 2022  
at 5:00 PM \*

To watch this meeting live click or copy the link: <https://tinyurl.com/SPU-YouTube-Live>

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
  - 1a) Roll Call
2. **Communications**
3. **Consent Agenda**
  - C=> 3a) Approval of September 6, 2022 Minutes (GD)
  - C=> 3b) Approval of October 3, 2022 Agenda (KM)
  - C=> 3c) September 7, 2002 Warrant List  
Account Credit Request/Deposit Refunds (KW)
  - C=> 3d) September 19, 2022 Warrant List (KW)
  - C=> 3e) October 3, 2022 Warrant List (KW)
  - C=> 3f) MMPA August Meeting Update (GD)
  - C=> 3g) Reservoir Structure Inspections (LS)
  - C=> 3h) Nitrate Report (LS)
  - C=> 3i) Check Signing Software (KW)
4. **Liaison Report** (JB)
5. **Public Comment Period.** If there is any public here, please step up to the table and state your name and address for the record.
6. **General Manager Report**
  - 6a) General Manager Report – Verbal (JA)
7. **Reports: Water Items**
  - 7a) Water System Operations Report – Verbal (LS)
8. **Reports: Electric Items**
  - 8a) Electric System Operations Report – Verbal (BC)
9. **Reports: Human Resources**
  - 9a) 2023 Wage Ranges and Benefit Planning Assumptions (KW)

10. **Reports: General**  
10a) Marketing/Key Accounts Report – Verbal (SW)  
10b) East Shakopee Substation Site Update (JA) \*\*  
10c) NES WTP Site Search Update (JA) \*\*

11. **Items for Future Agendas**

12. **Tentative Dates for Upcoming Meetings**

- October 17, 2022
- November 7, 2022
- November 21, 2022

13. **Adjournment**

\*\* A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property.

MINUTES OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
September 6, 2022  
Regular Meeting

1. Call to Order. President Mocol called the September 6, 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 Brennan moved approval of the consent agenda: (3a) August 15, 2022 Minutes; (3b) September 6, 2022 Agenda; (3c) September 6, 2022 Warrant List, and (3d) Second Amendment to MMPA Sales Agreement. Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.
3. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects reported that the State approved the CIP 2021 results and 2023 submission. For the AMI bid responses, Ms. Walsh noted that Katama, SPU's consultant, recommended narrowing the responders to two vendors for further consideration. She reported that SPU and MVEC are preparing a joint communication to customers as to scheduling delays due to the delayed delivery of MVEC meters, and that she is working with MVEC special rate customers to help them transition to SPU rates/services. Ms. Walsh noted that NISC provided its first training session, and she is working on customer communications as to the launch and ACH or AutoPay options. She also reported that two new businesses joined the Clean Energy Choice program since the last Commission meeting.
4. SPU Quarterly Investment Performance Review/Economic & Market Update Kelley Willemssen, Director of Finance and Administration, introduced Brian Johnson and Danny Nelson of PFM Asset Management. They provided a market update, as well as an update on SPU's portfolio performance and preliminary cash flow analysis.
5. Liaison Report. Commissioner Brennan noted that Tap 2022, which promotes innovation in the beer industry in Shakopee, will occur on September 10<sup>th</sup>. She noted that Rahr Malting is celebrating its 175<sup>th</sup> year in Shakopee.
6. Public Comment Period. No public comments were offered.
7. General Manager Report. Greg Drent, General Manager, reported that SPU hosted its first blood drive, with 27 donations that could save 81 lives; SPU's next blood drive will occur on November 3, 2022. Mr. Drent noted that the MPUC will consider the SPU/MVEC electric service territory boundary changes on September 15, and he plans to attend. Mr. Drent noted SPU's work with the School District on a proposed solar project and that he plans to present at

an upcoming School Board meeting. He provided an update on the MMUA summer conference sessions. Mr. Drent noted that consultant Dave Berg is working on rates for EV charging, including DC fast chargers, irrigation fees, and processed water. He noted that SPU is exploring additional options for water treatment sites. He noted that SPU will be closed from 7:30 to 8:30 AM on Thursday, September 8<sup>th</sup> for an all-staff meeting on the performance review process.

8. Water Report. Lon Schemel, Water Superintendent, noted that there is no hydrant flushing update, with staff out on vacation. For Well 23, he noted that they continue to pump sand and the project is still expected to be completed by November. He does not yet have PFAS testing results.

9. Static Water Levels Results. Mr. Schemel provided information on SPU's static water levels. He noted that SPU enjoys an excess supply. He explained that SPU rotates wells to help them regenerate and has automatic irrigation controls. He highlighted SPU customers saving over one million gallons of water through rebates and conservation measures.

10. Electric Report. Brad Carlson, Electric Superintendent, provided project updates, including Blue Lake Substation, Cty. Road 14 and SMSC, McKenna Road streetlights, putting together tie points for the MVEC service transfer, underground electric on Polk Street, and lowering Dean Lake/41 for a new cul-de-sac. Mr. Carlson provided an update on the Shakopee West Substation, noting that grading is completed, foundation work, and the switch house. He noted that three outages occurred since the last Commission meeting; two were very small and the larger outage -- after a contractor bore into SPU's feeder -- lasted approximately 38 minutes.

11. Solar Program Workshop. Mr. Drent and Joseph Adams, Director of Planning and Engineering, presented information on solar projects, rebates, and rates. They noted that over 200 solar arrays are currently on SPU's system, and most are under 40 kW, which are eligible for net metering. They explained that for solar systems with 40 kW capacity and above, SPU purchases the output at the avoided capacity and energy costs. They also noted that SPU helped the School District to evaluate the energy and financial information for its proposed two systems. Mr. Adams explained that the Environmental Learning Center at Shakopee High School was initiated by MMUA, and SPU provided funding for the wind turbine; the Center's battery storage element is outdated. The Commission requested further information on battery and other options. Mr. Adams and Mr. Drent also noted that a large solar developer recently applied for a solar project of 400 kW but requested net metering. They noted that SPU staff and MMPA representatives explained that this size of project is not eligible for net metering.

12. Adjourn. Motion by Commissioner Fox, seconded by Commission Letourneau, to adjourn to the Monday, October 3, 2022, meeting. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.

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Greg Drent, Commission Secretary



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SHAKOPEE PUBLIC UTILITIES COMMISSION  
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October 3, 2022  
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## SHAKOPEE PUBLIC UTILITIES COMMISSION

Warrant List  
Account Credit Request/Deposit Refunds  
September 7, 2022

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:

ADAMS, JENNIFER LYNN	\$55.95
AHMED OSOBLA, MASLAH	\$72.35
AMENDOLA, GENEVIEVE & GREGORY	\$32.77
ANDREOLI, ARIC	\$34.11
AVANA ADDISON	\$17.53
AVIKAINEN, SHARON	\$56.72
AWNUR, RUQIYA	\$240.29
BARK, JOSEPH	\$48.13
BLAHA, BRADLEY G	\$5.76
BOX, TINA	\$19.45
BRYANT, CHRISTEL L & RYAN	\$300.00
BURMAN, MERRI LYNN	\$4.89
BUSCH, KENNETH W	\$64.08
CABEZAS, CINDY	\$147.92
CASTELLANOS, ARNULFO SANCHEZ	\$34.37
CHANDRADAT, SCOTT R	\$104.71
CHATTERJEE, SUMON & SANHITA	\$32.48
DORAN CANTERBURY I LLC	\$55.11
DUKE REALTY	\$267.04
ERMAN, MICHAEL & KAYLA	\$50.91
ESSJAY MSPS LLC C/O CBRE	\$5,818.01
FERNANDEZ, ZULAY	\$49.54
FLORES, ANAHI	\$28.35
FROBERG, JAMES	\$36.72
GARCIA, VERONICA	\$12.62
GUERRERO, DANIEL A	\$37.74
GUSTAFSON, JACOB	\$15.66
HANSON, JACOB & KAYLA	\$41.19
HASSAN, ABDI	\$52.70
HASSAN, DEEQO MOHAMUD	\$57.37
HENNING, ANNA	\$20.55
HERNANDEZ ROSENDO, PABLO	\$50.65
HIBBARD, CAMMY	\$40.86
HP MINNESOTA 1 LLC	\$37.07
HUNTINGTON PARK APARTMENTS	\$67.53
HWANG, LOIS	\$52.48
IBRAHIM, AASMA	\$32.91
KHAN, WAQAS & MARRIUM	\$3.68
KOMMAREDDI, GIRIDHAR	\$75.00
KOSTER, BRANDON & MANDY	\$60.00
LAURENT, JERALD J & LISA M	\$34.17
LIEUTZAU, PAIGE	\$87.48
LINK, LAURA & DAVID	\$35.61
M/I HOMES	\$61.58
MASTERTON PERSONNEL	\$175.01
MENK, BRIAN	\$18.65
MOFFITT, PAMELA A	\$38.35
NADG/AA ARASAN LP	\$889.10
NANASY, JARED	\$89.67
NEOU, NEYTA	\$34.76
NHUL, RANDY	\$89.84
NORTHRIDGE COURT APT'S	\$19.72
NRT RELOCATION LLC	\$89.04
NYASIO, ESTER & HABILL	\$5.43
OAS, ALEX	\$28.84
OEFFLER, SUSAN	\$10.85
OSKEY, MADELINE	\$12.68
PULTE HOMES OF MN 1009	\$32.86
RAHMAN, NICK	\$34.97
REILAND, MARK	\$3.41
REISDORFF, GEORGE	\$32.44
RIEDEL, ABBY	\$33.32
RIVA RIDGE APARTMENTS	\$25.43
ROSARIO, JACOB	\$15.48
ROSETH, ROBERT & MARGARET	\$47.31
RYAN-SCHMOLL, AMANDA	\$71.41
SACKETT, CHLOE	\$59.25
SAID, HASSEN	\$2,273.90
SCOTT CO COMMUNITY DEV AGCY	\$36.27
SCOTT CO COMMUNITY DEV AGCY	\$17.68

SHAKOPEE PUBLIC UTILITIES COMMISSION

Warrant List  
Account Credit Request/Deposit Refunds  
September 7, 2022

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:

SERBINA, VENERA Y	\$125.73
SERGEANT, SUSAN	\$17.04
SHAKOPEE FLATS LLC	\$61.40
SHAKOPEE SUPPORTIVE HOUSING	\$2.78
SIERRA, ELISA	\$63.25
SIPES, BART & LYDIA	\$287.00
SOMERSON, CHET	\$10.47
TAYLOR, PAUL	\$63.41
TIETZ, LUKE	\$42.24
TISDEL, JODANNE	\$27.76
TRADEMARK WOOD PRODUCTS LLC	\$16.66
TURNER, RICHARD W	\$62.88
UPTON, VICTORIA R	\$10.72
VEROEVEN, MALORIE	\$48.60
VRCHOTA, CASSANDRA & BRAD	\$72.24
WARNDAHL, JUSTIN	\$89.68
WYFFELS, JAKE	\$27.42
YUSUF, KINSI	\$50.26
ZHAO, DAVID	\$1.35

\$13,720.60

  
Presented for approval by: Director of Finance & Administration

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Approved by General Manager

\_\_\_\_\_  
Approved by Commission President

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

September 19, 2022

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:

HAROLD K. SCHOLZ CO.	53869.42
ABDO LLP	\$5,115.00
ALTEC INDUSTRIES, INC	\$1,260.46
AMARIL UNIFORM CO.	\$230.24
AMERICAN NATL BANK_ACH MASTERCARD	\$5,901.16
APPLE FORD OF SHAKOPEE	\$285.92
APPLIANCE SERVICE & SALES CTR, INC.	\$633.46
ARROW ACE HARDWARE	\$11.36
B & B TRANSFORMER INC	\$33,982.00
BAUGHMAN, ELEANOR	\$50.00
BERGSETH, ALLEN & CARLA	\$350.00
BERNDTSON, ROBERT	\$192.51
BISCHOFF, RYAN	\$75.00
BOLTON & MENK, INC	\$973.50
BORDER STATES ELECTRIC SUPPLY INC	\$7,086.75
BRAAM, MARK	\$500.00
BUTLETT-SWENSON, AUDREY	\$50.00
CALABRO, SUMMER	\$25.00
CAPITOL LIGHT	\$550.00
CARLSON, BRADLEY	\$185.00
CITY OF SHAKOPEE	\$587,367.34
CLEVINGER, FRANCINE	\$500.00
CORE & MAIN LP	\$1,007.76
CSK AUTO	\$24.67
DAILY PRINTING, INC.	\$17,959.00
DAKOTA SUPPLY GROUP	\$576.13
DINH, THUC	\$200.00
DORAN PROPERTIES	\$946.43
ENGLAND, JERRY	\$500.00
FASTENAL IND & CONST SUPPLIES	\$86.26
FERGUSON US HOLDINGS, INC.	\$3,508.42
FRANZEN, FATIMA	\$105.00
FRIENDSHUH, GRANT	\$19.00
FRONTIER ENERGY, INC.	\$10,033.74
FURTHER	\$894.11
GOPHER STATE ONE-CALL	\$1,354.05
GRAINGER	\$434.56
HD SUPPLY FACILITIES MAINTENANCE LTD	\$83.76
HELP/SYSTEMS LLC	\$1,259.37
HILL, JONATHAN	\$500.00
HRExpertiseBP LLC	\$1,537.50
IMPACT MAILING OF MINNESOTA, INC.	\$13,468.65
INNOVATIVE OFFICE SOLUTIONS LLC	\$7,381.18
INTERSTATE ALL BATTERY CTR	\$484.75
IRBY - STUART C IRBY CO	\$703.31
IRBY TOOL & SAFETY	\$713.57
JACK HENRY & ASSOCIATES, INC.	\$3,736.01
JOHN GREGORY JOHNSON	\$5,550.00
KALPRESH PROPERTIES LLC	\$23.00
KLM ENGINEERING INC	\$13,190.00
KOTASEK, CHARLIE	\$350.00
KUAH, KEE WHY	\$150.00
LACHICA, LANCE	\$350.00
LAPAGE, DARREN	\$100.00
LARSON, BRIAN	\$500.00
LESKO, ELIZABETH	\$180.31
LINDSLEY, CHRISTAL	\$150.00
LOCATORS & SUPPLIES INC	\$373.05
MASTER MECHANICAL INC	\$2,113.16
MENKE, CINDY	\$557.92
MINN DEPT OF COMMERCE	\$9,732.26
MINN VALLEY TESTING LABS INC	\$350.77
MINNEAPOLIS/ST. PAUL REALTY ADVISORS	\$5,000.00
MMPA c/o Avant Energy	\$4,856,144.75
MN DEPT OF REVENUE ACH PAYMENTS	\$374,233.00
MUNRO, ONASIS	\$500.00
NAGEL COMPANIES LLC	\$43,366.24
NAPA AUTO PARTS	\$47.47
NATIONAL CONDUCTOR CONSTRUCTORS LLC	\$242,059.50
NEVILLE, GERRY	\$131.00

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September 19, 2022

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NGUYEN, THINH	\$500.00
NICKELL, KEN	\$50.00
NICKOLAY, CINDY	\$183.76
NIELSON, ROB	\$50.00
NORTHERN STATES POWER CO.	\$5,740.99
OELBERG, KATE	\$30.00
PAKHNYUK, IVAN	\$75.00
PEARSON, MACHELLE	\$305.00
PETERSON, GARY	\$350.00
PITNEY BOWES INC	\$1,214.52
POPPITZ, RICHARD	\$197.33
Rylance, Michael	\$75.00
RAHR MALTING CO	\$195.00
RASUMSSEN, LAURA	\$50.00
RDO-VERMEER LLC	\$1,241.04
RICCIARDI, MIKE	\$75.00
RISLUND, CHAD	\$153.00
SANCHEZ CAMPOS, BENITO	\$500.00
SATHE, VAIBHAV & SHILPA	\$50.00
SAVAGE, DANIEL	\$50.00
SCHERER BROS. 3253 4TH AVE	\$341.00
SCHROEDER, ERIC	\$175.00
SCOTT COUNTY RECORDERS OFFICE	\$32.00
SEEKINS, DAVE	\$105.00
SHAH, ASHISH	\$116.10
SHAKOPEE CHAMBER OF COMMERCE	\$3,050.00
SORUM, CRAIG	\$500.00
SOUTHWEST NEWS MEDIA DBA DIV. OF RED	\$2,427.13
TATE, HEATHER	\$350.00
TEST GAUGE & BACKFLOW SUPPLY INC	\$777.93
TETRAULT, TYLER	\$229.10
THIELEN, KATE	\$500.00
TRAVIS, KAREN	\$50.00
TRIPLETT, GREG	\$183.76
TYCO FIRE & SECURITY (US) MGMT INC.	\$644.25
ULINE, INC.	\$96.58
UPS STORE # 4009	\$15.57
VERIZON CONNECT FLEET USA LLC	\$2,083.80
VERIZON WIRELESS	\$3,144.28
VIDEOTRONIX INCORPORATED	\$6,957.48
VOEGELE, JENNIFER	\$75.00
VON BANK, JAMIE	\$75.14
WESCO DISTRIBUTION INC	\$8,158.81
WHEELS & DEALS AUTO SALES, INC.	\$2,001.00
WILLEMSEN, KELLEY	\$3,630.19
WSB & ASSOCIATES, INC.	\$16,921.75
XCEL ENERGY	\$16,877.93
	<u>\$6,402,468.22</u>



Presented for approval by: Director of Finance &amp; Administration

Approved by General Manager

Approved by Commission President

## SHAKOPEE PUBLIC UTILITIES COMMISSION

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September 19, 2022

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:

HAROLD K. SCHOLZ CO.	53869.42 WO#2392 - Dean Lake #2 Final payment
ABDO LLP	\$5,115.00 Aug. Accounting Service
ALTEC INDUSTRIES, INC	\$1,260.46 Tool Apron
AMARIL UNIFORM CO.	\$230.24 Jeans for E.S.
AMERICAN NATL BANK_ACH MASTERCARD	\$5,901.16 Aug. Credit Card transactions
APPLE FORD OF SHAKOPEE	\$285.92 New key for truck
APPLIANCE SERVICE & SALES CTR. INC.	\$633.46 Dishwasher for main lunchroom
ARROW ACE HARDWARE	\$11.36 PVC Coupling
B & B TRANSFORMER INC	\$33,982.00 50kva pole mount transformers
BAUGHMAN, ELEANOR	\$50.00 2022 Res. Energy Star Appliance Rebate
BERGSETH, ALLEN & CARLA	\$350.00 2022 Res. Cooling & Heating
BERNDTSON, ROBERT	\$192.51 308 Miles reimb.
BISCHOFF, RYAN	\$75.00 2022 Res. Energy Star Appliance Rebate
BOLTON & MENK, INC	\$973.50 WO#2568 W. End Lower Bluff Trk Watermain
BORDER STATES ELECTRIC SUPPLY INC	\$7,086.75 WO#2587 - meter, form 2S, 240V only, Class 200,
BRAAM, MARK	\$500.00 2022 Res. Cooling & Heating
BUTLETT-SWENSON, AUDREY	\$50.00 2022 Res. Star Appliances
CALABRO, SUMMER	\$25.00 2022 Res. Cooling & Heating
CAPITOL LIGHT	\$550.00 2022 LED Interior Lightings-Am. Best Con
CARLSON, BRADLEY	\$185.00 MMUA Lineworker Rodeo, Marshall, MN
CITY OF SHAKOPEE	\$587,367.34 SD(\$469,480.45), SW(117,886.89)for Aug.
CLEVENGER, FRANCINE	\$500.00 2022 Res. Cooling & Heating
CORE & MAIN LP	\$1,007.76 WO#2576 - 1-1/2 Sensus T2 Meters
CSK AUTO	\$24.67 Water dept. threadlck
DAILY PRINTING, INC.	\$17,959.00 Annual Report/Year in Review
DAKOTA SUPPLY GROUP	\$576.13 10' VALVE BOX KEY
DINH, THUC	\$200.00 2022 Res. Cooling & Heating
DORAN PROPERTIES	\$946.43 Refund on Hydrant meter
ENGLAND, JERRY	\$500.00 2022 Res. Cooling & Heating
FASTENAL IND & CONST SUPPLIES	\$86.26 Tools for Elec. Dept.
FERGUSON US HOLDINGS, INC.	\$3,508.42 WO#2665 - \$986.04 - Core Blu & 4 PVC DWV 45 ELL
FRANZEN, FATIMA	\$105.00 2022 Res. Appliance Recycling
FRIENDSHUH, GRANT	\$19.00 Reimb. for CDL License
FRONTIER ENERGY, INC.	\$10,033.74 Prof. Service May 1 - June 30,2022
FURTHER	\$894.11 Flex Dental Reimb., Sept. Adm. Fees
GOPHER STATE ONE-CALL	\$1,354.05 Aug. locates
GRAINGER	\$434.56 Small Engine Fuel, 2 Cycle,5 gal.
HD SUPPLY FACILITIES MAINTENANCE LTD	\$83.76 Probe Tips, 3 Pack
HELP/SYSTEMS LLC	\$1,259.37 Warehouse Mgr/Query 11/1/22-10/31/23
HILL, JONATHAN	\$500.00 2022 Res. Cooling & Heating
HRExpertiseBP LLC	\$1,537.50 Aug. HR Consulting
IMPACT MAILING OF MINNESOTA, INC.	\$13,468.65 Aug. statements
INNOVATIVE OFFICE SOLUTIONS LLC	\$7,381.18 Global Chairs and office supplies
INTERSTATE ALL BATTERY CTR	\$484.75 24 pack of Duracell Procell AA batteries
IRBY - STUART C IRBY CO	\$703.31 CONNECTOR #1/0
IRBY TOOL & SAFETY	\$713.57 0 Class protectors size 9
JACK HENRY & ASSOCIATES, INC.	\$3,736.01 Remit & Remote deposit
JOHN GREGORY JOHNSON	\$5,550.00 WO#2472 - AMI fees for Phase 3
KALPRESH PROPERTIES LLC	\$23.00 2022 Energy Star Appliance rebate
KLM ENGINEERING INC	\$13,190.00 WO# 2259 - Single Pedestal - New Const
KOTASEK, CHARLIE	\$350.00 2022 Res. Cooling & Heating
KUAH, KEE WHY	\$150.00 2022 Res. Star Appliances
LACHICA, LANCE	\$350.00 2022 Res. Cooling & Heating
LAPAGE, DARREN	\$100.00 2022 Res. Star Appliances
LARSON, BRIAN	\$500.00 2022 Res. Cooling & Heating
LESKO, ELIZABETH	\$180.31 Damaged Garage door opener
LINDSLEY, CHRISTAL	\$150.00 2022 Water Sense Toilet
LOCATORS & SUPPLIES INC	\$373.05 RATCHETING CABLE CUTTER
MASTER MECHANICAL INC	\$2,113.16 Repair MAU unit
MENKE, CINDY	\$557.92 Reimb. for Manditory meeting
MINN DEPT OF COMMERCE	\$9,732.26 2nd Qtr. Fiscal yr 2023 Indirect Assessm
MINN VALLEY TESTING LABS INC	\$350.77 Nitrate & Nitrite
MINNEAPOLIS/ST. PAUL REALTY ADVISORS	\$5,000.00 WO#2634 - Land Parcel Appraisal service Eagle Crk
MMPA c/o Avant Energy	\$4,856,144.75 Aug. power bill
MN DEPT OF REVENUE ACH PAYMENTS	\$374,233.00 Aug. Sales & Use Tax
MUNRO, ONASIS	\$500.00 2022 Res. Cooling & Heating
NAGEL COMPANIES LLC	\$43,366.24 WO#2646 - Polk street, boring
NAPA AUTO PARTS	\$47.47 Grease fitting kit
NATIONAL CONDUCTOR CONSTRUCTORS LLC	\$242,059.50 WO#2483 - W.Shak Sub Const. Final Pymt #1
NEVILLE, GERRY	\$131.00 205 miles reimb.

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

September 19, 2022

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:

Commission:	
NGUYEN, THINH	\$500.00 2022 Res. Cooling & Heating
NICKELL, KEN	\$50.00 2022 Res. Energy Star Appliance Rebate
NICKOLAY, CINDY	\$183.76 294 Miles reimb.
NIELSON, ROB	\$50.00 2022 Res. Energy Star Appliance Rebate
NORTHERN STATES POWER CO.	\$5,740.99 Aug. power bill
OELBERG, KATE	\$30.00 2022 Res. Appliance Recycling
PAKHNYUK, IVAN	\$75.00 2022 Res. Energy Star Appliance Rebate
PEARSON, MACHELLE	\$305.00 3rd Qtr. Drug Testing
PETERSON, GARY	\$350.00 2022 Res. Cooling & Heating
PITNEY BOWES INC	\$1,214.52 3rd Qtr. postage machine rental
POPPITZ, RICHARD	\$197.33 2022 Irrigation Controllers rebate
Rylance, Michael	\$75.00 2022 Res. Star Appliances
RAHR MALTING CO	\$195.00 Refund 3 hydrants
RASUMSSEN, LAURA	\$50.00 2022 Res. Energy Star Appliance Rebate
RDO-VERMEER LLC	\$1,241.04 Repairs on unit 623
RICCIARDI, MIKE	\$75.00 2022 Res. Star Appliances
RISLUND, CHAD	\$153.00 2022 Irrigation Controllers rebate
SANCHEZ CAMPOS, BENITO	\$500.00 2022 Res. Cooling & Heating
SATHE, VAIBHAV & SHILPA	\$50.00 2022 Res. Star Appliances
SAVAGE, DANIEL	\$50.00 2022 Res. Star Appliances
SCHERER BROS. 3253 4TH AVE	\$341.00 2022 LED Interior Lighting
SCHROEDER, ERIC	\$175.00 2022 Res. Star Appliances
SCOTT COUNTY RECORDERS OFFICE	\$32.00 WC Agreement for Cretex Ind. Park LLC
SEEKINS, DAVE	\$105.00 2022 Res. Appliance Recycling
SHAH, ASHISH	\$116.10 2022 Irrigation Controllers rebate
SHAKOPEE CHAMBER OF COMMERCE	\$3,050.00 Annual Membership Renewal
SORUM, CRAIG	\$500.00 2022 Res. Cooling & Heating
SOUTHWEST NEWS MEDIA DBA DIV. OF RED	\$2,427.13 Aug. Legals & Procurement Specialist Ad
TATE, HEATHER	\$350.00 2022 Res. Cooling & Heating
TEST GAUGE & BACKFLOW SUPPLY INC	\$777.93 845-3 Backflow Test Kit
TETRAULT, TYLER	\$229.10 2022 Res. Star Appliances
THIELEN, KATE	\$500.00 2022 Res. Cooling & Heating
TRAVIS, KAREN	\$50.00 2022 Water Sense Toilet
TRIPLETT, GREG	\$183.76 294 Miles reimb.
TYCO FIRE & SECURITY (US) MGMT INC.	\$644.25 Annual Fire Alarm monitoring
ULINE, INC.	\$96.58 TRASH LINERS - 44-55 GALLON, YELLOW
UPS STORE # 4009	\$15.57 crimper sent to Irby
VERIZON CONNECT FLEET USA LLC	\$2,083.80 tracker
VERIZON WIRELESS	\$3,144.28 Cell phone usage 7/24-8/23
VIDEOTRONIX INCORPORATED	\$6,957.48 WO#2541 - Security upgrades/Labor
VOEGELE, JENNIFER	\$75.00 2022 Res. Star Appliances
VON BANK, JAMIE	\$75.14 Charging cable for phones
WESCO DISTRIBUTION INC	\$8,158.81 FUSE HOLDER 30A STREET LIGHT, insulator, orange traffic cones, Meter seals, test, load breaks, tran current, sleeve alum
WHEELS & DEALS AUTO SALES, INC.	\$2,001.00 2022 LED Retrofit
WILLEMSEN, KELLEY	\$3,630.19 2022 Compensation Survey reimb.
WSB & ASSOCIATES, INC.	\$16,921.75 WO#2581 - Pumphouse #23 Service thru July 31
XCEL ENERGY	\$16,877.93 Windermere South 3rd & 4th
	<u>\$6,402,468.22</u>

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President



## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

October 3, 2022

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:

ALLSTREAM BUSINESS US, INC	2485.16
ALTEC INDUSTRIES, INC	\$211,038.05
ALTERNATIVE TECHNOLOGIES INC	\$606.00
AMARIL UNIFORM CO.	\$49.24
AMERICAN GLASS & MIRROR INC.	\$580.00
ANCOM COMMUNICATIONS INC	\$526.80
ANDREA AMANDA RAMNAUTH	\$4,481.00
BAASCH, ROBERT	\$500.00
BARNUM GATE SERVICES INC	\$303.20
BERNDTSON, ROBERT	\$161.26
BORDER STATES ELECTRIC SUPPLY INC	\$10,390.79
BRANDEL, DONALD	\$500.00
CALABRO, SUMMER	\$500.00
CALDWELL TANK, INC.	\$43,843.45
CENTERPOINT ENERGY	\$551.97
CINTAS CORP. #754	\$379.85
CITY OF SHAKOPEE	\$249,000.00
CITY OF SHAKOPEE	\$325.00
CITY OF SHAKOPEE	\$1,031.08
COMCAST CABLE COMMUNICATIONS, INC.	\$2.25
CONCRETE CUTTING & CORING INC	\$62.20
CUSTOMER CONTACT SERVICES	\$402.53
DAILY PRINTING, INC.	\$4,500.00
DELTA DENTAL PLAN OF MN	\$5,349.21
DEWILD GRANT RECKERT AND ASSOCIATES	\$5,777.70
DIVERSIFIED ADJUSTMENT SERVICES INC	\$61.02
DRENT, GREG	\$8.00
DUB, BRIAN	\$500.00
E.J. Brooks Company	\$463.15
ENRIGHT, MIKE	\$230.00
FERGUSON US HOLDINGS, INC.	\$540.63
FLETCHER, JOHN	\$50.00
FRIENDSHUH, GRANT	\$206.50
FURTHER	\$192.00
GELHAYE, DANIEL	\$75.00
GRAINGER	\$1,191.82
GRAYBAR ELECTRIC COMPANY INC	\$21,193.83
HANSON, JACKLYN	\$1,276.80
HANSON, TYLER	\$206.50
HAWKINS INC	\$2,897.77
HEALTHPARTNERS	\$80,886.08
INNOVATIVE OFFICE SOLUTIONS LLC	\$1,248.42
KAHLE, MATTHEW	\$206.50
LUHMAN, SARAH	\$200.00
M.W. BEVINS COMPANY	\$1,357.00
MARTINEAU, JANET & MATTHEW	\$50.00
MCGRANN SHEA CARNIVAL	\$4,677.50
MCNAMARA CONTRACTING	\$427.31
MENDEN, MARY	\$30.00
MENDEN, MICHAEL	\$272.56
METZ, ALLISON	\$75.00
MINN VALLEY TESTING LABS INC	\$791.69
MINNESOTA LIFE	\$1,309.83
MJ SEAL COATING LLC	\$4,380.00
MOM'S LANDSCAPING & DESIGN LLC	\$5,972.07
MYERS, TONY	\$1,287.43
NAGEL COMPANIES LLC	\$11,044.77
NAIR, SURESH	\$50.00
NATIONAL INFORMATION SOLUTIONS COOPE	\$413.57
NCPERS GROUP LIFE INSURANCE	\$208.00
NEVILLE, GERRY	\$124.73
NICKOLAY, CINDY	\$334.42
O'CONNELL-LANG, DANIELLE	\$125.00
Principal Financial Group	\$3,951.78
PARAMOUNT PAINTING	\$92.85
PLUNKETT'S PEST CONTROL, INC.	\$149.59
POMP'S TIRE SERVICE INC	\$1,839.28
RAMY TURF PRODUCTS, LLC	\$424.13
REICHEL PAINTING CO., INC.	\$2,000.00
RESCO	\$3,855.02

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

October 3, 2022

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:

RW Beck Group, Inc, Leidos Eng. LLC	\$13,214.50
SAMBATEK	\$9,121.50
SCHEMEL, LON	\$1,066.14
SCHOENECKER, ROSEMARY 2080 VIERLING	\$350.00
SCHWARTZ, BRANDON	\$1,426.24
SCOTT COUNTY	\$162.00
SHORT ELLIOTT HENDRICKSON INC	\$54,507.36
SPAHN, CHRISTOPHER T	\$24.99
SRIVASTAVA, AVNISH	\$75.00
STAR ENERGY SERVICES	\$800.00
STOKS, JEANETTE	\$75.00
TECH PRODUCTS, INC	\$3,710.74
TRIPLETT, GREG	\$196.88
TWIN CITY GARAGE DOOR CO.	\$471.00
VO, UYEN	\$75.00
VOEGELE, JENNIFER	\$350.00

\$785,850.64



Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

October 3, 2022

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:

63075 ALLSTREAM BUSINESS US, INC	2485.16 Shak Sub, Pike Lake, S.Sub, and SPU
63076 ALTEC INDUSTRIES, INC	\$211,038.05 WO#2469 - Altec Model TA60 Articulation Device
63077 ALTERNATIVE TECHNOLOGIES INC	\$606.00 Oil Test w/KF Moisture
63078 AMARIL UNIFORM CO.	\$49.24 Clothing for B.S.
63079 AMERICAN GLASS & MIRROR INC.	\$580.00 repair broken glass in entrance door
63080 ANCOM COMMUNICATIONS INC	\$526.80 Install radio in unit #616
63081 ANDREA AMANDA RAMNAUTH	\$4,481.00 Oct. cleaning service fee
63082 BAASCH, ROBERT	\$500.00 2022 Res. Cooling & Heating
63083 BARNUM GATE SERVICES INC	\$303.20 Corrected programming on NE Gate
63084 BERNDTSON, ROBERT	\$161.26 Mileage reimb.
63085 BORDER STATES ELECTRIC SUPPLY INC	\$10,390.79 Parallel Groove Clamp, Fuse, Cutoout load break, splicing kit
63086 BRANDEL, DONALD	\$500.00 2022 Res. Cooling & Heating Rebate
63087 CALABRO, SUMMER	\$500.00 2022 Res. Cooling & Heating Rebate
63088 CALDWELL TANK, INC.	\$43,843.45 WO#2259 - Tank #8 payment #14
63089 CENTERPOINT ENERGY	\$551.97 Gas usage for SPU & 10th Ave.
63090 CINTAS CORP. #754	\$379.85 Replenish first aid boxes in lunchroom
63091 CITY OF SHAKOPEE	\$249,000.00 Oct. PILOT Transfer Fee
63092 CITY OF SHAKOPEE	\$325.00 WO#2669 - Hydrant replacement 6th/Spencer St.
63093 CITY OF SHAKOPEE	\$1,031.08 Oct. Storm drainage/SPU properties
63094 COMCAST CABLE COMMUNICATIONS, INC.	\$2.25 Oct. cable bill for lunchrooms
63095 CONCRETE CUTTING & CORING INC	\$62.20 CARBURETOR BOX COVER
63096 CUSTOMER CONTACT SERVICES	\$402.53 Answering service 9/20-10/17/22
63097 DAILY PRINTING, INC.	\$4,500.00 SPU 2022 Cold Weather Rule
63098 DELTA DENTAL PLAN OF MN	\$5,349.21 Dental Premiums for Oct.
63099 DEWILD GRANT RECKERT AND ASSOCIATES	\$5,777.70 WO#2646 - Prof. service thru Aug. 31, 22 SS-83 Ext
63100 DIVERSIFIED ADJUSTMENT SERVICES INC	\$61.02 July & Aug. collection due to agency
63101 DRENT, GREG	\$8.00 Parking reimb.
63102 DUB, BRIAN	\$500.00 2022 Res. Cooling & Heating
63103 E.J. Brooks Company	\$463.15 Plastic Roto-Tool dies with cutter
63104 ENRIGHT, MIKE	\$230.00 REIMB FOR SAFETY BOOTS
63105 FERGUSON US HOLDINGS, INC.	\$540.63 Coup XL
63106 FLETCHER, JOHN	\$50.00 2022 Res. Energy Star Appliance Rebate
63107 FRIENDSHUH, GRANT	\$206.50 Reimb. for schooling in Marshall, MN
63108 FURTHER	\$192.00 Flex dependent reimb.
63109 GELHAYE, DANIEL	\$75.00 2022 Res. Star Appliances
63110 GRAINGER	\$1,191.82 Podium Stepladder
63111 GRAYBAR ELECTRIC COMPANY INC	\$21,193.83 PIPE 3 PVC
63112 HANSON, JACKLYN	\$1,276.80 Reimb. Duluth, MN Conf. & St. Cloud Conf.
63113 HANSON, TYLER	\$206.50 Reimb. for Marshall schooling
63114 HAWKINS INC	\$2,897.77 14 cylinders of chlorine
63115 HEALTHPARTNERS	\$80,886.08 Oct. Health Premiums/Sept. Charge month
63116 INNOVATIVE OFFICE SOLUTIONS LLC	\$1,248.42 Office supplies
63117 KAHLE, MATTHEW	\$206.50 Reimb. for schooling in Marshall, MN
63118 LUHMAN, SARAH	\$200.00 2022 Res. Cooling & Heating Rebate
63119 M.W. BEVINS COMPANY	\$1,357.00 EXT 80KV REPLACEMENT
63120 MARTINEAU, JANET & MATTHEW	\$50.00 2022 Washer Rebate
63121 MCGRANN SHEA CARNIVAL	\$4,677.50 WO#2545 - \$481.25 Land Exchange, WO#2634 - \$1366.25 Land Acquisition for Water Tx Plant, \$2830.00 general matters
63122 MCNAMARA CONTRACTING	\$427.31 Hydrant meter refund #93196947
63123 MENDEN, MARY	\$30.00 2022 Res. Appliance Recycling
63124 MENDEN, MICHAEL	\$272.56 Reimb. St. Cloud Rural Water Conf.
63125 METZ, ALLISON	\$75.00 2022 Res. Star Appliances
63126 MINN VALLEY TESTING LABS INC	\$791.69 Manganese, Hardness, Sodium, Iron, Coliform & Nitrite
63127 MINNESOTA LIFE	\$1,309.83 Oct. Life Ins. premiums
63128 MJ SEAL COATING LLC	\$4,380.00 WO#2647 - Seal coat 162 10th Ave W
63129 MOM'S LANDSCAPING & DESIGN LLC	\$5,972.07 WO#2470 - Remaining balance due
63130 MYERS, TONY	\$1,287.43 Reimb. Duluth, MN Conf.
63131 NAGEL COMPANIES LLC	\$11,044.77 WO#2667 BOSE @ 4241 12TH AVE E
63132 NAIR, SURESH	\$50.00 2022 Res. Energy Star Appliance Rebate
63133 NATIONAL INFORMATION SOLUTIONS COOPE	\$413.57 Check stub, envelopes, paper
63134 NCPERS GROUP LIFE INSURANCE	\$208.00 Oct. Premiums for NCPERS
63135 NEVILLE, GERRY	\$124.73 Mileage reimb.
63136 NICKOLAY, CINDY	\$334.42 Mileage reimb.
63137 O'CONNELL-LANG, DANIELLE	\$125.00 2022 Res. Energy Star Appliance Rebate
63138 Principal Financial Group	\$3,951.78 Principal L.T.D. Oct. premiums
63139 PARAMOUNT PAINTING	\$92.85 Hydrant meter refund #49934185&67492928
63140 PLUNKETT'S PEST CONTROL, INC.	\$149.59 Pest Control Valley Park Dr.
63141 POMP'S TIRE SERVICE INC	\$1,839.28 2 new tires for unit #614
63142 RAMY TURF PRODUCTS, LLC	\$424.13 PRO-SEEDER Commercial grass seed

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

October 3, 2022

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:

63143 REICHEL PAINTING CO., INC.	\$2,000.00	WO#2470 - Final payment
63144 RESCO	\$3,855.02	FUSE FITALL, Cable, ground rod clamp
63145 RW Beck Group, Inc, Leidos Eng. LLC	\$13,214.50	WO#2483 - Aug. SPU West Substation Design
63146 SAMBATEK	\$9,121.50	WO#2259 - \$4899.00 Elevated Water Tank 8 thru 9/17/22 & WO#2525 - \$4222.50 SPU Production Well #23
63147 SCHEMEL, LON	\$1,066.14	Reimb. for Duluth conf.
63148 SCHOENECKER, ROSEMARY 2080 VIERLING	\$350.00	2022 Res. Cooling & Heating
63149 SCHWARTZ, BRANDON	\$1,426.24	Reimb. Duluth, MN Conf.
63150 SCOTT COUNTY	\$162.00	WO#2670 PERMIT FEE
63151 SHORT ELLIOTT HENDRICKSON INC	\$54,507.36	WO#2360 - \$1857.10 CSAH 83 Improvements, WO#2650 - \$11298.54 Maras 13th Ave., WO#2597 - \$12626.92 Summerland 2nd Addition, WO#2601 - \$11115.28 Valley Crest 2nd Addition, WO#2632 - \$125.00 Whispering Waters 2nd Addition, WO#2660 - 1739.30 Windermere 6th Addition, WO#2645 - \$6157.02 Canterbury Crossings 2nd, WO#2634 - \$339.73 - Misc. Water Systems Modeling, WO#2634 - \$9248.47 Well 15 WTP Siting Study
63152 SPAHN, CHRISTOPHER T	\$24.99	2022 Res. Energy Star Lighting
63153 SRIVASTAVA, AVNISH	\$75.00	2022 Res. Star Appliances
63154 STAR ENERGY SERVICES	\$800.00	Nova Power Portal Contract
63155 STOKS, JEANETTE	\$75.00	2022 Res. Star Appliances
63156 TECH PRODUCTS, INC	\$3,710.74	Transformer Warning labels
63157 TRIPLETT, GREG	\$196.88	Mileage reimb.
63158 TWIN CITY GARAGE DOOR CO.	\$471.00	Coil cord
63159 VO, UYEN	\$75.00	2022 Res. Energy Star Appliance Rebate
63160 VOEGELE, JENNIFER	\$350.00	2022 Res. Cooling & Heating Rebate

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\$785,850.64

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Presented for approval by: Director of Finance & Administration

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Approved by General Manager

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Approved by Commission President



PO Box 470 • 255 Sarazin Street  
Shakopee, Minnesota 55379  
Main 952.445-1988 • Fax 952.445-7767  
[www.shakopeeutilities.com](http://www.shakopeeutilities.com)

To: SPU Commissioners

From: Greg Drent, General Manager *GD*

Date: September 6, 2022

Subject: MMPA August Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on August 30, 2022, at Chaska City Hall in Chaska, Minnesota and via videoconference.

The Board reviewed the Agency's financial and operating performance for July 2022.


The Board discussed climate change and its effect on MMPA electric sales.


The Board discussed the current business environment.

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

Customer penetration for the Clean Energy Choice program increased to 4.0% of members' retail customers. There was an increase of 35 customers participating in the program from June to July.



TO: Greg Drent, General Manager 

FROM: Lon R. Schemel, Water Superintendent 

SUBJECT: Reservoir Structure Inspections

DATE: September 27, 2022

Attached is the annual Evaluation Report for our reservoir tanks and towers. The inspections and reports are provided by KLM Engineering in Woodbury, MN. This service is provided to the Utility for \$5400.00 -- \$6300.00 per year depending on the type of inspections required.

The report recommends the reconditioning of Tank 3 on Canterbury Road and Tank 4 on Dominion Avenue in the next two to three years. Staff will recommend the amounts needed in the 2023 – 2027 preliminary Water CIP budget.



## Shakopee, Minnesota

Evaluation Report  
2,000,000-Gallon Capacity Standpipe  
Reservoir No. 1

Prepared by:



KLM Engineering, Inc.

1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125  
651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

March 2022

Project No.: 2598-20

## 1.0 | PROJECT INFORMATION

**KLM Project No.:** 2598-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Reservoir No. 1  
**Tank Description:** Standpipe  
**Tank Street Location:** 870 10<sup>th</sup> Avenue West, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** March 16, 2022  
**Inspected By:** Tim Lindsay, Matt Finley, and David Robelia  
**Type of Inspection:** KLM standard visual inspection  
**Manufacturer:** CB&I **Construction Date:** 1966  
**Serial No.:** 9-3694 **Design Code:** AWWA D100-65  
**Capacity:** 2,000,000 gallons  
**Type of Construction:** Welded  
**Tank Diameter:** ~55 feet  
**Height to:** Overall ~125 feet  
**Height to:** HWL ~118 feet LWL 0'-0"  
**Tank Construction Drawings:** Unavailable to KLM  
**Previous Inspection Records:** KLM 2021 report

## EXISTING COATING INFORMATION

	Interior Wet	Exterior
Date Last Coated	~2005	~2005
Full or Spot Repair	Full	Full
Coating Contractor	Classic Protective Coatings	Classic Protective Coatings
Surface Preparation	SSPC-SP 10	Verta-blaster
Paint System	Epoxy	Epoxy/Urethane
Paint Manufacturer	Tnemec	Tnemec
Paint Chip Samples	N/A	N/A



March 23, 2022

**by E-Mail**

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: In-Service Visual Inspection of the 2,000,000-Gallon Standpipe (Reservoir No. 1) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 2598-20.**

Mr. Schemel,

On March 16, 2022, KLM performed an in-service visual inspection of the 2,000,000-gallon standpipe (Reservoir No. 1) and offers the following comments.

**Analysis:**

The reservoir was constructed and originally painted in 1966 by Chicago Bridge and Iron (CB&I). The interior and exterior coatings were last fully reconditioned around 2005 by Classic Protective Coatings.

The interior wet coating remains in similar condition to the 2021 visual report with approximately ten (10) percent visible coating failures above the high-water line (HWL). Failures consist of surface corrosion on the roof stiffeners and along unwelded roof seams. Surfaces below the HWL were not observed as part of this inspection. See attached photos.

The exterior coating remains in good to fair condition with less than five (5) percent visible coating failures. Failures consist of topcoat delamination on the shell and randomly located pinhole corrosion throughout the reservoir. See attached photos.

**Summary:**

The interior and exterior coatings remain in similar condition to the 2021 report. No repairs are required at this time.

KLM recommends inspecting the interior and exterior coatings again in three (3) to five (5) years to monitor conditions.



Sincerely,

**KLM Engineering, Inc.**

Report prepared by:

*Joseph Clasemann*

Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:

*Rodney Ellis*

Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos



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Photo No. 1  
Overall view of the reservoir



Photo No. 2  
Interior roof conditions



Photo No. 3  
Interior roof conditions



Photo No. 4  
Interior roof conditions

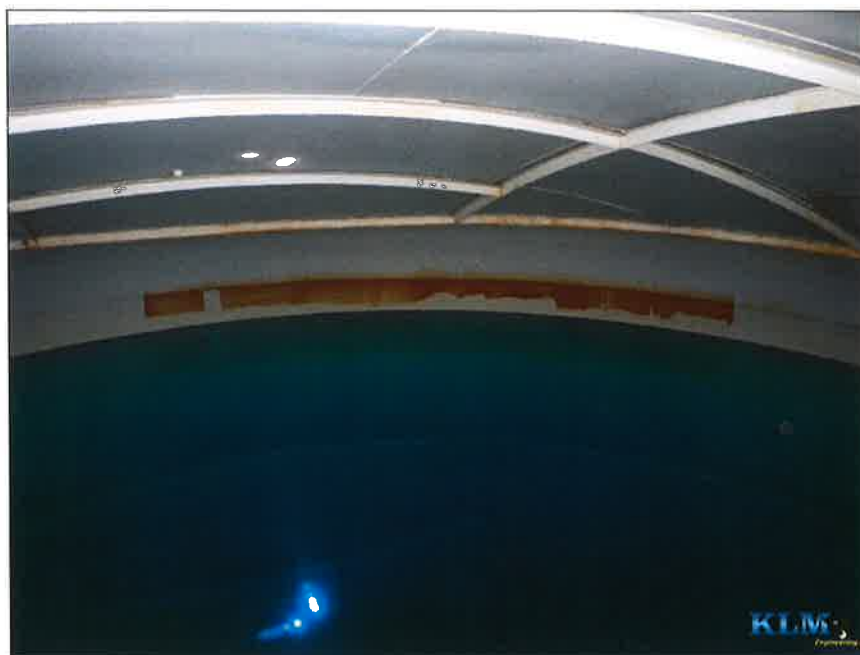


Photo No. 5  
Condition of roof and upper shell



Photo No. 6  
Condition of upper shell  
Overflow pipe inlet visible



Photo No. 7  
View of roof



Photo No. 8  
View of roof





Photo No. 9  
Finial vent



Photo No. 10  
Handrail and antenna equipment



Photo No. 11  
Roof coating conditions



Photo No. 12  
Handrail and wet access manway





Photo No. 13  
Roof entrance



Photo No. 14  
Typical ladder conditions



Photo No. 15  
Antenna equipment on shell



Photo No. 16  
Topcoat delamination on shell



Photo No. 17  
View of shell



Photo No. 18  
View of shell



Photo No. 19  
View of base



Photo No. 20  
Overflow pipe and splash pad





Photo No. 21  
Valve pit entrance



Photo No. 22  
Valve pit



## Shakopee, Minnesota

Evaluation Report  
250,000-Gallon Capacity Single Pedestal  
Tank No. 2

Prepared by:



KLM Engineering, Inc.  
1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125  
651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

March 2022

Project No.: 2086-20

## 1.0 | PROJECT INFORMATION

**KLM Project No.:** 2086-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Tank No. 2  
**Tank Description:** Single Pedestal  
**Tank Street Location:** 162 10<sup>th</sup> Avenue West, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** March 15, 2022  
**Inspected By:** Tim Lindsay, Matt Finley, and David Robelia  
**Type of Inspection:** KLM standard visual inspection  
**Manufacturer:** CB&I **Construction Date:** 1940  
**Serial No.:** Unknown **Design Code:** AWWA  
**Capacity:** 250,000 gallons  
**Type of Construction:** Welded  
**Tank Diameter:** ~44 feet  
**Height to:** Overall ~128 feet  
**Height to:** HWL ~117 feet LWL ~86 feet  
**Tank Construction Drawings:** Unavailable to KLM  
**Previous Inspection Records:** KLM 2021 report

## EXISTING COATING INFORMATION

	Interior Wet	Interior Dry	Exterior
Date Last Coated	2004	2004	2004
Full or Spot Repair	Full	Full	Full
Coating Contractor	Classic Protective Coatings	Classic Protective Coatings	Classic Protective Coatings
Surface Preparation	SSPC-SP 10	SSPC-SP 6	SSPC-SP 6
Paint System	Epoxy	Epoxy	Zinc/Epoxy/Urethane
Paint Manufacturer	Tnemec	Tnemec	Tnemec
Paint Chip Samples	N/A	N/A	N/A



March 22, 2022

by E-Mail

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: Visual Inspection of the 250,000-Gallon Elevated Reservoir (Tank No. 2) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 2086-20.**

Mr. Schemel,

On March 15, 2022, KLM performed a visual inspection of the 250,000-gallon elevated reservoir (Tank No. 2) and offers the following comments.

**Analysis:**

The tower was constructed and originally painted in 1940 by Chicago Bridge & Iron Company (CB&I). The interior wet coating, the coating in the interior dry sweating areas, and the exterior coatings were last replaced in 2004 by Classic Protective Coatings.

The interior wet coating is in good condition with less than two (2) percent visible coating failures above and below the high-water line (HWL). For corrosion rate comparison, conditions were compared to the 2021 observations. Testing has confirmed micro-cracking is not occurring on the interior coating as reported in 2021. Instead, failures consist of pinhole corrosion primarily on caulked roof rafter connections, shell weld seams, and on the observation platform. See attached photos.

The interior dry coating remains in good condition with minor micro cracking on the base cone to wet riser transition platform. See attached photos.

The exterior coating also remains in good condition with minimal visible coating failures throughout the tower. See attached photos.

**Summary:**

The interior and exterior coatings remain in good condition with negligible changes from 2021.

KLM recommends inspecting and evaluating the coatings again in three (3) to five (5) years to monitor conditions.

The interior wet coating is currently 19 years old and based on age and condition nearing the time frame permissible to spot repair. As an option, and to extend the life of the interior wet coating, spot repairs could be performed to the pinhole coating failures within the next 12 months.



Sincerely,

**KLM Engineering, Inc.**

Report prepared by:

*Joseph Clasemann*

Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:

*Rodney Ellis*

Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos

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Photo No. 1  
Overall view of the tower



Photo No. 2  
Condition of the interior wet roof



Photo No. 3  
Condition of compression ring and rafters



Photo No. 4  
Rafter conditions



Photo No. 5  
Inspection platform



Photo No. 6  
Upper torus to shell connection  
Overflow pipe inlet visible



Photo No. 7  
View of shell  
Staining visible with pinhole coating failures on weld seams



Photo No. 8  
Overall condition of the bowl





Photo No. 9  
Base cone to wet riser transition



Photo No. 10  
Condition of the base cone and access door reinforcement



Photo No. 11  
View at the base of the inlet pipe and enclosure



Photo No. 12  
Overall view of the roof

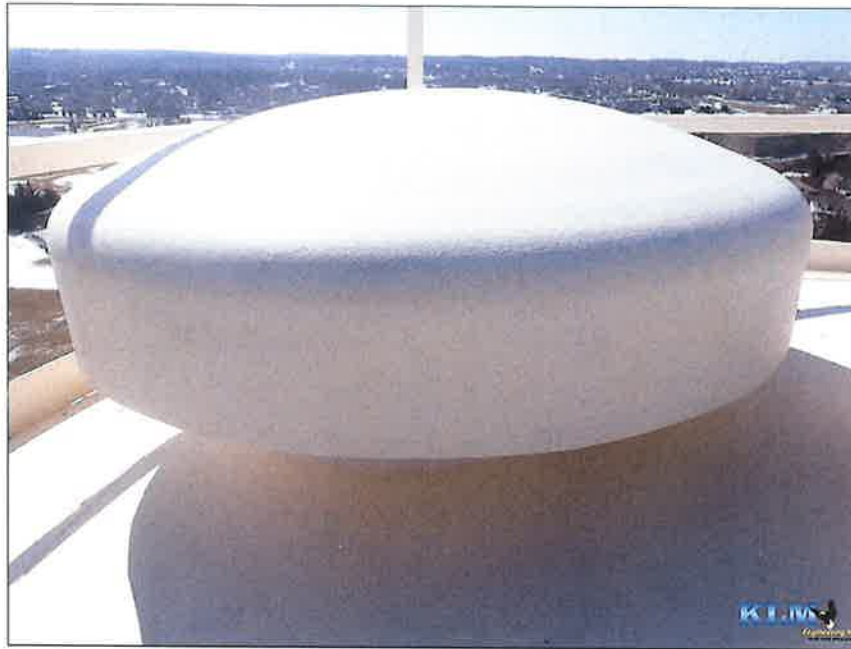


Photo No. 13  
Finial vent



Photo No. 14  
Condition of roof coating





Photo No. 15  
Condition of roof coating



Photo No. 16  
Condition of the roof handrail



Photo No. 17  
Exterior ladder and cage

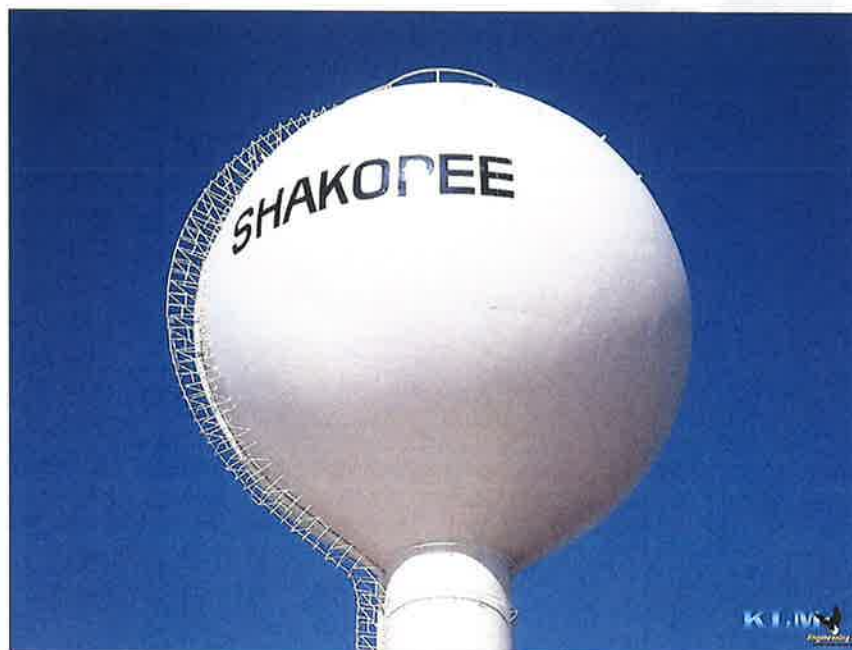


Photo No. 18  
View of shell and lettering

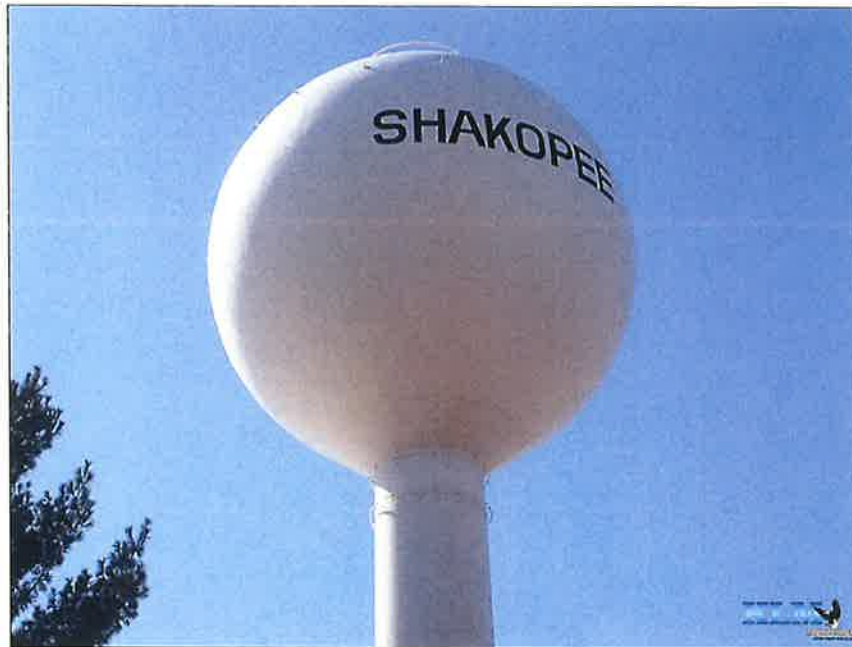


Photo No. 19  
View of shell and lettering



Photo No. 20  
Condition of bowl and pedestal



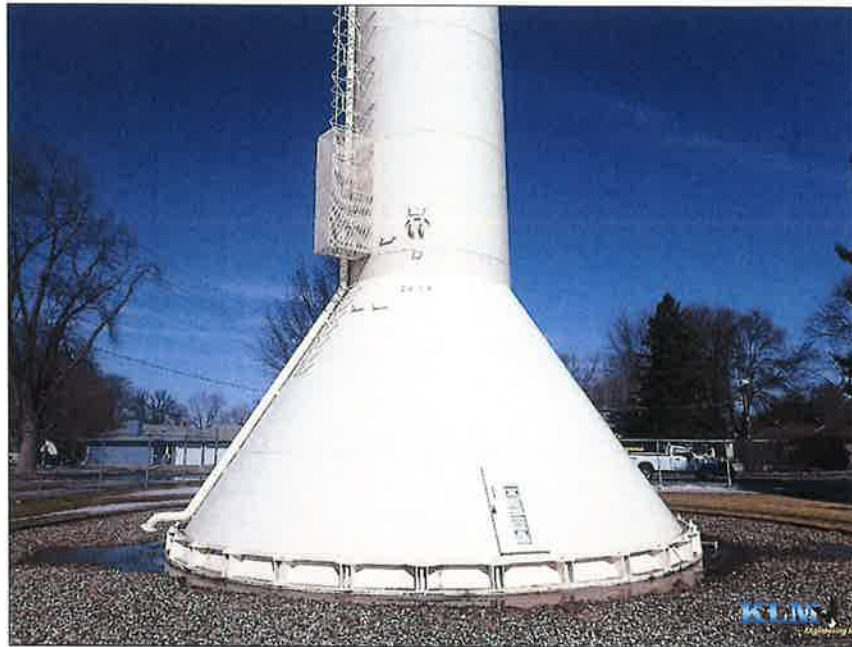


Photo No. 21  
Condition of base cone and pedestal



Photo No. 22  
Overflow pipe outlet and splash pad



## Shakopee, Minnesota

Evaluation Report  
1,500,000-Gallon Capacity Hydropillar  
Tank No. 3

Prepared by:



KLM Engineering, Inc.  
1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125  
651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

March 2022

Project No.: 2180-20

## 1.0 | PROJECT INFORMATION

**KLM Project No.:** 2180-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Tank No. 3  
**Tank Description:** Hydropillar  
**Tank Street Location:** 803 Canterbury Road, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** March 15, 2022  
**Inspected By:** Tim Lindsay, Matt Finley, and David Robelia  
**Type of Inspection:** KLM standard visual inspection  
**Manufacturer:** PDM **Construction Date:** 1980  
**Serial No.:** 29663 **Design Code:** AWWA D100-79  
**Capacity:** 1,500,000 gallons  
**Type of Construction:** Welded  
**Tank Diameter:** ~96 feet  
**Height to:** Overall ~180 feet  
**Height to:** HWL ~163 feet LWL ~121 feet  
**Tank Construction Drawings:** Unavailable to KLM  
**Previous Inspection Records:** KLM 2021 report

## EXISTING COATING INFORMATION

	Interior Wet	Interior Dry	Exterior
Date Last Coated	2002	2002	2002
Full or Spot Repair	Full	Full	Full
Coating Contractor	TMI Coatings	TMI Coatings	TMI Coatings
Surface Preparation	SSPC-SP 10	SSPC-SP 6	SSPC-SP 6
Paint System	Epoxy	Epoxy	Epoxy/Urethane
Paint Manufacturer	Tnemec	Tnemec	Tnemec
Paint Chip Samples	N/A	N/A	N/A



March 23, 2022

**by E-Mail**

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: In-Service Visual Inspection of the 1,500,000-Gallon Elevated Reservoir (Tank No. 3) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 2180-20.**

Mr. Schemel,

On March 15, 2022, KLM performed an in-service visual inspection of the 1,500,000-gallon elevated reservoir (Tank No. 3) and offers the following comments.

**Analysis:**

The tower was constructed and originally painted in 1980 by Pittsburgh-Des Moines Steel Company (PDM). The interior and exterior coatings were last fully reconditioned in 2002 by TMI Coatings, Inc.

The interior wet coating remains in similar condition to the 2021 visual report with approximately three (3) percent visible coating failures above the high-water line (HWL). Failures consist of surface corrosion on flanges and along unwelded roof seams. Surfaces below the HWL were not observed as part of this inspection. See attached photos.

The interior dry coating in the sweating areas remains in poor condition and has worsened since the 2021 inspection. Failures consist of peeling paint in the drywell tube and micro-cracking on the drywell tube and bowl. The remainder of the interior dry coating is in good condition. See attached photos.

The exterior coating remains in good condition with less than two (2) percent visible coating failures. Failures consist of minor topcoat delamination on the roof and surface corrosion on wear areas. See attached photos.

**Summary:**

The interior and exterior coatings remain in similar condition to the 2021 report. However, the interior dry coating on the sweating areas has gradually worsened.

KLM recommends fully reconditioning the tower within the next two (2) to three (3) years to maximize the life of the structure, maintain a uniform life cycle of the coatings, and lower overall costs.

Sincerely,

**KLM Engineering, Inc.**

Report prepared by:

*Joseph Clasemann*

Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:

*Rodney Ellis*

Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos

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Photo No. 1  
Overall view of the tower



Photo No. 2  
Interior wet ladder and dollar plate



Photo No. 3  
Condition of roof rafters and plates



Photo No. 4  
Condition of roof rafters and plates



Photo No. 5  
View of roof and upper shell



Photo No. 6  
View of roof and upper shell

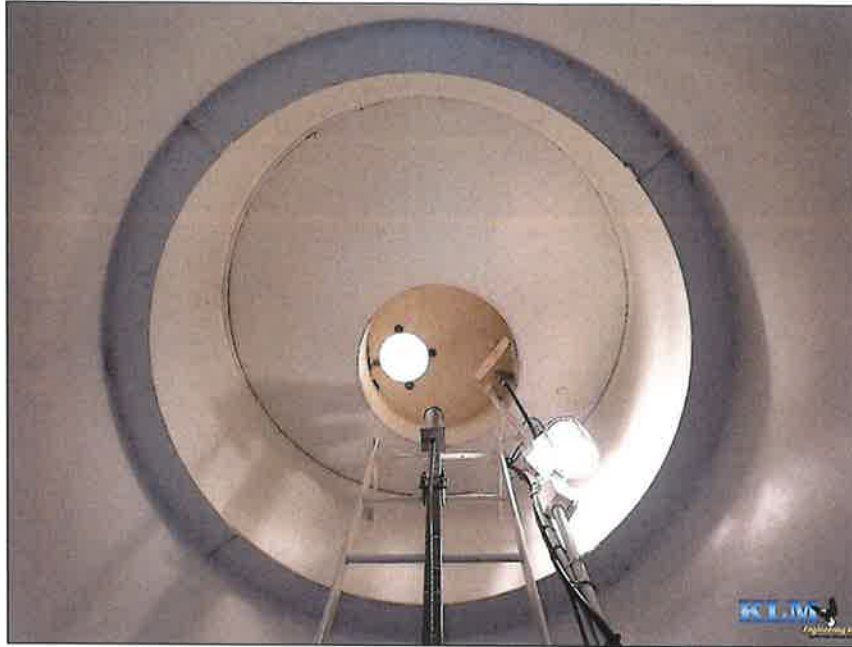


Photo No. 7  
Top of drywell tube (looking up)



Photo No. 8  
Top of drywell tube (looking down)  
Peeling paint visible





Photo No. 9  
Drywell tube conditions  
Micro-cracking visible

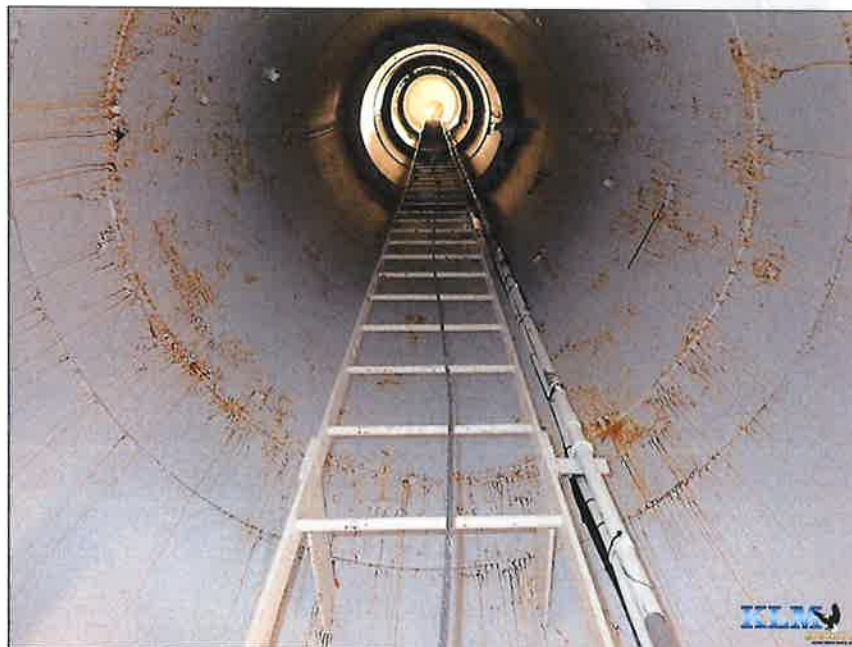


Photo No. 10  
Bottom of drywell tube (looking up)



Photo No. 11  
Catwalk to drywell tube



Photo No. 12  
Bowl conditions with micro-cracking



Photo No. 13  
Bowl conditions with micro-cracking



Photo No. 14  
View of column





Photo No. 15  
Condensate landing



Photo No. 16  
Tower base



Photo No. 17  
Valve pit entrance



Photo No. 18  
Valve pit piping



Photo No. 19  
View of roof



Photo No. 20  
Finial vent



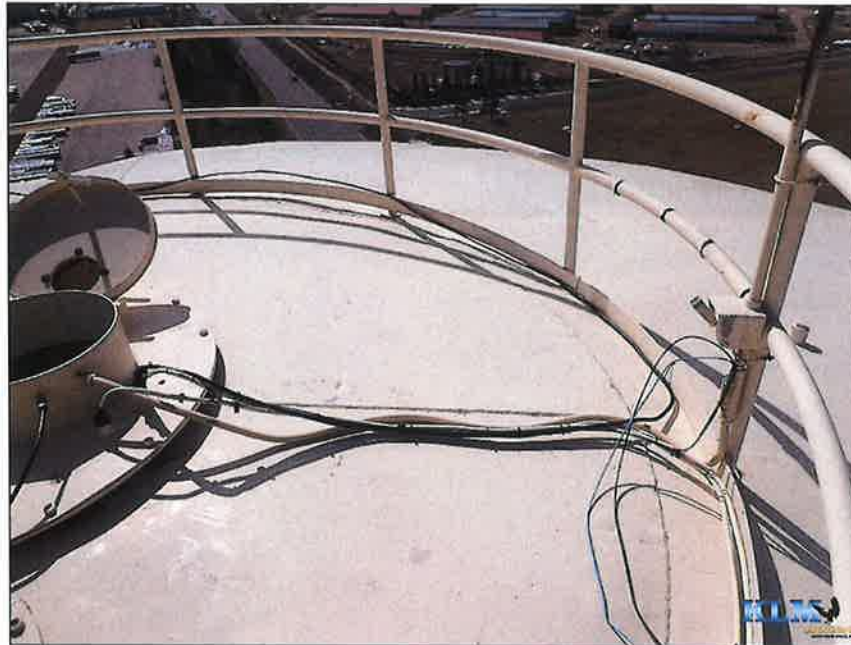


Photo No. 21  
Roof coating conditions



Photo No. 22  
Condition of handrail

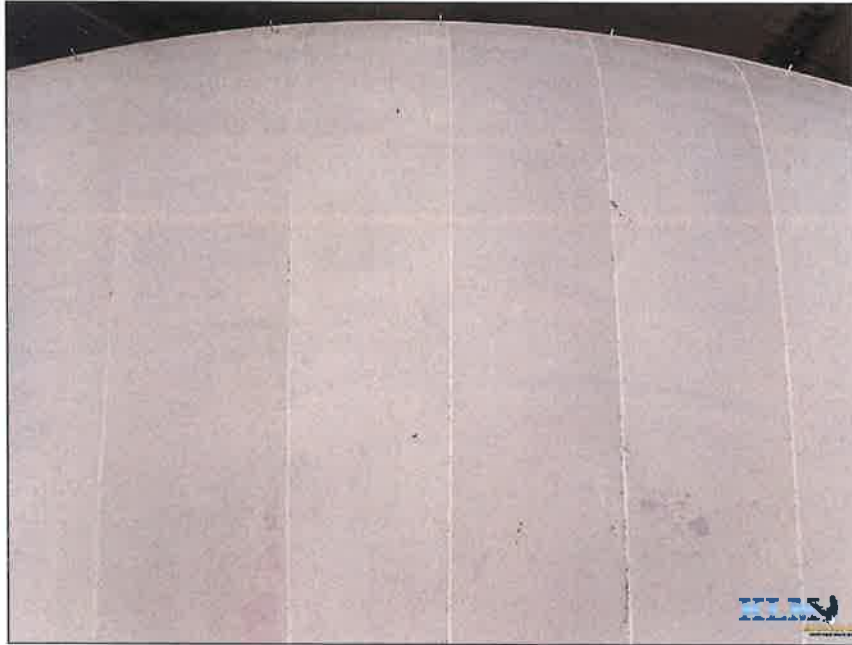


Photo No. 23  
Roof plate coating

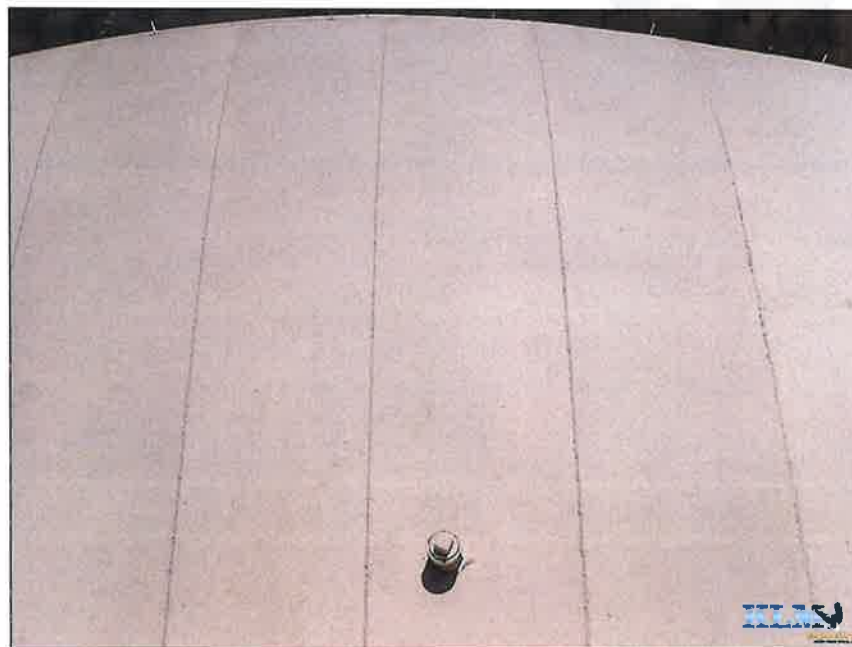


Photo No. 24  
Roof plate coating

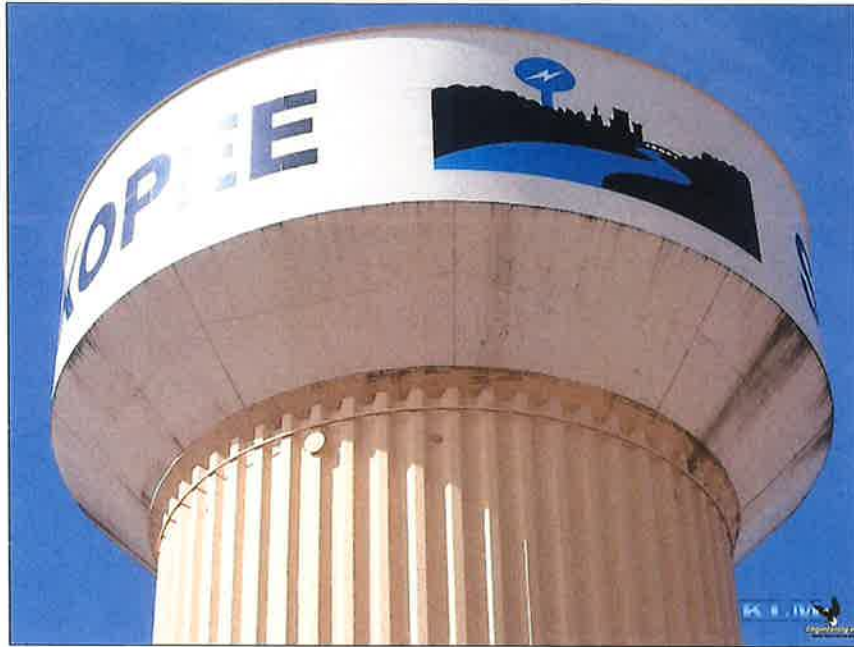


Photo No. 25  
Condition of shell and upper cone



Photo No. 26  
View of column





Photo No. 27  
Column base



Photo No. 28  
Overflow pipe and catch basin





## Shakopee, Minnesota

Evaluation Report  
500,000-Gallon Capacity Single Pedestal  
Tank No. 4

Prepared by:



KLM Engineering, Inc.

1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125

651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

March 2022

Project No.: 2490-20

## 1.0 | PROJECT INFORMATION

**KLM Project No.:** 2490-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Tank No. 4  
**Tank Description:** Single Pedestal  
**Tank Street Location:** 2065 Dominion Avenue, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** March 16, 2022  
**Inspected By:** Tim Lindsay, Matt Finley, and David Robelia  
**Type of Inspection:** KLM standard visual inspection  
**Manufacturer:** CB&I **Construction Date:** 2002  
**Serial No.:** 130962 **Design Code:** AWWA D100-96  
**Capacity:** 500,000 gallons  
**Type of Construction:** Welded  
**Tank Diameter:** ~55 feet  
**Height to:** Overall ~117 feet  
**Height to:** HWL ~110 feet LWL 74'-6"  
**Tank Construction Drawings:** Unavailable to KLM  
**Previous Inspection Records:** KLM 2021 report

EXISTING COATING INFORMATION

	<u>Interior Wet</u>	<u>Interior Dry</u>	<u>Exterior</u>
Date Last Coated	2002	2002	2002
Full or Spot Repair	New	New	New
Coating Contractor	CB&I	CB&I	CB&I
Surface Preparation	SSPC-SP 10	SSPC-SP 10	SSPC-SP 10
Paint System	Epoxy	Epoxy	Epoxy/Urethane
Paint Manufacturer	Tnemec	Tnemec	Tnemec
Paint Chip Samples	N/A	N/A	N/A

March 22, 2022

**by E-Mail**

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: In-Service Visual Inspection of the 500,000-Gallon Elevated Reservoir (Tank No. 4) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 2490-20.**

Mr. Schemel,

On March 16, 2022, KLM performed an in-service visual inspection of the 500,000-gallon elevated reservoir (Tank No. 4) and offers the following comments.

**Analysis:**

The tower was constructed and originally painted in 2002 by Chicago Bridge & Iron Company (CB&I).

The interior wet coating remains in similar condition to the 2021 visual report with between five (5) and ten (10) percent visible coating failures above the high-water line (HWL). Failures consist of pinhole corrosion primarily along weld seams and spot corrosion on roof plates. Surfaces below the HWL were not observed as part of this inspection. See attached photos.

The interior dry coating remains in good to fair overall condition with minor coating failures in the areas susceptible to condensation. Failures consist of pinhole corrosion on the drywell tube ladder, drywell tube manway, and the overflow pipe. See attached photos.

The exterior coating remains in similar good to fair condition with between five (5) and ten (10) percent visible coating failures. Failures consist of UV deterioration and pinhole corrosion primarily on the roof. See attached photos.

**Summary:**

The interior and exterior coatings remain in similar condition to the 2021 report.

KLM recommends fully reconditioning the tower within the next three (3) to four (4) years to maximize the life of the structure, maintain a uniform life cycle of the coatings, and lower overall costs.

Sincerely,

**KLM Engineering, Inc.**

Report prepared by:

*Joseph Clasemann*

Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:

*Rodney Ellis*

Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos

WATER TOWER SPECIALISTS

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Photo No. 1  
Overall view of the tower



Photo No. 2  
Interior wet ladder





Photo No. 3  
Condition of roof stiffeners and plates  
Mixer chain visible



Photo No. 4  
Condition of roof stiffeners and plates  
Overflow pipe inlet visible





Photo No. 5  
Condition of roof stiffener and plates

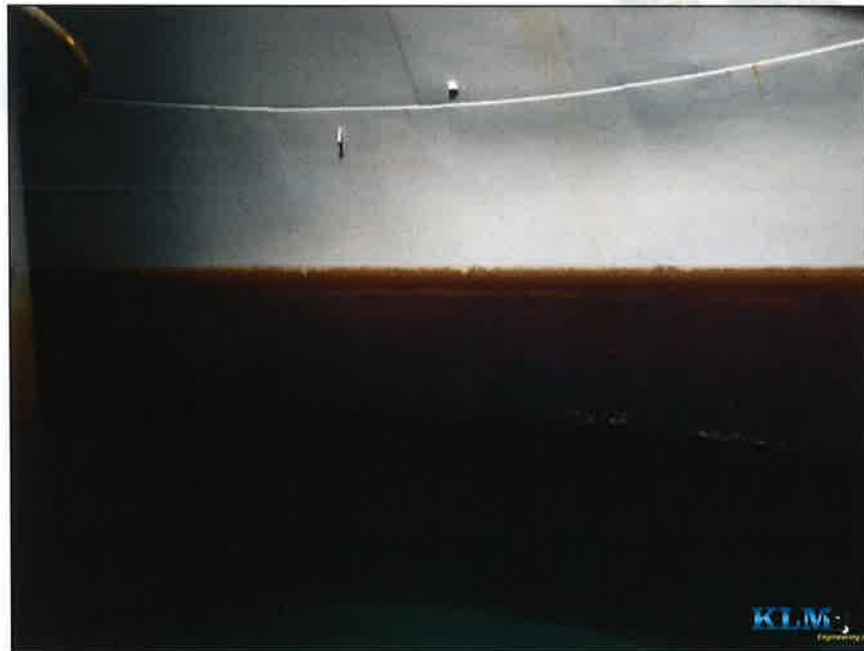


Photo No. 6  
View of shell with staining



Photo No. 7  
View of shell with staining

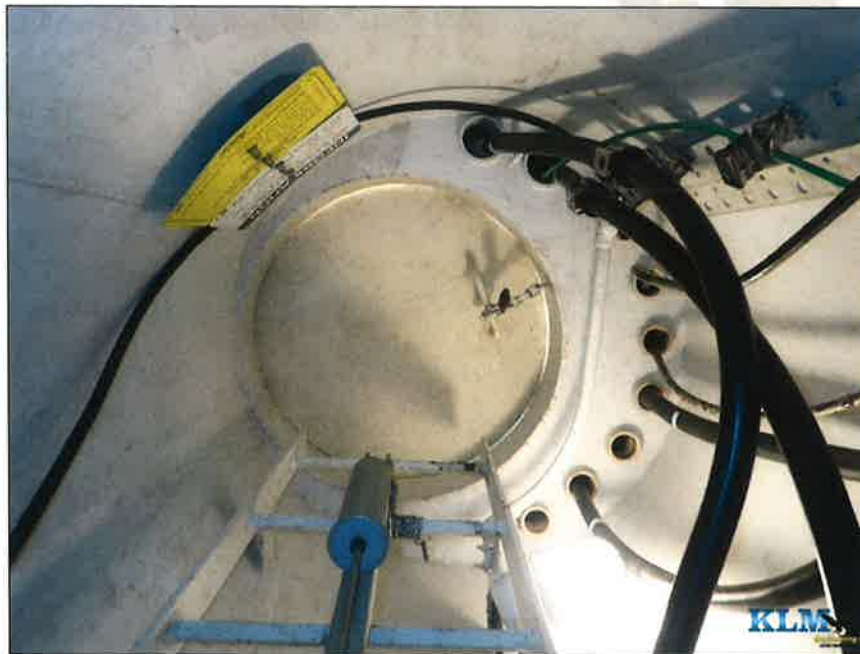


Photo No. 8  
Top of drywell tube (looking up)



Photo No. 9  
Top of drywell tube (looking down)



Photo No. 10  
Below drywell tube (looking up)



Photo No. 11  
Condition of bowl



Photo No. 12  
Bowl drain valve and connecting line





Photo No. 13  
Top landing



Photo No. 14  
Underside of top landing





Photo No. 15  
View of pedestal and bottom landing



Photo No. 16  
Underside of bottom landing



Photo No. 17  
View of base cone



Photo No. 18  
Valve pit



Photo No. 19  
View of roof



Photo No. 20  
Roof coating conditions





Photo No. 21  
Roof coating conditions



Photo No. 22  
Finial vent



Photo No. 23  
Handrail and antenna equipment



Photo No. 24  
Handrail and antenna equipment





Photo No. 25  
Roof plate coating

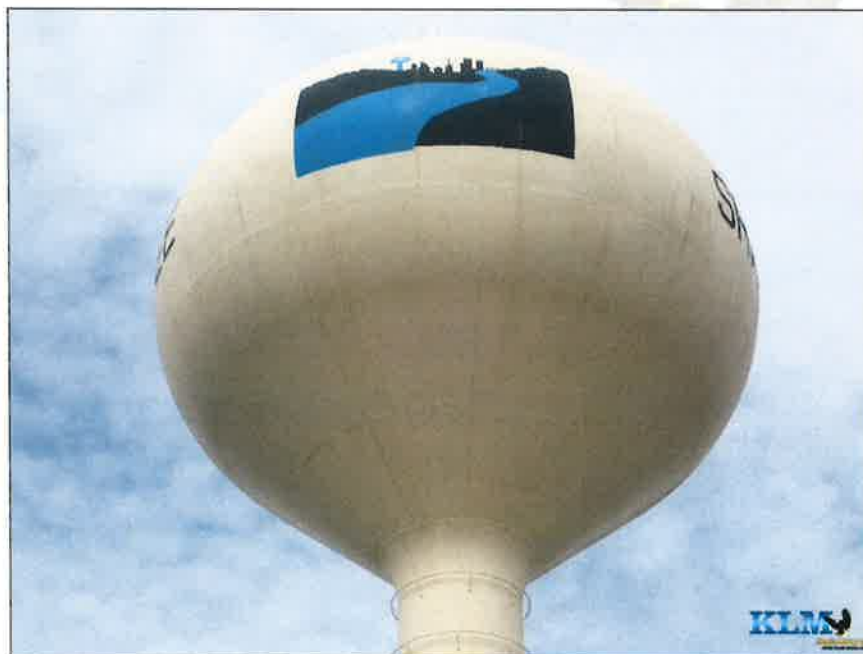


Photo No. 26  
Shell with logo



Photo No. 27  
Shell with lettering



Photo No. 28  
Pedestal



Photo No. 29  
Base cone



Photo No. 30  
Overflow pipe and catch basin



## Shakopee, Minnesota

Inspection Report:  
2,500,000-Gallon Capacity  
Tank No. 5

Prepared by:



KLM Engineering, Inc.  
1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125  
651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

April 2022

Project No.: 2515-20

**1.0 | PROJECT INFORMATION**

**KLM Project No.:** 2515-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Tank No. 5  
**Tank Description:** Partially buried concrete reservoir  
**Tank Street Location:** 2168 Kelly Circle, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** April 5, 2022  
**Inspected By:** Devin Severson NACE #78234 and David Robelia  
**Type of Inspection:** KLM standard in-service visual inspection  
**Manufacturer:** Natgun **Construction Date:** 2004  
**Serial No.:** Unknown **Design Code:** AWWA D115 & ACI  
**Capacity:** 2,500,000 gallons  
**Type of Construction:** Reinforced cast-in-place roof & floor, prestressed concrete walls  
**Tank Diameter:** ~110 feet  
**Height to:** Overall ~35 feet  
**Height to:** HWL ~30 feet LWL Bottom of reservoir  
**Tank Construction Drawings:** Available at owner  
**Previous Inspection Records:** KLM 2021 report

**EXISTING COATING INFORMATION**

	<u>Interior Wet</u>	<u>Exterior</u>
Date Last Coated	Uncoated	2004
Full or Spot Repair	N/A	Roof & exposed wall
Coating Contractor	N/A	Unknown
Surface Preparation	N/A	Unknown
Paint System	N/A	Unknown
Paint Manufacturer	N/A	Unknown
Paint Chip Samples	N/A	N/A



April 7, 2022

**by E-Mail**

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: In-Service Visual Inspection of the 2,500,000-Gallon Ground Storage Reservoir (Tank No. 5) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 2515-20.**

Mr. Schemel,

On April 5, 2022, KLM performed an in-service visual inspection of the 2,500,000-gallon ground storage reservoir (Tank No. 5) and offers the following comments.

**Analysis:**

Records indicate the reservoir was constructed by Natgun in 2004.

The interior of the reservoir currently has no coating and has presumably never been coated. Interior coating is likely unnecessary due to the good overall condition of the existing concrete. Concrete potable water tanks are typically not recommended to be coated unless there are concerns of degradation of the structure, water infiltration, biofilm accumulation, or difficult to clean surfaces. The interior ladder is constructed of fiberglass and is in excellent condition. See attached photos.

The interior structure of the concrete remains in excellent visible condition since the 2021 report. Minor hairline cracking with efflorescence is present on the roof, but this is not a structural concern. Surfaces below the water level were not observed as part of this inspection. See attached photos.

The reservoir is partially buried with exterior coatings on the roof and exposed wall. The coating remains in fair to poor condition on the roof and good condition on the wall. Failures on the roof consist of topcoat deterioration with overlap roller marks evident and small areas where the coating has delaminated, exposing the concrete. The roof hatches are stainless-steel Bilco style and remain in excellent condition. The coatings on the J-vent and on the overflow pipe are in good condition with minor surface corrosion due to topcoat delamination. See attached photos.

The exterior structure of the concrete also remains in excellent visible condition since the 2021 report. Hairline shrinkage cracks are present on the roof and walls, with many of the cracks on construction joints and others at random locations. These failures are not a structural concern, so no repairs are required.

**Summary:**

The interior and exterior coatings and the overall structure of the concrete remain in similar condition to the 2021 report.

KLM recommends inspecting and evaluating the coatings and structure of the reservoir within five (5) years per AWWA recommendations monitor conditions.

Sincerely,

**KLM Engineering, Inc.**

Report prepared by:



Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:



Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos

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Photo No. 1  
Overall view of reservoir



Photo No. 2  
Interior wet ladder



Photo No. 3  
View of interior roof and column



Photo No. 4  
Condition of roof



Photo No. 5  
Condition of roof and wall



Photo No. 6  
Condition of roof and wall





Photo No. 7  
View of water compartment



Photo No. 8  
View of roof and J-vent



Photo No. 9  
Condition of J-vent screen



Photo No. 10  
Condition of roof coating



Photo No. 11  
Condition of roof coating



Photo No. 12  
Bilco access hatch



Photo No. 13  
Roof access ladder



Photo No. 14  
View of exposed wall





Photo No. 15  
View of exposed wall



Photo No. 16  
Overflow pipe and catch basin





Photo No. 17  
Condition of overflow pipe screen



Photo No. 18  
View of valve pit



## Shakopee, Minnesota

Inspection Report:  
2,500,000-Gallon Capacity  
Tank No. 6

Prepared by:



KLM Engineering, Inc.  
1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125  
651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

April 2022

Project No.: 2516-20

## 1.0 | PROJECT INFORMATION

**KLM Project No.:** 2516-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Tank No. 6  
**Tank Description:** Partially buried concrete reservoir  
**Tank Street Location:** 2168 Kelly Circle, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** April 5, 2022  
**Inspected By:** Devin Severson NACE #78234 and David Robelia  
**Type of Inspection:** KLM standard in-service visual inspection  
**Manufacturer:** Natgun **Construction Date:** 2004  
**Serial No.:** Unknown **Design Code:** AWWA D115 & ACI  
**Capacity:** 2,500,000 gallons  
**Type of Construction:** Reinforced cast-in-place roof & floor, prestressed concrete walls  
**Tank Diameter:** ~110 feet  
**Height to:** Overall ~35 feet  
**Height to:** HWL ~30 feet LWL Bottom of reservoir  
**Tank Construction Drawings:** Available at owner  
**Previous Inspection Records:** KLM 2021 report

EXISTING COATING INFORMATION

	<u>Interior Wet</u>	<u>Exterior</u>
Date Last Coated	Uncoated	2004
Full or Spot Repair	N/A	Roof & exposed wall
Coating Contractor	N/A	Unknown
Surface Preparation	N/A	Unknown
Paint System	N/A	Unknown
Paint Manufacturer	N/A	Unknown
Paint Chip Samples	N/A	N/A

April 7, 2022

**by E-Mail**

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: In-Service Visual Inspection of the 2,500,000-Gallon Ground Storage Reservoir (Tank No. 6) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 2516-20.**

Mr. Schemel,

On April 5, 2022, KLM performed an in-service visual inspection of the 2,500,000-gallon ground storage reservoir (Tank No. 6) and offers the following comments.

**Analysis:**

Records indicate the reservoir was constructed by Natgun in 2004.

The interior of the reservoir currently has no coating and has presumably never been coated. Interior coating is likely unnecessary due to the good overall condition of the existing concrete. Concrete potable water tanks are typically not recommended to be coated unless there are concerns of degradation of the structure, water infiltration, biofilm accumulation, or difficult to clean surfaces. See attached photos.

The interior structure of the concrete remains in good visible condition since the 2021 report. Minor hairline cracking with efflorescence is present on the roof, but this is not a structural concern. Surfaces below the water level were not observed as part of this inspection. See attached photos.

The reservoir is partially buried with exterior coatings on the roof and exposed wall. The coating remains in fair to poor condition on the roof and good condition on the wall. Failures on the roof consist of topcoat deterioration with overlap roller marks evident and small areas where the coating has delaminated, exposing the concrete. The roof hatches are stainless-steel Bilco style and remain in excellent condition. The coatings on the J-vent and on the overflow pipe are in fair condition with surface corrosion due to topcoat delamination and rust-colored staining on bolted connections. See attached photos.

The exterior structure of the concrete also remains in good visible condition since the 2021 report. Hairline shrinkage cracks are present on the roof and walls, with many of the cracks on construction joints and others at random locations. These failures are not a structural concern, so no repairs are required.

**Summary:**

The interior and exterior coatings and the overall structure of the concrete remain in similar condition to the 2021 report.

KLM recommends inspecting and evaluating the coatings and structure of the reservoir within five (5) years per AWWA recommendations monitor conditions.

Sincerely,

**KLM Engineering, Inc.**

Report prepared by:

*Joseph Clasemann*

Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:

*Rodney Ellis*

Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos

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Photo No. 1  
Overall view of reservoir



Photo No. 2  
View of interior roof and column



Photo No. 3  
Condition of roof



Photo No. 4  
Condition of roof and wall



Photo No. 5  
Condition of roof and wall



Photo No. 6  
Condition of wall



Photo No. 7  
View of roof and J-vent

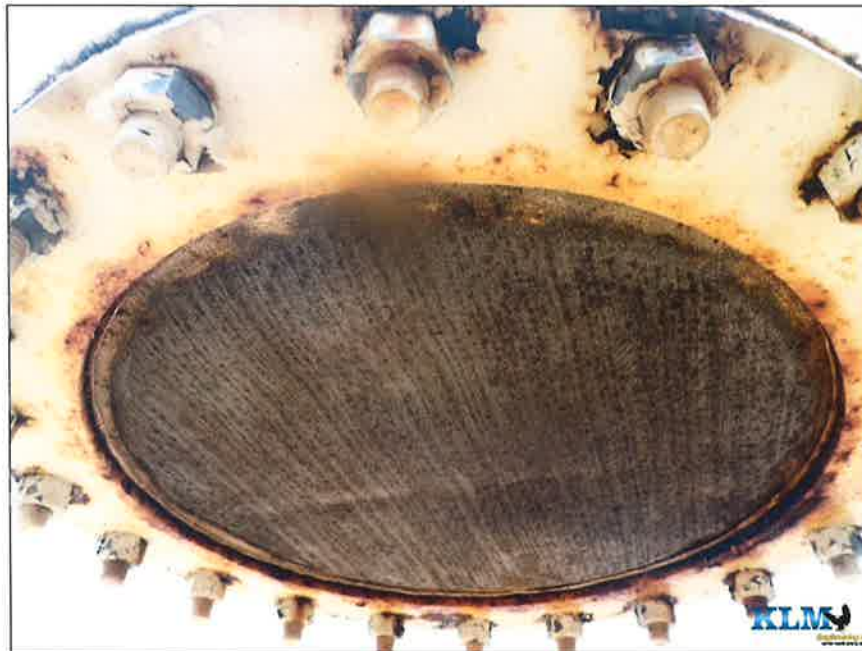


Photo No. 8  
Condition of J-vent screen



Photo No. 9  
Condition of roof coating



Photo No. 10  
Condition of roof coating





Photo No. 11  
Condition of roof coating



Photo No. 12  
Bilco access hatch



Photo No. 13  
Roof access ladder



Photo No. 14  
View of exposed wall



Photo No. 15  
View of exposed wall



Photo No. 16  
Overflow pipe and catch basin





Photo No. 17  
Condition of overflow pipe and grating



Photo No. 18  
View of valve pit



## Shakopee, Minnesota

Inspection Report:  
2,000,000-Gallon Capacity  
Tank No. 7

Prepared by:



KLM Engineering, Inc.  
1976 Wooddale Drive, Suite 4 | Woodbury, MN 55125  
651.773.5111 | [www.klmengineering.com](http://www.klmengineering.com)

May 2022

Project No.: 4065-20



## 1.0 | PROJECT INFORMATION

**KLM Project No.:** 4065-20 **Customer P. O. Number:** N/A  
**Tank Owner:** Shakopee Public Utilities **Phone:** 952-233-1504  
**Street/City/State/Zip:** 255 Sarazin Street, Shakopee, MN 55379  
**Tank Owner Contact:** Lon Schemel, Water Superintendent  
**Owner's Tank Designation:** Tank No. 7  
**Tank Description:** Partially buried concrete reservoir  
**Tank Street Location:** 1415 Wood Duck Trail, Shakopee, MN 55379  
**Purpose of Inspection:** Condition assessment  
**Date of Inspection:** May 4, 2022  
**Inspected By:** Devin Severson NACE #78234 and David Robelia  
**Type of Inspection:** KLM standard in-service visual inspection  
**Manufacturer:** Unknown **Construction Date:** 2014  
**Serial No.:** N/A **Design Code:** AWWA D115 & ACI  
**Capacity:** 2,000,000 gallons  
**Type of Construction:** Prestressed & precast walls & roof, poured in place concrete floor  
**Tank Diameter:** ~100 feet  
**Height to:** Overall ~35 feet  
**Height to:** HWL ~30 feet LWL Bottom of reservoir  
**Tank Construction Drawings:** Unavailable to KLM  
**Previous Inspection Records:** KLM 2021 report

## EXISTING COATING INFORMATION

	Interior Wet	Exterior
Date Last Coated	Uncoated	2014
Full or Spot Repair	N/A	Roof & walls
Coating Contractor	N/A	Unknown
Surface Preparation	N/A	Unknown
Paint System	N/A	Acrylic
Paint Manufacturer	N/A	Unknown
Paint Chip Samples	N/A	N/A

May 5, 2022

**by E-Mail**

Lon Schemel  
Water Superintendent  
255 Sarazin Street  
Shakopee, MN 55379

**RE: In-Service Visual Inspection of the 2,000,000-Gallon Ground Storage Reservoir (Tank No. 7) for Shakopee Public Utilities in the City of Shakopee, MN. KLM Project No. 4065-20.**

Mr. Schemel,

On May 4, 2022, KLM performed an in-service visual inspection of the 2,000,000-gallon ground storage reservoir (Tank No. 7) and offers the following comments.

**Analysis:**

Records indicate the reservoir was constructed in 2014 by an unknown manufacturer.

The interior of the reservoir currently has no coating and has presumably never been coated. Interior coating is likely unnecessary due to the good overall condition of the existing concrete. Concrete potable water tanks are typically not recommended to be coated unless there are concerns of degradation of the structure, water infiltration, biofilm accumulation, or difficult to clean surfaces. See attached photos.

The interior structure of the concrete remains in excellent visible condition since the 2021 report. No evident cracking or spalling is occurring on the roof and walls. Surfaces below the water level were not observed as part of this inspection. See attached photos.

The reservoir is partially buried with exterior coatings on the roof and exposed wall. The coating remains in excellent condition with less than one (1) percent visible coating failures. Failures consist of minor delamination or holidays (missed spots) on the roof. The roof hatches, pressure manway, handrails, ladders, and finial vent are stainless-steel or aluminum and are in excellent condition. The overflow pipe discharge is ductile iron and painted with minor surface corrosion on the screen retainer. See attached photos.

The exterior structure of the concrete also remains in excellent visible condition since the 2021 report. Minor hairline cracking is present on the roof and walls, efflorescence emanating from the masonry grout, and some spalling on the foundation. These failures are not a structural concern, so no repairs are required. See attached photos.

**Summary:**

The exterior coatings and the overall structure of the concrete remain in similar condition to the 2021 report.

KLM recommends inspecting and evaluating the coatings and structure of the reservoir within five (5) years to monitor conditions.

Sincerely,

**KLM Engineering, Inc.**

Report prepared by:

*Joseph Clasemann*

Joseph Clasemann, E.I.T.  
Civil Engineer-In-Training  
Certification No. 157889

Report reviewed by:

*Rodney Ellis*

Rodney Ellis  
Vice President/COO  
NACE Coating Inspector No. 1686  
AWS/CWI 04040311

Attached:      Photos

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Photo No. 1  
Overall view of reservoir

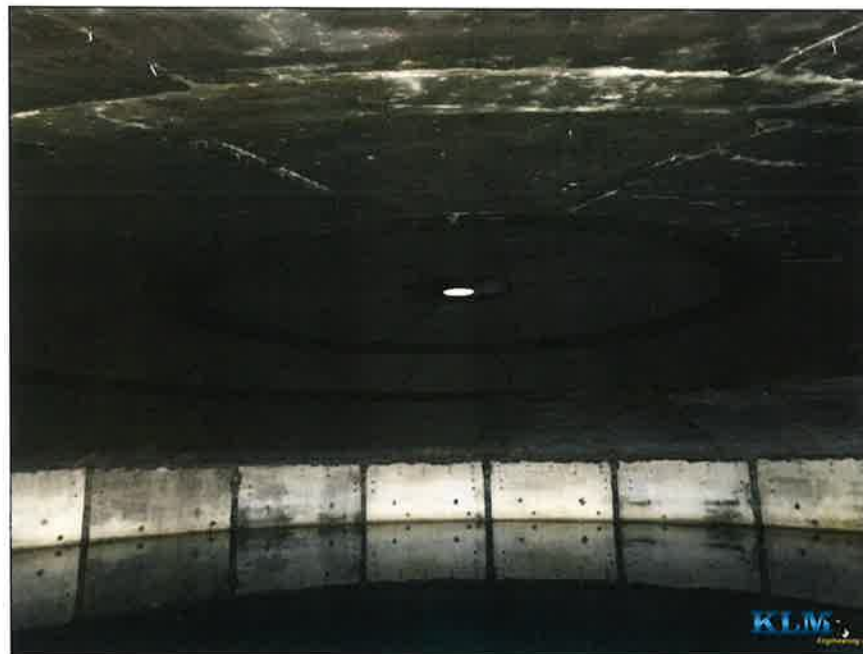


Photo No. 2  
View of interior roof

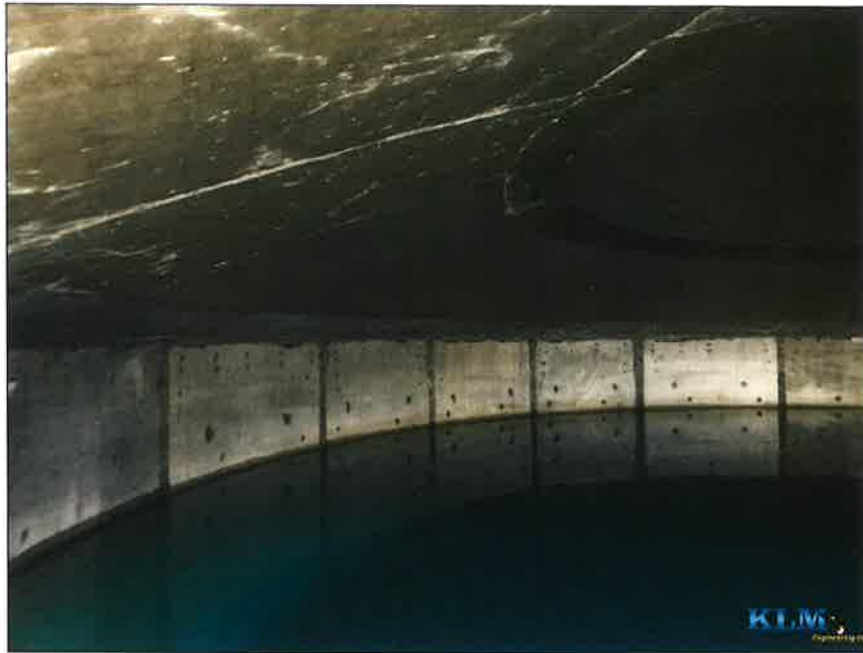


Photo No. 3  
Condition of roof and wall



Photo No. 4  
Condition of roof and wall  
Manway and coupling visible





Photo No. 5  
Condition of wall  
Overflow weir box visible



Photo No. 6  
Interior wet ladder

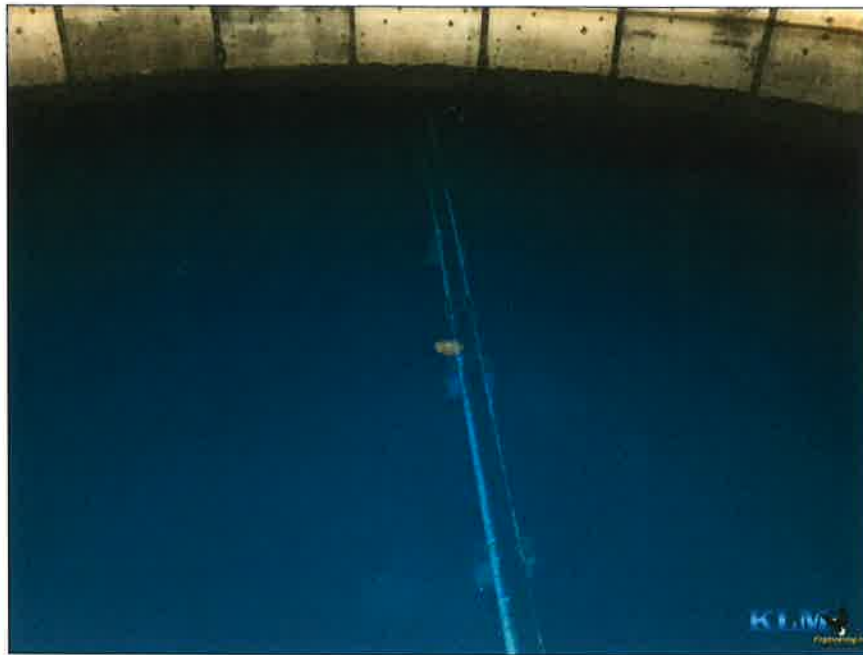


Photo No. 7  
View of water compartment  
Inlet pipe visible



Photo No. 8  
View of water compartment  
Outlet pipe and mixer visible



Photo No. 9  
View of roof



Photo No. 10  
Finial vent



Photo No. 11  
Condition of roof coating



Photo No. 12  
Condition of roof coating





Photo No. 13  
Roof handrailing



Photo No. 14  
Roof hatch





Photo No. 15  
Roof hatch



Photo No. 16  
Access ladder with anti-climb plate



Photo No. 17  
Overall condition of exterior



Photo No. 18  
Overall condition of exterior



Photo No. 19  
Pressure style manway



Photo No. 20  
Condition of masonry



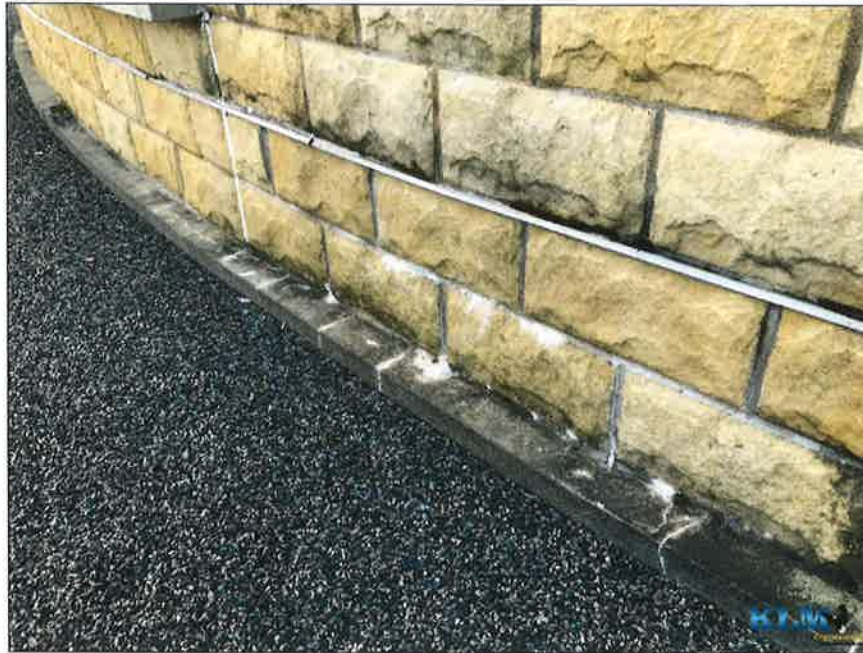


Photo No. 21  
Condition of masonry and foundation



Photo No. 22  
Minor spalling on foundation



Photo No. 23  
Overflow pipe discharge and catch basin

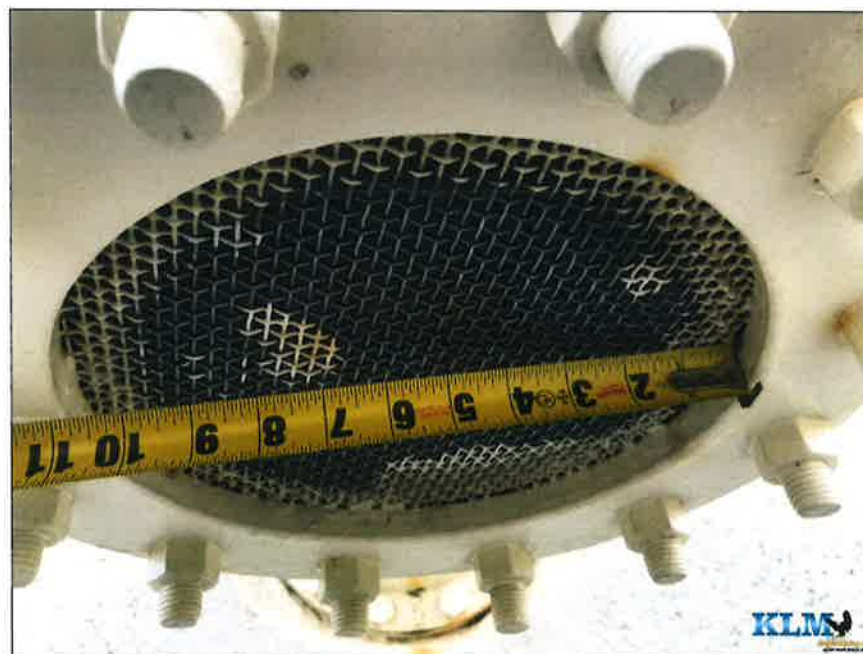


Photo No. 24  
Condition of overflow pipe screen



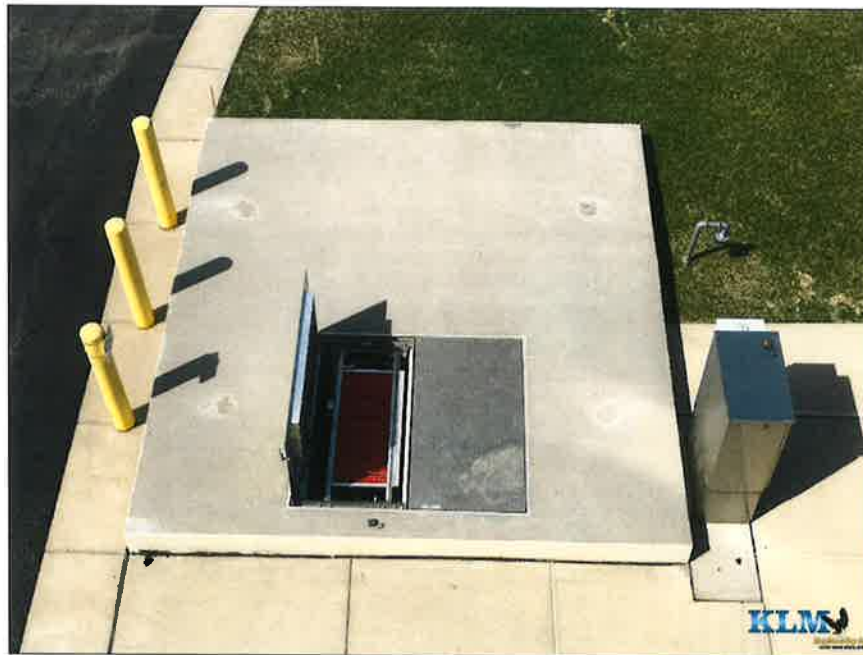


Photo No. 25  
Valve pit hatch



Photo No. 26  
View of valve pit



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Shakopee, Minnesota 55379

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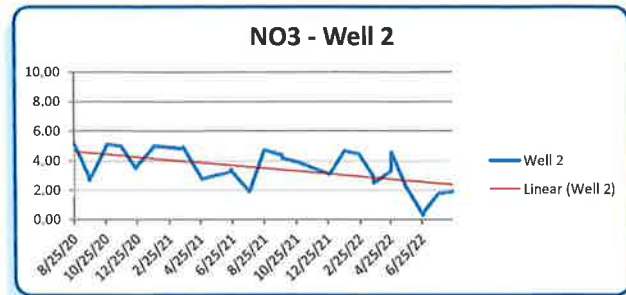
[www.shakopeeutilities.com](http://www.shakopeeutilities.com)TO: Greg Drent, General Manager *GD*FROM: Lon R. Schemel, Water Superintendent *LRS*

SUBJECT: Nitrate Results -- Advisory

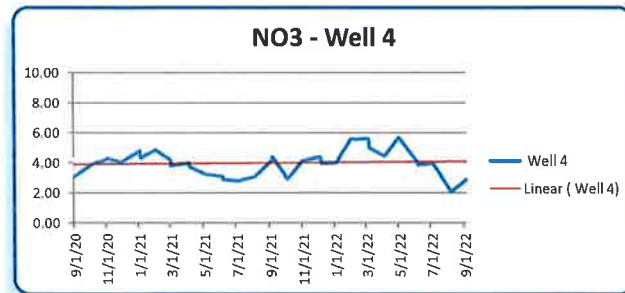
DATE: September 26, 2022

Attached are the latest nitrate test results for the wells. The analyses provided are for the prior 2 years of data collected with trend graphs.

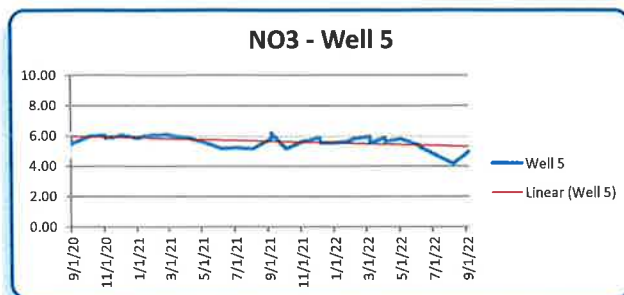
Location	Sample Collected	Results Received	Results	Lab
2	8/25/20	11/25/20	5.10	MVTL
2	9/21/20	11/25/20	3.00	MDH
2	9/22/20	9/24/20	2.65	MVTL
2	10/27/20	11/25/20	5.10	MVTL
2	11/24/20	12/9/20	4.97	MVTL
2	12/22/20	12/28/20	3.52	MVTL
2	12/22/20	1/29/21	3.60	MDH
2	1/26/21	1/29/21	4.98	MVTL
2	2/23/21	3/23/21	4.91	MVTL
2	3/23/21	3/25/21	4.92	MVTL
2	3/22/21	5/24/21	4.80	MDH
2	4/27/21	5/12/21	2.76	MVTL
2	6/22/21	6/29/21	3.25	MVTL
2	6/22/21	7/12/21	3.40	MDH
2	6/22/21	8/2/21	3.30	MDH
2	7/27/21	8/12/21	1.92	MVTL
2	8/24/21	9/7/21	4.73	MVTL
2	9/27/21	11/8/21	4.40	MDH
2	9/28/21	10/4/21	4.19	MVTL
2	10/26/21	11/5/21	3.93	MVTL
2	12/27/21	1/31/22	3.10	MDH
2	12/28/21	1/10/22	3.13	MVTL
2	1/25/22	2/7/22	4.66	MVTL
2	2/22/22	3/4/22	4.47	MVTL
2	3/21/22	4/6/22	3.00	MDH
2	3/23/22	4/6/22	2.48	MVTL
2	4/25/22	5/23/22	3.30	MDH
2	4/26/22	4/28/22	4.59	MVTL
2	5/24/22	6/6/22	2.27	MVTL
2	6/27/22	8/16/22	0.30	MDH
2	6/28/22	7/11/22	0.52	MVTL
2	7/26/22	8/4/22	1.78	MVTL
2	8/23/22	9/9/22	1.90	MVTL



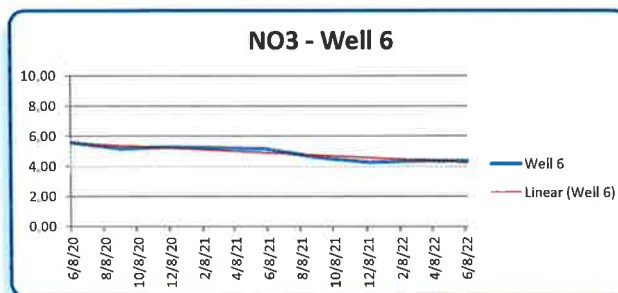
4	9/1/20	11/25/20	3.16	MVTL
4	9/1/20	11/25/20	3.10	MDH
4	10/6/20	10/8/20	3.93	MVTL
4	11/3/20	11/25/20	4.26	MVTL
4	11/3/20	11/25/20	4.30	MDH
4	12/1/20	12/9/20	4.06	MVTL
4	12/1/20	1/29/21	4.10	MDH
4	1/4/21	3/25/21	4.80	MDH
4	1/5/21	1/8/21	4.35	MVTL
4	2/2/21	2/8/21	4.85	MVTL
4	3/1/21	5/12/21	4.20	MDH
4	3/2/21	3/23/21	3.83	MVTL
4	4/5/21	5/12/21	4.00	MDH
4	4/6/21	5/12/21	3.73	MVTL
4	5/4/21	5/12/21	3.26	MVTL
4	6/7/21	1/31/22	3.10	MDH
4	6/8/21	6/16/21	2.87	MVTL
4	7/6/21	7/12/21	2.78	MVTL
4	8/3/21	8/11/21	3.04	MVTL
4	9/7/21	9/29/21	4.21	MVTL
4	9/7/21	9/30/21	4.40	MDH
4	10/5/21	10/14/21	2.94	MVTL
4	11/2/21	11/8/21	4.15	MVTL
4	12/6/21	7/11/22	4.40	MDH
4	12/7/21	12/15/21	3.99	MVTL
4	1/4/22	1/12/22	4.02	MVTL
4	2/1/22	2/28/22	5.56	MVTL
4	3/7/22	4/6/22	5.60	MDH
4	3/8/22	3/14/22	4.99	MVTL
4	4/5/22	4/12/22	4.46	MVTL
4	5/3/22	5/12/22	5.67	MVTL
4	6/6/22	7/11/22	4.10	MDH
4	6/7/22	6/9/22	3.89	MVTL
4	7/5/22	7/18/22	3.98	MVTL
4	7/5/22	7/18/22	4.00	MDH
4	8/9/22	8/18/22	2.09	MVTL
4	9/6/22	9/19/22	2.87	MVTL



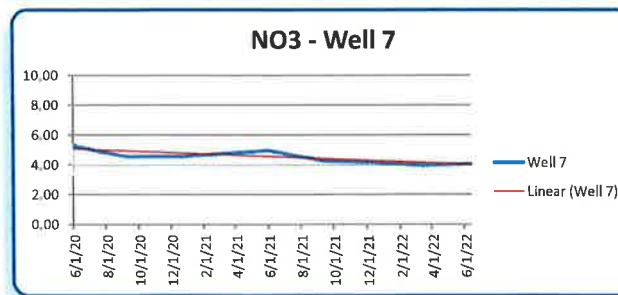
Location	Sample Collected	Results Received	Results	Lab
5	9/1/20	11/25/20	5.81	MVTL
5	9/1/20	11/25/20	5.50	MDH
5	10/6/20	10/8/20	6.03	MVTL
5	11/3/20	11/25/20	6.07	MVTL
5	11/3/20	11/25/20	5.90	MDH
5	12/1/20	2/9/20	6.02	MVTL
5	12/1/20	1/29/21	6.10	MDH
5	1/4/21	3/25/21	5.90	MDH
5	1/5/21	1/8/21	5.96	MVTL
5	2/2/21	2/8/21	6.09	MVTL
5	3/1/21	5/12/21	6.10	MDH
5	3/2/21	3/23/21	6.07	MVTL
5	4/6/21	5/12/21	5.88	MVTL
5	5/4/21	5/12/21	5.62	MVTL
5	6/7/21	1/31/22	5.20	MDH
5	6/8/21	6/16/21	5.18	MVTL
5	7/6/21	7/12/21	5.25	MVTL
5	8/3/21	8/11/21	5.16	MVTL
5	9/7/21	9/29/21	5.83	MVTL
5	9/7/21	9/30/21	6.20	MDH
5	10/5/21	10/14/21	5.17	MVTL
5	11/2/21	11/8/21	5.62	MVTL
5	12/6/21	7/11/22	5.90	MDH
5	12/7/21	12/15/21	5.56	MVTL
5	1/4/22	1/12/22	5.58	MVTL
5	2/1/22	2/28/22	5.67	MVTL
5	2/1/22	3/14/22	5.80	MDH
5	3/7/22	4/6/22	6.00	MDH
5	3/8/22	3/14/22	5.68	MVTL
5	4/4/22	5/12/22	5.90	MDH
5	4/5/22	4/12/22	5.66	MVTL
5	5/3/22	5/12/22	5.83	MVTL
5	6/6/22	7/11/22	5.40	MDH
5	6/7/22	6/9/22	5.30	MVTL
5	8/9/22	8/18/22	4.18	MVTL
5	9/6/22	9/19/22	4.98	MVTL



6	6/8/20	6/20/20	5.60	MDH
6	9/8/2020	1/29/21	5.20	MDH
6	12/7/2020	1/29/21	5.30	MDH
6	6/1/2021	8/2/21	5.20	MDH
6	9/13/2021	9/29/21	4.60	MDH
6	12/13/2021	1/31/22	4.30	MDH
6	3/14/2022	4/6/22	4.40	MDH
6	6/13/2022	7/11/22	4.40	MDH

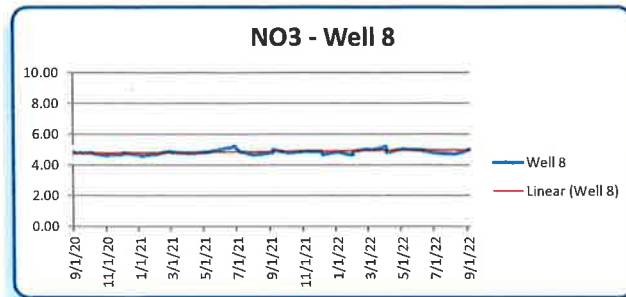


7	6/1/20	6/11/20	5.30	MDH
7	9/8/20	1/29/21	4.80	MDH
7	12/22/20	1/29/21	4.60	MDH
7	6/1/21	8/2/21	5.00	MDH
7	9/13/21	9/29/21	4.30	MDH
7	12/13/21	1/31/22	4.20	MDH
7	3/14/22	4/6/22	4.00	MDH
7	6/13/22	7/11/22	4.10	MDH

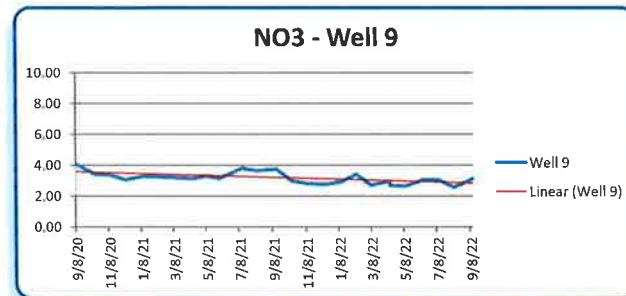




Location	Sample Collected	Results Received	Results	Lab
8	9/1/20	11/25/20	4.87	MVTL
8	9/1/20	11/25/20	4.80	MDH
8	10/6/20	10/8/20	4.80	MVTL
8	11/3/20	11/25/20	4.62	MVTL
8	11/3/20	11/25/20	4.70	MDH
8	12/1/20	12/9/20	4.70	MVTL
8	12/1/20	1/29/21	4.80	MDH
8	1/4/21	3/25/21	4.70	MDH
8	1/5/21	1/8/21	4.60	MVTL
8	2/2/21	2/8/21	4.72	MVTL
8	3/1/21	5/12/21	4.90	MDH
8	3/2/21	3/23/21	4.82	MVTL
8	4/6/21	5/12/21	4.77	MVTL
8	5/4/21	5/12/21	4.82	MVTL
8	6/29/21	8/2/21	5.20	MDH
8	7/6/21	7/12/21	4.90	MVTL
8	8/3/21	8/11/21	4.68	MVTL
8	9/7/21	9/29/21	4.83	MVTL
8	9/7/21	9/30/21	5.00	MDH
8	10/5/21	10/14/21	4.80	MVTL
8	11/2/21	11/8/21	4.92	MVTL
8	12/6/21	7/11/22	4.90	MDH
8	12/7/21	12/15/21	4.70	MVTL
8	1/4/22	1/12/22	4.87	MVTL
8	2/1/22	2/28/22	4.67	MVTL
8	2/1/22	3/14/22	4.90	MDH
8	3/1/22	3/8/22	5.05	MVTL
8	3/8/22	4/6/22	5.00	MDH
8	4/4/22	5/12/22	5.20	MDH
8	4/5/22	4/12/22	4.85	MVTL
8	5/3/22	5/12/22	5.06	MVTL
8	6/6/22	7/11/22	5.00	MDH
8	6/7/22	6/9/22	4.99	MVTL
8	7/5/22	7/18/22	4.80	MVTL
8	8/9/22	8/18/22	4.74	MVTL
8	9/6/22	9/19/22	5.02	MVTL



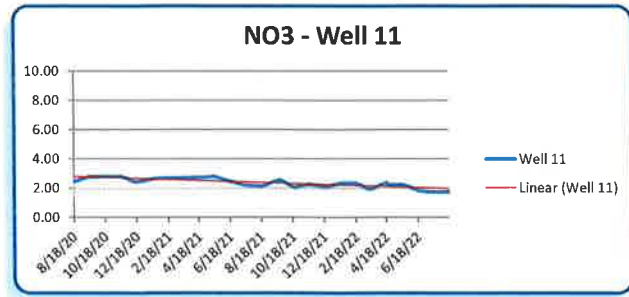
9	9/8/20	11/25/20	4.07	MVTL
9	10/13/20	11/25/20	3.44	MVTL
9	11/10/20	11/25/20	3.39	MVTL
9	12/8/20	12/28/20	3.09	MVTL
9	1/12/21	1/14/21	3.32	MVTL
9	4/13/21	4/26/21	3.16	MVTL
9	5/11/21	5/18/21	3.35	MVTL
9	5/11/21	5/24/21	3.30	MDH
9	6/1/21	6/7/21	3.19	MVTL
9	7/13/21	8/2/21	3.80	MVTL
9	8/10/21	8/27/21	3.66	MVTL
9	9/14/21	9/29/21	3.75	MVTL
9	10/12/21	10/20/21	3.03	MVTL
9	11/9/21	11/16/21	2.84	MVTL
9	12/14/21	12/27/21	2.79	MVTL
9	1/11/22	1/31/22	2.94	MVTL
9	2/8/22	2/23/22	3.43	MVTL
9	3/8/22	3/14/22	2.74	MVTL
9	4/11/22	4/26/22	3.00	MDH
9	4/12/22	4/22/22	2.72	MVTL
9	5/10/22	5/18/22	2.67	MVTL
9	6/14/22	6/23/22	3.10	MVTL
9	7/12/22	7/27/22	3.08	MVTL
9	8/9/22	8/18/22	2.60	MVTL
9	9/13/22	9/21/22	3.16	MVTL



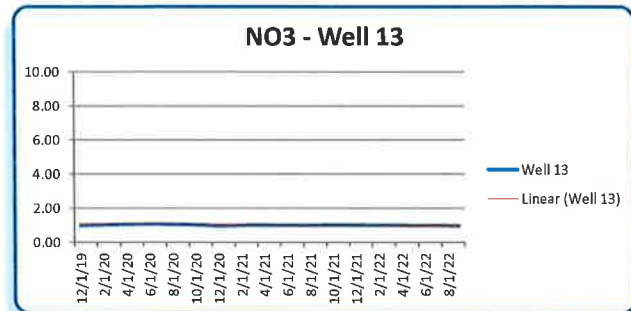
10	4/17/12	4/20/12	< 1.00	TCWC
10	1/21/14	1/29/14	< 1.00	TCWC
10	3/25/14	4/1/14	3.61	MVTL
10	4/23/14	5/7/14	< 0.20	MVTL
10	4/23/14	6/16/14	< 0.05	MDH
10	6/16/15	6/26/15	< 0.05	MVTL
10	4/11/17	4/17/17	< 0.05	MVTL
10	1/8/19	1/14/19	< 0.05	MVTL
10	7/9/19	7/24/19	< 0.05	MVTL
10	10/12/21	10/20/21	< 0.05	MVTL

Shakopee Public Utilities Commission  
Water Department  
Nitrate Results  
Reported in mg/L

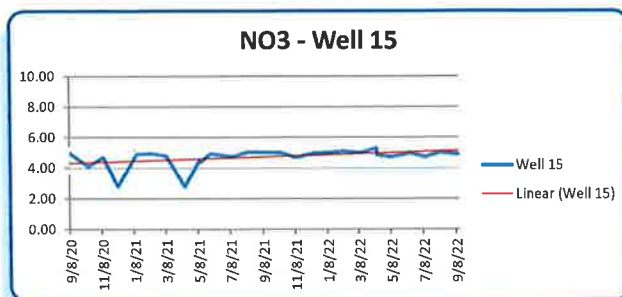
Location	Sample Collected	Results Received	Results	Lab
11	8/18/20	8/20/20	2.47	MVTL
11	9/15/20	9/24/20	2.78	MVTL
11	10/20/20	11/25/20	2.81	MVTL
11	11/17/20	11/25/20	2.82	MVTL
11	12/15/20	12/18/20	2.41	MVTL
11	1/19/21	1/25/21	2.64	MVTL
11	4/20/21	4/26/21	2.75	MVTL
11	5/17/21	5/28/21	2.80	MDH
11	5/18/21	5/28/21	2.78	MVTL
11	6/15/21	6/29/21	2.48	MVTL
11	7/20/21	8/2/21	2.18	MVTL
11	8/17/21	8/27/21	2.14	MVTL
11	9/21/21	9/29/21	2.58	MVTL
11	10/19/21	11/8/21	2.06	MVTL
11	11/16/21	12/2/21	2.27	MVTL
11	12/21/21	12/30/21	2.10	MVTL
11	1/18/22	1/31/22	2.37	MVTL
11	2/15/22	2/28/22	2.36	MVTL
11	3/15/22	3/17/22	1.92	MVTL
11	4/18/22	5/12/22	2.40	MDH
11	4/19/22	4/28/22	2.25	MVTL
11	5/17/22	5/27/22	2.28	MVTL
11	6/21/22	6/23/22	1.82	MVTL
11	7/19/22	7/28/22	1.75	MVTL
11	8/16/22	8/30/22	1.78	MVTL



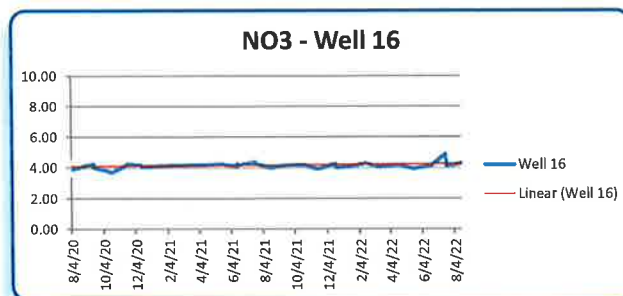
12	9/9/19	10/3/19	0.65	MVTL
12	12/10/19	12/19/19	0.74	MVTL
12	3/10/20	3/19/20	0.73	MVTL
12	6/9/20	6/12/20	0.62	MVTL
12	9/8/20	11/25/20	0.63	MVTL
12	12/8/20	12/28/20	0.69	MVTL
12	3/9/21	3/23/21	0.60	MVTL
12	6/1/21	6/7/21	0.57	MVTL
12	9/14/21	9/29/21	0.59	MVTL
12	12/14/21	12/27/21	0.50	MVTL
12	3/23/22	4/6/22	0.48	MVTL
12	6/14/22	6/23/22	0.49	MVTL
12	9/13/22	9/21/22	0.46	MVTL
13	12/3/19	12/13/19	1.00	MVTL
13	3/3/20	3/19/20	1.08	MVTL
13	6/2/20	6/5/20	1.11	MVTL
13	9/1/20	11/25/20	1.08	MVTL
13	12/1/20	12/9/20	0.98	MVTL
13	3/2/21	3/23/21	1.02	MVTL
13	12/7/21	12/15/21	1.03	MVTL
13	9/6/22	9/19/22	1.00	MVTL
14	4/23/14	6/16/14	< 0.05	MDH
14	4/11/17	4/17/17	< 0.05	MVTL
14	9/5/17	9/26/17	< 0.05	MVTL
14	12/5/17	12/22/17	< 0.05	MVTL
14	3/6/18	3/26/18	< 0.05	MVTL
14	6/5/18	6/14/18	< 0.05	MVTL



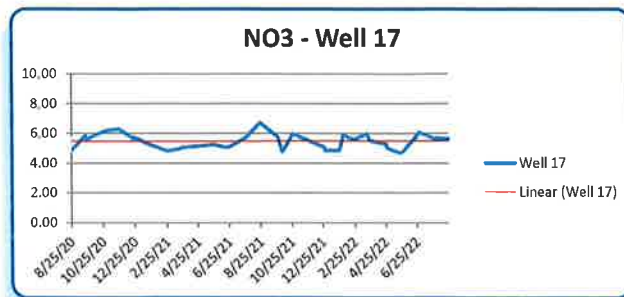
Location	Sample Collected	Results Received	Results	Lab
15	9/8/20	11/25/20	5.00	MVTL
15	10/13/20	11/25/20	4.14	MVTL
15	11/10/20	11/25/20	4.72	MVTL
15	12/8/20	12/28/20	2.82	MVTL
15	1/12/21	1/14/21	4.92	MVTL
15	2/9/21	4/2/21	4.96	MVTL
15	3/9/21	3/23/21	4.81	MVTL
15	4/13/21	4/26/21	2.79	MVTL
15	5/11/21	5/18/21	4.56	MVTL
15	5/11/21	5/24/21	4.40	MDH
15	6/1/21	6/7/21	4.95	MVTL
15	7/13/21	8/2/21	4.76	MVTL
15	8/10/21	8/27/21	5.05	MVTL
15	9/21/21	9/29/21	5.04	MVTL
15	10/12/21	10/20/21	5.02	MVTL
15	11/9/21	11/16/21	4.72	MVTL
15	12/14/21	12/27/21	5.00	MVTL
15	1/11/22	1/31/22	5.02	MVTL
15	2/8/22	2/23/22	5.13	MVTL
15	3/8/22	3/14/22	5.00	MVTL
15	4/11/22	4/26/22	5.30	MDH
15	4/12/22	4/22/22	4.88	MVTL
15	5/10/22	5/18/22	4.76	MVTL
15	6/14/22	6/23/22	5.01	MVTL
15	7/12/22	7/27/22	4.76	MVTL
15	8/9/22	8/18/22	5.05	MVTL
15	9/13/22	9/21/22	4.92	MVTL



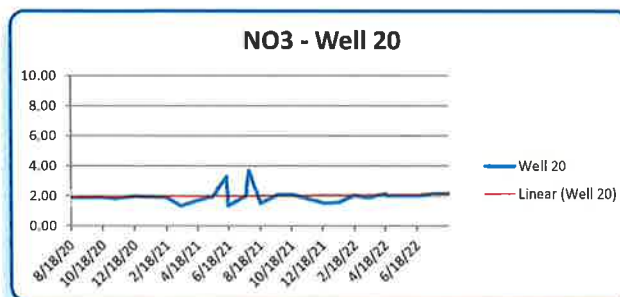
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16	9/14/20	11/25/20	4.30	MDH
16	9/15/20	9/24/20	4.05	MVTL
16	10/20/20	11/25/20	3.73	MVTL
16	11/17/20	11/25/20	4.21	MVTL
16	11/17/20	3/25/21	4.30	MDH
16	12/14/20	1/29/21	4.20	MDH
16	12/15/20	12/18/20	4.09	MVTL
16	6/17/21	8/2/21	4.20	MDH
16	5/18/21	5/28/21	4.26	MVTL
16	6/14/21	8/2/21	4.10	MDH
16	6/15/21	6/29/21	4.29	MVTL
16	7/19/21	8/12/21	4.40	MDH
16	7/20/21	8/2/21	4.29	MVTL
16	8/17/21	8/27/21	4.02	MVTL
16	9/20/21	11/8/21	4.20	MDH
16	9/21/21	9/29/21	4.18	MVTL
16	10/19/21	11/8/21	4.23	MVTL
16	11/16/21	12/2/21	3.93	MVTL
16	12/20/21	1/31/22	4.30	MDH
16	12/21/21	12/30/21	4.04	MVTL
16	1/18/22	1/31/22	4.12	MVTL
16	2/15/22	2/28/22	4.32	MVTL
16	3/15/22	3/17/22	4.07	MVTL
16	3/15/22	4/6/22	4.10	MDH
16	4/19/22	4/28/22	4.19	MVTL
16	5/17/22	5/27/22	3.97	MVTL
16	6/21/22	6/23/22	4.17	MVTL
16	6/21/22	7/11/22	4.20	MDH
16	7/18/22	8/16/22	4.90	MDH
16	7/19/22	7/28/22	4.13	MVTL
16	8/16/22	8/30/22	4.33	MVTL



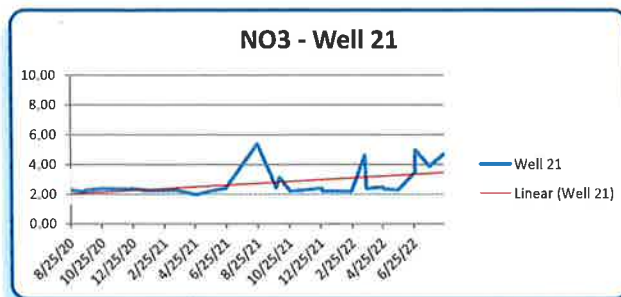
Location	Sample Collected	Results Received	Results	Lab
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17	9/21/20	11/25/20	5.90	MDH
17	9/22/20	9/24/20	5.63	MVTL
17	10/27/20	11/25/20	6.17	MVTL
17	11/24/20	12/9/20	6.30	MVTL
17	12/22/20	12/28/20	5.67	MVTL
17	12/22/20	1/29/21	5.80	MDH
17	1/25/21	3/25/21	5.20	MDH
17	1/26/21	1/29/21	5.22	MVTL
17	2/23/21	3/23/21	4.86	MVTL
17	3/22/21	5/24/21	5.00	MDH
17	3/23/21	3/25/21	5.07	MVTL
17	5/25/21	6/1/21	5.27	MVTL
17	6/14/21	8/2/21	5.10	MDH
17	6/22/21	6/29/21	5.08	MVTL
17	7/27/21	8/12/21	5.75	MVTL
17	8/24/21	9/7/21	6.73	MVTL
17	9/27/21	11/8/21	5.80	MDH
17	9/28/21	10/4/21	5.60	MVTL
17	10/5/21	10/14/21	4.79	MVTL
17	10/26/21	11/5/21	5.98	MVTL
17	12/27/21	1/31/22	5.10	MDH
17	12/28/21	1/10/22	4.90	MVTL
17	1/25/22	2/7/22	4.91	MVTL
17	2/2/22	4/25/22	5.90	MDH
17	2/22/22	3/4/22	5.62	MVTL
17	3/21/22	4/6/22	6.00	MDH
17	3/23/22	4/6/22	5.56	MVTL
17	4/25/22	6/2/22	5.30	MDH
17	4/26/22	4/28/22	5.05	MVTL
17	5/24/22	6/6/22	4.70	MVTL
17	6/27/22	8/16/22	6.00	MDH
17	6/28/22	7/1/22	6.09	MVTL
17	7/26/22	8/4/22	5.71	MVTL
17	8/23/22	9/9/22	5.67	MVTL



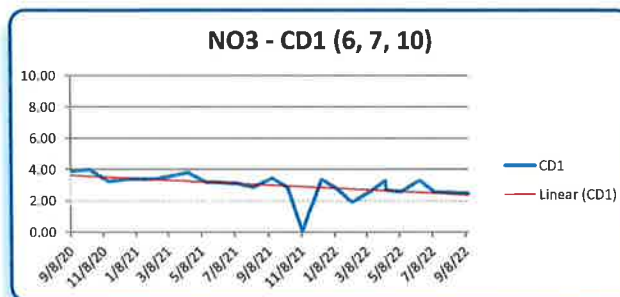
20	8/18/20	8/20/20	1.92	MVTL
20	9/15/20	9/24/20	1.94	MVTL
20	10/20/20	11/25/20	1.93	MVTL
20	11/10/20	11/25/20	1.85	MVTL
20	12/15/20	12/18/20	2.01	MVTL
20	1/19/21	1/25/21	1.98	MVTL
20	2/16/21	2/19/21	1.93	MVTL
20	3/16/21	3/23/21	1.36	MVTL
20	4/20/21	4/26/21	1.74	MVTL
20	5/17/21	5/28/21	2.00	MDH
20	5/18/21	5/28/21	2.05	MVTL
20	6/14/21	8/2/21	3.30	MDH
20	6/15/21	6/29/21	1.36	MVTL
20	7/20/21	8/2/21	2.03	MVTL
20	7/27/21	8/12/21	3.71	MVTL
20	8/17/21	8/27/21	1.53	MVTL
20	9/21/21	9/29/21	2.13	MVTL
20	10/19/21	11/8/21	2.13	MVTL
20	11/16/21	12/2/21	1.85	MVTL
20	12/21/21	12/30/21	1.54	MVTL
20	1/18/22	1/31/22	1.60	MVTL
20	2/15/22	2/28/22	2.06	MVTL
20	3/15/22	3/17/22	1.93	MVTL
20	4/18/22	5/12/22	2.20	MDH
20	4/19/22	4/28/22	2.05	MVTL
20	5/17/22	5/27/22	2.05	MVTL
20	6/21/22	6/23/22	2.05	MVTL
20	7/19/22	7/28/22	2.20	MVTL
20	8/16/22	8/30/22	2.20	MVTL



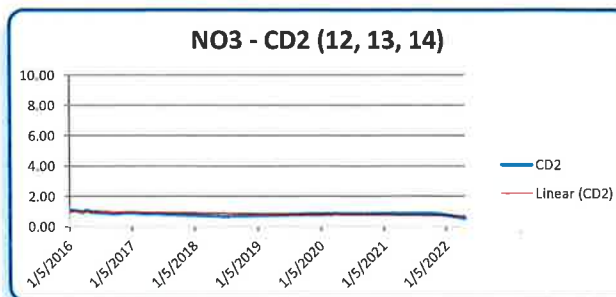
Location	Sample Collected	Results Received	Results	Lab
21	8/25/20	11/25/20	2.30	MVTL
21	9/21/20	11/25/20	2.20	MDH
21	9/22/20	9/24/20	2.30	MVTL
21	10/27/20	11/25/20	2.38	MVTL
21	11/24/20	12/9/20	2.37	MVTL
21	12/22/20	12/28/20	2.35	MVTL
21	12/22/20	1/29/21	2.40	MDH
21	1/26/21	1/29/21	2.24	MVTL
21	2/23/21	3/23/21	2.28	MVTL
21	3/23/21	3/25/21	2.24	MVTL
21	3/22/21	5/24/21	2.30	MDH
21	4/27/21	5/12/21	1.97	MVTL
21	5/25/21	6/1/21	2.22	MVTL
21	5/24/21	6/15/21	2.20	MDH
21	6/22/21	6/29/21	2.39	MVTL
21	8/24/21	9/7/21	5.39	MVTL
21	9/27/21	11/8/21	2.60	MDH
21	9/28/21	10/4/21	2.45	MVTL
21	10/5/21	10/14/21	3.12	MVTL
21	10/26/21	11/5/21	2.22	MVTL
21	12/27/21	1/31/22	2.40	MDH
21	12/28/21	1/10/22	2.22	MVTL
21	1/25/22	2/7/22	2.22	MVTL
21	2/22/22	3/4/22	2.20	MVTL
21	3/21/22	4/6/22	4.60	MDH
21	3/23/22	4/6/22	2.40	MVTL
21	4/25/22	5/23/22	2.50	MDH
21	4/26/22	4/28/22	2.36	MVTL
21	5/24/22	6/6/22	2.30	MVTL
21	6/27/22	8/16/22	3.50	MDH
21	6/28/22	7/11/22	4.97	MVTL
21	7/26/22	8/4/22	3.87	MVTL
21	8/23/22	9/9/22	4.70	MVTL



Combined Discharge - Wells 6-7-10				
CD 1	9/8/20	11/25/20	3.90	MVTL
CD 1	10/13/20	11/25/20	3.99	MVTL
CD 1	11/17/20	11/25/20	3.26	MVTL
CD 1	12/22/20	12/28/20	3.38	MVTL
CD 1	2/9/21	4/2/21	3.39	MVTL
CD 1	4/13/21	4/26/21	3.80	MVTL
CD 1	5/17/21	5/28/21	3.20	MDH
CD 1	6/1/21	6/7/21	3.20	MVTL
CD 1	7/13/21	8/2/21	3.11	MVTL
CD 1	8/10/21	8/27/21	2.87	MVTL
CD 1	9/14/21	9/29/21	3.46	MVTL
CD 1	10/12/21	10/20/21	2.86	MVTL
CD 1	11/9/21	11/16/21	0.05	MVTL
CD 1	12/14/21	12/27/21	3.39	MVTL
CD 1	1/11/22	1/31/22	2.79	MVTL
CD 1	2/8/22	2/23/22	1.92	MVTL
CD 1	3/15/22	3/17/22	2.63	MVTL
CD 1	4/11/22	4/26/22	3.30	MDH
CD 1	4/12/22	4/22/22	2.69	MVTL
CD 1	5/10/22	5/18/22	2.60	MVTL
CD 1	6/14/22	6/23/22	3.33	MVTL
CD 1	7/12/22	7/27/22	2.57	MVTL
CD 1	8/9/22	8/18/22	2.57	MVTL
CD 1	9/13/22	9/21/22	2.49	MVTL



Combined Discharge - Wells 12-13-14				
CD 2	1/5/2016	1/13/2016	1.08	MVTL
CD 2	2/23/2016	2/29/2016	1.03	MVTL
CD 2	3/22/2016	3/28/2016	0.96	MVTL
CD 2	4/12/2016	4/19/2016	1.07	MVTL
CD 2	5/10/2016	5/16/2016	0.98	MVTL
CD 2	5/10/2016	6/2/2016	0.97	MDH
CD 2	7/12/2016	7/18/2016	0.93	MVTL
CD 2	10/11/2016	10/17/2016	0.87	MVTL
CD 2	11/8/2016	11/17/2016	0.91	MVTL
CD 2	1/10/2017	1/20/2017	0.92	MVTL
CD 2	4/11/2017	4/17/2017	0.85	MVTL
CD 2	6/8/2017	6/28/2017	0.86	MDH
CD 2	6/22/2018	7/18/2018	0.67	MDH
CD 2	4/16/2019	5/1/2019	0.78	MDH
CD 2	4/27/2020	6/5/2020	0.86	MDH
CD 2	10/25/2021	11/15/2021	0.87	MDH
CD 2	4/25/2022	5/23/2022	0.56	MDH







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www.shakopeeutilities.com

September 26, 2022

TO: Greg Drent, General Manager *GD*  
FROM: Kelley Willemssen, Director of Finance and Administration *kw*  
SUBJECT: Check Signing Software

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#### Background

The current software system utilizes three facsimile signatures for purposes of check signing. The new software system currently being implemented utilizes only two facsimile signatures. Shakopee Public Utilities bank verified that two facsimile signatures adequately meet banking requirements. Therefore, the resolution allowing the use of facsimile signatures for check signing needed to be revised to reflect this change. The resolution will now include only two facsimile signers for Shakopee Public Utilities, Commission President, and Director of Finance and Administration.

#### Request

The commission is requested to approve resolution 2022-04

RESOLUTION #2022-23

RESOLUTION ALLOWING THE USE OF  
FACSIMILE SIGNATURE FOR CHECK SIGNING

WHEREAS, the Shakopee Utilities Commission will utilize a check signing software and facsimile signatures for the Shakopee Utilities Commission President and Director of Finance and Administration for the purposes of check signing.

NOW THEREFORE BE IT RESOLVED, by the Shakopee Public Utilities Commission of the City of Shakopee, Minnesota that use of a check signing software and facsimile signatures for the Shakopee Public Utilities Commission President and Director of Finance and Administration for the purposes of check signing is hereby approved.

Adopted in regular session of the Shakopee Public Utilities Commission of the City of Shakopee, Minnesota held this 3rd day of October 2022.

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Commission President: Kathi Mocol

ATTEST:

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Secretary: Greg Drent



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September 26, 2022

TO: Greg Drent, General Manager *GD*  
 FROM: Kelley Willemssen, Director of Finance & Administration *kw*  
 SUBJECT: 2023 Wage Ranges and Benefit Planning Assumptions

Background:

The Benefit and Compensation informal working group met on Friday, September 23rd. The informal working group members included commission vice president Krieg, commissioner Letourneau, general manager Greg Drent, finance director Kelley Willemssen. The discussion included the budget process and timeline, a review of the pay for performance design plan, wage range survey results, a proposed wage range increase and a review of benefits including a proposed change to the SPU contribution for health insurance and HSA. Below is an overview of the preliminary assumptions used from that discussion in the development of the 2023 Wage and Benefit budget.

- 3.5% increase for 2023 wage ranges
- Pay for performance increases and Lump Sum Adjustment completed the week of October 17th
- Health Insurance premium decrease of 11% for 2023, with 2-year contract and a cap of 0% for 2024. Proposed SPU contribution change, 100% single, 80% all others
- Proposed HSA annual contribution change: Single \$1,550/Family \$2,100
- Assumed increase for Dental premiums for 2023 (Actuals expected second week of October)
- No increase for 2023 LTD premiums (100% SPU Contribution)
- No increase for 2023 Life Insurance premiums (\$25,000 Plan, 100% SPU Contribution)

Attached is a presentation reviewing the above bullets in more detail.

**Request**

The commission is requested to approve the 2023 Wage Ranges and Benefit Planning Assumptions



# 2023 Budget

9/23/2022

# Agenda

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Budget Process and Timeline

Benefit Review

Review Wage Trend Data

Discuss Recommendation for wage range increase



# Budget Timeline

Budget Kickoff	July 28, 2022
Finance to create budget worksheets for departments	August 1 - August 5, 2022
Distribute CIP templates to Dept. Heads	August 1, 2022
Finance to prepare wages and benefit information	August 1 - September 16, 2022
Budget worksheets to Department Directors	Week of August 15, 2022
Finance to compile List of Fees - Forward to Dept Heads	Week of August 15, 2022
Budget worksheets back to Finance	August 26, 2022
Draft Proposed Fee Schedule from Dept Heads	August 26, 2022
Revenue Assumptions development	August 1 - August 22, 2022
Revenues/expenditures due from Departments	August 23, 2022
5-year CIP information due from Departments	August 23, 2022
5-year CIP development & Cash Flow Analysis	August 23 - September 23, 2022
Commission small working group to review wages/benefits	Week of September 19, 2022
Manager meeting to review budget and CIP	September 27, 2022
Commission Decision on General Wage Increases	October 4, 2022
Finance to finalize budget changes from department discussions	Week of October 03, 2022
Commission small working group to review budget and CIP	Week of October 17, 2022
Finance to finalize budget changes from small working group	Week of October 24, 2022
Commission meeting to review preliminary budget and CIP	November 7, 2022
Final budget and CIP changes to finance	November 14, 2022
Final budget and CIP to Managers	November 21, 2022
Final Budget Approved by Commission	December 5, 2022
Commission Adoption of Various Fee/Rate Resolutions	December 5, 2022

# Benefit Review – Medical Renewal Recap

## **2018 Renewal - Moved from small group to large group resulted in a 28% increase**

Increased deductible plan & increased HSA

New election options were added, family coverage increased 42.7%

Out of Pocket Max: \$2,700(Single)/\$5,400(Family) (100% coverage after deductible is met)

SPU HSA Contribution - \$1,620 (Single)/\$3,240 (Family)

## **2019 Renewal - Resulted in a 4.5% increase. Plan remained the same**

Plan stayed the same

SPU HSA Contribution - \$1,620 (Single)/\$3,240 (Family)

## **2020 Renewal - Resulted in a 29% increase. Plan changes decreased impact to 11% overall increase**

Implemented the \$3,500-80% plan

Out of Pocket Max: \$5,000(Single)/\$10,000(Family) (80% coverage after deductible is met)

SPU HSA Contribution - \$1,050 (Single)/\$2,100 (Family)

## **2021 Renewal - Resulted in a 4% increase**

Plan stayed the same

Premiums decreased by 5% for Employees(SPU employer contribution increased from 71.2% to 75%)

## **2022 Renewal - Resulted in 2% increase with a 7% cap for 2023**

Out of Pocket Max: \$3500(single)/\$7000(Family)-100% coverage after deductible is met

SPU HSA Contribution - \$1,050 (Single)/\$2,100 (Family)

# Benefit Review – 2023 Renewals

## 2023 Medical Renewal – New 2-year contract

- ❖ 11% Decrease for 2023, with a cap of 0% for 2024 renewal
- ❖ SPU Annual Total for 2023 = \$760,501
- ❖ SPU Annual Cost Savings for 2023 = (\$93,995)

### **Proposed changes to SPU medical and dental contributions for 2023:**

1. SPU Contribution 100% Single and an increase from 75% to 80% all others
2. SPU HSA Contribution: Family \$2,100 and an increase of \$500 for single (\$1,550)

- ❖ **SPU Annual Cost Savings for 2023 with changes = (\$29,763)**

2023 – Long term disability – no change

2023 – Life Insurance – no change

2023 – Dental Renewal Premiums– no updates yet until October

# Wage Trend Survey Data

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## Preliminary Budget Increases for 2023

Elk River Public Utilities – 3%

Moorehead Public Utilities –

1. Union – 3%
2. Non-union – 4%
3. Office – 6%

City of Shakopee – 2.5% (Going through Compensation study so still under review)

World at Work – Projected 2023 Median is 4.0%

MRA 2023 Compensation Trend Survey (Details on following page):

Rate Structure increases (last 12 months)

Rate Structure increases (next 12 months)

# Wage Trend Survey Data (Continued)

Pay range structure increases (exlcuding zeros)			Total	Industry		Profit Status	
				Manufacturing	Non-Manufacturing	For Profit	Not for Profit
Total Count (Answering)			112	53	59	83	29
Overall	# of months between structure increases	12.8		12.8	12.8	12.7	13.0
	Actual % structure increase (last 12 months)	4.0%		3.5%	4.3%	4.2%	3.5%
	Projected % structure increase (next 12 months)	3.7%		3.3%	4.1%	3.9%	3.9%
Total Count (Answering)			98	47	51	71	27
Executive	# of months between structure increases	13.2		13.3	13.2	13.4	12.9
	Actual % structure increase (last 12 months)	4.0%		3.9%	4.1%	4.1%	3.7%
	Projected % structure increase (next 12 months)	3.6%		3.4%	3.8%	3.6%	3.7%
Total Count (Answering)			109	52	57	81	28
Managerial, Supervisory & Professional	# of months between structure increases	12.8		12.9	12.7	12.8	12.9
	Actual % structure increase (last 12 months)	3.9%		3.4%	4.4%	3.9%	3.9%
	Projected % structure increase (next 12 months)	3.7%		3.4%	4.0%	3.7%	3.6%
Total Count (Answering)			110	52	58	81	29
Office, Technical & Service	# of months between structure increases	12.8		12.9	12.7	12.8	12.8
	Actual % structure increase (last 12 months)	3.6%		3.5%	3.7%	3.7%	3.4%
	Projected % structure increase (next 12 months)	3.7%		3.5%	3.8%	3.7%	3.7%
Total Count (Answering)			10	2	8	6	4
Production & Maintenance (Union)	# of months between structure increases	12.0		12.0	12.0	12.0	12.0
	Actual % structure increase (last 12 months)	4.6%		2.5%	5.1%	4.8%	3.8%
	Projected % structure increase (next 12 months)	4.3%		2.5%	4.8%	4.8%	3.1%
Total Count (Answering)			67	50	17	62	5
Production & Maintenance (Non-Union)	# of months between structure increases	12.9		12.7	13.4	12.8	14.4
	Actual % structure increase (last 12 months)	4.4%		4.4%	4.4%	4.5%	2.8%
	Projected % structure increase (next 12 months)	3.9%		3.8%	4.1%	3.8%	5.3%



# Wage Trend Survey Data (Continued)

Pay range structure increases (including zeros)			Total	Industry		Profit Status	
				Manufacturing	Non-Manufacturing	For Profit	Not for Profit
Total Count (Answering)			113	54	59	84	29
Overall	# of months between structure increases	12.8		12.8	12.8	12.7	13.0
	Actual % structure increase (last 12 months)	3.6%		3.1%	4.0%	3.9%	3.1%
	Projected % structure increase (next 12 months)	3.4%		3.0%	3.8%	3.7%	3.5%
Total Count (Answering)			98	47	51	71	27
Executive	# of months between structure increases	13.2		13.3	13.2	13.4	12.9
	Actual % structure increase (last 12 months)	3.4%		3.3%	3.6%	3.5%	3.3%
	Projected % structure increase (next 12 months)	3.3%		3.0%	3.6%	3.2%	3.4%
Total Count (Answering)			109	52	57	81	28
Managerial, Supervisory & Professional	# of months between structure increases	12.8		12.9	12.7	12.8	12.9
	Actual % structure increase (last 12 months)	3.6%		3.2%	4.0%	3.7%	3.5%
	Projected % structure increase (next 12 months)	3.5%		3.4%	3.7%	3.6%	3.3%
Total Count (Answering)			110	52	58	81	29
Office, Technical & Service	# of months between structure increases	12.8		12.9	12.7	12.8	12.8
	Actual % structure increase (last 12 months)	3.4%		3.3%	3.5%	3.5%	3.1%
	Projected % structure increase (next 12 months)	3.6%		3.5%	3.7%	3.6%	3.5%
Total Count (Answering)			10	2	8	6	4
Production & Maintenance (Union)	# of months between structure increases	12.0		12.0	12.0	12.0	12.0
	Actual % structure increase (last 12 months)	4.4%		1.7%	5.1%	4.3%	3.6%
	Projected % structure increase (next 12 months)	4.1%		1.7%	4.8%	4.3%	3.1%
Total Count (Answering)			67	50	17	62	5
Production & Maintenance (Non-Union)	# of months between structure increases	12.9		12.7	13.4	12.8	14.4
	Actual % structure increase (last 12 months)	4.2%		4.2%	4.1%	4.3%	2.2%
	Projected % structure increase (next 12 months)	3.6%		3.6%	3.4%	3.6%	4.0%

# Budget Assumptions - Wages

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- ❖ Wage Range Increase – 3.5%
- ❖ Pay for Performance Increases effective Jan. 1  
(Compensation Plan Design adopted 9/7/2021)
  - Total Compensation Philosophy
    1. Ranges/Midpoints adjusted annually
    2. Target pay between 96% and 104% of midpoint
    3. Individual performance-based increases (merit increase grid)
  - Leadership completed training on new job evaluation tool in August
  - Reviews are underway & will be completed by 10/14<sup>th</sup>
  - Pay for Performance Goals defined in plan

# Pay for Performance Goals

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- Compensation Plan that attracts and retains talent
- Compensation that recognizes and rewards performance
- Performance Plan that promotes excellence
- Process that is equitable across the entire organization
- Process that eliminates the need for a union
- Process that rewards employee engagement

HRExpertiseBP

## Budget Assumptions - Benefits

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- ❖ SPU Medical contribution 100% Single, 80% all others
- ❖ SPU Dental contribution: 100% Single, 80% all others
- ❖ SPU Long Term Disability contribution 100%
- ❖ SPU Life Ins – \$25,000 Plan – contribution 100%

# Next Steps

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- ❖ Staff to continue preparation of 2023 operating budget with approved assumptions
- ❖ Small working group to review preliminary operating budget week of October 17<sup>th</sup>
- ❖ Commission meeting to review preliminary CIP October 17<sup>th</sup>
- ❖ Commission meeting to review preliminary operating budget – November 7<sup>th</sup>
- ❖ Commission meeting for final approval of operating budget and CIP – December 5<sup>th</sup>





# Questions?

9/23/2022

TO: Greg Drent, General Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: East Shakopee Substation Site Update  
DATE: September 29, 2022

## ISSUE

Staff wishes to update the Commission on the status of the East Shakopee Substation site search.

## BACKGROUND

The 2018 Long Range Electric System Study prepared by Kevin Favero of Leidos identified the need for additional substation capacity to serve the anticipated growth envisioned in the City of Shakopee's 2040 Comprehensive Plan and the Jackson township AUAR.

Currently SPU's load in eastern Shakopee is served partly by our Dean Lake and Pike Lake Substations and our two feeder circuits that originate out of Xcel Energy's Blue Lake Substation. Occupying space within another utility's facility while once was a necessity, does create ongoing access, operational and maintenance issues. SPU's capacity out of Blue Lake Substation is limited by agreement to 8.3 MW. Past attempts to increase that capacity have not been successful and are unlikely to ever occur given Xcel Energy's position. In fact, Xcel Energy has frequently inquired as to when SPU may be able to vacate our capacity out of Blue Lake Substation. At one time, Xcel Energy was open to SPU constructing its own substation on Xcel Energy's property under a ground lease arrangement. Unfortunately, that is no longer the case.

Because of the potential for load growth in SPU's electric service territory in eastern Shakopee that was projected in the long-term electric system study and the possible eventual vacation of SPU's capacity in Xcel Energy's Blue Lake Substation, adding an electric substation in eastern Shakopee was recommended in the Long-Range Electric System Study under certain load growth scenarios. Funds are budgeted in the current 5-year CIP to acquire a site and construct an East Shakopee Substation.

## DISCUSSION

As the Commission recalls staff negotiated extensively in 2020 with a property owner that failed in acquiring a suitable substation site due to too large a gap in each party's valuation of the site.

Staff has identified only a couple of other vacant parcels left in eastern Shakopee suitable for locating an electric substation. Fortunately, we have identified another willing seller and believe we can be more successful this time around.

Patchin Messner Valuation Advisors did a preliminary report for staff to begin discussions of value with this property owner. McGrann Shea is in the process of drafting a purchase agreement like the ones used in other land acquisitions.

Staff believes it would be appropriate now to also engage with Xcel Energy, who owns the transmission grid in the area, through an application process to verify the transmission system has the necessary capacity in the vicinity of this location and that a transmission tap is feasible. There is an application form that must be submitted to request a study be performed by Xcel Energy at cost and a deposit of \$5,000 is required for the study to begin.

## RECOMMENDATION

It may be appropriate for the Commission to adjourn to closed session to discuss negotiations on this potential land acquisition. If so, then the motion would be as follows:

Motion: I move that the Commission go into closed session under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of a portion of the property described as PID No. 279120240.

## REQUESTED ACTION

Staff requests Commission approval to submit the application and \$5,000 deposit fee to Xcel Energy to study the transmission access feasibility.



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Shakopee, Minnesota 55379  
Main 952.445-1988 • Fax 952.445-7767  
www.shakopeeutilities.com

TO: Greg Drent, General Manager *GD*  
FROM: Joseph D. Adams, Planning & Engineering Director *J Adams*  
SUBJECT: NES WTP Site Search Update  
DATE: September 29, 2022

## ISSUE

Staff wishes to update the Commission on the status of the Normal Elevation Service District Water Treatment Plant site search.

## BACKGROUND

The Commission direction to staff is to follow the Hybrid Water Treatment Plan described in their consultant's (Short Elliot Hendrickson – SEH) Inc. Water Treatment Plant Feasibility Study. The Hybrid plan would require the Commission to acquire a site large enough to develop a WTP for all the NES District water supply.

## DISCUSSION

Staff has had discussions with representatives from three different property owners and City of Shakopee staff regarding vacant land parcels in the NES District along the east end of 17<sup>th</sup> Avenue. Staff has met with SEH, Inc. staff to develop potential footprint layouts for a WTP capable of treating for multiple elements of concern including nitrate, iron, manganese and PFAS and to ensure any parcel acquired would be sufficient in size and have adequate areas for access to public right of way and utility services including sanitary sewer and storm water management. The approximate required area of the WTP parcel ranges from 2.5 to 5 acres depending on topography and availability of adequate accesses.

Staff has narrowed our focus to a parcel currently marketed for sale that is next to the Emblem development located at 3690 Eagle Creek Boulevard between 17<sup>th</sup> Avenue and Eagle Creek Boulevard that is approximately 15 acres in size. The property owners have stated it is their desire to sell the entire parcel and not to subdivide. The excess area not used for the WTP could be resold to a developer. Alternatively, this site and potentially also the adjacent 3.5-acre residential parcel to the northeast located at 3650 Eagle Creek Boulevard could be combined and

the WTP could be located on the north end leaving a larger portion of the primary site available for resale and other developments.

This is an opportunity to work with a willing seller(s) for purchasing a site in relatively good proximity to existing water supply wells that may not be available in the future.

At Community Development Director Michael Kerski's suggestion, staff engaged Dan Mueller of Integra Realty Resources (IRR) to perform an appraisal of the parcels' current market values that could be used as the basis for a preliminary offer in the standard form purchase agreement created by McGrann Shea for other acquisitions.

#### REQUESTED ACTION

It may be appropriate for the Commission to adjourn to closed session to discuss negotiations on this potential land acquisition. If so, then the motion would be as follows:

Motion: I move that the Commission go into closed session under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property described as 3690 Eagle Creek Boulevard and 3650 Eagle Creek Boulevard in Shakopee.



## PURCHASE AGREEMENT

**DATE:** \_\_\_\_\_, 2022

**BETWEEN:** **MAC EQUITIES, LLC,**  
a \_\_\_\_\_ limited liability company (“Seller”)

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

**FOR VALUABLE CONSIDERATION,** Seller and Buyer agree as follows:

### **I. SALE AND PURCHASE**

- 1.1 Sale of Property. Subject to the terms and conditions of this Purchase Agreement (this “Agreement”), Seller will sell and convey to Buyer, and Buyer will purchase and accept from Seller, the parcel of real property located at 3690 Eagle Creek Blvd, Shakopee, Minnesota 55379 and legally described in Exhibit A, together with all improvements thereon and all rights, privileges, easements, licenses, appurtenances and hereditaments relating thereto (collectively, the “Property”).
- 1.2 Closing. The closing of the sale and purchase of the Property (“Closing”) will occur thirty (30) days after the expiration of the Due Diligence Period under Article IV of this Agreement at 10:00 a.m. local time in the offices of the Title Company identified in Section 3.1, or at such other time or place as Buyer and Seller may agree.

### **II. PURCHASE PRICE**

- 2.1 Payment of Purchase Price. The purchase price for the Property will be \_\_\_\_\_ and No/100 Dollars (\$\_\_\_\_\_.00) (the “Purchase Price”), paid in the following manner:
- (a) \$\_\_\_\_\_, by Buyer depositing with the Title Company such amount in cash upon execution of this Agreement as earnest money; and
- (b) the remainder, by Buyer paying such amount to Seller in cash at Closing.
- 2.2 Method of Payment. All cash payments by Buyer will be in U.S. Dollars and in the form of wire transfers, certified checks or other immediately available funds acceptable to Seller.
- 2.3 Application of Earnest Money. Any earnest money deposited by Buyer under Section 2.1 will be deposited with the Title Company. The Title Company will be instructed to hold the earnest money in its trust account, and invest the earnest money in certificates issued by and time deposits in national banking associations or nationally chartered savings and loan associations, in securities issued or guaranteed by the United States Government, in money market funds the underlying assets of which consist of the above-described certificates or

securities, or in such other investments as may from time to time be approved in writing by Buyer and Seller. All interest earned on the earnest money will be considered as additional earnest money, to be held and invested by the Title Company in the same manner as the earnest money originally deposited. If Closing does not occur pursuant to the termination of this Agreement by Buyer per the terms hereof or because of a default by Seller under this Agreement, the earnest money deposited under this Agreement and any interest earned thereon will be returned to Buyer. If Closing does not occur because of a default by Buyer under this Agreement, such earnest money will be paid to Seller as liquidated damages. If Closing occurs, such earnest money will be paid to Seller as a part of the Purchase Price. Buyer will bear any risk of loss with regard to any earnest money deposited with the Title Company or any interest earned thereon.

### **III. TITLE**

- 3.1 **Title Commitment.** Within fifteen (15) days of the date of this Agreement, Seller will furnish to Buyer a commitment for an owner's policy of title insurance (ALTA Form 06/17/06) covering the Property (the "Commitment"), issued by Old Republic National Title Insurance Company through Scott County Abstract and Title, Inc., or such other title insurer as may be acceptable to Buyer (the "Title Company"), with standard exceptions for mechanic's liens, survey and parties in possession deleted, with searches for special assessments and with an amount of coverage equal to the Purchase Price. The Commitment will include a copy of each instrument listed as an exception to title or referred to therein. The service charge for the Commitment will be paid by Seller, but the premium for any policy issued pursuant to such Commitment will be paid by Buyer.
- 3.2 **Survey.** Within thirty (30) days of the date of this Agreement, Seller will furnish to Buyer at Seller's cost an "as-built" survey of the Property made by a registered land surveyor and certified to Buyer, the Title Company and the title insurer, showing the location of all easements, buildings, improvements, and encroachments and conforming to the current standard detail requirements established by the American Land Title Association and the National Society for Professional Surveyors (the "Survey").
- 3.3 **Examination of Title.** Buyer will be allowed thirty (30) days after receipt of the Commitment and Survey for examination of title to the Property and making of objections. Objections will be made in writing or be deemed waived.
- 3.4 **Corrections to Title.** If any objections to title to the Property are made as provided in Section 3.3, Seller will be allowed sixty (60) days in which to make title marketable. Pending correction of title, Closing will be postponed; but upon correction of title or waiver of the specified defects by Buyer, Closing will be held on the date scheduled for Closing under Section 1.2 or, if later, ten (10) days after the objections are cured or waived. If title is not made marketable or the objections are not waived by Buyer within sixty (60) days after the date Buyer gives written objection to title to the Property under Section 3.3, Buyer or Seller may terminate this Agreement and the earnest money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.

#### IV. REVIEW OF THE PROPERTY

- 4.1 Documents. Within fifteen (15) days after the date of this Agreement, Seller will make available at its offices for review and copy by Buyer all leases, contracts, records, environmental and engineering studies, reports and tests, and other documents and surveys relating to the condition, suitability, and desirability of the Property that are in the possession of Seller or otherwise reasonably available to Seller (collectively, the "Documents"). Seller will not be responsible for the accuracy, completeness or sufficiency of the Documents and will have no obligation to copy or incur any costs for copying the Documents.
- 4.2 Due Diligence. Buyer will be allowed \_\_\_\_\_ (\_\_\_\_) days after the date of this Agreement (the "Due Diligence Period") to review the Documents, inspect the Property, perform such inventories, observations, tests, and investigations as Buyer may reasonably deem appropriate, and otherwise satisfy itself regarding the condition, suitability, and desirability of the Property. If Buyer in its sole discretion is not satisfied with the Property, Buyer may on or before the expiration of the Due Diligence Period terminate this Agreement by giving written notice to Seller. Upon such termination, the earnest money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.
- 4.3 Environmental Inspection. Buyer may provide its environmental consultant with a copy of any environmental report included in the Documents made available by Seller, and pursuant to Section 9.2 may at its cost conduct additional investigations of the environmental condition of the Property. If Buyer conducts a Phase I environmental investigation and such report contains a recommendation for a Phase II investigation, Buyer will have the option of terminating this Agreement or ordering at Seller's cost a Phase II investigation. If a Phase II investigation is ordered, the Due Diligence Period will be extended by an additional sixty (60) days for investigation and submittal of such report. Buyer will provide Seller with a copy of its Phase I and Phase II environmental reports upon completion.
- 4.4 Cooperation. Seller will cooperate with Buyer in making all necessary filings, petitions, and submissions required by Buyer to obtain the necessary governmental approvals for Buyer's planned use of the Property. Seller will take no action, either personally or in connection with a related entity, which would be inconsistent with or in contravention of its obligations to cooperate hereunder.

#### V. CONDITIONS TO CLOSING

- 5.1 Seller Conditions. The obligation of Seller to sell the Property under this Agreement is subject to the reasonable satisfaction of Seller that:
- (a) the representations and warranties of Buyer contained in Section 8.2 are true and correct in all material respects as of Closing;
  - (b) Buyer has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by it prior to or on Closing;

- (c) Seller has received a certificate or certificates dated the day of Closing and signed by a responsible officer of Buyer certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) no action or proceeding has been instituted or threatened by any third party unaffiliated with Seller to enjoin or delay purchase or obtain material damages from Seller with respect to the purchase which Seller in good faith believes presents a significant risk of succeeding; and
- (e) Buyer has delivered to Seller all of the items required to be delivered to Seller pursuant to Section 6.1.

5.2 Buyer Conditions. The obligation of Buyer to purchase the Property under this Agreement is subject to the reasonable satisfaction of Buyer that:

- (a) the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of Closing;
- (b) Seller has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by it prior to or at Closing;
- (c) Buyer has received a certificate or certificates dated the day of Closing and signed by a responsible officer or manager of Seller certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) it is satisfied with the Property in its sole judgment and has determined that it can proceed with its planned use of the Property without significant additional expense and that the same is economically feasible;
- (e) it has obtained the approval of the City of Shakopee and any and all relevant governmental authorities and other bodies and persons for all required rezoning, permits, licenses, variances, site plan reviews, and other approvals necessary for Buyer's planned use of the Property, including, but not limited to, transmission access approvals from Xcel Energy and the Midwest Independent System Operator (MISO);
- (f) Seller has terminated all existing leases on the Property prior to Closing so that Seller can deliver the Property to Buyer free of all claims for lease termination and tenant relocation expenses;
- (g) no action or proceeding has been instituted or threatened by any third party unaffiliated with Buyer to enjoin or delay purchase or obtain material damages from Buyer with respect to the purchase which Buyer in good faith believes presents a significant risk of succeeding;
- (h) as of two (2) days before and as of Closing, Seller has removed from the Property any and all containers of motor oil, paint, solvents, petroleum products, all motor

vehicle tires and batteries, and all hazardous substances, pollutants, and environmental contaminants; and

- (i) Seller has delivered to Buyer all of the items required to be delivered to Buyer pursuant to Section 6.2.

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

- (a) waive the condition and proceed with Closing;
- (b) delay Closing for up to sixty (60) days to allow the condition to be satisfied; or
- (c) terminate this Agreement.

If this Agreement is so terminated, the earnest money and any interest thereon will be applied as set out in Section 2.3 and neither Seller nor Buyer will have the right to specific performance or damages for default of this Agreement.

## **VI. CLOSING**

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

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

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

- (a) a certificate or certificates dated the day of Closing and signed by a responsible officer or manager of Seller certifying as to the matters set forth in Section 5.2(a) and (b) of this Agreement;
- (b) a warranty deed duly executed by Seller conveying the Property to Buyer;
- (c) termination agreements for all existing leases on the Property;
- (d) an affidavit satisfactory to Buyer that Seller is not a foreign person under Section 1445 of the United States Internal Revenue Code;



- (e) a well disclosure statement as required under Minnesota Statutes section 103I.235, if appropriate disclaimer language is not contained in the deed delivered at Closing;
  - (f) an affidavit satisfactory to Buyer that at Closing there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against Seller, no labor, services, materials, or machinery furnished to the Property for which mechanics' liens could be filed, and no unrecorded interests in the Property which have not been fully disclosed to Buyer;
  - (g) a resolution of the board of governors or managers of Seller authorizing and approving the transaction contemplated by this Agreement, certified as true and correct by the secretary or manager of Seller; and
  - (h) any other items required by this Agreement or reasonably required by the Title Company.
- 6.3 Delivery of Possession. Seller will deliver possession of the Property to Buyer at Closing.
- 6.4 Further Actions. At Buyer's request from time to time after Closing, Seller will at no cost to Seller execute and deliver such further documents of conveyance and take such other action as Buyer may reasonably require to convey the Property to Buyer.

## **VII. CLOSING COSTS AND PRORATIONS**

- 7.1 Closing Costs. Buyer and Seller will each be responsible for its legal, accounting and other expenses associated with the transaction contemplated by this Agreement up to and including the date final adjustments are made pursuant to this Agreement. However, if Buyer or Seller defaults under this Agreement, it will be responsible for all reasonable expenses (including attorneys' fees) incurred by the other in enforcing any rights and remedies under this Agreement. Seller will be responsible for any document recording fees required for correction of title and any state deed tax required in connection with the transaction. Buyer will pay all other document recording fees, fees associated with the transfer or obtaining of licenses and permits required to operate the Property, mortgage registry taxes, and any sales or use taxes required in connection with the transaction. Seller and Buyer will each pay half of the closing fee and any escrow fees imposed by the Title Company, title insurer or its closing agent in connection with this transaction.
- 7.2 Taxes and Assessments. Real estate taxes and installments of special assessments with respect to the Property due and payable in the year in which Closing occurs will be prorated as of Closing. Seller will pay all such taxes and assessments due and payable in years prior to the year in which Closing occurs. Buyer will pay all such taxes and assessments due and payable in years following the year in which Closing occurs.
- 7.3 Income and Expenses. Except as set out in Section 7.2, rents (including without limitation payments for operating costs and percentage rent) and all other income and operating expenses relating to the Property, including, but not limited to annual income and annual expenses related to agricultural crops, will be prorated as of the close of business of the day before Closing. Seller will be responsible for the expenses and entitled to the revenues accrued or applicable to the period prior to Closing. Buyer will be responsible for the

expenses and entitled to the revenues accrued or applicable to the day of Closing and thereafter.

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

## **VIII. WARRANTIES AND REPRESENTATIONS**

- 8.1 Seller Warranties. Seller warrants and represents to Buyer that:

- (a) no brokerage commission or other compensation is due and unpaid in connection with any lease, tenancy or occupancy of the Property or any renewal thereof;
- (b) Seller has not received any notice and is not aware of a violation of any building codes, fire codes, health codes, zoning codes, environmental laws, or other laws and regulations affecting the Property or the use thereof;
- (c) Seller has not received any notice of a condemnation, environmental, zoning or other regulation or proceeding being instituted or planned which would detrimentally affect the use and operation of the Property for its intended purpose;
- (d) Seller has not received any notice of hearing of a public improvement project from any governmental assessing authority, the costs of which may be assessed against the Property;
- (e) Seller does not know of any wells on the Property, except as may otherwise be disclosed in the Documents (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 1031.235);
- (f) Seller does not know of any individual sewage treatment systems on the Property or serving the Property, except as may otherwise be disclosed in the Documents (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 115.55);
- (g) Seller does not know of any underground or aboveground storage tanks currently on the Property, or any underground or aboveground storage tanks formerly on the Property that had a release for which no corrective action was taken, except as may otherwise be disclosed in the Documents or affidavit filed of record (this statement being made pursuant to the disclosure requirements of Minnesota Statutes section 116.48);

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

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

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

- 8.3 Non-Residential Property Disclosures. Seller shall complete the disclosures attached hereto as Exhibit B.

## **IX. OPERATIONS PRIOR TO CLOSING**

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

## **X. CASUALTY AND CONDEMNATION**

- 10.1 Notice of Damage or Taking. Seller will give Buyer prompt notice of any fire or other casualty occurring between the date of this Agreement and Closing which involves damage to the Property and of any actual or threatened taking in condemnation affecting the Property of which Seller has knowledge.
- 10.2 Option to Terminate. If prior to Closing:
- (a) the Property sustains damage by fire or other casualty in an amount greater than 10% of the Purchase Price under this Agreement;
  - (b) the Property is taken in condemnation or by transfer in lieu of condemnation; or
  - (c) condemnation proceedings are commenced against the Property,

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

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

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

## XI. GENERAL

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

(a) if to Seller:                   MAC Equities LLC  
\_\_\_\_\_  
\_\_\_\_\_

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

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

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

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

11.2 Broker Commissions. Buyer and Seller each represents that no salesperson, broker, or agent has been retained by it in connection with this transaction other than Newmark Knight Frank ("Broker"). Seller is responsible for payment of the commission of the Broker as and to the extent of its listing agreement with the Broker. Except as so specified, Buyer and Seller each indemnifies the other from any real estate or other sales commissions arising out of any claim of any salesperson, broker or agent acting or claiming to have acted on behalf of the indemnifying party in connection with this transaction.

11.3 Entire Agreement. This Agreement embodies the entire agreement and understanding between Buyer and Seller relating to the transactions contemplated by this Agreement and may not be amended, waived or discharged except by an instrument in writing executed by



the party against whom enforcement of such amendment, waiver or discharge is sought. No warranties or representations have been given by either party to the other which are not fully embodied in this Agreement. If any term or provision of this Agreement is invalid or unenforceable, the remainder of this Agreement will not be affected and will remain in full force and effect.

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

*[The remainder of this page is intentionally left blank]*

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

**SELLER:**

**MAC EQUITIES LLC,**  
a \_\_\_\_\_ limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**BUYER:**

**SHAKOPEE PUBLIC UTILITIES COMMISSION,**  
a Minnesota municipal utility commission

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**

**Legal Description**

[NEED]

## **EXHIBIT B**

### **Disclosures for Sale of Non-Residential Property**

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

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

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

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

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

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

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

**C. HAZARDOUS SUBSTANCES, PETROLEUM PRODUCTS, AND UNDERGROUND STORAGE TANK DISCLOSURE.** Pursuant to Minnesota Statutes Sections 115B.16 and 116.48, Seller knows of no hazardous substances or petroleum products having been placed, stored, or released from or on the Property by any person in violation of any law, nor of any underground or aboveground storage tanks having been located on the Property at any time, except as follows:

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

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

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

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

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

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

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

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



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

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

- ☐ Well Disclosure Statement (M.S.B.A. Real Property Form No. 21)
- ☐ Disclosure of Sewage Treatment System (M.S.B.A. Real Property Form No. 14)
- ☐ Independent Sewage Treatment Compliance Report
- ☐ Addendum to Purchase Agreement: Wetlands, Shoreland and Flood Plain Disclosure (M.S.B.A. Real Property Form No. 8)
- ☐ Methamphetamine Disclosure Statement (M.S.B.A. Real Property Form No. 22)
- ☐ Addendum to Purchase Agreement: Tenants and Parties in Possession (M.S.B.A. Real Property Form No. 20)

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