

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
November 21, 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 November 7, 2022 Minutes (GD)
  - C=> 3b) Approval of November 21, 2022 Agenda (KM)
  - C=> 3c) November 21, 2022 Warrant List (KW)
  - C=> 3d) Water Dashboard (LS)
  - C=> 3e) Capitalization Policy (KW)
  - C=> 3f) Time Keeping Policy (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. **Reports: General Manager**
  - 6a) General Manager Report – Verbal (GD)
  - 6b) Paymentus Separation Agreement (GD)
7. **Reports: Water Items**
  - 7a) Water System Operations Report – Verbal (LS)
  - 7b) Lateral Water Main Connection Charges Update (JA)
  - 7c) Tank #9 Structural Design, Construction Engineering and Construction Monitoring Task Authorization (LS)
8. **Reports: Electric Items**
  - 8a) Electric System Operations Report – Verbal (BC)
  - 8b) East Shakopee Substation Site Update (JA)
9. **Reports: Human Resources**

10. **Reports: General**

10a) Marketing/Key Accounts Report – Verbal (SW)

11. **Items for Future Agendas**

12. **Tentative Dates for Upcoming Meetings**

- December 5, 2022
- December 21, 2022 - Cancelled
- January 3, 2023 – Tuesday
- January 17, 2022 - Tuesday

13. **Adjournment**

MINUTES OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION

November 7, 2022

Regular Meeting

1. Call to Order. President Mocol called the November 7, 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) October 17, 2022 minutes; (3b) November 7, 2022 agenda; (3c) November 7, 2022 Warrant List; (3d) MMPA October Meeting Update; and (3e) General Manager Salary. Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.
3. Liaison Report. Commissioner Brennan had nothing to report.
4. Public Comment Period. No public comments were offered.
5. General Manager Report. Greg Drent, General Manager, provided an update on current projects, including the 2023 budget, meeting with Mr. Reynolds on City projects, solar projects, and the transition of electric customers from MVEC. Mr. Drent noted that SPU has filled the GIS position with an internal candidate. Mr. Drent also reported that he was asked to serve on the Chamber Board of Directors in 2023.
6. AMI Vendor Bid Award. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, introduced Gregory Johnson and Pat Corrigan from Katama Technologies Inc. They described the bidding process and the evaluation criteria specified in the bids. They noted that of the two finalists, Honeywell, and Itron/Border States, Itron provided a superior communications network with a significant impact on shorter outage recovery timing, a preferred water meter and experience in delivery, system expandability, more favorable warranty coverage, a domestic call center, and a dedicated project manager. They noted Honeywell's recent experience of significant cost increases in multiple years to other firm contracts. They recommended that SPU pursue contract negotiations with Itron/Border States. Commissioner Fox moved to approve contract negotiations with Itron/Border States. Commissioner Letourneau seconded the motion. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.
7. Water Report. Lon Schemel, Water Superintendent, reported that all pumphouses are winterized and that staff will stake driveways for snow plowing. With hydrant flushing done, staff continues to exercise valves; about 300 have been completed. Mr. Schemel noted that Well #23 testing is complete; pumping is expected at 850 gallons/minute.

8. Electric Report. Brad Carlson, Electric Superintendent, provided the electric report project updates, including boring for feeder 75 and extension 83, new streetlights at Maras/Hansen/Stagecoach, construction on the Dean Lake feeder circuit 75 and Blue Lake 25 tie point, and a new wireless communication tower by the Eagle Creek Bus Transit Station. Mr. Carlson reported that MVEC and SPU staff changed out 771 meters in the Prior Lake area, and that the transfer to SPU is scheduled to start next week. Electric crews are installing the underground along County Road 78 and Emery Way for the final tie point for MVEC. Mr. Carlson noted five outages since the last Commission meeting; two were caused by animals. He explained that the County Road 83 Circuit went down, and staff found wires wrapped around each other, suggesting that a piece of equipment hit it, affecting 530 customers for 60 minutes. He also noted that a contractor dug and hit the Dean Lake feeder on 12<sup>th</sup> Ave. Mr. Carlson noted that Circuit 31 at South Substation experienced an outage likely due to strong winds, affecting 401 customers for 26 minutes.

9. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, reported that changes to the website home page are completed and a big improvement. She noted that NISC marketing is in full swing, preparing for the 2023 launch. She explained that file formatting issues with OPower required that all the data SPU sends monthly had to be remapped; she thanked Mr. Keltgen for his work, which helped save SPU \$30,000 in programming costs. Ms. Walsh also noted on-going customer communications with the MVEC/SPU transfer, including in-person meetings at Jackson Heights and Bonnevista Terrace. She noted that SPU is partnering with the high school on its Center for Advanced Professional Studies, with Mr. Adams working with the Science and Technology program. Ms. Walsh and Ms. Willemssen are working on an internship program in finance and marketing area.

10. Semi-Final Capital Improvement Plan (CIP) for 2023 – 2027. Joseph Adams, Planning and Engineering Director, presented the 2023 – 2027 CIP for Administration, Engineering, and Water.

11. 2023 Operating Budget and Cash Flows. Kelley Willemssen, Director of Finance and Administration, presented the 2023 Operating Budget and Cash Flows. She noted the budget assumptions of residential and industrial growth of 0%, and commercial growth of 1%. She also stated that revenues projections assume a rate increase of 4% for electric and 5.23% for water.

12. East Shakopee Substation Site Update and NES WTP Site Search Update. Commissioner Letourneau moved, seconded by Vice President, 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 PID No. 279120240 located at 1462 Maras Street, 3650 Eagle Creek Boulevard, and 3690 Eagle Creek Boulevard. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried. In open session, Commissioner Letourneau moved to proceed with

negotiations for PID No. 279120240 and to continue negotiations to purchase 3650 Eagle Creek Boulevard and 3690 Eagle Creek Boulevard, including consultant review of land uses. Commissioner Fox seconded the motion. Ayes: Mocol, Fox, Brennan, Krieg, and Letourneau. Nays: None. Motion carried.

13. Adjourn. Motion by Commissioner Fox, seconded by Vice President Krieg, to adjourn to the Monday, November 21, 2022, meeting. Ayes: Mocol, Krieg, Brennan, Fox, and Letourneau. Nays: None. Motion carried.

---

Greg Drent, Commission Secretary

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
November 21, 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 November 7, 2022 Minutes (GD)
  - C=> 3b) Approval of November 21, 2022 Agenda (KM)
  - C=> 3c) November 21, 2022 Warrant List (KW)
  - C=> 3d) Water Dashboard (LS)
  - C=> 3e) Capitalization Policy (KW)
  - C=> 3f) Time Keeping Policy (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. **Reports: General Manager**
  - 6a) General Manager Report – Verbal (GD)
  - 6b) Paymentus Separation Agreement (GD)
7. **Reports: Water Items**
  - 7a) Water System Operations Report – Verbal (LS)
  - 7b) Lateral Water Main Connection Charges Update (JA)
  - 7c) Tank #9 Structural Design, Construction Engineering and Construction Monitoring Task Authorization (LS)
8. **Reports: Electric Items**
  - 8a) Electric System Operations Report – Verbal (BC)
  - 8b) East Shakopee Substation Site Update (JA)
9. **Reports: Human Resources**

10. **Reports: General**

10a) Marketing/Key Accounts Report – Verbal (SW)

11. **Items for Future Agendas**

12. **Tentative Dates for Upcoming Meetings**

- December 5, 2022
- December 21, 2022 - Cancelled
- January 3, 2023 – Tuesday
- January 17, 2022 - Tuesday

13. **Adjournment**

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

November 21, 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:

JACK HENRY	\$3,736.01
GRAINGER INC	\$210.76
AAR BUILDING SERVICE CO.	\$4,051.43
FRANCIS AGYAPONG	\$1,000.00
INC ALTEC INDUSTRIES	\$89.25
ARROW ACE HARDWARE	\$83.83
MIRIAM BARCENAS VASQUEZ	\$175.00
RANDI BERENS	\$350.00
BERGERSON-CASWELL INC	\$5,112.50
ROBERT BERNDTSON	\$507.52
BLUETARP FINANCIAL, INC.	\$88.53
INC BOLTON & MENK	\$1,826.00
BORDER STATES ELECTRIC SUPPLY	\$680.50
INC. BRAD-PAK ENTERPRISES	\$31.93
JANE BREEGGEMANN	\$75.00
TRACY CARLSON	\$2.50
STEVEN CHIEV	\$500.00
CHOICE ELECTRIC INC	\$1,294.30
CITY OF SAVAGE	\$2.11
CITY OF SHAKOPEE	\$8,442.76
CITY OF SHAKOPEE	\$499,487.92
DARYL CLARKE	\$50.00
INC. COMCAST CABLE COMMUN	\$2.25
CUSTOMER CONTACT SERVICES	\$876.07
HUNG DANG	\$350.00
DESIGNING EARTH CONTRACTING	\$602.82
BRIAN DEVITT	\$1,000.00
DGR ENGINEERING	\$2,392.63
DITCHWITCH OF MINNESOTA	\$729.08
BRENDA DONALDSON	\$125.00
DSI/LSI	\$377.16
HANNAH ELYNCK	\$800.00
EMERGENCY AUTOMOTIVE TECHNOLOGIES	\$325.67
ENGIE INSIGHT SERVICES, INC.	\$4,523.64
INC. FERGUSON US HOLDINGS	\$2,025.73
INC. FRONTIER ENERGY	\$3,802.75
RONALD GEIS	\$350.00
ETHAN GIBLETTE	\$1,000.00
GRAINGER INC	\$1,412.35
HAWKINS INC	\$9,312.71
INC. HENNEN'S AUTO SERVIC	\$62.30
MARGARET & JOHN HITTINGER	\$500.00
ASHLEE HOLTGRAVE	\$50.00
JOHN HOWE	\$500.00
INC. IMPACT MAILING OF MI	\$1,457.81
INNOVATIVE OFFICE SOLUTIONS LLC	\$690.83
INTERSTATE ALL BATTERY CENTER	\$415.40
IRBY - STUART C IRBY CO	\$3,046.01
IRBY TOOLS - STUART C IRBY CO	\$6,245.25
JT SERVICES	\$15,075.45
UMA KANCHARAPU	\$6.00
CHAD KOTERBA	\$1,000.00
NEERAJ KUMAR	\$75.00
INC LARKSTUR ENGINEERING	\$610.54
LEAGUE OF MINN CITIES INS TRUST	\$175.84
LINK LUMBER	\$23.45
LOCATORS & SUPPLIES INC	\$918.43
MALYADRI MAMIDALA	\$50.00
URBAIN MANFRED NDE	\$500.00
KIMBERLY MAREK	\$75.00
INC MARK J TRAUT WELLS	\$42,061.25
SHAKIL MARUF	\$50.00
MASTER MECHANICAL INC	\$3,408.21
MCGRANN SHEA CARNIVAL	\$13,965.00
CINDY MENKE	\$27.90
MICHEL'S CORPORATION	\$6,631.77
PATRICK MILLER	\$1,000.00
MINN VALLEY TESTING LABS INC	\$577.73
MMUA	\$30.00
LOANDA MORROW	\$350.00



## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

November 21, 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:

YU MUI	\$350.00
MARK MUSTRADI	\$500.00
MVEC - MINN VALLEY ELECTRIC COOP	\$770.66
SCOTT NAPHTALI	\$1,000.00
AMANDA NASH	\$175.00
GERRY NEVILLE	\$309.38
CINDY NICKOLAY	\$480.01
NORTHERN STATES POWER CO	\$3,291.25
NORTHWEST ASPHALT INC	\$418.54
BARB & JOE NOVAK	\$1,000.00
MACHELLE PEARSON	\$185.00
KARL PIEPHO	\$50.00
INC. PLUNKETT'S PEST CONT	\$149.59
POMP'S TIRE SERVICE INC	\$3,774.92
JUDITH REDFIELD	\$225.00
RESCO	\$3,441.06
RESERVE ACCOUNT	\$3,000.00
JAMIE RIPPEL	\$350.00
CHASE ROTHSTEIN	\$75.00
SOTHEANY ROUS	\$148.49
INC. LEIDOS ENG. LL RW BECK GROUP	\$26,687.00
SAMBATEK	\$6,216.50
SCHERER BROTHERS LUMBER	\$14.84
MICHAEL SCHULTZ	\$525.00
SCOTT COUNTY JAIL	\$1,334.12
SCOTT COUNTY MRTS	\$1,310.00
ELLE SEAVER	\$249.99
LINDA SEURER	\$500.00
SHERBUNE SLATER CONSTRUCTION	\$215.18
SHORT ELLIOTT HENDRICKSON INC	\$24,096.22
SOUTHWEST NEWS MEDIA	\$393.59
INC. STAPLES OIL COMPANY	\$1,614.90
SUMMIT COMPANIES	\$2,769.75
TODD THOMAS	\$500.00
GREG TRIPLETT	\$506.26
INC. ULINE	\$180.28
INC. UNITED SYSTEMS & SOF	\$5,890.28
UPS STORE # 4009	\$196.69
VERIZON WIRELESS	\$117.22
INC VESSCO	\$542.00
MICHAEL VOURLOS	\$421.25
SHARON WALSH	\$44.74
ERIC WEATHERMON	\$500.00
WESCO RECEIVABLES CORP.	\$697.94
AMERICAN NATL BANK_MASTERCARD_ACH	\$14,702.57
FURTHER - ACH	\$222.50
MN DEPT OF REVENUE ACH PAYMENTS	\$325,565.00

---



---

\$1,093,092.60



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

---

Approved by General Manager

---

Approved by Commission President

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

November 21, 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:

JACK HENRY	\$3,736.01	REMIT & REMOTE
GRAINGER INC	\$210.76	HEX LAG SCREW
AAR BUILDING SERVICE CO.	\$4,051.43	NOV. CLEANING SERVICE
FRANCIS AGYAPONG	\$1,000.00	2022 RES. SOLAR REBATE
INC. ALTEC INDUSTRIES	\$89.25	HYDRAULIC TUBE ASSEMBLY
ARROW ACE HARDWARE	\$83.83	CONDUIT
MIRIAM BARCENAS VASQUEZ	\$175.00	2022 ENERGY STAR CLOTHES WASHER
RANDI BERENS	\$350.00	2022 RES. COOLING & HEATING REBATE
BERGERSON-CASWELL INC	\$5,112.50	REPLACING DISCHARGE LINE FLANGED SPOOL
ROBERT BERNDTSON	\$507.52	MILEAGE FROM 10/28-11/3/22
BLUETARP FINANCIAL, INC.	\$88.53	tools
INC. BOLTON & MENK	\$1,826.00	W.END LOWER BLUFF TRUNK WATERMAIN
BORDER STATES ELECTRIC SUPPLY	\$680.50	MISC. ITEMS
INC. BRAD-PAK ENTERPRISES	\$31.93	BLACK POLYSEAL CAP
JANE BREEGGEMANN	\$75.00	2022 RES. APPLIANCE REBATE
TRACY CARLSON	\$2.50	MILEAGE REIMB.
STEVEN CHIEV	\$500.00	2022 RES. COOLING & HEATING REBATE
CHOICE ELECTRIC INC	\$1,294.30	PUMP HSE 20, DISCONNECT & INSTALL NEW LI
CITY OF SAVAGE	\$2.11	WATER FOR MCCOLL DRIVE
CITY OF SHAKOPEE	\$8,442.76	OCT. FUEL BILL
CITY OF SHAKOPEE	\$499,487.92	OCT. SW 391021.03 & SD 108466.89
DARYL CLARKE	\$50.00	2022 RES. STAR APPLIANCE REBATE
INC. COMCAST CABLE COMMUN	\$2.25	CABLE FOR LUNCHROOMS
CUSTOMER CONTACT SERVICES	\$876.07	ANSWERING SERVICE 11/15-12/12
HUNG DANG	\$350.00	2022 RES. COOLING & HEATING REBATE
DESIGNING EARTH CONTRACTING	\$602.82	HYDRANT METER REFUND #86393173
BRIAN DEVITT	\$1,000.00	2022 RES. SOLAR REBATE
DGR ENGINEERING	\$2,392.63	2022 DISTRIBUTION ADDITIONS SS-83 EXT.
DITCHWITCH OF MINNESOTA	\$729.08	HOSS ASSY
BRENDA DONALDSON	\$125.00	2022 RES. STAR APPLIANCE REBATE
DSI/LSI	\$377.16	NOV. GARBAGE SERVICE
HANNAH ELYNCK	\$800.00	2022 RES. SOLAR REBATE
EMERGENCY AUTOMOTIVE TECHNOLOGIES	\$325.67	SUPERCAB SPLIT FRONT BENCH
ENGIE INSIGHT SERVICES, INC.	\$4,523.64	2022 REBATE FOR LIGHTING
INC. FERGUSON US HOLDINGS	\$2,025.73	SCREW
INC. FRONTIER ENERGY	\$3,802.75	OCT. C & I IMPLEMENTAION
RONALD GEIS	\$350.00	2022 RES. ENERGY COOLING & HEATING REBAT
ETHAN GIBLETTE	\$1,000.00	2022 RES. SOLAR REBATE
GRAINGER INC	\$1,412.35	ELBOW, NIPPLE
HAWKINS INC	\$9,312.71	CHLORINE
INC. HENNEN'S AUTO SERVIC	\$62.30	ELEC. DEPT. OIL CHANGE
MARGARET & JOHN HITTINGER	\$500.00	2022 RES. COOLING & HEATING REBATE
ASHLEE HOLTGRAVE	\$50.00	2022 RES. STAR APPLIANCE REBATE
JOHN HOWE	\$500.00	2022 RES. COOLING & HEATING REBATE
INC. IMPACT MAILING OF MI	\$1,457.81	AUG. COLLECTION LETTERS
INNOVATIVE OFFICE SOLUTIONS LLC	\$690.83	OFFICE SUPPLIES
INTERSTATE ALL BATTERY CENTER	\$415.40	core chg exchn
IRBY - STUART C IRBY CO	\$3,046.01	CONNECTORS
IRBY TOOLS - STUART C IRBY CO	\$6,245.25	BATTERY PACK
JT SERVICES	\$15,075.45	REEL HDPE BLACK W/3 RED STRIPES
UMA KANCHARAPU	\$6.00	2022 RES. LIGHTING REBATE
CHAD KOTERBA	\$1,000.00	2022 RES. SOLAR REBATE
NEERAJ KUMAR	\$75.00	2022 RES. ENERGY STAR APPLIANCE
INC. LARKSTUR ENGINEERING	\$610.54	PRESSURE WASHER
LEAGUE OF MINN CITIES INS TRUST	\$175.84	W.C.CLAIM FOR T.O.
LINK LUMBER	\$23.45	CONCRETE
LOCATORS & SUPPLIES INC	\$918.43	RED CONSTRUCTION MARKING PAINT
MALYADRI MAMIDALA	\$50.00	2022 RES. APPLIANCE REBATE
URBAIN MANFRED NDE	\$500.00	2022 RES. HEATING & COOLING REBAT
KIMBERLY MAREK	\$75.00	2022 RES. ENERGY STAR APPLIANCE REBATE
INC. MARK J TRAUT WELLS	\$42,061.25	WELL #23
SHAKIL MARUF	\$50.00	2022 RES. ENERGY STAR APPLIANCE REBATE
MASTER MECHANICAL INC	\$3,408.21	FALL EQUIPMENT STARTUP MAINTENANCE
MCGRANN SHEA CARNIVAL	\$13,965.00	EAST SUB. PURCHASE AGREEMENT
CINDY MENKE	\$27.90	REIMB. POSTAGE OVERNIGHT JACK HENRY CK
MICHELS CORPORATION	\$6,631.77	UTILITIES IN TRENCH VALLEY CREST 2ND
PATRICK MILLER	\$1,000.00	2022 RES. SOLAR REBATE
MINN VALLEY TESTING LABS INC	\$577.73	COLIFORM
MMUA	\$30.00	2022 TREE TRIMMING WORKSHOP J.R. & T.O.
LOANDA MORROW	\$350.00	2022 RES. COOLING & HEATING REBATE

## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

November 21, 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:

YU MUI	\$350.00	2022 RES. COOLING & HEATING REBATE
MARK MUSTRADI	\$500.00	2022 RES. COOLING & HEATING REBATE
MVEC - MINN VALLEY ELECTRIC COOP	\$770.66	COPPER WIRE, CROSS ARM ASSEMBLY
SCOTT NAPHTALI	\$1,000.00	2022 RES. SOLAR REBATE
AMANDA NASH	\$175.00	2022 RES. ENERGY STAR APPLIANCE
GERRY NEVILLE	\$309.38	10/7-11/3/22 MILEAGE REIMB.
CINDY NICKOLAY	\$480.01	10/7-11/3/22 MILEAGE REIMB.
NORTHERN STATES POWER CO	\$3,291.25	OCT. POWER BILL
NORTHWEST ASPHALT INC	\$418.54	2022 HYDRANT METER #83727450
BARB & JOE NOVAK	\$1,000.00	2022 RES. SOLAR REBATE
MACHELLE PEARSON	\$185.00	4TH QTR DRUG TESTING
KARL PIEPHO	\$50.00	2022 RES. STAR ENERGY REBATE
INC. PLUNKETT'S PEST CONT	\$149.59	VALLEY PARK DR. S. PEST CONTROL PROGRAM
POMP'S TIRE SERVICE INC	\$3,774.92	ELEC. DEPT. WORK DONE ON TRUCK
JUDITH REDFIELD	\$225.00	2022 RES. STAR APPLIANCE REBATE
RESCO	\$3,441.06	CONN BARE, CONN PEDESTAL INSUL
RESERVE ACCOUNT	\$3,000.00	REPLENISH POSTAGE MACHINE
JAMIE RIPPEL	\$350.00	2022 RES. COOLING & HEATING REBATE
CHASE ROTHSTEIN	\$75.00	2022 RES. STAR APPLIANCE REBATE
SOTHEANY ROUS	\$148.49	2022 IRRIGATION CONTROLLERS
INC. LEIDOS ENG. LL RW BECK GROUP	\$26,687.00	SEPT.-OCT. ANALYSIS OF SPU E. SUB.
SAMBATEK	\$6,216.50	SPU PRODUCTION WELL #23
SCHERER BROTHERS LUMBER	\$14.84	CONCRETE MIX
MICHAEL SCHULTZ	\$525.00	2022 RES COOLING & HEATING REBATE
SCOTT COUNTY JAIL	\$1,334.12	Rebate for Lighting
SCOTT COUNTY MRTS	\$1,310.00	2022 LIGHTING REBATE
ELLE SEAVER	\$249.99	REIMB. FOR SAFETY BOOTS
LINDA SEURER	\$500.00	2022 RES. COOLING & HEATING REBATE
SHERBUNE SLATER CONSTRUCTION	\$215.18	HYDRANT METER #13206351
SHORT ELLIOTT HENDRICKSON INC	\$24,096.22	VARIOUS WORK ORDERS
SOUTHWEST NEWS MEDIA	\$393.59	LEGALS FOR OCT.
INC. STAPLES OIL COMPANY	\$1,614.90	DYED SOY DF
SUMMIT COMPANIES	\$2,769.75	CHEMICAL EXTINGUISHER SERVICE
TODD THOMAS	\$500.00	2022 RES. ENERGY COOLING & HEATING REBAT
GREG TRIPLETT	\$506.26	10/7-11/3/22 MILEAGE REIMB.
INC. ULINE	\$180.28	TRASH LINERS
INC. UNITED SYSTEMS & SOF	\$5,890.28	ITRON ENCODER REMOTE
UPS STORE # 4009	\$196.69	WATER SAMPLES FOR MDH
VERIZON WIRELESS	\$117.22	TEXT MESSAGING FOR ELECTRIC
INC VESSCO	\$542.00	ON SITE SERVICE WELL #20
MICHAEL VOURLOS	\$421.25	APPA WORKSHOP REIMB.
SHARON WALSH	\$44.74	SPOOKY FAMILY FUN SUPPLIES
ERIC WEATHERMON	\$500.00	2022 RES. COOLING & HEATING REBATE
WESCO RECEIVABLES CORP.	\$697.94	LOCATOR
AMERICAN NATL BANK_MASTERCARD_ACH	\$14,702.57	CREDIT CARD CHARGES FOR OCT.
FURTHER - ACH	\$222.50	NOV. ADMIN. FEES
MN DEPT OF REVENUE ACH PAYMENTS	\$325,565.00	OCT. SALES & USE TAX

---



---

\$1,093,092.60

---

Presented for approval by: Director of Finance & Administration

---

Approved by General Manager

---

Approved by Commission President

# Monthly Water Dashboard

As of: October 2022

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

## Element/Measure

## Water Pumped/Metered

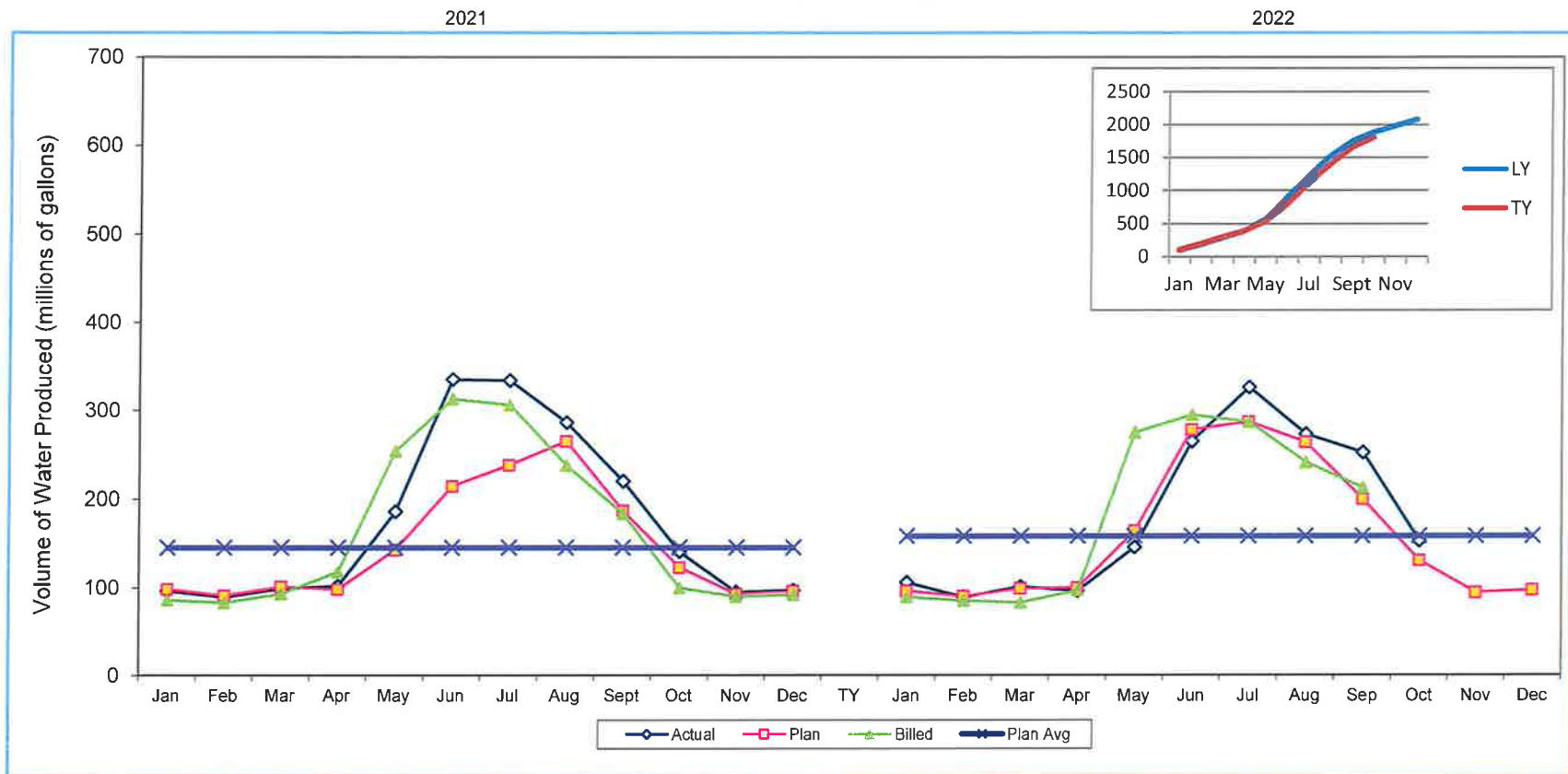
Monthly Avg

2019 139

2020 150

2021 173

Last 6 months actuals 146 265 326 273 252 153 326



	LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual		96	89	99	102	186	335	334	286	220	141	95	97		106	89	101	96	146	265	326	273	252	153		
Plan		98	91	101	98	143	214	238	265	187	123	93	96		96	90	99	100	164	278	287	264	200	131	94	97
YTD % *															110%	105%	104%	102%	98%	97%	101%	102%	105%	106%		
Billed		86	83	93	118	254	313	306	238	184	100	90	92		89	85	83	97	275	295	287	241	213			

\* Actual gallons pumped vs. Plan



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

DATE: November 18, 2022  
TO: Greg Drent, General Manager *GD*  
FROM: Kelley Willemssen, Director of Finance & Administration *kw*  
SUBJECT: Revisions to Capitalization Policy Adopted – 6/26/22

---

Overview:

The finance department has been working with the NISC implementation team to convert fixed assets into the system. As we worked through the details and analyzed each asset account and expenditure, we determined that a few areas needed to be more refined and specific in the capitalization policy adopted in June of 2022. Below is a summary of the changes that were made to the initial policy.

**Capital Asset Classification Section – Revisions**

- o Infrastructure threshold changed from \$100,000 to \$25,000
- o Construction-in-progress threshold changed from \$100,000 to \$25,000
- o Transformer classification added – \$1.00 threshold
- o Meters classification added – \$1.00 threshold

**Reporting Capital Assets (2) – Revisions**

- o Removed verbiage (excluding in-house labor)

We consulted with Abdo Financial Services to ensure that the proposed revisions were in line with best practices. These changes will be retroactive to the initial policy date of 6/26/22 to ensure consistency.

Attached is a copy of the capitalization policy with the revisions.

**Action Requested**

Adopt the recommended revisions to the capitalization policy





# Capital Asset Policy

Effective 6/20/2022

# Capital Asset Policy

## Purpose

It is the policy of SPU to maintain appropriate procedures regarding the procurement, management, and disposal of all capital assets in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34). The Capital Assets Policy addresses classes of assets, determination of useful lives, and calculation of depreciation.

### 1. Define Capital Assets, Criteria and Capitalization Thresholds

Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, furniture, vehicles, and infrastructure. A capital asset is to be reported and depreciated in government-wide financial statements. In the government- side financial statements, assets that are not capitalized are expended in the year of acquisition.

Another criterion for recording capital assets is capital-related debt. Capitalize capital assets purchased with debt proceeds and depreciate over their estimated useful life. Capitalizing these assets will minimize the potential of reporting negative net assets in the statement of net assets. In most cases, these assets will meet the thresholds and guidelines for recording as a capital asset.

For the purposes of this policy, capital assets must be capitalized if they meet the following criteria: The expected useful life is longer than 1 year, the asset has at least a unit cost of \$5,000 or more, expenditures that materially add to the value or prolong the life of existing equipment will be considered capital assets and appropriately capitalized, and the item belongs to one of the general classes of assets defined in this policy.

A capitalization threshold is the cost established that must be met or exceeded if an asset is to be recorded and depreciated as a capital asset. Assets that do not meet the capitalization threshold will be recorded as expenditures or expenses.

For financial reporting purposes only, SPU will classify and establish capitalization thresholds for each asset class as follows:

Capital Asset Classification	Capitalization Threshold
Land and land improvements;	\$1
Land Improvements;	\$25,000
Other improvements;	\$25,000
Building and building improvements;	\$25,000
Machinery and equipment;	\$5,000
Vehicles;	\$5,000
Infrastructure;	\$100,000
Construction-in-progress;	Accumulate all costs and capitalize if over \$100,000 when complete.
Other assets;	\$5,000

All information regarding the SPU asset acquisition, retention, and disposal is maintained and reported to the finance department.

# Capital Asset Policy

## 2. Reporting Capital Assets

Report capital assets at historical costs, which includes most costs necessary to placing a capital asset into its intended use or state of operation. Historical cost includes the vendor's invoice, the value of any trade-in or allowance, sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus; and ancillary charges such as freight and transportation charges, site preparation costs, and professional fees.

In the event the historical cost of a capital asset is not determinable, it will be necessary to record an estimated historical cost of the asset using alternative methods. Alternative methods include standard costing and normal costing. Standard costing estimates the historical cost of a capital asset by establishing the average cost of obtaining the same or a similar asset at the time of acquisition.

Normal costing estimates historical cost based on the current cost to either reproduce or replace the capital asset, indexed by a reciprocal factor from the estimated acquisition date, i.e., taking the value of acquiring the asset new today and then discounting that amount by an appropriate inflation factor back to the date of acquisition.

## 3. Depreciation Capital Assets

Depreciation is the process of allocating the cost of a tangible asset to the periods of benefit. Capital assets shall be depreciated over their estimated useful life with exception of the following:

- A. Inexhaustible assets, i.e., land, and land improvements that do not require maintenance or replacement
- B. Construction work-in-progress.

For financial purposes SPU will use the straight-line method of depreciation, which allocates the cost evenly over the life of the asset. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period, or accumulated depreciation, will equal the original cost less salvage value.

The key consideration for determining whether to capitalize expenditures depends on whether the cost incurred, significantly extends the asset's useful life, increases its capacity, or improves its efficiency. Therefore, capitalize capital asset improvement costs if:

- A. The costs exceeds the capitalization thresholds; and
- B. One of the following criteria is met:
  - The value of the asset or estimated life is increased by 25% of the original cost or life period;
  - The cost results in an increase in capacity of the asset; or
  - The efficiency of the asset is increased by more than 10%;

If the above criteria is not met, then the cost should be recorded as a repair and maintenance expense within the appropriate expense function.

## 4. Capital Asset Definitions and Categories



# Capital Asset Policy

Land - is to be capitalized but not depreciated. It is recorded at historical cost and remains at that cost until disposal. If there is a gain or loss on the sale of land it is reported as a special item in the statement of activities.

Land Improvements - consist of betterments, site preparation, and site improvements (other than buildings) that ready land for its intended use. The costs associated with improvements to land are added to the cost of the land. Land improvements can be further categorized as inexhaustible, not requiring maintenance or replacement; or exhaustible, e.g., parking lots, landscaping and fencing.

Examples of items to be capitalized as land and land improvements include:

- A. Purchase price or fair value;
- B. Professional fees, includes title searches, architect, legal, engineering, appraisal, surveying, environmental assessments;
- C. Land excavation, fill, grading, and drainage;
- D. Demolition of existing buildings and improvements, less salvage;
- E. Removal, relocation or reconstruction of property owned by others, i.e., power, telephone and railroad lines;
- F. Accrued and unpaid taxes at date of purchase;
- G. Other costs incurred in acquiring the land;
- H. Water wells, including initial cost for drilling, the pump and its casing; and
- I. Permanent right-of-way;

## 4. Capital Asset Definitions and Categories

Other Improvements - include land improvements that are exhaustible in nature and enhance the quality or facilitate the use of land for a specific purpose.

Examples of items to be capitalized as other improvements include:

- A. Fencing and gates;
- B. Landscaping;
- C. Parking lots, driveways, and parking barriers;
- D. Outdoor sprinkler and irrigation systems;
- E. Paths and trails;
- F. Retaining walls;

Buildings - refer to a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. Certain buildings or

# Capital Asset Policy

structures that are an ancillary parts of infrastructure networks, such as well houses and pumping stations will be reported as infrastructure rather than as buildings.

Example of items to be capitalized as building:

## ***Purchased Buildings:***

- A. Original purchase price;
- B. Expenses for remodeling, reconditioning, or altering a purchased building to make it ready for its intended purpose;
- C. Environmental complies, i.e., asbestos abatement;
- D. Professional fees, includes architect, engineer, management fees for design and supervision, legal;
- E. Cancellation or buyout of existing leases; and
- F. Other costs required to place or render the asset into operation;

## ***Constructed Buildings:***

- A. Completed project costs;
- B. Cost of excavation or grading or filling of land for a specific building;
- C. Expenses incurred for the preparation of plans, specifications, blueprints;
- D. Building permits;
- E. Costs of temporary buildings used during construction;
- F. Additions to buildings, i.e., expansions, extensions, or enlargements;

Building Improvements - include capitalized costs that materially extend the useful life of a building or increase the value of a building, or both, beyond one year. Building improvements should not include maintenance and repairs done in the normal course of business.

Examples of items to be capitalized as building improvements include:

- A. Installation or upgrade of heating and cooling systems, including ceiling fans and attic fans;
- B. Original installation or upgrade of wall or ceiling covering such as carpeting, tiles, paneling, or parquet;
- C. Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing;

## Capital Asset Policy

- D. Installation or upgrade of window or door-frames, upgrading windows or doors, built-in closet and cabinets;
- E. Interior renovation of casings, baseboards, light fixtures, ceiling trim;
- F. Installation or upgrade of plumbing and electrical wiring; and
- G. Installation or upgrade of telecommunication system

Example of items considered repairs or maintenance in nature and should not be capitalized as buildings or building improvements include:

- A. Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building;
- B. Improvement projects of minimal or no added life expectancy and/or value to the building;
- C. Plumbing or electrical repairs;
- D. Cleaning; pest extermination, or other periodic maintenance;
- E. Interior decoration, i.e., draperies, blinds, curtain rods, wallpaper;
- F. Exterior decoration, i.e., detachable awnings, uncovered porches, decorative fences;
- G. Maintenance-type interior renovation including repainting, touch-up plastering, replacement of carpet, tile, or pane sections, and refinishing of sinks and fixtures;
- H. Replacement of a part or component of a building with a new part of the same type and performance capabilities, e.g., replacement of an old boiler with a new one of the same type and performance capabilities;
- I. Any other maintenance-related expenditure, which does not increase the value of the building;

**Equipment, Machinery, and Vehicles** - refer to fixed or movable tangible assets used for operations, the benefits of which extend beyond one year from date of receipt.

Examples of expenditures to be capitalized as equipment, machinery, and vehicles include:

- A. Original contract or invoice price;
- B. Freight charges;
- C. Handling and storage charges;
- D. In-transit insurance charges;
- E. Sales, use and other taxes imposed on the acquisition;
- F. Installation charges;
- G. Charges for testing and preparation for use;
- H. Cost of reconditioning used items when purchased; and
- I. Parts and labor associated with the construction of equipment, machinery, or vehicle;

# Capital Asset Policy

Note that the cost of extended warranties and/or maintenance agreements, which can be separately identified from the cost of the equipment, machinery, or vehicle shall not be capitalized.

**Infrastructure Assets** - are long-lived capital assets that are linear and stationary in nature and can be preserved for a significantly greater number of years than most capital assets.

Examples of infrastructure assets include:

- A. Underground Conduit;
- B. Cables;
- C. Line Transformers;
- D. Poles, Towers and Fixtures;
- E. Pumphouses;
- F. Wells;
- G. SCADA Equipment;
- H. Meters;
- I. Station Equipment;
- J. Signage

**Other Capital Assets** - includes computer software that is either purchased or developed for internal use, which should be capitalized, if the cost of the software exceeds the capitalization threshold and depreciated over the software's estimated useful life. Capitalization of computer software includes software license fees if the total dollar amount of the fee divided by the number of units or terminals exceeds the threshold.

Examples of expenditures to be capitalized as computer software include:

- A. External direct costs of materials and services, i.e., third-party fees for services;
- B. Costs to obtain software from third parties;
- C. Travel costs incurred by employees in their duties directly associated with development;
- D. Payroll and payroll-related costs of employees directly associated with or devoting time to encoding, installing, or testing; and
- E. Costs to develop or obtain software that allows for access or conversion of old data by new information systems;

Note that upgrades and enhancements should only be capitalized to the extent that they increase the functionality of the product.

## Capital Asset Policy

**Leased Property** - Any transaction meeting the definition of a lease, must follow the regulations as set by Government Accounting Standards Board (GASB) Statement No. 87.



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

**DATE:** November 18, 2022  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemssen, Director of Finance & Administration *kw*  
**SUBJECT:** Time Keeping Policy

---

**Background:**

The finance department has officially completed the conversion to NISC – Accounting and Business Solutions (ABS) software. The new system includes an electronic time keeping process. Now that SPU is moving away from signed paper timesheets and to an electronic pay platform, we needed to establish a timekeeping policy to ensure payroll methods continue to be accurate and reliable.

Attached is a copy of the timekeeping policy for review.

**Requested Action**

**Adopt Time Keeping Policy**



# Time Keeping Policy

Effective 11/21/2022

## **General Policy**

Timekeeping records constitute the basis for payment of wages and paid leave practices outlined in the handbook. The iVue Connect electronic timekeeping system is the official basis for recording hours worked and maintaining absence records. Data from iVue Connect is transferred to the payroll system where employees are paid or leave time is processed according to the hours recorded on employee's iVue Connect timesheet.

Each employee is responsible for the accurate submission of his or her own personal time reporting, and each manager or supervisor is responsible for reviewing the employee's compliance with this time keeping policy. Altering, falsifying, or tampering with time keeping records may result in corrective action, up to and including termination of employment.

## **Recording Time**

Non-exempt employees are required to record the following via the iVue Connect system.

- Number of hours worked or paid leave hours
- Identification of the account to be charged
- The work order(s) to which the time applies (as appropriate)

Exempt employees are required to record only leave time used during a pay period (i.e., sick, vacation, jury duty, etc.). Time by exception in iVue Connect is in place to record regular time for all hours worked by exempt employees.

## **Paid Leave**

- All paid leave time must be entered in to the iVue Connect system by using electronic Time Off Requests. Time Off Requests must be approved by a manager or supervisor. All SPU paid holidays must be entered into the electronic timesheet for both non-exempt and exempt employees.

## **Frequency**

- Non-exempt employees are required to verify their time worked and leave time hours, are recorded before submitting their timesheet to their manager or supervisor for approval. It is preferred that employees fill out their timesheets at the end of each completed workday but are only required to submit timesheets to their manager or supervisor for review and approval at the end of each work week.
- Exempt employees are required to verify their approved leave time hours are added to their timesheet and submitted to their manager for approval at the end of each work week.





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

DATE: November 18, 2022

TO: Commissioners

FROM: Greg Drent, General Manager

A handwritten signature in black ink, appearing to read "GD", is written over the name "Greg Drent".

Subject: Paymentus Agreement

---

Since 2013, SPU has used Paymentus as our ebill and online payment vendor. The credit card processing fees from Paymentus were initially set up as a pass-through credit card fee to customers when they completed a transaction using their payment portal. During COVID, the Commission decided to absorb the credit card fees and not pass them through to customers. SPU currently pays about \$30,000 monthly in credit card fees, depending on total transactions. SPU can significantly reduce the amount paid toward credit card fees with Paymentus if we sign a new 3-year contract with a utility rate structure.

However, the main problem with the Paymentus arrangement is that payments made through this payment channel will not post to customers' accounts in "real-time" because of the configuration process of uploading files to the new billing system that is going live in 2023. Customers would continue to see a delay on when their payment is reflected on their balance. Automated processes associated with the new billing system would also not be functional so there would be a need for staff to continue to run manual processes internally. The new billing system is moving the utility billing to a more robust customer service option for our customers and moving the electronic payment process under the same platform is part of that enhancement. SPU will also see annual savings moving to NISC.

SPU provided notice of termination of its contract with Paymentus on August 18, 2022. Paymentus believed that the agreement continues until May 28, 2024. Staff has negotiated, with counsel, the enclosed settlement agreement. Staff recommends approval of the agreement, authorizing the General Manager and counsel to modify if necessary.

**Action:**

Approve the proposed attached agreement with Paymentus and terminate the contract effective February 28, 2023.

## **SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement and Release ("Settlement Agreement") is entered into as of November \_\_, 2022 by and between Paymentus Corporation, a Delaware Corporation with a principal place of business at 11605 N. Community House Road, Charlotte, North Carolina 28277 ("Paymentus") and Shakopee Public Utilities, having a principal place of business at 255 Sarazin Street, Shakopee, Minnesota 55379-0479 ("Client"). Any capitalized terms that are not defined in this Agreement shall have the meanings set forth in the Master Services Agreement.

### **STATEMENT OF PURPOSE**

1. On January 19, 2013, Paymentus and Client entered into a Master Services Agreement for the acquisition of engagement tools, bill presentment, electronic bill payment and related services ("Hosted Services") to be supplied by Paymentus to Client (which together with the Amending Agreement entered into by the parties on August 9, 2016 is hereinafter referred to as the "Master Services Agreement").

2. Certain disputes have arisen concerning the Master Services Agreement, and the parties now desire to terminate the Master Services Agreement, to settle any disputes between them, and to state the terms and conditions, which hereafter will govern the relationship between the parties.

### **AGREEMENT**

In consideration for the promises and payments set forth in this Agreement, the adequacy and sufficiency of which are hereby acknowledged and conditioned upon such payments being made the parties agree as follows:

1. **Acknowledgement of Compromise**. It is expressly understood, acknowledged, and agreed that by reason of entering into this Settlement Agreement, the parties do not admit any fact or liability of any type or nature with respect to any matter whether or not referred to herein, concerning the Master Services Agreement, or the attendant dispute. This Settlement Agreement is entered into by way of compromise and settlement only to avoid the expense of resolving the dispute through litigation, arbitration or mediation.

2. **Termination of Master Services Agreement**. Effective as of February 28, 2023 ("Termination Date"), the Master Services Agreement and any rights or obligations thereunder are hereby terminated. Neither Paymentus nor Client shall have any further duties or obligations under the Master Services Agreement, whether express or implied, or oral, or written following the Termination Date.

3. **Cross Release of Each of the Parties**. Except for the obligations expressly stated within this Agreement, Client hereby irrevocably fully releases and forever discharges Paymentus, and Paymentus hereby irrevocably fully releases and forever discharges Client from any and all manners of action, causes of action, debts, liabilities, claims, and demands of every kind and nature whatsoever, known or unknown, now existing or hereafter arising, accrued or unaccrued, which the releasing party, its successors or assigns or any such other party claiming through or under the releasing party on behalf of itself and its predecessors, successors, assignees, parent companies, shareholders, sister companies, subsidiaries, divisions, affiliates, officers, directors, partners, employees, agents and attorneys, past and present its predecessors, successors, and assigns, past and present (collectively, the "Releasing Parties") may have against any of them, arising out of, in connection with, or related to any claim, cause or action, liability, expense, debt, or demand which the releasing party, its successors or assigns or any such party claiming through or under the releasing party may now or hereafter have against any of them, whether now known or unknown, vested or contingent, suspected or unsuspected, which exist, or have or may have existed in the past and which were raised or could have been raised by the Releasing Party relating to the Master Services Agreement, or relating to any state of facts existing on or prior to the effective date of this Settlement Agreement with the exception that the parties shall continue to perform their respective obligations under the MSA through the Termination Date (except that the Term of the Agreement shall expire as of the Termination Date). In addition, following the Termination Date, Client will pay Paymentus, and Paymentus will refund to the Payment Processor for credit back to the User(s) both (a) a refund equal to the original Payment Amount and (b) any Paymentus Fee in connection with any Reversed or Chargeback Transactions that are presented within sixty (60) days of the Termination Date of this Agreement and supported by reasonable

documentation. This cross release shall not be invalidated, limited or modified by any breach or nonperformance by any party of any provision of this Settlement Agreement. Each party warrants that it is authorized to give the release provided in this section on behalf of each of the other corporations or entities on whose behalf the release purportedly is given. CLIENT RECOGNIZES THAT IT MAY HAVE SUSTAINED DAMAGES WHICH ARE UNKNOWN AT THE TIME OF THE EXECUTION HEREOF AND INTENDS BY THE EXECUTION OF THIS INSTRUMENT TO RELEASE PAYMENTUS FROM ANY CLAIM FOR ANY SUCH UNKNOWN DAMAGES

4. **Payments.**

a. **Cash Settlement.** Client shall pay to Paymentus One Hundred and Twenty-five Thousand Dollars (\$125,000.00) as consideration for the release made by Paymentus under the terms of this Settlement Agreement no later than November 28, 2022;

b. **Forgiveness of all Outstanding Invoices.** This Settlement Agreement is a complete statement and settlement of all amounts owed by any party to any other party pursuant to the Master Services Agreement or any amendments thereto, other than the settlement of future Reversed or Chargeback Transactions presented within sixty (60) days of the Termination Date, as described in Section 3 of this Agreement.

c. **Payment Date.** The payments described in Section 4(a) above shall be made via wire to the account listed on Exhibit A attached to this Settlement Agreement no later than November 28, 2022.

5. **Limitation of Liability.** IN NO EVENT WILL PAYMENTUS OR CLIENT OR ANY OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS OF EITHER OF THEM BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR SPECIAL OR CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING UNDER OR IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, EVEN IF PAYMENTUS AND CUSTOMER HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6. **Miscellaneous.**

a. **Assignment.** This Settlement Agreement and everything herein, shall inure to the benefit of, may be taken advantage by, and shall be binding upon the respective parties hereto and their respective successors and permitted assigns. Notwithstanding the foregoing, neither this Settlement Agreement or rights hereunder may be assigned, sublicensed or transferred (by operation of law or otherwise), in whole or in part, by either party without the prior written consent of the other without the other party's prior written consent, which may be reasonably withheld.

b. **Governing Law.** This Settlement Agreement shall be deemed to have been made and entered into in Delaware, and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Delaware. In addition, the parties consent to the exclusive jurisdiction of the federal court in the State of Delaware.

c. **Due Authorization and Integration Clause.** Each party represents that the party executing this Agreement has been duly authorized by the party to execute and enter into this Settlement Agreement on behalf of that party. This Agreement constitutes the entire agreement of the parties. Each party warrants to the other that no promise or inducement for this Agreement has been made except as stated herein and that this Agreement is being executed without reliance upon any statement or representation by either party to the other.

d. **Agreement Construction.** The language of this Agreement (i) has been approved by the counsel of each of the parties, (ii) shall be construed as a whole according to its fair meaning. Neither of the parties hereto shall be deemed to be the draftsman of this Agreement in any action which may hereafter arise between the parties.

e. **Attorney's Fees.** Each party is to bear its own attorney's fees and costs with respect to this matter.

**ACCEPTED AND AGREED TO BY AN AUTHORIZED REPRESENTATIVE OF EACH OF THE PARTIES AS OF THE DATE LAST SET FORTH BELOW:**

**PAYMENTUS CORPORATION**

**SHAKOPEE PUBLIC UTILITIES COMMISSION**

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



\_\_\_\_\_

**EXHIBIT A**  
**PAYMENTUS WIRING INSTRUCTIONS**

Bank:	PNC Bank, NA, 249 Fifth Avenue, Pittsburgh, PA 15222
Wire Routing Number:	#031000053
Bank Account No.:	#5303744907



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

TO: Greg Drent, General Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: Lateral Water Main Connection Charges Update  
DATE: November 17, 2022

## ISSUE

Staff previously reviewed the past trunk water main projects that included a component of lateral water main benefits to various parcels and received direction to contact all affected property owners with the specific requirements for their future connection to the municipal water system.

## BACKGROUND

The attached Resolution #815 *A Resolution Authorizing and Establishing a Fee for the Equivalent Lateral Watermain Portion of a Trunk Watermain Project* established a policy tool for the Utilities Commission to enable cost recovery for the lateral water main equivalent costs on trunk water main projects when such a project was deemed in the public interests and the city was not able to use its assessment authority under state statute Chapter 429 without incurring substantial risk.

There have been multiple projects undertaken by the Utilities Commission to cooperate with other public bodies i.e., Shakopee Public Schools, Scott County and City of Shakopee and their construction projects where public water main extensions providing lateral water main benefits to private property were deemed by the Utilities Commission to be in the best interest of the community. However, notices to the affected property owners of their future requirements to enable their property to receive water service were not uniform, timely and none of the applicable resolutions were recorded on individual property records as intended.

## DISCUSSION

The Utilities Commission directed staff to organize the records and create a communication to all affected property owners with the specifics details of the project that impacts their property and give them a choice to pay the lateral water main equivalent charge using the base project costs at the time of construction or to defer payment after being informed that the Commission would be



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

increasing the base cost for inflation using the federal US Treasury 10 year rate in effect at the time of construction applied from 90 days after the date of notice until payment is ultimately made.

Attached for review is a draft communication template.

#### RECOMMENDATION

Staff recommends the Utilities Commission review the draft communication, offer suggested revisions, and then approve the final version to be sent.

RESOLUTION #815

A RESOLUTION AUTHORIZING AND ESTABLISHING A FEE  
FOR THE EQUIVALENT LATERAL WATER MAIN PORTION  
OF A TRUNK WATER MAIN PROJECT

WHEREAS, Minn. Stat. Chapter 444 gives the Shakopee Public Utilities Commission discretion in determining and calculating appropriate charges and fees to be collected for providing water service to its customers;

WHEREAS, Minn. Stat. § 444.075, subd. 3 states that fees and charges may be imposed to pay for the construction, reconstruction, repair, enlargement, maintenance, operation, and use of water service facilities; and

WHEREAS, Minn. Stat. § 444.075, subd. 3 states that charges imposed for providing water service must be just and equitable and must relate to the use of and the availability of water service facilities and for connections with them; and

WHEREAS, the Shakopee Public Utilities Commission has established a trunk water policy establishing a trunk water main area assessment charge for the construction of municipal trunk water mains that are (over)sized in excess of the lateral water mains required to serve nearby property; and

WHEREAS, the Shakopee Public Utilities Commission has established a lateral water main design criteria policy establishing requirements for minimum size and number of lateral water mains required to serve nearby property based on zoning, flow requirements and size of the area being served; and

WHEREAS, the cost of installing and constructing lateral water mains are oftentimes paid by developers or other parties requesting such service or through the Chapter 429 special assessment process; and

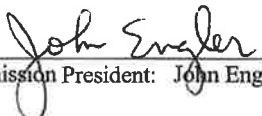
WHEREAS, the Shakopee Public Utilities Commission has concluded that in certain cases, the process established in Minn. Stat. Chapter 444 should be utilized to pay for the equivalent lateral water main construction costs associated with specific water main installations; and

WHEREAS, the Shakopee Public Utilities Commission desires to establish a policy to ensure that the fees for providing such lateral water main are just and equitable.

NOW, THEREFORE, BE IT RESOLVED by the Shakopee Public Utilities Commission as follows:

1. Pursuant to Minn. Stat. Chapter 444, there is hereby established a fee for the equivalent lateral water main portion of a trunk water main project.
2. The fee authorized by this Resolution shall be applicable in situations where the equivalent lateral water main portion of the trunk water main costs is not being paid by a developer or other person requesting the construction and installation of lateral water main for the purpose of receiving water service or in situations where the Commission concludes that collecting the costs through the Chapter 429 special assessment procedure project should not be utilized.
3. The lateral water main fee established by this Resolution shall be calculated at the time that the Commission approves the water main project based on the actual costs for constructing the water main, with consideration of the equivalent lateral water main portion of any oversized trunk water main. The fee shall be indexed on an annual basis and be calculated on an area basis based on the amount of property that will ultimately be served by the lateral water main. The fee shall be paid at the time of connection to the water system, and is in addition to any and all other applicable standard requirements to receive water service.

Passed in regular session of the Shakopee Public Utilities Commission, this 1<sup>st</sup> day of August, 2005.

  
Commission President: John Engler

ATTEST:  
  
Commission Secretary: Kent Archard





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

[Date]

[Property Address]

Dear Property Owner:

This letter is to inform you that the Shakopee Public Utilities Commission previously approved a trunk water main construction project in your area that has lateral water main benefits to your property. At the time the project was conceived and constructed the Utilities Commission determined that a portion of the cost of the project would be recovered under a future "lateral water main connection charge" from each property benefitting from the water main construction meeting **some but not all** the standard terms and conditions to receive municipal water service from the distribution system.

The statutory authority for the Utilities Commission to adopt such a lateral water main connection charge is established by MN Statute Chapter 444 and the Utilities Commission adopted this authority when it passed the enclosed Resolution #815 in 2005. Per that policy another pair of resolutions are to be adopted for each specific project establishing first an estimated cost to each affected property and then a final cost once the project is completed. Property owners may choose to pay their lateral water main connection charge at any time once it has been established but, in all cases, it must be paid prior to commencing water service.

The lateral water main connection charge is just one of several requirements that must be met to receive water service as outlined in the attached Standard Terms and Conditions to Receive Municipal Water Service. The lateral water main connection charge meets in part or in whole depending on individual property circumstances the standard requirement to install a lateral water main extension meeting SPU's water main design criteria that is described in the SPU Water Policy Manual which is posted online at [www.shakopeeutilities.com/business/policy-manuals](http://www.shakopeeutilities.com/business/policy-manuals).

It is important to note that each property owner has the choice to pay the established lateral water main connection charge assigned to their property at the time of the project's construction or defer the payment to a future date. When the payment is deferred per the policy resolution the lateral water main connection charge will be increased annually by an inflation index, specifically the federal US Treasury 10-year rate in effect at the time the water main is constructed.

Due to delays in sending you this communication the Utilities Commission has determined not to add any interest to your lateral water main connection charge from the time the water main project was constructed through 90 days after the date of this letter to give you time to have any questions answered by staff for your specific situation. You may contact myself or SPU staff listed below should you have any questions or concerns.



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

Joseph Adams  
Planning & Engineering Director  
[Jadams@shakopeeutilities.com](mailto:Jadams@shakopeeutilities.com)  
952-233-1501



Kelley Willemssen  
Director of Finance & Administration  
[kwillemssen@shakopeeutilities.com](mailto:kwillemssen@shakopeeutilities.com)  
952-233-1516

Sincerely,

Greg Drent  
SPU General Manager  
[gdrent@shakopeeutilities.com](mailto:gdrent@shakopeeutilities.com)  
952-233-1511



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

TO: Greg Drent, General Manager   
FROM: Lon Schemel, Water Superintendent   
SUBJECT: Tank #9 Structural Design, Construction Engineering and Construction  
Monitoring Task Authorization  
DATE: November 17, 2022

#### ISSUE

The 500,000-gallon Elevated Tank at Wood Duck Trail and Marschall Road is moving forward into the design stage, and it is appropriate for the Commission to authorize professional services that are necessary to complete the project.

#### BACKGROUND

Barr Engineering's Mike Burdorf has been the planning and engineering resource for the Riverview Booster Station on Kelly Circle, Windermere Booster Station on Amberglen Circle, Tank 8, and the design phase of Well 23 when he worked for Sambatek.

All of those completed projects were successfully commissioned on time and within budget. The construction of Tank 9 would be in keeping with our idea of a Class-A water system. We plan for a robust and resilient water system in all areas of our service territory. This tank will serve the 2<sup>nd</sup> elevation area with an overflow height of 1,115 feet above mean sea level. See attached map of our service elevation zones.

#### DISCUSSION

The CIP budget for the elevated tank project, including engineering and project management totals \$3,000,000. The attached Barr Work Order No. 1 estimates the fees for the services detailed will be a not to exceed amount of \$242,400 billed at their established rates for actual time.

KLM Engineering, Inc. will also be providing welding, coating and warranty inspections as they are doing for tank 8. They are not able to prepare a quote for this service until the style of reservoir has been decided. They provided a rough estimate of \$90,000.



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

#### RECOMMENDATION/ REQUESTED ACTION

Staff recommends the Commission approve the engineering services as proposed by Barr Engineering and authorize General Manager Greg Drent to execute the task authorization form.



Work Order No. 1

Applicable to Agreement Dated June 17, 2022

between

**Barr Engineering Co. (Barr)**  
4300 MarketPointe Dr., Suite 200  
Minneapolis, MN 55435

**Shakopee Public Utilities**  
255 Sarazin Street  
Shakopee, MN 55379

**Designated Representatives:**

PM: Mike Burdorf

PIC: Brian LeMon

**I. Scope Language**

In accordance with attached proposal document:  
*Fee Proposal for Elevated Water Tank No. 9 dated October 28, 2022*

**II. Maximum Compensation and Assumptions ("Service Assumptions") Upon Which Maximum is Based**

SPU has selected Option 2 including structural services: \$242,400.00

**III. Schedule and Assumptions Upon Which Schedule is Based**

In accordance with attached proposal document:  
*Fee Proposal for Elevated Water Tank No. 9 dated October 28, 2022*

ACCEPTED AND AGREED TO:

BARR ENGINEERING CO. / BARR ENGINEERING  
AND ENVIRONMENTAL SCIENCE CANADA LTD.

Shakopee Public Utilities

By: Brian LeMon

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

Title: Vice President

Title: \_\_\_\_\_

Date: November 16, 2022

Date: \_\_\_\_\_

October 28, 2022

Mr. Joe Adams  
Director of Planning and Engineering  
Shakopee Public Utilities  
255 Sarazin St.  
Shakopee, MN 55379

Sent via e-mail to [jadams@shakopeeutilities.com](mailto:jadams@shakopeeutilities.com)

**Re: Fee Proposal for Elevated Water Tank No. 9**

Dear Mr. Adams,

Barr Engineering Co. (Barr) appreciates the opportunity to submit this proposal to complete design, bidding and construction services for Elevated Water Tank No. 9 located in Shakopee, Minnesota. We have developed this proposal using a preliminary scope of services that SPU and Barr prepared together.

We understand that Shakopee Public Utilities (SPU) requires engineering related design, bidding and construction administration services for an elevated water tower located in the 2-HES pressure zone. The property where the tower is to be located is at the northeast quadrant of the Wood Duck Trail and County Road No. 17 (Marshall Road) intersection. The proposed elevated water tank site includes a 2-million-gallon (MG) ground storage reservoir (GSR) which was constructed in 2014. The existing site was designed to include an elevated water tower to the west of the existing GSR. Site access was constructed as part of the 2014 GSR project. We understand that a property survey and a topographic as-built survey were completed during the GSR project and the survey files will be provided to Barr as AutoCAD line and point file types. The site includes a stubbed watermain connected to the 2-HES zone. The watermain will be connected to the new water tower and no watermain outside of the property right-of-way will be required. We understand that the GSR project site design included appropriate stormwater best management practices (BMP) with consideration of a future elevated water tower located at the property. Barr will review the existing stormwater and storage conditions and will evaluate improvement needs as part of the elevated water tower project.

The new Water Tank No. 9 will receive water pressurized to the 2-HES zone requirements through the existing Valley Creek Crossing Booster Station. The booster station was designed utilizing two hydro-pneumatic tanks downstream of two can-style vertical turbine pump systems with water supplied by watermain connected to the 1-HES zone. SPU has requested the capacity of the existing Valley Creek Crossing Booster Station be evaluated for optimizing the flow and pressure to the new Elevated Water Tank No. 9.

SPU to provide the following:

1. Present day and ultimate day water use data for the Elevated Water Tank No. 9 service area
2. Elevated Water Tank No. 9 preliminary size selection documentation and planning data
3. Property Survey and AutoCAD files including line and point files for the proposed tank site
4. All conceptual planning previously developed for the tank site.

5. Existing Geotechnical Report for the 2014 GSR project
6. Record Drawings and topographic as-built for the 2014 GSR project
7. Valley Creek Crossing Booster Station record drawings
8. Valley Creek Crossing Booster Station pump design documents and approved shop drawing

## Proposed Scope of Work

Barr is proposing to provide engineering services for assessing the existing pump capacity at the Valley Creek Crossing Booster Station, conceptual design for an elevated water tank including size and type, site design and conceptual tank design plans and specification, submittal for agency plan review, public bidding, construction administration and observation, and project closeout. These services will be completed in accordance with the following Scope of Work.

### **Task 1: Survey**

- a. Soil Boring location survey staking
  - i. Barr survey staff will provide site staking to locate third party boring samples
- b. Construction staking survey of tank, access road, watermain and drainage
  - i. Barr survey staff will provide up to 4 site visits for staking location of infrastructure described herein to be included in the design of this project
- c. Perform As-Build topographic survey of the tank site for record drawings
  - i. Barr survey staff will conduct an as-built survey identifying surface features included in the design of this project
- d. Barr has not included a property or topographic survey in the scope of work as it is understood survey services have already been performed at the site and documentation will be delivered to Barr for design services.

**Deliverables:** As-Build topographic survey record drawing in CAD and PDF format

**Meetings:** N/A

### **Task 2: Concept Plan**

- a. Project kickoff meeting (1 Meeting)
  - i. Attend project kickoff meeting with SPU staff and Barr PIC/PM
  - ii. 1.5-hour meeting
- b. Review Valley Creek Crossing Booster Station hydraulic design
  - i. Review existing booster station pump design utilizing approved shop drawings and record drawings
  - ii. Evaluate hydraulic requirements for the station with the proposed new water tower in place though the shortest path trunk watermain with direct connection between the Valley Creek Booster Station and proposed Tank 9
  - iii. Recommend pump modifications if needed
- c. Elevated water tower size and type analysis
  - i. Investigate water use and storage volume needs to properly size tank volume
    - 1) Review present day and ultimate day water use to determine water turnover during warm and cold seasons to prevent stagnant or freezing water conditions
    - 2) Confirm water tower volume is properly sized for average day, maximum day and emergency service water requirements for present day and

- ultimate day water demand
- ii. Provide concept planning for elevated tank type with consideration of cost and design for the following elevated tank types:
  - 1) Composite
  - 2) Hydropillar (fluted steel column)
  - 3) Spheroid
- iii. Tank concept plan will include imagery, pros/cons and comparison cost evaluation
- iv. Develop a letter style report outlining finding of the elevated water tower size and type for SPU selection purposes
- d. Review existing site plan concept and recommend improvements
  - i. Confirm setback requirements, consider site layout efficiency utilizing findings of this concept planning task and provide recommendations for SPU consideration
- e. Prepare 2-dimensional shadow analysis drawing timed at the winter and summer solstice dates
  - i. One plan sheet identifying shadow analysis for each season solstice utilizing the selected tower type (two plans total)
- f. City Department of Planning and Development (DRC) Meeting (1 Meeting)
  - i. Present conceptual design exhibits to City DRC
- g. Basis of Design Memo
  - i. Develop Basis of Design Memo and deliver to SPU
  - ii. The memo will be updated throughout the project
- h. SPU Staff meetings (2 Meetings)
  - i. One conceptual design planning meeting
  - ii. One conceptual design presentation meeting prior to City DRC meeting

**Deliverables:** Basis of Design Memo including referenced exhibits

**Meetings:** 4 meetings

**Task 3: Design**

- a. Prepare Civil Site Plans
  - i. Site access exists on the site and is not included in this scope of work
  - ii. Watermain exists on the site and will require connection near the proposed tower location. No street and utility plan improvements are included in this scope of work
- b. Prepare site drainage and stormwater storage plans
  - i. Barr will review the existing drainage and storage conditions and will evaluate improvement needs as part of the elevated water tower project.
- c. Prepare altitude valve plans
  - i. We understand SPU has made prior decisions on altitude valve type intended for continued use at all new altitude valve locations
  - ii. Altitude valve to be designed per SPU standard underground vault preferences
- d. Prepare Tank Concept Plans
  - i. Develop general tank plans that can be utilized by the selected Tank Contractor for structural design after the bidding period
  - ii. Tank plans to include hydraulic, access, volume, under tank vault and



- appurtenance design requirements
- e. Prepare Electrical Site, Tank and Schematic Plans
- f. Tree inventory
  - i. The site received plantings under the 2014 GSR project. Barr Landscape design staff will review existing landscape record drawings and perform one site visit to verify number, species, and quality of existing trees
- g. Prepare Landscape Plan
  - i. Develop preliminary landscaping plan for SPU review
  - ii. Develop final landscaping plan
- h. Prepare SWPPP Drainage Report and Erosion Control Plan
- i. Prepare Specifications and Bidding Documents
- j. Attend SPU and City coordination meetings
  - i. SPU Staff design meetings (2 Meetings)
  - ii. City coordination meeting (1 Meeting)
  - iii. Attend City Planning/Council meetings as requested (2 meetings)
- k. Submit plans and specifications for Agency Review

**Deliverables:** Draft and Final Project Plans and Specifications

**Meetings:** 5 meetings

***Task 4: Structural Design (Optional Service)***

- a. Review geotechnical report and recommend tank foundation type
  - i. Structural design of the tank foundation is not included under this scope of work as tank foundation design will be provided by the Tank Contractor
- b. Review of Tank Contractor submitted tank and foundation structural drawings
- c. Design concrete valve vault under tank
- d. Design concrete altitude valve vault

**Deliverables:** Draft and Final Structural Plans and Specifications submitted with Task 3

**Meetings:** Included in Task 3

***Task 5: Public Meeting***

- a. Attend a public meeting for support of technical questions presented to SPU and City Staff

**Deliverables:** N/A

**Meetings:** 1 meeting

***Task 6: Bidding Services***

- a. Advertise Project
  - i. Provide Advertisement for Bid document to SPU for local newspaper publication
  - ii. Upload bidding documents on QuestCDN for public bidding
- b. Prepare Addendums, Exhibits and Plan Revisions (Fee is based on two addendums)
- c. Bid Award and Contract Execution

**Deliverables:** Advertisement for Bid  
Construction Document Set

**Meetings:** N/A

**Task 7: Building and Grading Permits**

- a. Submit plans, specifications and exhibits for plan review
- b. Plan revisions resulting from the City review process have not been included in this scope of work

**Deliverables:** Submit plans, specifications and exhibits for City permit process

**Meetings:** N/A

**Task 8: Construction Administration and Observation:**

- a. Provide observation on a periodic basis as necessary (12 site visits)
- b. SWPPP Inspections (24 site visits)
  - i. 24 site visits assume 1.5 site visits per week over a period of 16 weeks
- c. Provide observation of critical elements of the construction when they occur (4 site visits)
- d. Civil and Electrical review of shop drawings.
- e. Prepare pay requests, reply to RFI's and prepare plan exhibits.
- f. Conduct pre-construction meeting (1 meeting)
- g. Conduct bi-weekly construction progress meetings and prepare minutes (6 meetings)
- h. Prepare punch lists and close out project
- i. Prepare a record site plan of Tank site
  - i. Compile topographic as-built survey and construction modification records for delivery to SPU (Survey included in Task 1)
- j. Coordinate with 3<sup>rd</sup> party tank inspection services firm (KLM)

**Deliverables:** Approved Shop Drawings  
RFI Responses  
Meeting Minutes

**Meetings:** N/A

**Task 9: Reimbursable:**

- a. Messenger service.
- b. MDH Plan Review Fees, Plan Advertising Costs, etc.
- c. Mileage for periodic observation site visits and meetings.

**Deliverables:** N/A

**Meetings:** N/A

## Project Delivery Plan

Barr proposes to use the following project management tools to collaborate with SPU staff during the project's implementation.

### Project Communications

Barr emphasizes outstanding client service. At the outset of this project, we will work with you to create a client service plan (CSP) that will detail the project-specific expectations, goals, and communication preferences of the SPU team. The CSP will serve as a guide throughout the project for communicating work status. It will also include contact information for project team members, billing and communication criteria, and additional details that will help our project team respond quickly and appropriately to your needs throughout the project.

### Personnel Availability

Barr closely tracks staff workloads on a routine basis. We first review projections for all key team members to assess their availability and then verify this by personally contacting all members of the team. With approximately 900 staff members firmwide, we have the depth of bench to provide appropriate staffing for your project.

### Quality Assurance and Quality Control (QA/QC)

Barr is committed to performing high-quality work and delivering high-quality products. Our service delivery plan for this project includes a dedicated QA/QC reviewer. We employ several QA/QC approaches and apply them on a project-specific basis. Among the strategies are:

- Creation of a project-specific QA/QC plan at project kickoff
- High-level, early review of concepts by senior staff
- Review of project deliverables by technical staff with experience on similar project work

## Project Team

Our proposed team for the Elevated Water Tank No. 9 will include:

- **Brian LeMon, PE** principal in charge
- **Mike Burdorf, PE** project manager/engineer of record
- **Nathan Thomas**, civil engineer
- **Zach Nesler**, electrical engineer
- **Fritz Doster**, water resource engineer
- **Marcy Bean**, landscape architect
- **Mustafa Igdelioglu**, structural engineer
- **Brian Albrecht**, geotechnical engineer

## Schedule and Fee Estimate

Barr's proposed schedule and fee estimate to complete the tasks described above is provided in the following table. These fees are estimated as not-to-exceed costs based on time and materials.

**Table 1 Project Schedule and Fee Estimate**

<b>Task</b>	<b>Estimated Completion Date</b>	<b>Estimated Fee</b>
<b>Survey</b>	Varies	\$11,400
<b>Concept Plan</b>	November 2022	\$20,100
<b>Design</b>	December 2022 – April 2023	\$93,800
<b>Public Meeting</b>	April 2023	\$3,300
<b>Bidding Service</b>	May 2023	\$10,000
<b>Building and Grading Permits</b>	May 2023	\$7,400
<b>Construction Administration and Observation</b>	May 2023 – May 2024	\$68,400
<b>Reimbursables</b> <i>(Agency plan review and all permits to be direct charge to SPU)</i>		\$2,100
<b>Total Option 1</b> <i>(Base Engineering Fee with no Structural Design included)</i>		<b>\$216,500</b>
<b>Structural Design Services (Optional)</b>	Varies	\$25,900
<b>Total Option 2</b> <i>(Including Structural Design)</i>		<b>\$242,400</b>

Thank you for the opportunity to provide this proposal. If this proposal is acceptable to Shakopee Public Utilities, please return the Work Order No. 1 with your signature. If you have questions about our team's scope or budget, please contact either Mike Burdorf ([mburdorf@barr.com](mailto:mburdorf@barr.com), 507-380-6521) or Brian LeMon ([blemon@barr.com](mailto:blemon@barr.com), 612-669-6797).

Sincerely,



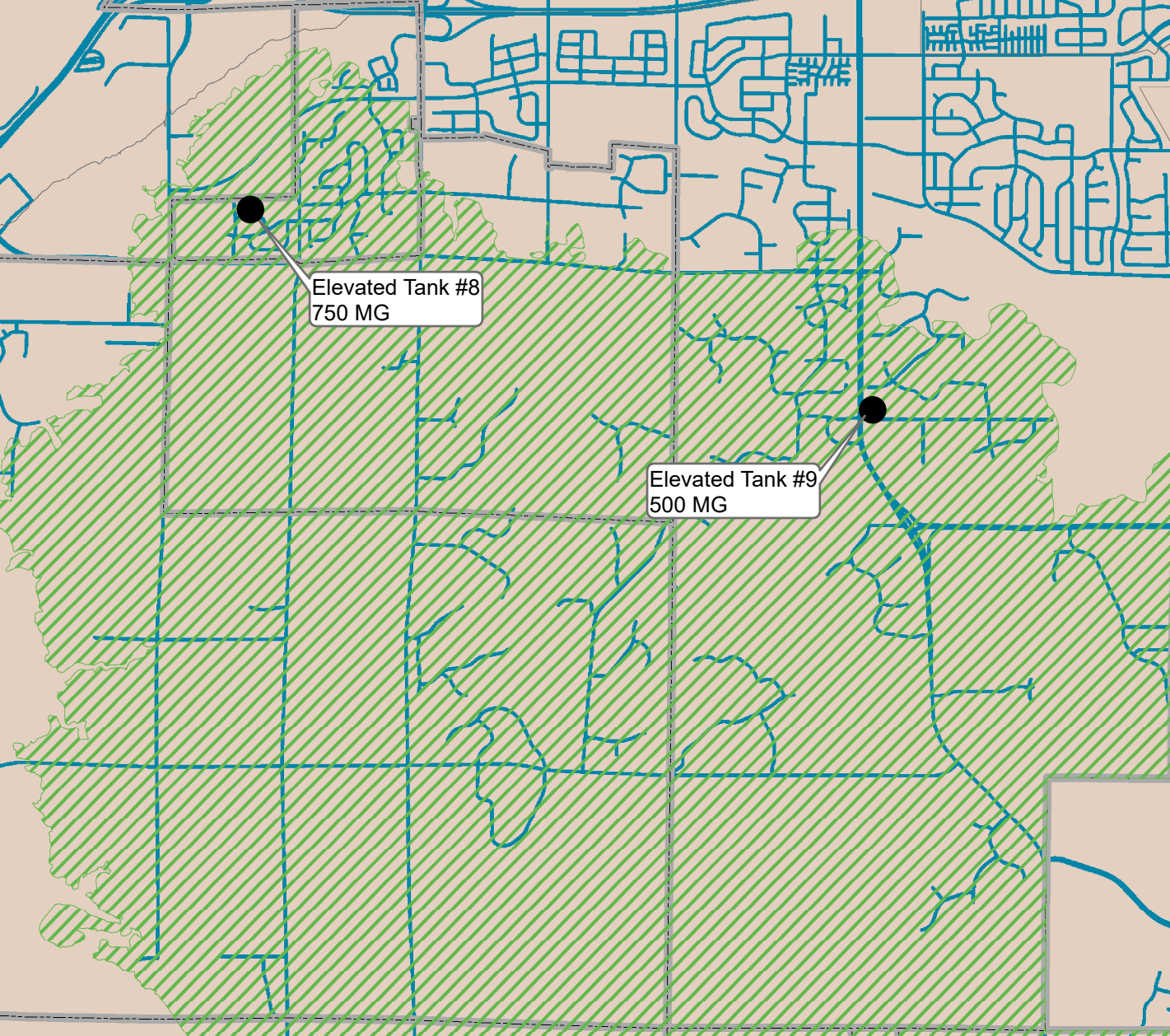
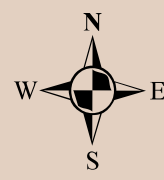
Mike Burdorf  
Sr. Water/Wastewater Engineer, Project Manager



Brian LeMon, PE  
Vice President, Principal in Charge

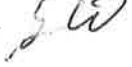

CC: Greg Drent  
Lon Schemel

Shakopee Public Utilities Water Map  
Second High Pressure Zone





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

TO: Greg Drent, General Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: East Shakopee Substation Site Update  
DATE: November 17, 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.





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

## DISCUSSION

Staff is pleased to report that the negotiating committee and property owner have reached a tentative agreement with the property owner on the purchase price and most of the terms for the purchase of the proposed substation site located along Hansen Avenue at Maras Street and an easement on the adjoining property for the substation exit circuits to Stagecoach Road. There are still some details to be worked out before we can bring back the final purchase agreement for approval.

Staff believes it would be appropriate now to engage with Xcel Energy, who owns the transmission grid in the area, through an agreement to study if the transmission system has the necessary capacity in the vicinity of this location and that a transmission tap is feasible.

To do so requires SPU to enter into the attached **Service Agreement for Transmission to Load Interconnection System Impact Study** to be performed by Xcel Energy at cost and a deposit of \$10,000 is required for the study to begin.

## REQUESTED ACTION

Staff requests Commission approval of the **Service Agreement for Transmission to Load Interconnection System Impact Study** and payment of the \$10,000 deposit fee to Xcel Energy.



**Service Agreement for  
Transmission to Load Interconnection  
System Impact Study**

This System Impact Study Agreement ("Agreement"), dated as of \_\_\_\_\_, 2022, is made and entered into by and between Northern States Power Company, a Minnesota corporation dba Xcel Energy (the "Transmission Owner" or "NSPM") whose address is 414 Nicollet Mall, Minneapolis, MN 55401, and Shakopee Public Utilities, a Minnesota municipal corporation ("Requestor" or "Transmission Customer") whose address is 255 Sarazin Street, Shakopee, MN 55379. For purposes of this Agreement, "Party" shall mean Transmission Owner or Requestor, and "Parties" shall mean Transmission Owner and Requestor.

**RECITALS**

- A. WHEREAS, Transmission Owner is a utility operating company providing electric service in the state(s) of Minnesota.
- B. WHEREAS, Transmission Owner operates an integrated electric transmission system ("Transmission System").
- C. WHEREAS, Transmission Owner has filed, and the FERC has accepted, the Xcel Energy Operating Companies Open Access Transmission Tariff ("Tariff"), as amended or supplemented from time to time, through which interconnection service to Transmission Customers is to be provided.
- D. WHEREAS, Requestor submitted to the Transmission Owner on October 13, 2022, a request for transmission-to-load interconnection, and is an eligible Transmission Customer as defined in the Tariff.
- E. WHEREAS, The Transmission Owner shall perform a System Impact Study ("SIS") to evaluate the impact on the Transmission System caused by establishing a new 115kV East Shakopee interconnection with a desired in service date of March 31, 2026 ("Reimbursable Work").
- F. WHEREAS, Any costs associated with this SIS shall be assessed to the Requestor in accordance with Attachment U-1 of the Tariff ("Cost Allocation Procedures"), which provides the interconnection request procedures and cost allocation methodology.
- G. WHEREAS, Upon execution of this Agreement and Transmission Owner's receipt of the Requestor's deposit payment, Transmission Owner shall proceed with the SIS. Once the SIS is completed, Transmission Owner shall true-up the cost of performing the SIS and shall bill the Requestor as detailed in Appendix A.
- H. WHEREAS, The Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff unless otherwise specified.

**NOW, THEREFORE**, in consideration of the mutual agreements herein, the Parties agree as



follows:

### **1.0 Performance of Study**

Transmission Owner agrees to provide all necessary labor, facilities, transportation, and supervision needed to perform the SIS and to evaluate the impact on the Transmission System caused by establishing the new point of interconnection ("Point of Interconnection"). Transmission Owner shall use its sole discretion as to the scope, details and methods used to perform the SIS.

The Requestor agrees to compensate Transmission Owner in accordance with Sections 8.0 and 9.0 of this Agreement and Attachment U-1. The Requestor shall provide information as requested by Transmission Owner.

### **2.0 Scope of Study**

A meeting between Transmission Owner and the Requestor, if necessary, shall be held as soon as practical after execution of this Agreement to: (a) review the request and develop the scope for the SIS; and b) to review any known issue that could affect the scope of the SIS.

The results of the study will identify transmission facilities required to deliver the service that the Requestor has requested and an estimated date the upgrade will be completed and in-service.

Factors to be considered in determining the facilities to be added to the Transmission System will include, but not be limited to, the following:

- a. Delivery point network study results.
- b. Projected load and resource forecast.
- c. Steady state power flow study results.
- d. Fault study.
- e. Stability study results (if required).
- f. Transient switching analysis (if required).
- g. Reliability requirements of the existing system based on the criteria of Transmission Owner.
- h. Requirements of any other party whose facilities in the interconnected transmission network are materially affected by the service requested.
- i. Summary of timelines for permits, licenses and approvals required for construction to commence and projected timeline required to construct the facility.
- j. Requirements of the Midcontinent Independent System Operator ("MISO"), the regional transmission organization providing regional grid management and open access to the transmission facilities under its functional supervision, including Transmission Owner and Requester, if any.

### **3.0 Engineering Standards**

The facility design proposed in the study will use the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to produce the desired result at the lowest reasonable cost consistent with Good

Utility Practices, reliability, safety and expedience. Good Utility Practice is not intended to be limited to the optimum practice method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts.

In all cases, system addition(s) to the electric supply facilities shall maintain or improve Transmission Owner's transmission reliability.

#### **4.0 Results of Study**

In accordance with the Tariff, Transmission Owner shall conduct all necessary studies associated with the Point of Interconnection change. In the event that the requested change in Point of Interconnection configuration results in significant impact on the Transmission System, Transmission Owner will coordinate the studies necessary to evaluate such addition or modification to determine the details and estimated cost of facilities necessary for establishing the requested Point of Interconnection and any system additions/upgrades needed to address the impact.

A study report containing results of the will be issued. The report will include the following, as applicable:

- a. Summary of impacted facilities.
- b. General descriptions of the existing and proposed facilities.
- c. System capabilities.
- d. System reliability.
- e. Estimated date the transmission upgrade(s) will be completed and in- service.
- f. Potential start dates of service.
- g. Third-party facilities required if applicable.

#### **5.0 Ownership of Results**

Reports, summaries, plans, and other documents arising out of this Agreement shall become the property of Transmission Owner. All studies, computer input and output data, planning, operating and other documents, work papers, assumptions, and any other material shall remain in the files of Transmission Owner.

#### **6.0 Non-disclosure of Information**

The Requestor and Transmission Owner shall consider all information provided by Transmission Owner and the Requestor and all supporting work papers resulting from Transmission Owner's performance of the services to be proprietary unless such information is available from public sources. Neither the Requestor nor Transmission Owner shall publish or disclose proprietary information for any purpose without the prior written consent of the other, except disclosures required by law. Transmission Owner's non-disclosure obligation, however, is subject to Transmission Owner's compliance with all applicable regulations and orders.

#### **7.0 Information Requests**

Transmission Owner may require additional information regarding the Requestor's proposed transactions on the Transmission System. The Requestor shall furnish within ten (10) days, written responses to reasonable requests for information submitted by Transmission Owner.

## **8.0 Rates**

The Requestor shall pay Transmission Owner a deposit in advance equal to \$10,000 in order to begin the SIS. At the completion of the SIS, the costs incurred to complete the study shall be trued-up based on the Transmission Owner's actual costs.

The actual study costs shall be based on the fully loaded labor rates, including overheads for the personnel performing the study. Expenses that are directly chargeable to the study shall be determined by Transmission Owner. Transmission Owner may not incur charges in excess of \$25,000 without the prior written consent of the Requestor, provided that if the Requestor does not agree to reimburse Transmission Owner for costs in excess of this cap and Transmission Owner must incur such costs in excess of the cap, Transmission Owner may cease work on the study.

## **9.0 Payments**

Upon completion of the SIS, the Requestor shall pay Transmission Owner for any unpaid excess actual costs of the SIS if the cost of the study exceeds the deposit where such excess actual costs have been approved by the Requester under Section 8.0 of this Agreement. Transmission Owner shall refund the Requestor, with interest, any portion of the deposit that exceeds the cost of performing the SIS.

Transmission Owner shall invoice the Requester upon execution of this Agreement. The Requestor shall pay the deposit within 30 days of the receipt of the invoice. Payments made after the 30-day period shall include interest as provided in Section 7.2 of the Tariff (Interest of Unpaid Balances).

## **10.0 Effective Date, Term and Effect of Termination**

This Agreement shall become effective on the day and year set forth above. The term shall be for the duration of the System Impact Study plus one year unless otherwise terminated pursuant to the provisions of this Agreement. Either Party may elect to terminate this Agreement for any reason, (i) upon giving thirty (30) days written notice or (ii) may be terminated at any time by mutual agreement of the Parties.

Should either Party terminate this Agreement pursuant to Section 10.0 (i), then Transmission Owner will provide a report of actual costs incurred to Requestor as of the date of termination and (i) agrees to refund Requestor, with interest, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii), any portion of the deposit that exceeds the actual costs incurred up to the date of termination, or (ii) in the event that such costs are greater than the deposit paid, Requestor shall pay Transmission Owner any balance due.

## **11.0 Notices**

All notices hereunder shall be in writing and shall be delivered to the parties at the following addresses:

**Transmission Owner:**

Xcel Energy  
Manager, Transmission Business Relations  
414 Nicollet Mall, 6th Floor  
Minneapolis, MN 55401  
612-330-6773

**Requestor:**

Shakopee Public Utilities  
Director, Planning and Engineering  
255 Sarazin Street  
Shakopee, MN 55379  
952-233-1501

With copy to:  
Michèle Bruning  
Transmission Account Representative  
414 Nicollet Mall, 6<sup>th</sup> Floor  
Minneapolis, MN 55401  
[Michele.B.Bruning@xcelenergy.com](mailto:Michele.B.Bruning@xcelenergy.com)  
(612) 330-5836

Such notices shall be deemed to have been served when personally delivered or upon receipt as evidenced by a facsimile, U.S. Postal Service receipt of mail, evidence of delivery by a private express mail service, or electronic mail receipt.

**12.0 Choice of Law**

This Agreement shall be governed by the Federal laws of the United States, and to the extent not inconsistent with Federal law, the laws of the State of Minnesota.

**13.0 Force Majeure**

An event of Force Majeure means any act of God, epidemic, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation, or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither Transmission Owner or Requestor will be considered in default as to any obligation under the Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under the Tariff is hindered by an event of Force Majeure shall provide notice to the other Party of the circumstances resulting in the suspension of performance and shall make all reasonable efforts to perform its obligations under the Tariff.

**14.0 Indemnity**

Indemnification shall be as provided in Section 10.2 of the Tariff (Indemnification).

**15.0 Severability**

No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or any other provisions of this Agreement, and no waiver shall be effective unless granted in writing. In the event that any provision herein shall be illegal or unenforceable, such provision shall be severed from the Agreement. The entire agreement shall not fail, but the balance of the Agreement shall continue in full force and effect.

## 16.0 Damages

Notwithstanding anything contained herein to the contrary, in no event shall either Party hereto be liable to the other for any consequential, punitive, incidental, or exemplary damages.

## 17.0 Entire Agreement

This Agreement constitutes the entire agreement among the Parties with reference to the Agreement provided for herein, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among the Parties with respect to the SIS. The Requestor shall execute and return this Agreement to Transmission Owner.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their respective authorized officials.

### Requestor:

**SHAKOPEE PUBLIC UTILITIES**  
**A Minnesota municipal corporation**

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

Name: Greg Drent

Title: General Manager

Date: \_\_\_\_\_

### Transmission Owner:

**NORTHERN STATES POWER COMPANY,**  
**A Minnesota corporation**

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

Name: Ian R. Benson

Title: Area Vice President, Transmission  
Strategy & Planning

Date: \_\_\_\_\_

Xcel Energy Services Inc.  
Authorized Agent

## **Appendix A**

### **Reimbursable Work and Installment Payment Schedule**

#### **1. Scope of Reimbursable Work to perform the SIS:**

Consistent with Section 2.0 and the terms herein, NSPM will perform all necessary work required to bring the East Shakopee transmission-to-load interconnection request dated October 13, 2022, through Xcel Energy's Project Constructability process. This process is estimated to include the items listed below for the proposed interconnection request and may take up to ninety (90) days to complete once the Requestor has submitted the necessary data to Xcel Energy.

1. Determination of project feasibility
2. Identification of facility upgrades required to the NSPM transmission system.
3. Indicative-level estimates of identified required facilities.
4. Draft and Final Transmission Planning NERC FAC-002 Reports.

#### **2. Cost for the Reimbursable Work:**

Reimbursable to Transmission Owner for work performed by Transmission Owner on the SIS.

#### **3. Installment Payments and Schedule:**

<b>Milestone Number</b>	<b>Description</b>	<b>Date</b>
1	The Requestor to pay \$10,000 for Reimbursable Work to Transmission Owner.	To be paid after the execution of the Agreement within 30 days from Transmission Owner issuing an invoice.
2	System Impact Study Report delivered to Requestor.	To be delivered within 90 days after execution of Agreement, or a mutually agreed to delivery date.
3	True-up final invoice issued by Transmission Owner, or reimbursement to Requestor of any unused study funds.	Within 120 days after completion of SIS.