

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. Willemsen 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 Willemsen, 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.

  
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Greg Drent, Commission Secretary